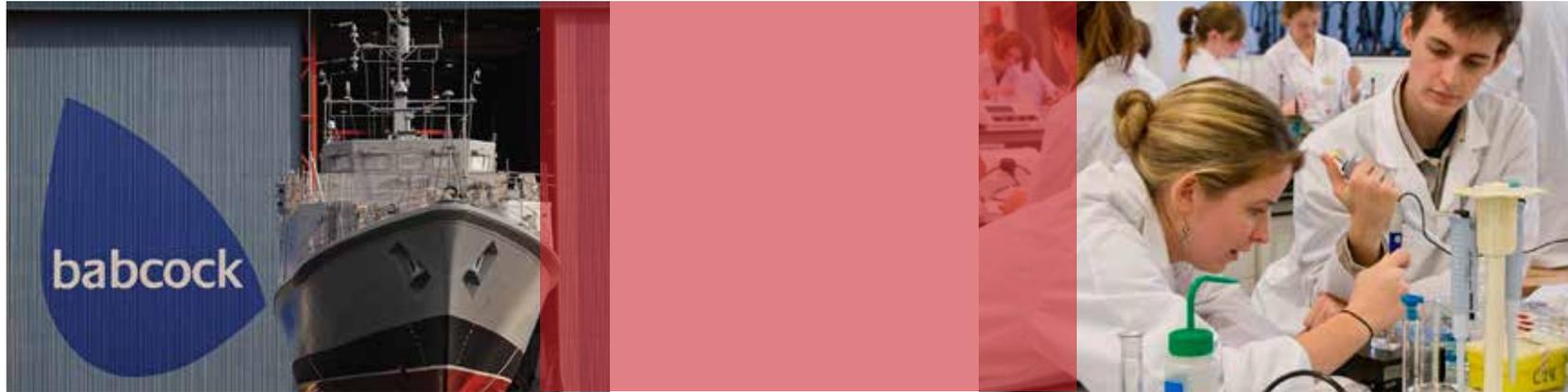


# Fife's Economic Strategy 2017 - 2027



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## Fife's Economic Strategy sets out how we will work together towards achieving stronger, sustainable and more resilient economic growth for Fife which is shared by all.

Recent years have seen Fife's labour market strengthen and a sustained increase in the number and turnover of businesses in the region. The same years however have also seen company closures due to falling oil and gas prices, low investor confidence due to the decision to leave the European Union, further public sector cuts and continuing high rates of youth unemployment and inequalities in opportunity and growth.

Moving forward, we want to achieve more than simply a pre-recession level of economic performance. We want to tackle the underlying challenges in our economy and labour market in order to both increase the competitiveness and resilience of Fife's businesses and at the same time reduce inequality. We want to not only close the current gaps in our economic performance with the Scottish average but also work towards achieving better than average performance across all our economic activities and interventions in order to make Fife the best place to do business.



**Stephen Doran**  
Chair, Fife Economy Partnership  
[www.fifeeconomypartnership.co.uk](http://www.fifeeconomypartnership.co.uk)



This Strategy identifies four priority areas where our actions will be targeted in order to make a difference –

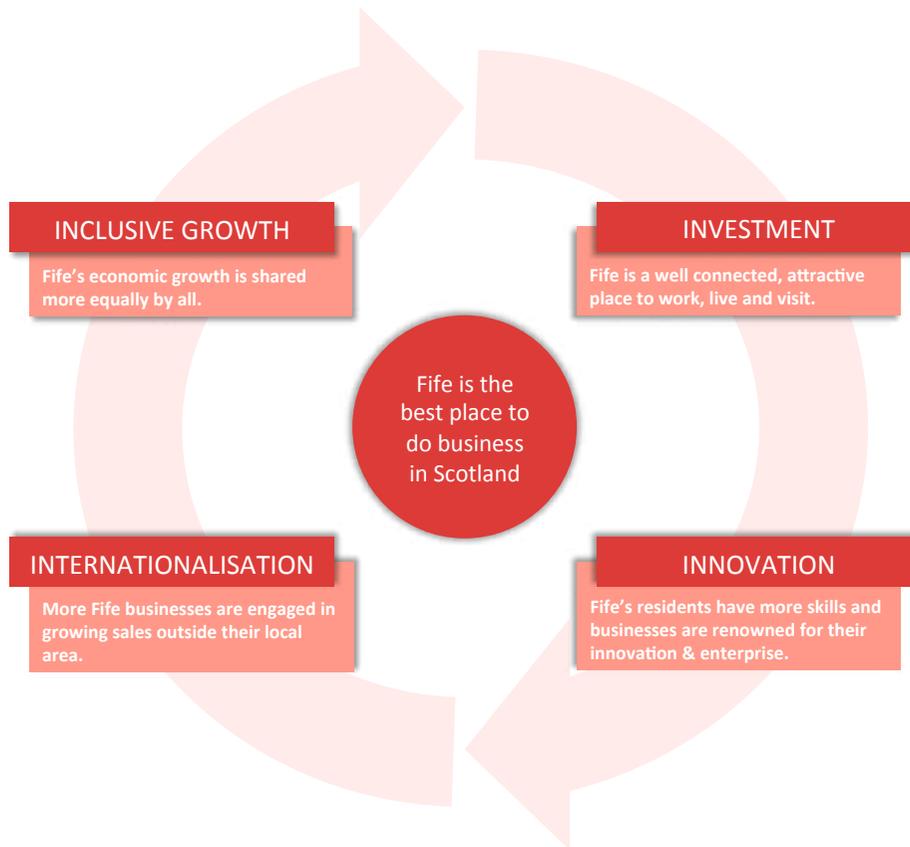
1. Achieving fairer, more **inclusive growth**,
2. Increasing **investment** in Fife's business infrastructure,
3. Improving business growth through increased **internationalisation**, sales and exports, and
4. Fostering a culture of **innovation** and enterprise.

These mirror *Scotland's Economic Strategy's* four key priorities for sustainable economic growth and are illustrated in the diagram on page 3.



*Electronic manufacturing services company Key-Tech Electronic Systems Ltd in Kirkcaldy*

# Fife's Economic Strategy 2017-2027



**Fife's Economic Strategy is a joint Fife Economy Partnership, Opportunities Fife Partnership and Fife Council strategy. It sets out how we will work together, as well as with the Scottish Government, its national agencies and with our city region partners, over the next 10 years to achieve sustainable and fair economic growth for Fife.**

## The purpose of this Strategy is to:

- Provide a framework for employability and economic development activity in Fife and for the allocation of resources to these activities.
- Ensure a commitment from partner organisations to a range of priorities.
- Challenge existing ways of doing things.
- Solve rather than describe the problem.
- Help businesses be more resilient and better able to take advantage of change.

## Case Study - Semefab

Reporting a 14.6% increase in turnover to £10.53 million in the year to October 2015, Semefab in Glenrothes has recently moved into the medical/healthcare sector to manufacture silicon wafers for a range of innovative, newly-approved medical devices. Working with start-up businesses and multi-national corporations and having a strong export focus, it's successfully produced a range of new products including a blood viscosity sensor and lab-on-a-chip blood analysis sensor.



*'We're an innovative company – whether it's in supporting start-up companies with their product development for commercial purposes, exploring new areas of funding or markets or taking advantage of new legislation – and we consider ourselves to be at the forefront of our industry.'*

Allan James, Director of Semefab



# How are we doing?

Since we launched our last economic strategy for Fife in 2013, Fife's employment rate has returned to pre-recession levels, business turnover has increased by 18% and there are now more companies in the region than any other time since 2000.

Despite this progress, Fife continues to suffer from long standing socio-economic issues that limit its economic growth:

- Our earnings and productivity are lower than the national averages.
- Business start-up rates remain below the Scottish averages.
- We have higher than average rates of youth unemployment.
- Areas of deprivation persist in some parts of Fife.

**Did you know?**  
The Fife Task Force which was set up following the closure of Tullis Russell in Markinch, has succeeded in supporting 83% of the company's former employees back into employment.

Fife's economic performance compared with that of the 'top five' performing Scottish local authorities			
	Where we are now	Performance of 5th best Local Authority in Scotland	Change required to be within the 'top five' Local Authorities
The number of new business start-ups per 10,000 of the working age population	51	70	+37%
Productivity - GVA per head	£41,508	£46,267	+12%
Average gross weekly earnings	£517	£568	+10%
Employment rate	72%	79%	+8%
Youth unemployment (JSA 16-24 claimant rate)	17%	11%	-7%
Business survival rate (3 year)	63%	69%	+6%
Percentage of school leavers going to positive destinations	92.1%	95.4%	+3.3%

## BETWEEN 2012 AND 2015<sup>1</sup>, WE'VE ACHIEVED...



**MORE BUSINESSES**  
15% more businesses per 10,000 working age population.



**MORE EMPLOYMENT LAND**  
The proportion of settlements with immediately available 7 year employment land has increased from 20% to 35%.



**FASTER PLANNING PROCESS TIME**  
The average time taken to process major planning applications fell by 47% from 65 weeks to 28 weeks.



**INCREASED TURNOVER**  
Turnover from Fife businesses increased by 18% from £10.3m to £12.1m.



**MORE BUSINESSES SUPPORTED TO EXPORT**  
448 local firms helped to internationalise by Scottish Enterprise.



**MORE INWARD INVESTMENT**  
The number of jobs created through Fife Council supported inward investment activities increased from 215 to 365 jobs.



**MORE PEOPLE IN JOBS**  
Fife's employment rate increased from 69% to 71%.



**MORE PEOPLE SUPPORTED INTO WORK**  
4,548 people facing multiple barriers to deprivation have been helped into work by Fife Council funded programmes.

<sup>1</sup> The sources of the data used in this infographic and table and through the document are given in Appendix 1.

# What are the issues we need to tackle?

As well as tackling Fife's continuing socio-economic issues highlighted in the previous section and the step-change needed to match the performance of the top performing Scottish local authorities, we need to respond to recent and emerging economic trends – like the predicted technological advances in robotics and the impact of the decision to leave the European Union - and other national and regional policies and reports.

**How the Strategy relates to each of these policies and strategies is set out in Appendix 1.**

Our new Strategy therefore takes into account the objectives and priorities of **Scotland's Economic Strategy 2015** and the changes resulting from the **Christie, Smith** and **Wood Commission Reports, Scotland Act 2016** and Scottish Government **Enterprise and Skills Review**. It also responds to the recommendations of the **Fairer Fife Commission's 2015 report** and remains aligned to the **2011-2020 Fife Community Plan** and its priorities of Increasing Employment, Reducing Inequalities and Tackling Climate Change.

As a key partner in the proposed **City Deal submissions for the Edinburgh and South East Scotland (ESES) City Region and for the Tay Cities Region** Fife will work with its city region partners in taking forward and delivering both future City Deal initiatives.

## The issues we need to tackle include:

- The scale and pace of technological change.
- The pressing need for investment in Fife's business infrastructure.
- Transport and digital connectivity.
- The need for growth to be fair and inclusive and tackle the entrenched geographical disparities in employment and opportunity within Fife, in particular the continuing poor performance of the economy in Mid-Fife (NB Mid-Fife includes the areas of Glenrothes, Kirkcaldy, Levenmouth, Cowdenbeath and Lochgelly).
- Youth unemployment and a closer working relationship between education and businesses.
- Changing demands for workforce skills and a need to match supply with demand.
- Climate change and the continuing shift to a low carbon economy.
- The importance of a Living Wage and rewarding, secure and satisfying work in reducing poverty and health inequalities.

**A major challenge for Fife over the next decade is to tackle these issues against a background of continued reductions in public spending, low oil and gas prices, constitutional uncertainty and the implications for businesses arising from the outcome of the 2016 EU referendum.**

## What the future might look like

More than 7m jobs are at risk in the world's largest economies over the next 5 years, according to a 2016 World Economic Forum report, as technological advances in fields such as robotics and 3D printing transform the world of work.



High tech manufacturing equipment at Fife Fabrications, Glenrothes

# Supporting our Key Sectors

## Where we are now

Fife is one of the country's leading centres for **energy, low carbon and renewables** with a strong and growing profile of low carbon businesses, a range of site development locations and world-class training and research facilities.

**Manufacturing** remains an important sector for Fife. Fife's second largest employing sector, it supports almost 14% of the region's jobs and 30% of its turnover. Fife has a very strong, diverse and growing sector with a number of high quality firms operating in electronics, defence and mechanical engineering. Whilst output from the sector is expected to grow by almost 38% by 2035, the fall in oil and gas prices has impacted heavily on some of Fife's engineering and manufacturing businesses with companies closing down or reducing staff numbers.

**Business and financial services**, including Fintech (companies using software and modern technology to provide financial services) is also a key growth sector for Fife.

Fife's **tourism** sector has seen year-on-year growth with GVA from tourism growing significantly above the national average between 2008 and 2013.

With a strong agricultural sector and large number of award-winning food and drink producers, Fife has an important and growing **food and drink** sector.

Future opportunities for employment growth are likely to come from **health and social care**, already Fife's largest sector in terms of employment.

## What we will do

We will focus our economic development and employability activities on supporting those sectors where Fife has a particular strength and/or which have the greatest capacity to grow.

Each of Fife's key sectors requires different kinds and levels of support. How we will target our support to each sector is shown in the tables on page 7 and 8.

We will also examine where we can target the opportunities from the technologies which have been identified by the UK Government as the ones in which the UK is set to be a global leader<sup>2</sup> to sectors where Fife has particular strengths. We will do this by strengthening the role of the **Knowledge Transfer Partnership** to increase joint working between the academic, business and public sectors and will adopt the innovation priorities outlined in the **Edinburgh and South East Scotland (ESES) City Deal**.

2 The UK Government's 2013 Industrial Strategy identifies Eight Great Technologies in which the UK is set to be a global leader - Big Data; Space; Robotics and Autonomous Systems; Synthetic Biology; Regenerative Medicine; Agri-Science; Advanced Materials; and Energy Storage.



MasterChef Jamie Scott, The Newport Restaurant

Fife will focus its economic development and employability efforts on supporting the following key sectors:

- Energy & Renewables
- Manufacturing
- Finance & Business Services
- Tourism
- Food & Drink
- Health & Social Care
- ICT
- Construction



Fife Renewables Innovation Centre, Methil



Fabrication welding at Oceaneering in Rosyth

# Supporting our Key Sectors

Sector	How we will target our support			
	Inclusive Growth	Internationalisation	Investment	Innovation
Energy and renewables	<ul style="list-style-type: none"> <li>Establish a Fife business resilience programme to assist companies affected by the oil and gas downturn.</li> <li>Improve links between education and businesses, in particular improving the perception of the sectors as career choices.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate market opportunities arising from oil and gas decommissioning.</li> </ul>	<ul style="list-style-type: none"> <li>Promote Fife's competitive advantage in energy and renewables to encourage further inward and mobile investment.</li> <li>Continue investment in Energy Park Fife Phase 3.</li> </ul>	<ul style="list-style-type: none"> <li>Support the development of innovative low carbon heat, energy systems and transport schemes.</li> <li>Maximise the industrial links and spin-out companies from the Eden Campus.</li> </ul>
Manufacturing (including engineering)	<ul style="list-style-type: none"> <li>Accelerate the delivery of Fife's STEM strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Increase market and supplier development to encourage businesses to develop first step capability in new markets.</li> </ul>	<ul style="list-style-type: none"> <li>Fife Council and Scottish Enterprise to identify and support companies with growth potential to expand &amp; invest.</li> </ul>	<ul style="list-style-type: none"> <li>Identify sources of funding to support innovation.</li> <li>Improve awareness and access to digital technology and knowledge transfer.</li> </ul>
Finance and business services (including Fintech)	<ul style="list-style-type: none"> <li>Increase the number of Modern Apprenticeships and explore the opportunity of Foundation and Graduate Apprenticeships.</li> <li>Establish pathways to upskill the existing workforce to higher skilled positions.</li> </ul>	<ul style="list-style-type: none"> <li>Assist Fintech companies to develop new products and services and to find new markets.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a new proposition to attract Fintech companies to Fife.</li> <li>Continue to promote Fintech investment in the Dunfermline/ Bridgehead area and at John Smith Business Park.</li> </ul>	<ul style="list-style-type: none"> <li>Identify and support financial services companies to develop and apply new technology solutions and services.</li> <li>Encourage interaction between Fintech companies and established businesses.</li> </ul>
Tourism, Culture and the Creative Industries	<ul style="list-style-type: none"> <li>Build awareness of sector's career opportunities within schools.</li> <li>Develop skills pathways to enable progression into higher skilled jobs.</li> <li>Align employability activities to help meet lower skilled vacancies.</li> <li>Strengthen Fife's Local Tourist Associations.</li> </ul>	<ul style="list-style-type: none"> <li>Attract more international events and develop Fife's visitor assets and product strengths, working with our City Region partners.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage new visitor attractions and hotels.</li> <li>Maximise the opportunities from new national assets and tourism products.</li> </ul>	<ul style="list-style-type: none"> <li>Support businesses to develop and use new digital platforms.</li> </ul>
Food and drink	<ul style="list-style-type: none"> <li>Ensure a flow of engineers into food and drink manufacturing.</li> <li>Develop a Fife Food &amp; Drink Sector Strategy and Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with Scotland Food and Drink to deliver networking and new business/ market opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the feasibility of developing a Fife Food Port, storage and distribution project at Rosyth and/or other Fife ports.</li> </ul>	<ul style="list-style-type: none"> <li>Provide support for a new product development programme.</li> </ul>

# Supporting our Key Sectors

Sector	How we will target our support			
	Inclusive Growth	Internationalisation	Investment	Innovation
Digital Technology (including Information and Communications Technology (ICT))	<ul style="list-style-type: none"> <li>• Increase Further and Higher Education places at SCQF levels 6 and above to help train future programme/software designers.</li> <li>• Increase the number of Modern Apprenticeships and explore the opportunity of Foundation and Graduate Apprenticeships.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide the support required to increase the number of online sales and use of the internet of things.</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in the ESES and Tay Cities SMART City Region Initiatives.</li> <li>• Continue to invest in the Digital Scotland Superfast Broadband Programme, assess the implications of the R100 programme and support private sector investment to make Fife one of the best networked places in the UK.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure Further and Higher Education provision responds to future ICT and technological trends, including the demand for Big Data analysts.</li> <li>• Encourage and support the development of a culture of enterprise to support the growth of new businesses.</li> </ul>
Health and Care	<ul style="list-style-type: none"> <li>• Ask employability providers to attract and prepare new recruits to fill employment and skills demands to support this sector as it grows.</li> <li>• Build awareness of sector's career opportunities within schools.</li> <li>• Develop skills pathways to enable progression into higher skilled jobs.</li> </ul>			<ul style="list-style-type: none"> <li>• Increase access to innovation support and expertise to increase the development of digital and technological products and processes.</li> <li>• Explore with Skills Development Scotland and NHS Fife the creation of a bespoke offer for Fife spanning from S3 to workforce development and upskilling.</li> </ul>
Construction and Civil Engineering	<ul style="list-style-type: none"> <li>• Target additional investment in Apprenticeships for clients that are furthest from the labour market.</li> </ul>		<ul style="list-style-type: none"> <li>• Continue to increase access for SMEs to public sector construction projects through the Fife Supplier Development Programme.</li> <li>• Fife's Affordable Housing Programme is amongst the largest in Scotland, building over 3,000 new homes by 2022, which will help sustain around 1,000 jobs each year in the construction sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase access to innovation support and academic expertise to improve construction and production processes to increase productivity and efficiency and a transition to the low carbon economy.</li> </ul>



# Priority 1: Inclusive Growth

## Achieving fairer, more inclusive growth

### Our Ambition for the Future

Fife's young people will have the skills and attributes required by employers, and every school leaver will move into a positive destination<sup>3</sup>. A well-established, accessible employability pathway successfully removes barriers to employment and workplace progression enabling all Fife residents to fully participate in the labour market. Fife has lively and attractive town centres, and it is in the top five Scottish authorities for median gross weekly pay and business start-up and survival rates.



Fife International Carnival, Kirkcaldy

### Where we are now

**Opportunity Fife Partnership's Employability Pathway** has been redesigned to provide fewer, more targeted interventions focusing on helping people who face multiple barriers to employment and who come from our most deprived areas. A **Developing the Young Workforce in Fife Regional Board** has been launched to engage with every business in Fife in order to provide better routes for young people into vocational careers and to increase the number of school leavers going to positive destinations.

Fife's employment rate has recovered from the 2007-08 recession and is now close to the Scottish average, but there are still a number of labour market challenges including youth unemployment, underemployment, job security and geographical disparities in employment and opportunity.

#### Did you know?

According to a survey carried out by the Federation of Small Businesses, 60% of SMEs in Scotland have never engaged with schools – a quarter had never been asked.

<sup>3</sup> a positive destination for a school leaver is either a job, training, higher or further education or entering into an activity agreement.

#### What is inclusive growth?

Inclusive growth is not only about the pace but also the distribution of economic growth. Its aim is to achieve sustainable economic growth, but with a particular emphasis on who benefits from growth – making sure nobody and no community is left behind.

OVER THE LAST 3 YEARS, IN EXCESS OF  
**£12 MILLION**  
 OF EXTERNAL FUNDING HAS BEEN LEVERED TO HELP OUR  
**TOWN CENTRES**



Apprentices at BiFab, Burntisland



# Priority 1: Inclusive Growth

## Achieving fairer, more inclusive growth

### Key challenges to achieving inclusive growth

- Whilst South West and North East Fife exceed the Scottish averages against most key economic indicators, the performance of the Mid-Fife economy requires additional investment by Scottish Government, its agencies and Fife Council.

- 13,910 people – over 40% of those claiming work-related benefits in Fife – are claiming due to mental health issues.
- Our earnings are lower than the Scottish average.

- Fife has a higher than average rate of youth unemployment.
- More effective joint working between education and businesses is needed to ensure that education and training are based on businesses' requirements.

- New and changing labour market challenges due to fewer young people entering the workforce, an ageing workforce and redundant skills.

- Business start-up and survival rates remain below the Scottish averages.

- Fife's town centres need to evolve to respond to the changing habits of consumers and take on different roles to boost their residential population and increase their diversity and distinctiveness.



### In response to these challenges, we will:

- **Target Kirkcaldy, Levenmouth, Glenrothes, Lochgelly and Cowdenbeath** in our work to attract new and expanding employers through Invest in Fife.
- **Investigate options to improve workforce mobility** to make it easier for unemployed Fife residents, particularly those in Mid-Fife, to access further education, training and job opportunities throughout the city regions.
- **Target our employability and business start-up support** on helping people in Mid-Fife.

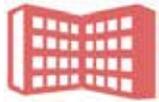
- **Work with NHS Fife, the Fife Health and Social Care Partnership and the Scottish Government to double the number of positive outcomes for people claiming benefits due to mental health issues.**
- **Refocus our employability support** to help those experiencing multiple barriers to employment - in particular those with mental health issues - to secure healthy, paid employment.
- **Increase the number of Fife businesses signed up to the Scottish Business Pledge and registered as Living Wage employers.**

- **Ensure every school leaver who wants to, goes on to a positive destination** so that at least 95% of all our school leavers go to and are still in a positive destination after 6 months.
- **Ask every business in Fife to work with their local school to provide all pupils with meaningful work experience through the Developing the Young Workforce Fife Board.**
- **Increase the number of Apprenticeships, not only Modern Apprenticeships but also Foundation and Graduate Apprenticeships.**

- **Challenge the Scottish Government and its national agencies to enhance the skills support for upskilling existing workforces.**

- **Make it easier for new and existing businesses - in particular smaller businesses - to access the public sector support and services they require to start-up and grow.** We will do this by providing a clear, streamlined and simple pathway to the assistance that is available, at the same time ensuring that this support is effective, relevant and appropriate.
- **Improve access to finance for Fife's SMEs** – we will engage with national agencies to ensure that sources of financial support are accessible and relevant to business needs.

- **Ensure that we adhere to the Town Centre First Principle** and that public sector agencies and private sector developers give priority to town centre sites.
- **Increase the number of projects in town centres** - Fife Council will further develop its successful Town and Local Centres Fund to pump-prime private sector investment.



## Priority 2: Investment

### Increasing investment in Fife's business infrastructure

#### Our Ambition for the Future

*Fife will be seen as a well-connected, attractive place to live, work and visit. Our business infrastructure will meet the current and future needs of local businesses and attract inward investment. Mid-Fife in particular will have benefited from increased investment, enabling it and its residents to make a greater contribution to Fife's economy and performance. A successful programme of public, private and third sector investment in business and incubation centres will mean that most communities have a centre aimed at stimulating small and growing businesses.*

#### Where we are now

Our vacant and derelict land programme has remediated sites in five communities, and comprehensive regeneration action plans are being delivered at industrial estates in Glenrothes and Dalgety Bay.

The number of settlements with a seven year supply of immediately available employment land has increased and further development of the John Smith Business Park has taken place, but there is still a pressing need for further investment in Fife's business and transport infrastructure.

The two Task Forces set up following the closure of Tullis Russell Papermill in Markinch and Longannet Power Station have secured £5m funding from the Scottish Government for a range of infrastructure projects in the Glenrothes and Kincardine and South-West Fife areas.



John Smith Business Park, Kirkcaldy



The VIBE award-winning Ore Valley Business Centre in Lochgelly

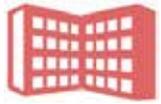
#### Did you know?

Fife Council's Best Place to Do Business Action Plan aims to simplify the way the Council delivers its services to businesses. The new ePlanning and eBuilding Standards portals ([www.eplanning.scot](http://www.eplanning.scot) and [www.ebuildingstandard.scot](http://www.ebuildingstandard.scot)) give businesses a cheaper and more convenient way to apply for permission to carry out building works.

**£107 MILLION**  
NEW INWARD & MOBILE  
INVESTMENT INTO FIFE  
CREATING AND SAFEGUARDING  
**2,062 JOBS**



**93%**  
OF PREMISES IN FIFE  
ARE NOW PASSED BY  
**NEXT GENERATION  
BROADBAND**



## Priority 2: Investment

### Increasing investment in Fife's business infrastructure

#### Key investment challenges

- There are gaps in transport connectivity, particularly for Mid- and West-Fife.

- Gaps in superfast digital connectivity remain, especially in rural areas.

- Fife's ageing industrial and commercial property stock is unsustainable and is restricting inward investment as well as the expansion of existing businesses.
- Many of our 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.
- Private sector investor confidence is low due to the results of the EU Referendum and constitutional uncertainty.

#### In response to these challenges, we will:

- **Use new and innovative funding models and mechanisms to improve transport** connectivity to connect businesses to markets and people to job opportunities. Mid- and West-Fife will be the focus for City Deal submissions to the UK and Scottish Governments to secure additional funding for infrastructure projects.
- **Ask the Scottish Government to commit to delivering the Levenmouth Rail Link and to carrying out improvements to the A92.**
- **Complete the Strategic Transport pre-assessment and investigate the feasibility of extending the Stirling-Alloa** passenger rail line.

- **Continue to invest in the Digital Scotland Superfast Broadband Programmes, proactively working with the Scottish Government to support the successful implementation of its programmes in Fife.** We will also support investment by the private sector to make Fife one of the best networked places in the UK.

- **Increase both public and private sector investment in our key industrial estates.** We will use public-private partnerships to investigate new delivery vehicles to regenerate industrial estates. We will create a reinvesting Employment Land Fund with an initial investment by Fife Council to carry out projects in Kirkcaldy, Dunfermline, Dalgety Bay and Glenrothes.
- **Fife Council will continue to modernise its existing business property portfolio and provide new business premises** including at the Queensway Industrial Estate, Glenrothes.
- **Develop a pilot scheme to use non-domestic rates powers** under the Community Empowerment Act to stimulate new investment in priority areas (NB the Scottish Government has indicated they are unable to fund use of these new powers).
- **Develop a stronger approach to joint infrastructure planning** between national agencies such as Scottish Enterprise, and regional partners to increase investment in Fife. Use of partnerships, such as Business Improvement Districts, will minimise investment risks and will effectively pool limited resources to develop areas such as the Levenmouth Business Park and Calais Muir in Dunfermline.
- **Complete the delivery of a network of enterprise centres** in Glenrothes, Kincardine and Cowdenbeath.
- **Bring further areas of vacant and derelict land, particularly in Kirkcaldy and Levenmouth, back into productive use** through the Vacant and Derelict Land Fund.



## Priority 3: Internationalisation

### More sales and exports

#### Our Ambition for the Future

An increased number of Fife businesses will be engaged in growing their sales outside their local area and increasing their market development opportunities.

Fife will be a sustainable, leading tourist destination with an international profile and a year-round visitor economy where businesses are growing and visitors return year after year.

#### Where we are now

A unique **Fife International Trade Partnership** has been set up offering a one-stop-shop service to help businesses trade in the UK and abroad. The new service, co-ordinated by Business Gateway Fife, makes it simpler for businesses to access the services and support provided by Business Gateway, Fife Council's Economic Development Team, Fife Chamber of Commerce and Scottish Development International.



The international port of Rosyth

IN 2012, EXPORTS FROM FIFE WERE  
WORTH JUST OVER  
**£2 BILLION**



SINCE 2012,  
**448 FIRMS**  
HAVE BEEN HELPED TO  
INTERNATIONALISE  
BY SCOTTISH ENTERPRISE



BETWEEN 2008 AND 2013,  
FIFE'S GVA FOR TOURISM  
INCREASED BY  
**104%**  
THE SECOND HIGHEST  
GROWTH IN SCOTLAND

#### Case Study - Sephra Europe

Kirkcaldy-based Sephra Europe (www.sephraeurope.com) has just negotiated contracts worth in excess of £4.5m which will see its self-service popcorn machines installed in supermarkets throughout the UK, and its crepe, waffle and chocolate fountain machines supplied to over 150 eateries in the Middle East.



*'In our first year, Business Gateway Fife's advice and help with funding applications allowed us to attend trade shows where we made great contacts. With the support of the Business Gateway I have taken control of the growth of my business, entered new markets and watched turnover increase to £3.5m this year.'*

David Archer, Managing Director, Sephra Europe.





# Priority 3: Internationalisation

## More sales and exports

### Key challenges to increasing internationalisation, sales & growth

- Enhancing Fife's transport connectivity.

- The need to help businesses to identify and maximise new international market opportunities.
- Uncertainty arising from the outcome of the EU Referendum.
- Exporting is traditionally seen in relation to physical products, but there is a growing market for digital services and products.

- Building on the growth of Fife's tourism industry to address seasonality and increase jobs.

- Developing and expanding the University of St Andrews as a key economic growth pole.

### In response to these challenges, we will:

- **Support the development of Rosyth and the Bridgehead area as an international container terminal, logistics hub and ferry link to Europe** in order to boost Fife's connectivity to national and international markets.
- **Maximise the opportunities arising from the opening of the new Forth Crossing and future growth of Edinburgh airport.**

- **Review and expand the specialist business support provided** to help companies increase their export of both physical products and digital products and services, particularly following the result of the EU Referendum. We will build on the work of the Fife International Trade Partnership to provide assistance that's flexible and responsive to businesses' needs.
- **Build on Fife's competitive advantage in energy and renewables** to encourage further international investment and innovation, and target the emerging decommissioning sector.
- **Raise Fife's profile** in internationalisation growth by formalising partnerships with Scottish Development International and Scottish Enterprise.

- **Maximise tourism growth** from new national assets such as the Forth Bridge World Heritage site and the V&A Museum of Design, Dundee, and by developing new Fife products including the Fife Pilgrim Way and film tourism products including Outlander.
- **Target our tourism marketing to encourage more staying visits from North East and North West England and the rest of Scotland, the USA, Canada, Germany and other European countries.**
- **Integrate Fife's Events Strategy into Fife's Tourism Strategy** to support the introduction of new strategic and transnational events, and support existing strategic event organisers and venues and maximise their potential.

- **Support the University of St Andrews by developing both social and business facilities to retain university graduates** in Fife.



## Priority 4: Innovation

### Fostering a culture of innovation and enterprise

#### Our Ambition for the Future

*Businesses in Fife will be ambitious and forward looking, able to adapt to and take advantage of changing circumstances. Fife's workforce will be well-known for its flexible ways of working and learning, contributing to the resilience and success of local businesses.*

THE LEVENMOUTH AREA  
IS HOME TO THE  
**ORE CATAPULT  
DEMONSTRATOR  
WIND TURBINE**  
THE LARGEST OPEN ACCESS  
TURBINE IN THE  
**WORLD**

#### Where we are now

A **Fife Entrepreneurial Forum** was set up in 2014 to support entrepreneurial leadership within Fife's businesses. Entrepreneurial Leadership Programmes funded by the Fife Task Force were organised for SMEs and former workers of Tullis Russell to help them set up and expand their own businesses.

Fife has many examples of companies – in particular in energy, engineering and advanced manufacturing – developing world-leading new products and services.

Fife is a key centre for innovation in carbon reduction and an **Enterprise Hub** is being set up in Glenrothes to supply increased enterprise and business services to potential entrepreneurs.

However, Fife still remains weak in terms of the transfer of knowledge between Higher Education and businesses compared with other regions.



*MOFgen, an award-winning University of St Andrews spin-out company*

#### What is innovation?

Innovation is also about doing things differently and creating a spirit of enterprise and entrepreneurship as well as turning ideas and research and development (R&D) into new or improved processes, products and services.

#### Case Study - Levenmouth Community Energy Project

This pioneering project has secured £4m from the Local Energy Challenge Fund to develop Methil's Hydrogen Office into the world's leading demonstrator of innovative uses of hydrogen derived from renewable sources.

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.



#### Did you know?

R&D spend in Fife was only 2.7% of Scotland's total in 2015.



## Priority 4: Innovation

### Fostering a culture of innovation and enterprise

#### Key challenges to achieving a culture of innovation and enterprise

• Challenging our schools and Fife College to ensure that the existing and emerging workforce is ready for the new jobs that will emerge as a result of technological transformation such as robotics, autonomous vehicles and Big Data.

• Responding to the continuing shift to a low carbon economy and opportunities for innovation in carbon reduction, in particular in the decarbonisation of heat and transport.

• Increasing process and product development within Fife businesses and enhancing their take-up of innovation support.  
• Anticipating and adapting to the scale and pace of technological and market changes.

• Making more of the opportunities offered by the University of St Andrews.

#### In response to these challenges, we will:

• **Bring about a step change in implementing Fife's Science, Technology, Engineering and Maths (STEM) strategy** in all of Fife's schools and Fife College.  
• **Expand the current Culture of Enterprise programme.** Fife Council will introduce a wider, more structured programme into all Fife's primary and secondary schools to provide young people with the skills, competencies and values to be successful – as employers, employees or entrepreneurs.

• **Support the development of innovative low carbon heat, energy and transport schemes** such as the Levenmouth Community Energy Project and Glenrothes District Heating Scheme.  
• **Investigate innovative systems for energy storage and control technologies.**  
• **Secure investment to enable the development of a Guardbridge Innovation Hub** which will be a model centre for the research, development and application of smart energy technologies.

• **Make it easier for companies to access innovation support** from national agencies and expertise from the University of St Andrews and the wider Higher Education sector in order to drive forward a step-change in the use of innovation within Fife's manufacturing and service-sector companies. We will also review the role of the Fife Knowledge Transfer Partnership.  
• **Make public sector procurement policies more streamlined and innovative** so that they benefit Fife SMEs and encourage them to develop innovative products, services and solutions.  
• **Support businesses to develop and use new digital platforms.**  
• **Deliver an enhanced Business Competitive Programme to provide specialist assistance to build the growth capacity of SMEs.**

• **Increase the industrial links and spin-out companies** from the University of St Andrews, including from its Eden Campus.

# How we will deliver and resource Fife's Economic Strategy

Action Plans to deliver each of the Strategy's key priorities will be jointly developed by the Fife Economy Partnership and Opportunities Fife Partnership.

No one partnership or organisation has sufficient influence or resources to achieve the Strategy's objectives alone. Both the context and challenge for Fife for the foreseeable future is one of change and continuing public sector budget cuts. Collaboration, co-operation and working more closely together to pool the knowledge, expertise, connections and resources of all partners is the only way we can enhance our capacity to support the economy and make a difference.

The Fife Economy Partnership and Opportunities Fife Partnership will both lead and oversee the Strategy's delivery in partnership with Fife Council. The Fife Economy Partnership's structure and governance will be reviewed to enable it to more effectively lead and scrutinise the strategy's delivery and to increase engagement with and input from Fife's wider business community.

## Measuring Progress

Progress will be measured by monitoring key performance indicators using:

- **External measures** – SLAED (Scottish Local Authorities Economic Development) Outcome Indicators
- **Economic development and employability activities** – measuring and forecasting outputs across the four key priorities outlined in the Strategy.



Lindores Abbey Distillery, Newburgh



Chillicious, Scotland's first ever chilli farm



The ORE Catapult Demonstrator Wind Turbine, Levenmouth

## Appendix 1

### Strategic Context

Our new strategy takes into account the objectives and priorities of the following national, regional and Fife strategies:

- The **Christie Commission on the Future Delivery of Public Services** (2011) which recommended a shift away from crisis intervention towards more preventative approaches.
- **Scotland's Economic Strategy – the Scottish Government's economic strategy** launched in March 2015, which sets out an overarching framework for achieving two mutually supportive goals of increasing competitiveness and tackling inequality. It forms the strategic plan for existing and future Scottish Government policy and prioritises boosting investment and innovation, supporting inclusive growth and maintaining a focus on increasing internationalisation.
- **The Smith Commission Report** (2014) which details the agreement between the main political parties on which further powers should be devolved to the Scottish Parliament.
- **Wood Commission Report** – In 2012, the Scottish Government established the Commission for Developing Scotland's Young Workforce. The Wood Commission, as it became known, re-examined the purpose of vocational education and called for a transformation in how schools and colleges work with businesses to better equip young people for employment.
- **The Scotland Act 2016** devolves a number of powers to the Scottish Parliament.
- **Report on Phase one of the Scottish Government's Enterprise and Skills Review** (October 2016) highlights the importance of stronger regional partnerships to ensure that the economy has the

necessary flexibility and focus to respond well to local circumstances.

- **Fairer Fife Commission Report** – Fife Council and the Fife Partnership established an independent Fairer Fife Commission in September 2014. The Commission's report '**Fairness Matters**' was published in November 2015. The report details the scale, scope and nature of poverty in Fife and the effectiveness of current activities. It lists over 40 recommendations for Fife Council and the Fife Partnership to take to tackle poverty and inequality and to deliver a 'significantly fairer Fife by 2030'.
- **Fife's Community Plan 2011-2020** – The Fife Partnership brings together the public, voluntary and private sectors in Fife. Its **Community Plan** sets out three high level outcomes - Reducing Inequalities, Increasing Employment and Tackling Climate Change -each with a number of long term outcomes towards which its partnership groups (which include the Fife Economy and Opportunities Fife Partnerships) will work, alongside other key groups. The Plan will be refreshed in 2017.
- **Edinburgh and South East Scotland City Deal** – the six local authorities that make up the Edinburgh and South East Scotland (ESES) City Region are working collectively on a bid to the UK and Scottish Governments for a City Region Deal. The City Region Deal is a mechanism for accelerating growth by pulling significant government investment and the ESES City Region Deal proposal is being shaped around four interconnected programmes – innovation hubs, infrastructure investment, a regional housing programme and culture and tourism investment.
- **Tay Cities Deal** – Angus, Fife, Dundee City and Perth and Kinross Councils are working together to prepare a submission to the UK and Scottish Governments for a City Deal for the Tay Cities region.

### The Partners

**The Fife Economy Partnership** (FEP) is a business-led group which identifies and take forward policies and activities that help economic development in Fife.

**The Opportunities Fife Partnership** (OFP) is a strategic, decision-making partnership whose mission is 'To develop and oversee the implementation of labour market driven approaches to skills and employability services for individuals, which reflect the needs of employers.'

### Sources of Data used in this Document

#### Page 4

**How are we doing?:** *Fife's employment rate* – Office for National Statistics (ONS) Annual Population Survey; *Turnover from Fife enterprises and number of enterprises in Fife* – Businesses in Scotland, Scottish Government (2015).

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**Infographic:** *More Businesses* – Businesses in Scotland, Scottish Government (2015); *More Businesses supported to export* – Scottish Enterprise/Scottish Development International; *More employment land* – Fife Council’s Employment Land Audit; *Inward Investment* – Fife Council’s Invest In Fife Team; *Faster processing time* – Fife Council’s Planning Service; *More people into jobs* – ONS Annual Employment Survey; *Increased turnover* – Businesses in Scotland, Scottish Government (2015); *People supported into jobs* – Fife Council’s Economy, Planning & Employability Services.

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**Tourism Gross Value Added (GVA) change 2008-2013** - VisitScotland.

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**‘Did you know?’ Box** – *School Ties: Transforming Small Business Engagement with Schools* – A Report for FSB Scotland by Rocket Science (2016). **Town Centre investment infographic** - Fife Council’s Town Centre Development Unit.

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**The number of people claiming benefits due to mental health issues** - 2015 ONS Claimant Count.

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**Infographics** - *Inward and Mobile Investment 2012/13-2015/16* - Fife Council’s Invest in Fife Team; *Number of premises passed by Next Generation Broadband Sept 2016* - Scottish Government’s Digital Scotland Superfast Broadband Programme.

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**Infographics** - *Value of exports* – Fife Chamber of Commerce 2012 Export Survey; *Businesses supported to internationalise 2013-2015* - Scottish Development International/Scottish Enterprise; *Tourism GVA 2008-2013* - VisitScotland.

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**‘Did you know?’ box** - *Gross Expenditure on Research and Development* – Business Enterprise Research and Development (BERD) Scotland 2015, Scottish Government.

**Photo Credits:**

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**Did you know?**

The Fife Outlander Group was set up to promote awareness of the tourism opportunities emerging from the global interest in the film locations for the Outlander TV Series in and around Fife .

*“Collaborative working with the Fife Tourism Partnership, VisitScotland and businesses in Fife and neighbouring regions has allowed us to raise the profile of the television series and our filming locations. We have done this through a series of activities including a familiarisation trip for businesses and attendance at local and national travel trade exhibitions and conventions which has allowed us to engage with international and domestic markets. Production of information leaflets has also allowed us to reach markets in Europe, North America and Australia and future digital will enhance our efforts.”*

Linn Williamson, Vice Chair of the Outlander Group.