Do you work in the oil and gas sector or its supply chain? Are you facing redundancy? Speak to us about funding available for re-training. Call Shona Smith on 0344 248 0132.
Making it in Fife’s manufacturing sector

Manufacturing is Fife’s top performing sector in terms of turnover, with output expected to grow by almost 19 per cent by 2037. It makes a significant contribution (an estimated £1.4bn) to the region’s total Gross Value Added (GVA) and supports almost 14 per cent of the region’s jobs.

Against that backdrop, the manufacturing sector in Fife does have its challenges. The global downturn in the oil and gas sector has had an impact and it’s expected to see a large decline by around 4,600 jobs between 2016 and 2037.

Despite falling employment, gross wages and output have risen; suggesting a move to higher productivity and higher value employment across the sector as a whole. This is reflected in Scottish Engineering’s Quarterly Review (June 2017), which reported an improvement in orders, output and staffing levels. Optimism across the industry shows a considerable increase compared to the previous two years and similarly, export orders were higher in the first two quarters of 2017 compared to the preceding 13 quarters.

Whether through diversification, innovative solutions, increasing UK and international markets, or more efficient operating practices, businesses are seeking new ways to grow.

Jerome Finlayson of the Scottish Manufacturing Advisory Service, said:

“Manufacturing in Fife plays an important role in the local economy and businesses are taking advantage of the opportunities that exist for growth in manufacturing by focusing on driving productivity improvements across a range of areas. As businesses export and innovate this provides a solid platform for growth and success.”

For more information about support for manufacturing businesses in Fife, please contact Business Gateway Fife.

Call: 01592 858 333; email: success@bgfife.co.uk or visit: www.businessgatewayfife.co.uk
R&D tax credits are a government tax incentive aimed at helping UK businesses, particularly small and medium-sized enterprises (SMEs), to invest in research and development (R&D). These credits help in offsetting the costs of R&D activities, making innovation more accessible and encouraging companies to invest in new technologies and processes.

This depends on the size of the company. There are two schemes, a smaller scheme for smaller businesses and a larger scheme for larger businesses.

Reducing risk, seeking advice from SMSS and Scottish Enterprise has resulted in KDM operating more efficiently. It’s reviewing its manufacturing processes; analysed man hours; has taken a tighter control of stock; and improved internal communication by investing in a new CMS system. 2016 returned a healthy profit for KDM, which employs 54 full-time staff members of staff at its 15,000 sq ft manufacturing facility. Turnover is projected to increase to around £12.2 million this year.

Mark Jones, Director of KDM Shopfitting said: “Often when a business is doing well and returning strong profits, costs are not interrogated as they should be. But, our downturn forced us into a position where we had to strip out unnecessary costs and improve efficiencies, which we have maintained throughout our recovery.”

“We’ve made a number of significant changes to the way we do business, including spreading our portfolio, all of which has benefited our operations, our margins and given us a solid foundation on which to develop our business throughout the UK from our hub in Fife.”

www.kdmshopfitting.com

SMAS SUPPORT PRODUCES UNIQUE RESULTS

Lamond & Murray, which manufactures gears and special purpose gear boxes, engaged with the Scottish Manufacturing Advisory Service (SMAS) following its significant investment in new machinery. Alastair Lamond, Managing Director of Lamond & Murray says: “Having invested in new equipment to grow the business, there was a need to look at our physical working environment. We knew efficiencies could be made, but needed external guidance.”

“We devoted a lot of time to SMAS’s 5S programme, which achieved quite unique results. We involved the whole team in the process, downing tools on a Friday afternoon to discuss ideas to improve workshop areas and then implemented those changes. Importantly, employee morale has improved and the culture transformed.”

Lamond & Murray also reported an improvement in its efficiency by fifteen per cent and is proud of its workplace. It has hosted a number of SMAS best practice workshops at its Inverkeithing facility. SMAS has further assisted Lamond & Murray with its MRIP (Material Requirements Planning) system helping with production planning and scheduling to manage manufacturing processes, whilst Fife Council Economic Development’s Market Development Programme supported its attendance at Offshore Europe. Scottish Enterprise has also undertaken a resilience review of the business, which considered new markets to facilitate growth. This has brought about a successful shift to further supplying the steel and automotive industries as well as the food and drink sector, from which it has gained new clients specialising in brewing, distilling and malting.

www.lamondandmurray.co.uk

DIGICO EXPANDS PRODUCTION CAPACITY

Digital solutions manufacturer DIGiCo, part of the Auditorium Group, has opened its newest production facility in Glenrothes. The larger facility a 200 metre radius from its existing unit – its location, as much as its growth opportunity, was of paramount importance.

Tony Williams, Auditorium Group Operations Director, said: “It was vitally important for us to stay as close to our original location as possible. This has allowed us to retain the skills and knowledge of longstanding employees, some of whom have over 20 years of service with us. We value their loyalty, dedication to quality and in-depth knowledge of our complex products.”

Tony continued: “With the additional space, the factory layout has also been fully reviewed, with the result that all the manufacturing processes have been integrated to ensure efficiency, and to minimise non-value-adding operations.”

“The assembly lines have been designed to be flexible and can be reconfigured quickly to deal with peaks in demand for products. We have also been able to integrate packing and dispatch into the manufacturing processing, which allows us to ship products much more quickly.”

DIGiCo’s General Manager, Austin Freshwater, said: “It is fantastic to have the new factory fully operational. The really exciting thing is that everyone, from our staff to our customers will benefit from the new factory, and it will allow us to improve upon the great service we are already known for.”

www.digico.biz

Havelock launches new interior range

Interiors specialist Havelock has recently launched ‘Imagine’, a new range of nursery and primary furniture. Introduced at Havelock’s new showroom in May, children from Cowdenbeath Primary School tried out the new ‘Imagine’ furniture range, which has been designed and manufactured by staff in Kirkcaldy.

Through its education brand ESA, Havelock has a long heritage of creating pioneering learning spaces. ‘Imagine’ is the company’s latest range of furniture, developed in consultation with schools and local authorities and designed for structured learning and imaginative play.

The furniture is manufactured at Havelock’s factory in Kirkcaldy, one of the largest in-house timber, metal and solid surface facilities in the UK. Havelock’s participation in the Fife economy dates back to 1869 when Alexander Henry McIntosh started making elaborate cabinetry by hand.

While automated machine centres are used in component manufacture, Havelock relies on skilled operatives and many of its bespoke pieces are finished by hand.

Now at Havelock, craftsmanship is combined with the latest in design innovation. Havelock’s design team are using the latest digital tools, including virtual reality, to give customers an immersive and visual representation of their interior spaces, which enables them to make more informed and creative decisions.

As well as its long heritage in education, Havelock works across the public sector and with retail, lifestyle and corporate brands, creating interiors that are both functional and visually impressive. Its creative work has been recognised with the interiors solutions specialist being shortlisted alongside its agency partners for three Retail Week Interior Awards.

www.havelockeuropa.com

United Kingdom

Spotlight on: R&D Tax Credits

Ross Oliphant, Partner in EQ Accountants’ Glenrothes office, explains how Fife’s engineering and manufacturing sectors could be missing out on valuable tax reliefs.

As a member of the Chartered Institute of Taxation and with his Gold Standard qualification in tax, Ross is able to offer the highest level of advice and expertise in all aspects of tax planning.

The engineering and manufacturing sectors contribute significantly to the Fife economy. By investing in research, development and innovation, these companies play a key role in maintaining the UK’s international competitiveness. However, recent studies suggest that many companies are missing valuable Research and Development (R&D) tax reliefs.

With Fife being a breeding ground for innovation, could your company be missing out?

fbm: So, what are R&D tax credits?

Ross: R&D tax credits are a government tax incentive aimed at helping UK companies by encouraging and rewarding innovation. The greater investment made in research, development and innovation, the greater the benefits to both individual companies and the wider UK economy.

Many companies see R&D tax credits as an important source to fund further investment, which is especially important in the current economic climate.

fbm: Who can claim?

Ross: Whatever size or sector, a company that is taking a risk by attempting to “solve scientific or technological uncertainties” can claim for R&D tax credits. This includes creating new products, processes or services, or changing or modifying an existing product, process or service. In addition, a project that is not successful can also qualify.

fbm: How much could companies be missing out on?

Ross: This depends on the size of the company. There are two schemes, a small-medium sized scheme and a large scheme. For an SME, the R&D tax credit rates range from 15p to 19p for every £1 of qualifying expenditure.

Ross: There is a common misconception that R&D tax credits only apply to pure, ‘white-coat’ research and development activities, or to companies with an established R&D team. However, there are so many sectors where R&D claims are possible.

EQ has successfully assisted many companies in the following sectors: engineering, manufacturing, food and drink and software. We could also help your company!

CASE STUDY

Amongst the many Fife clients to benefit from R&D tax credits is DP Services. Colin Millar of DP Services, said: “Having EQ Accountants on board as experts opened our eyes to the potential to make a claim and review the broad range of activities and expenditure that qualify. I’d advise other companies to look very closely at their range of activities, as they might be surprised as to what qualifies.”

www.eqaccountants.co.uk
The Queensferry Crossing is one of the world’s great bridges. It is the longest three-tower cable-stayed bridge of its type in the world standing 210m above high tide.

Inspiring to look at, the bridge took six years to complete and utilised the local supply chain in Fife including Bridges Marine, the winner of the Outstanding Business Achievement award at the 2017 Fife Business Awards.

It has been designed and built to be more reliable and fulfil its long-term duty as a speedy travel link between Fife and the Lothians. Two lanes and a hard shoulder provide flexibility; wharfsheding provides a more reliable corridor whilst the use of more durable materials ensures that maintenance can be carried out without the need to shut the bridge.

£35M CONTRACT IN THE BAG

Smith Anderson has secured a £35 million contract to supply McDonald’s with its paper bags. Each day, Smith Anderson produces ten million paper bags from its Kirkcaldy base, with almost half of those for McDonald’s. This new, three-year deal is big news for the company, and will see it expand its operations to supply select markets in Central Eastern Europe.

Michael Longstaffe, CEO of Smith Anderson, said: “We are thrilled to have secured this contract, most especially the European expansion and the benefits these deliver to shareholders and all of our 205 hardworking staff into 2020.”

DIAMOND CELEBRATIONS FOR GRAY & ADAMS

Having formed in 1867 as a car and body repair business in Fife, James Donaldson & Sons Ltd is now an independent processor, manufacturer and distributor of timber and engineered timber products.

Today, the business is Scott Cairns, the first ever non-family member to run the Group. fbm met him to find out more about its growth, ambitions and plans for the future.

Business Insight

In the last 187 years, James Donaldson & Sons has grown to become one of the UK’s leading independent processors, manufacturers and distributors of timber and engineered timber products. From one small branch originally in Tayport, Fife, today it has 740 employees across 28 sites in the UK, 500 of which support its manufacturing operations.

It is one of Fife’s biggest success stories; one that has longevity and a strong future. Scott Cairns is the first non-family member to head up James Donaldson & Sons Ltd, the parent company of James Donaldson Timber Ltd; MGM Timber (Scotland) Ltd; Donaldson Timber Engineering Ltd; Nu-Style Products Ltd; and James Donaldson Insulation Ltd.

The business has grown significantly in recent times, from £110m in 2010 to £150m in six years. £108m of that is generated through its three manufacturing businesses, of which half is made in Fife at James Donaldson Timber in Leven and Donaldson Timber Engineering headquartered in Buckhaven.

Scott Cairns, Managing Director of James Donaldson & Sons, said: “Growth has been both organic and strategic. The latter by both acquisition and most importantly as a result of major investment projects. Over the last three years, we have reinvested over £10m into capability, manufacturing, technology and our people.

2016 saw a major investment in James Donaldson Timber, Leven with the installation of a UK leading White Primed MDF manufacturing plant, whilst current assistance from Fife Council is enabling us to undertake a series of major investments in Donaldson Timber Engineering’s Buckhaven facility.”

“The latter by both acquisition and most importantly as a result of major investment projects. Over the last three years, we have reinvested over £10m into capability, manufacturing, technology and our people. 2016 saw a major investment in James Donaldson Timber, Leven with the installation of a UK leading White Primed MDF manufacturing plant, whilst current assistance from Fife Council is enabling us to undertake a series of major investments in Donaldson Timber Engineering’s Buckhaven facility.”

James Donaldson & Sons also added to its portfolio of companies in November 2016 when it acquired Nu-Style Products in Aberdeen, which specialises in Laminate fabrication and the supply and manufacture of roofing and building components. It plans to invest heavily in and grow the business significantly over the next three years.

Scott added: “Our sector is fuelled by consumer confidence, political direction and market stability. We suffer disproportionately to other sectors when this confidence is shaken and current political machinations are undoubtably making trading more difficult. That said, we are pressing ahead with investment in our business capabilities and our workforce and we continue to strive to be relevant and of great service to our clients. Service and quality are the cornerstones of our market offering and whilst growth is our aim we recognise that it must be sustainable growth, operating within our financial and managerial means.”

James Donaldson & Sons has engaged with Scottish Enterprise and Fife Council for specific areas of support. It is currently working closely with Scottish Enterprise on various projects, including a Lean Manufacturing programme for James Donaldson Timber and Donaldson Timber Engineering, which has been introduced by the Scottish Manufacturing Advisory Service. Fife Council has also helped it secure land in Buckhaven to enable future development of Donaldson Timber Engineering.

Scott added: “In recent years, we’ve engaged with Scottish Enterprise, which has supported us in several areas including Lean Manufacturing, energy saving initiatives and IT focused projects. It has been extremely proactive in its approach with us and has assisted in bringing improvements and efficiencies to the business. A strong working partnership with Scottish Enterprise as well as Fife Council has enabled us to invest, create jobs and will ensure growth in the years to come.”

www.donaldson-timber.co.uk

Manufacturing: Sector Shorts

NOV FLEXIBLES UK INVESTS IN FIFE

Innterdeed-based National Oilwell Varco (NOV) Flexibles UK has completed a £500,000 high bay extension to house over £1.5m of new investment in equipment.

The new 6000 sq ft extension and installation of new welding equipment and state-of-the-art CNC machines are enabling the company to continue to lead technical innovation across the oil and gas industry. It is also allowing it to significantly expand its manufacturing capabilities to go after new and larger work.

James Mullen, Operations Director, NOV Completion & Production Solutions, Subsea Production Systems, said: “The increased capacity and larger machines in the new high bay enable us to offer world-class technology and will open up new future business opportunities. We have already started manufacture of three new product ranges this year, and our future is looking very secure going forward with further growth and job creation forecast.”

NOV Flexibles UK opens high bay extension, J-4, Councillor Mary Crak (Convener – Economy, Tourism, Strategic Planning & Transportation Committee); Rob Hunter (Head of Economy, Planning and Employmental Services; Fife Council); Councillor Jen Wernott; Steven Tomasz (NOV Flexibles); Councillor Fiona Grant; Jim Mullen (NOV Flexible); Jane Pollock (Scottish Enterprise); Alex Mitchell (NOV Flexibles).

BRAND-REX ANNOUNCES CPR-COMPLIANT CABLE

Brand-Rex, a Leviton company, has launched a full line of copper and fibre communication cabling that meets newly introduced classifications within the EU Construction Products Regulation (CPR).

Brand-Rex was one of the first manufacturers to introduce CPR-compliant cables in 2016, and since then it has expanded its portfolio of EuroClass cables.

Ian Wilkie, Managing Director at Brand-Rex, said: “We are leading the way in CPR-compliance and readiness. Brand-Rex has worked towards this point for many years and has the expertise to help customers understand how CPR will affect upcoming networking projects.”

www.brand-rex.co.uk

CROSSING THE FORTH

Inspiring to look at, the bridge took six years to complete and utilised the local supply chain in Fife including Bridges Marine, the winner of the Outstanding Business Achievement award at the 2017 Fife Business Awards.

It has been designed and built to be more reliable and fulfil its long-term duty as a speedy travel link between Fife and the Lothians. Two lanes and a hard shoulder provides flexibility; wharfsheding provides a more reliable corridor whilst the use of more durable materials ensures that maintenance can be carried out without the need to shut the bridge.
Specialist Engineering Training
Delivered in College or your company premises where appropriate
- CNC Programming (Fanuc) Lathe
- CNC Programming Milling
- Manual Milling Machine Operation
- Manual Lathe Training
- Non-Destructive Testing (NDT)
- Welder Training and Assessment

Distance/E-learning Programmes
Enhance your career prospects at a time and place that suits you
- ISPS WorkSafe/Managing Safely
- NEBOSH General Certificate/Diploma
- NEBOSH Construction
- NEBOSH International Oil & Gas Certificate
- HNC Fabrication and Welding
- HNC Petroleum Engineering
- HNC Engineering Systems
- HNC Electrical Engineering
- HNC Sustainable Resource Management
- HNC Contracting Management

Distance/E-Learning Short Courses
Enhance your career prospects at a time and place that suits you
- Drilling Essentials
- Production Technologies
- Completions and Oil Well Management
- Oil Industry Electrics
- Control and Instruments Basics
- Reservoir Surveying and Engineering Basics
- Wind Turbine Maintenance and Operations Basics
- Fuel Cell Technology Operation and Maintenance Basics
- Solar PVA Installation and Maintenance Basics

Do you work in the oil and gas sector or its supply chain? Are you facing redundancy? Speak to us about funding available for re-training. Call Shona Smith on 0344 248 0132.