

GROWING FIFE'S FUTURE

Fife Economic Strategy 2009-2020



Chairman's Remarks



'Fife - the easiest place to do business'

The Fife Economic Strategy 2009-2020 outlines a new direction for the Fife economy - one that integrates sustainability, promotes inclusion and generates strong and stable economic prosperity. This success must benefit local residents, communities and businesses and maintain and enhance the natural environment. This new strategy demonstrates Fife's strong commitment to improving Scotland's performance through sustainable economic growth as outlined in the Government Economic Strategy and reflected in Fife Council's BIG 8 Objectives.

Over the coming decades, the Fife Economy Partnership faces a number of significant challenges. Consulting partners on political, economic, social, environmental and technological trends has provided a robust foundation to ensure the direction we set for the Fife economy is equitable, inclusive and sustainable. In developing this strategy we have considered a variety of scenarios that encompass issues such as climate change, the cost of energy and transport connectivity.

The Fife Economic Strategy will play a key role in tackling these issues. For instance, Fife can engage in the opportunities presented by climate change through leading the rest of Scotland towards a low carbon economy. There may be concerns among businesses that addressing climate change will have a negative impact on the economy but here in Fife we can show that it generates investment growth and employment. Combined investments of almost £200m by Tullis Russell, Diageo and Scottish Power in thermal biomass projects in Fife will not only reduce carbon dioxide emissions but will also reduce costs to the businesses and directly create or safeguard up to 1,400 jobs.

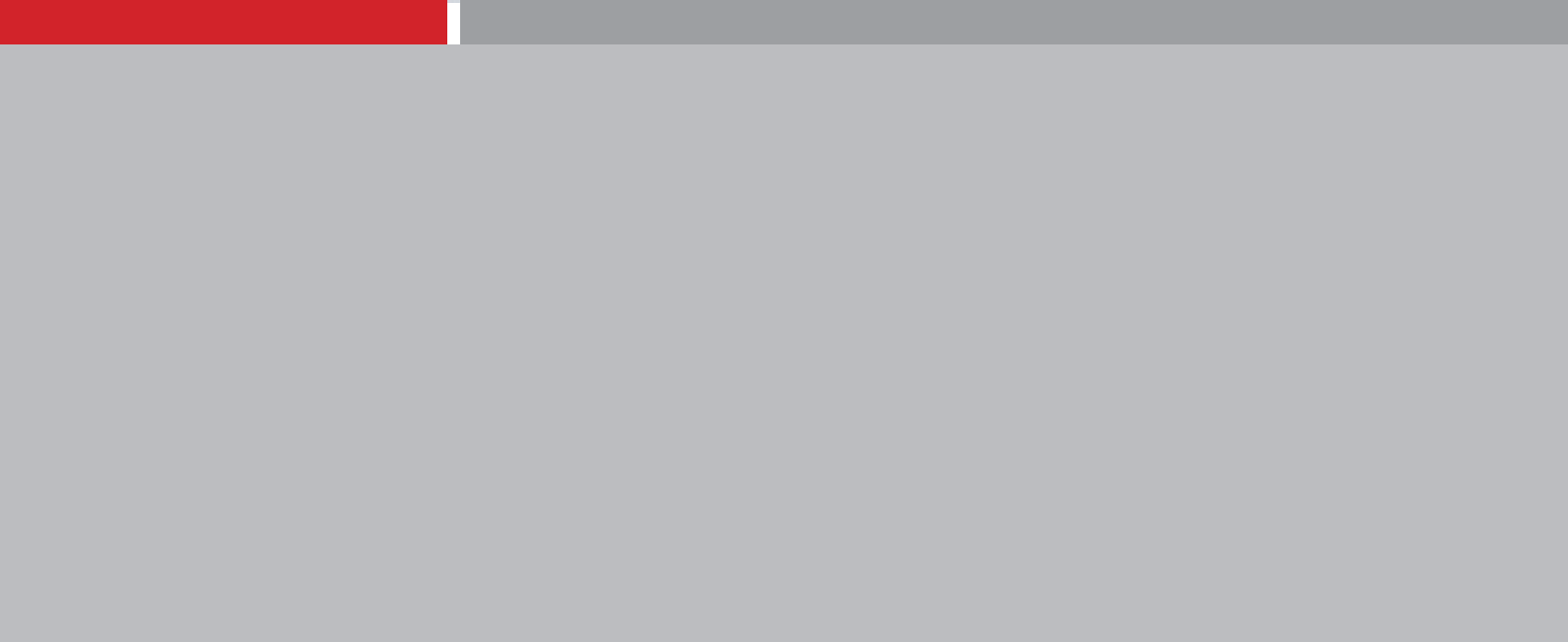
Through the Fife Economic Strategy, we also intend to grow local businesses and communities in a manner that is economically and socially sustainable and remains sensitive to the environment. Transportation and connectivity improvements identified in the previous strategy continue to be of significance for future sustainable

economic growth in Fife. The Fife Economy Partnership will capitalise on these developments by seeking training, employment and business opportunities in the construction of key transportation projects such as the new Forth crossing.

Fife has enormous potential to be more competitive, grasp new opportunities and become the easiest place to do business. However, the Fife Economy Partnership cannot achieve this vision alone.

This Fife Economic Strategy belongs to Fife's people, its businesses and its communities. In reading this strategy, ask yourself, what is your role in Growing Fife's Future? Through working together we will position Fife as a location of choice to live, work, visit and invest and ensure that Fife's communities benefit from a prosperous, inclusive and sustainable economy.

Fraser Phillips,
Chair, Fife Economy Partnership



Introduction

What is sustainability?

Since the introduction of Fife's previous economic strategy, the Fife Economic Development Strategy 2005-2015, there have been substantial changes in economic, social and environmental issues that we must respond to. In other words, to become a truly 21st century economy, we must embrace sustainable development. But what do we actually mean by this? The Scottish Government defines the concept as:

“development which secures a balance of social, economic, and environmental well-being in the impact of activities and decisions; and which seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs”¹.

New partnership working

Ensuring the needs of today's Fifers are met, as well as those of the future is our challenge. Fife's inherent strength in renewable natural resources and renewable energy manufacturing and research has established a new sense of purpose and focus for the Fife economy of the future. To harness our strengths and help deliver on our objectives, a review of partnership working was undertaken.

The review assessed existing working relationships between partners in economic development and helped determine an appropriate model for future partnership working. The outcome led to the creation of the Fife Economy Partnership (FEP). The new partnership will identify and drive the appropriate strategic policies and initiatives to grow the Fife economy. It will also deliver on the Fife Community Plan's economic priorities that are agreed through Fife's Single Outcome Agreement (SOA) – a concordat between Fife Council and the Scottish Government. In addition to changes in the way we work across Fife, there have also been changes in working relationships and responsibilities at a national level.

Revitalised working relationships

Following the Scottish Government's Review of Enterprise Networks, the skills function of Scottish Enterprise has been moved into a new entity called Skills Development Scotland. Local offices have been merged into regional centres, with Fife now under Scottish Enterprise East. The responsibility for local regeneration and Business Gateway activities has also been transferred to local authorities.

A Scenario for Fife in 2020

In developing this strategy, a variety of forces such as climate change, demographic trends and technological advancement that are likely to have an impact on Fife over the coming decade have been considered. These have been developed into a scenario to illustrate how over the next decade Fife could ultimately benefit from the objectives and direction of this strategy.

SUSTAINABLE SUCCESS: A 2020 SCENARIO

The UK and Scottish economies have returned to sustained economic growth following the credit crunch of 2008. Tightened financial regulation and more prudent methods of banking have also led to a growth in sustainable business practices. Dramatic new evidence that climate change is accelerating faster than expected, coupled with large rises in the price of oil and other raw materials have caused a boom in renewable energy and environmental goods and services. Consequently, the Scottish Government pledge to make Scotland "The Green Capital of Europe" is beginning to bear fruit.

The Energy Park Fife has been one of the main local beneficiaries of



the boom in renewable energy, with particular strength in the manufacture of wind turbines. The adjoining site that features the Hydrogen Office is now home to a network of spin-out companies from the University of St Andrews and hi-tech firms who have clustered together to spearhead research into clean technologies. Combined employment of both sites has now far exceeded the 2,000 green jobs target set out in the Fife Economic Strategy 2009-2020 and the success of reducing carbon emissions has led Fife to become the first local authority in the UK to generate more renewable electricity than it consumes domestically.

Of particular benefit in attracting companies to Fife has been the development of zero carbon business space. This brought substantial

inward investment, with many companies committing to reduce carbon emissions following recently introduced legislation. This was also aided through Fife taking part in a next-generation broadband pilot scheme. Subsequently, Fife now boasts the quickest digital connections of any local authority area in Scotland and a variety of businesses are keen to locate to benefit. As such, the John Smith Business Park (JSBP) has grown in strength and hosts a number of successful medium-sized financial services, IT and software companies. Average wages and productivity have also improved due to the diverse range of high-value added employment opportunities, swelling Fife's contribution to the national economy.

Significant growth in employment

opportunities across the Kingdom resulted in Fife's colleges expanding substantially to cope with demand for a more diverse range of courses. This led to Fife's colleges becoming accredited Scottish Centres of Excellence in Renewable Engineering and Construction. Importantly, a successful campaign to embed a culture of enterprise in Fife led to the creation of innovative qualification-to-employment networks that guaranteed graduates a temporary position following graduation. These measures, coupled with initiatives in Fife's deprived areas have seen greater retention of both graduate and migrant workers which has supported the substantial rise in Fife's employment rate. The revitalisation of deprived areas and decline in inequalities was mainly the result of the Strategic Land Allocation (SLA) approach in planning and also a number of highly successful regeneration initiatives.

Communities have become more engaged in the decision making

process and this has generated a positive sense of purpose across the Kingdom but particularly more so in deprived areas. The empowerment of community groups has also led to more effective public-private partnerships, which has helped streamline planning applications and helped target investments to revitalise town centres more effectively.

A significant turning point for Fife's deprived communities has been the improvements in transport connectivity. The completion of the Kirkcaldy-to-Leith cross-forth ferry route proved particularly crucial in opening up investment in deprived areas. Other transportation projects, such as the successful completion of an under-budget second forth crossing (which was later upgraded with the Dunfermline to Edinburgh tram link), the reinstatement of the Levenmouth rail link and road improvements to the Redhouse roundabout, all supported wider inward investment to Fife and greatly improved access to services for many Fifers and visitors.

The Fife economy of 2020 is in remarkably better shape than at the end of the credit crunch. A focus on sustainability has created a better balance between manufacturing, construction and service sectors. Fife residents and communities have benefited from the achievements of Growing Fife's Future through new infrastructure, revitalised town centres, a healthier environment and less inequality. After over a decade of concerted action, Fife has become renowned as a high quality location of choice to live, work, visit and invest.

WHAT WE WANT TO ACHIEVE

To make this vision a reality, some headline objectives need to be set. Using 2008 as a baseline up to the year 2020, the Fife Economy Partnership and relevant public agencies need to achieve:



Six Strategic Objectives

1. Increase the number of employees in medium and large enterprises by 10% (6,000 jobs)
2. 80% of the working age population in employment
3. Attract private sector investment through Invest in Fife of £550m
4. Double the amount of business expenditure in research and development to £36m
5. Grow Fife's tourism sector revenue by 20% (£51m)
6. Increase the number of people employed in green jobs by 2,000



1. Where we are now

What we have achieved

Business Support and Job Creation	
Organisation/Initiative	Achievement
Business Gateway	Assisted 1,983 business start-ups, creating 3,057 jobs, and provided more than £1m of financial assistance over the period 2005-2008
Green Business Fife	Fife Council is working with companies to tackle climate change and develop sustainability through Green Business Fife. A number of Fife-based businesses have already demonstrated their commitment through measures such as generating operating energy through on-site renewable sources or by simply reducing their own energy requirements
Sector Networks	The Fife Tourism Partnership, Creative Fife, TechnetFife, ContactFife, Green Business Fife and Fife Construction Forum encourage and support networking, business development activities and co-operation for companies in these key sectors
Fife Social Economy Partnership	Between November 2007 and April 2009, the Fife Social Economy Partnership assisted the start-up of seven new social enterprises. In the same period, 13 existing organisations were supported in making funding applications totalling £143,780
Fife Investment Fund	In response to the credit crunch, the Fife Investment Fund provided 59 small businesses with £326,000 of funding to help invest and grow their business
Inward Investment	
Organisation/Initiative	Achievement
Invest in Fife	Invest in Fife secured an annual average of 11 investment projects, 684 jobs and £15.5m investment over the three years 2005-2008
Physical/Infrastructure Investment	
Organisation/Initiative	Achievement
Energy Park Fife	Investment of over £12m in 22,000 square metres of industrial space on the 134 acre site at the Energy Park Fife aims to create a world leading hub for manufacturing and research activity in renewable energy. The development has attracted major companies who employ around 350 workers operating in fabrication, testing, assembly and engineering activities and the site is now moving into phase two of its development, where employment could rise to over 1,000
John Smith Business Park	£17.5m of public and private investment in John Smith Business Park has created 100,000 square feet of high quality office accommodation on the 60 acre site. The total employment on site currently stands around 1,000 with the potential to rise to 5,000 over time
Business Incubator Kirkcaldy	The Business Incubator Kirkcaldy unit was opened to provide flexible, purpose-built premises with office accommodation ranging from 160 square feet to 500 square feet to help businesses become established. Currently 12 units out of 35 are let, supporting approximately 50 jobs. In addition, a business incubator was developed in conjunction with Carnegie College at Methil Docks

A Changing Policy Environment

Shaped by the principles for sustainable economic development and low carbon targets, the new Fife Economic Strategy is set within the context of the following national, regional and local strategic framework:

- **Government Economic Strategy** - defines the purpose of the Scottish Government to close the gap in the rate of sustainable economic growth between Scotland and the UK by 2011
- **Skills for Scotland: A Lifelong Skills Strategy** - sets out the Scottish Government's objectives

for developing a cohesive lifelong learning system centred on the individual but responsive to employer needs

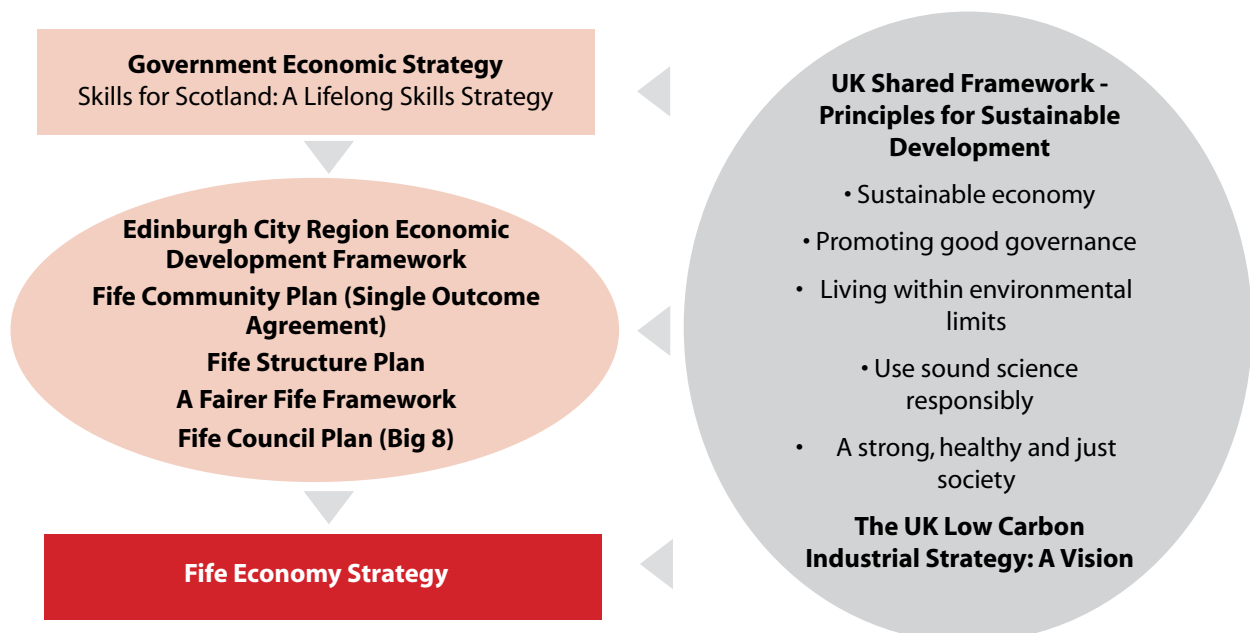
- **Edinburgh City Region Economic Development Framework** – outlines areas where there is a case for collaborative action to improve the economic performance of the City Region
- **Fife Community Plan** - sets out Fife Partnership's approach to delivering a shared vision for improving the quality of life in Fife
- **Fife Single Outcome Agreement (SOA)** – a concordat between

Fife Partnership and the Scottish Government that sets targets for the local economy as identified in the Fife Community Plan and reflected by the Council's Big 8 ambitions

- **Fife Structure Plan 2006-2026** - sets out the strategic land use framework for Fife
- **Fairer Fife Framework** - outlines Fife's approach towards tackling inequalities, poverty and deprivation

The following diagram illustrates these linkages:

National and Local Policy Framework



Fife Economy 2009

The Fife Economic Development Strategy 2005-2015 was written and delivered during a period of sustained national and local economic growth. At the time of reviewing and producing this revised Strategy for 2009-2020, the global economy is undergoing a serious downturn.

The impact on businesses has been significant with company closures and job losses in construction, retail and finance in particular, but also extending into many other sectors. Fife has suffered a similar rise in unemployment as experienced nationally, with the number of jobseekers allowance claimants rising 60% between June 2008 and June 2009.

Over the next few years we anticipate a low rate of economic growth as a result of the recession. However, the revised Strategy also looks at developing long term economic stability and strength from new opportunities.

The Strategy must therefore plan for both the short and long term. It must provide greater flexibility to enable effective and appropriate responses to economic, social and environmental challenges and harness opportunities, including new technologies, when they arise.



Employment Rate

In the year to September 2008, Fife's employment rate outperformed the Scottish and UK averages

Solidarity and Cohesion

Around 44,000 people in Fife are income deprived - the fourth highest of any local authority in Scotland

Sustainability

Renewable energy developments at Tullis Russell, Diageo and the Energy Park Fife will reduce carbon emissions through producing renewable electricity and potentially creating up to 2,000 new jobs



2. Where we want to be

Vision and guiding principles

This Strategy will deliver the Fife Economy Partnership's vision of Fife in 2020 as:

The easiest place to do business – where a flexible business infrastructure and responsive services for new and growing businesses ensure that Fife is the location of choice for business investment from any industry sector.

A centre of excellence for renewable energy – Fife's strengths in providing an excellent business environment for renewable energy manufacturing, research and services have led to the region becoming a leader in renewable energy.

We want Fife to be the first location of choice, where people and businesses choose to invest, work, learn, visit and live. To achieve this, Fife needs to become:

- **more prosperous**, recognising that economic growth must contribute to the Government's objectives for sustainable economic growth and equality in distribution of this wealth
- **more inclusive**, ensuring opportunities are available for all. Greater community empowerment and better utilising the skills and talents of Fife's people will cultivate sustained productivity and cohesion

- **adaptive to change**, the future will certainly not see a return to business-as-usual. Changes in demands from customers; how goods and services are produced; the supply chain; the nature of competitive advantage; the way people live their lives and the regulatory context for business are all likely to be different. Organisations must ensure they can adapt to changing circumstances to realise sustainable success
- **more environmentally conscious**, through minimising wherever possible the use of non-renewable resources and being fully prepared to pursue a zero carbon future

STRATEGIC FOCUS

Following consultation with our key stakeholders and analysis of Fife's performance against the previous strategy, we have concluded that our six strategic outcome themes should focus on:

- 1 Supporting the growth of dynamic businesses
- 2 Extending employment and skills opportunities
- 3 Developing a modern business infrastructure
- 4 Improving our knowledge and research base
- 5 Growing business and employment in key sectors
- 6 Stronger communities through regeneration

OUTCOME THEMES

OUTCOME 1 MORE DYNAMIC BUSINESSES

Issues and Challenges

Fife's businesses are the primary drivers of its sustainable economic growth. They provide employment and earnings, contribute to a competitive business environment and create markets for other businesses. They also set the demand for our colleges and universities in supplying a skilled and informed workforce. A competitive business environment boosts productivity by stimulating investment, innovation and greater workforce development. Embracing sustainability and low carbon objectives will ensure Fife businesses are prepared for the future.

Fife, in common with the rest of Scotland, needs to improve its business formation and survival rates to compete in the global market. Increasing our business start-ups will help to foster competition and innovation, achieve productivity gains and create employment opportunities. To improve survival rates, businesses will frequently have to consider their responses to issues caused

by globalisation and sustainability (including climate change). The potential causes of low start-up rates in Fife include its enterprise culture, low levels of entrepreneurial skills and attitudes to risk. To address this issue, a Fife Culture of Enterprise Framework for Action is being developed.



The Framework will provide a blueprint for creating a vibrant enterprise culture in Fife. It is intended to initiate a programme of entrepreneurial and enterprise development over the next three to five years that will lay the foundations for long-term change, while also addressing immediate priorities and actions. Therefore, providing the right conditions for

more business growth is as much about creating a culture of enterprise as it is about physical infrastructure. Individual entrepreneurial skills need to be enhanced to encourage more people to start a business and sole traders assisted to grow at transition stages. The Framework also illustrates the need to work in partnership with schools, colleges and universities to better understand business realities and to inspire a belief amongst young people in their capability to be entrepreneurial.

A competitive business environment creates markets for other businesses and boosts productivity by stimulating investment, innovation and workforce development. Embracing new technologies and innovative practices; boosting employee skills and a more sustainable use of resources will help Fife businesses to become more successful and compete more effectively in an increasingly globalised world. Productivity gains and competitive advantage can be gained from more businesses in Fife trading globally. Businesses need to be able to capitalise on opportunities from developing economies and international markets and we need to minimise the barriers for businesses in exploiting these markets.

Priorities how we'll make a difference

- Continue the reorganisation of Business Gateway to streamline business support services in Fife and align more effectively with partners
- Implement enterprise actions arising from the Fife Culture of Enterprise Framework
- Utilise the Fife Investment Fund to explore partnership with other Local Authorities to attract greater EU funding
- Improve processing times for business planning applications
- Harness the Fife Council trade exhibition programme to generate better business opportunities locally, nationally and internationally
- Utilise the Supplier Development Programme to enhance supply chain procurement opportunities for Fife-based companies

OUTCOME 2 EXTENDED EMPLOYMENT AND SKILLS OPPORTUNITIES

Issues and Challenges

Fife's people and labour supply are critical to its future prosperity and to that of the wider city region. A highly skilled and educated workforce is essential for economic growth, business competitiveness and innovation. To play their part in contributing to overall sustainable economic growth our people must be equipped with the right skills to meet the demands of a modern economy. We need to focus on reducing unemployment to ensure that all in society can play their part in and benefit from sustainable economic growth.



A key challenge for Fife is the number of people who are without work – currently around 40,000. Significant proportions are on incapacity benefit and for some, profound health issues will mean that they may never be able to work. However, for the majority of those without work due to unemployment, caring responsibilities or premature retirement, there is clear evidence from pilot work undertaken in Fife that shows we can make significant inroads to getting people back to work.

There have been improvements in skills at all levels throughout Fife but we still need to further improve and diversify the skills and educational attainment of our workforce. Lower qualification levels tend to be more prominent in those areas of Fife where unemployment is highest. Strong leadership skills and workforce development also need to be promoted and supported to enhance the skills of those already in work. We therefore need to improve skill levels that meet identified skill shortages and help to provide more sustainable employment opportunities. To do this we need to have a clearer understanding of employers' skills needs for the future and provide a

flexible training infrastructure that is able to respond more quickly to these requirements. We also need to encourage more people to take up qualifications in subjects to support the future demands of the labour market, such as low carbon construction skills, to ensure that Fife residents are suitably qualified to take advantage of employment and progression opportunities.

We must get the most out of capital investment projects in Fife, particularly large scale ones such as the second Forth road bridge – these can provide training and employment opportunities for local residents. The FILM and LOAN projects already underway in Fife are helping the unemployed access training and employment opportunities with pilot schemes ongoing in John Smith Business Park and Energy Park Fife. Likewise, we must encourage young people to enrol on similar schemes as routes to employment. Finally, although the gap with the rest of Scotland is narrowing, there still remains a graduate deficit in Fife which requires to be addressed if Fife is to raise productivity and increase competitiveness and innovation.

Priorities **how we'll make a difference**

- Restructure Opportunity Centres to become a flexible network of seamless employability support services under the 'Opportunities Fife' brand
- Improve accessibility and targeting of employability services in deprived areas of Fife
- Build on partnership working activities between Jobcentre Plus, Skills Development Scotland and Fife's educational institutions to maximise employability efforts
- Widening opportunities for engaging those without work in activities that will move them towards training and employment – particularly those who are furthest from the labour market
- Expanding locally based degree level provision in Fife and ensuring that there are graduate level job opportunities available in Fife
- Capitalising on training and employment opportunities afforded by major capital projects, such as the second forth crossing and the CVF Aircraft Carriers

OUTCOME 3 A MODERN BUSINESS INFRASTRUCTURE

Issues and Challenges

A modern business infrastructure should provide an adequate supply of employment land, effective transport infrastructure and a range of business properties to attract appropriate investment. Fife needs to safeguard an appropriate employment land supply. The Fife Structure Plan 2006-2026 and complementary Local Plans require a sufficient supply of employment land that is located near to housing to reduce the need for travel and ensure deprived areas are linked better to employment hubs. Employment land in and around major settlements will ensure businesses can expand and new companies can relocate to premises that are flexible, adaptive and available to all types of enterprise. For instance, providing diversity in renewable energy facilities, such as the Westfield Environmental Energy Park will enable Fife to develop inherent strengths, in addition to addressing the effects of climate change locally.



Within the lifetime of this strategy we will need to manage our environmental assets more sustainably. Key resources are rapidly depleting which will push up energy prices and therefore costs to businesses and the economy. To alleviate these resource constraints, low carbon business infrastructure will play a key role in meeting climate change targets and creating a low carbon economy. Our aim is to differentiate Fife as a centre of

excellence for renewable energy and to do this we need to provide suitable sites for renewable energy developments whilst also ensuring that the supply chains are in place to support companies in this sector. An effective transport infrastructure can assist in opening up new markets for businesses and help to build the critical mass of businesses to drive up competitiveness and deliver growth.

The previous strategy highlighted the need for increased connectivity for Fife with a second Forth road bridge. Now that this has been confirmed by the Scottish Government we need to ensure that businesses and residents can benefit from and fully optimise the training, employment and supply



chain opportunities that will arise from the construction of the crossing. The Rosyth Multi-Modal Container Terminal is another project listed as one of national significance by the Scottish Government and will become an important development to both attract firms and boost export capability for firms in Fife.

In general, more efficient cross-forth transportation will open up business and employment opportunities within the wider city region for residents in Fife as well as providing a boost to tourism. Other transportation improvements, including the upgrading of Redhouse Roundabout and route improvements on the A92, will improve connectivity within Fife and to the wider city region and beyond. This will reduce constraints on major renewable energy projects, such as the Energy Park Fife and Westfield Green Business Park.

There are clear linkages between planning, transportation and the economy which contributes to and supports economic and business growth at the local, regional and national levels. The allocation of housing, employment land and delivery of transportation improvements all support economic development in terms of attracting people and business investment.



Priorities how we'll make a difference

- Maintain an effective supply of employment land for Fife
- Remediate key employment land sites in Fife to stimulate inward investment and support business expansion
- Capitalising on the opportunities for training, employment and supply chain business growth from major capital projects in Fife such as the new Forth crossing and the Rosyth Multi-Modal Container Terminal
- Stemming retail leakage to competitive centres outwith Fife
- Supporting renewable energy infrastructure projects such as the thermal biomass projects currently being developed by the private sector
- Support the development of innovative cross-forth travel

OUTCOME 4 IMPROVED KNOWLEDGE AND RESEARCH BASE

Issues and Challenges

In recent years, global competition has made Fife businesses less cost competitive, particularly in the manufacturing and construction sectors. Recent events in the economy emphasise the need for stronger working relationships between the private and public sector organisations responsible for stimulating innovation, enterprise and education. Knowledge transfer is a key driver of productivity and growth but Fife's business base is still under-represented with companies whose core business is based in knowledge-intensive and research activities. Developing and promoting Fife as a business location to attract higher value business will be essential in increasing our knowledge and research base.

To ensure our efforts are successful we must create more dynamism and emphasis on Fife's unique strengths. We need to attract businesses whose competitiveness is driven by technology and knowledge. Fife's ability to attract Regional Selective Assistance is a clear advantage in attracting this type of business. A key opportunity and focus for Fife is to become a centre of excellence for renewable energy - we need to ensure that research facilities for the industry are in place to support Fife in leading Scotland's renewable energy sector. Better integration of services offered by the main public sector agencies, including St Andrews University and Fife's colleges to benefit the renewable energy sector will also maximise opportunities. Aligned to this is the need to increase access to national research and development funding schemes for businesses to increase their research and development activities.

In developing our knowledge and research base, our focus should not be on science and technology alone, we also need to assist and encourage all businesses to apply knowledge and innovation to improve businesses operational performance through eco-efficiency, and sales performance by offering goods and services with a more competitive edge. Applying innovation to address resource efficiency and waste reduction across Fife's business base can also increase competitiveness and aid sustainability. In the longer-term this may involve developing new business models and working relationships.

If innovation and knowledge are to drive the economy then we also need to attract and retain more graduates within Fife. A crucial priority in achieving this will be to raise degree-level provision in Mid-Fife. The combination of employer demand for graduates and the provision of attractive places to live will also help increase the proportion of graduates. With the focus on growing the knowledge and research base there will be a sustained increase in demand for graduates in the future.



Priorities how we'll make a difference

- Through Business Gateway will provide support to stimulate and encourage innovation and growth in Small to Medium-sized Enterprises (SMEs)
- Provide business research facilities for renewable energy to help facilitate the commercialisation of research in developments such as the Hydrogen Office, Methil
- Establish a knowledge-transfer network between local companies and educational institutions across Fife
- Assist businesses to access national and other funding for research and development activities by better integrating services across public sector agencies, including St Andrews University and Fife's colleges
- Work in partnership with Scottish Enterprise to attract and retain more graduates to Fife-based businesses, through the Fife Culture of Enterprise Framework
- Continue to develop science and technology links within and outwith Fife by the creation of a science park associated with the University of St Andrews

OUTCOME 5 BUSINESS AND EMPLOYMENT GROWTH IN KEY SECTORS

Issues and Challenges

In order to contribute to overall sustainable economic growth we need to maintain a focus on those sectors that have the greatest growth potential in terms of output and employment. To address the difficulties caused by the economic downturn, we need to differentiate between Fife’s longer term growth sectors and those that need to be maintained in the short term.

At the same time, Fife needs to be ready for future opportunities as the economy recovers – this will mean ensuring that a flexible business infrastructure is in place to support any type of business investment. There is also scope to generate more opportunities locally by improving business understanding of the procurement process and tendering opportunities. The development of renewable energy offers significant opportunities for Fife in this respect

with high value and long term business growth potential. Recently introduced legislation around climate change legally binds governments and businesses to reduce their carbon emissions. These targets mean renewable energy products will be in high demand and this presents significant opportunities for renewable energy manufacturing and clean technologies – sectors where Fife can offer competitive advantage. There is a clear opportunity for Fife to become the leading Scottish centre for renewable energy and we aim to have 2,000 people employed in green jobs by 2020 in the chart below.

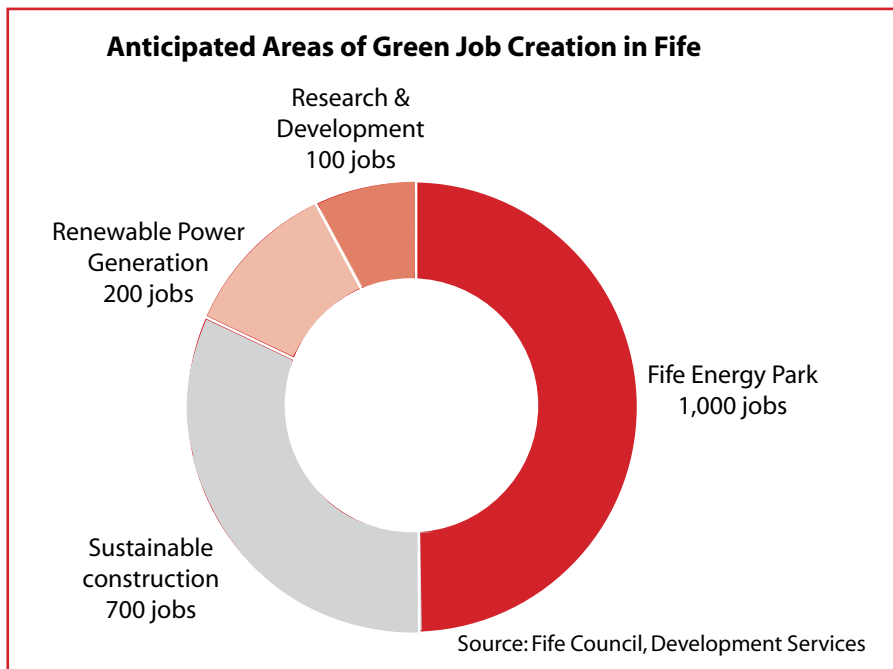
To help achieve this target, we need to ensure renewable energy developments boost the regeneration of deprived areas. Infrastructure such as skills training facilities or research centres will play a crucial role in offering new opportunities to local residents. There are a number of sub-sectors within the renewable energy sector where Fife can create opportunities and take the lead in a national context:

Thermal bio-mass
including Tullis Russell and Diageo projects

Offshore wind energy
Energy Park Fife and opportunities for inland manufacturing

Fuel cells and power storage
Hydrogen Office, Energy Park Fife

Carbon capture and storage
Longannet power station



However, for Fife to become a leader in renewable energy we must ensure that appropriate networks are in place so local supply chain opportunities are maximised to win business and investment. This is also true of other key sectors. The sector networks, such as Green Business Fife, CreativeFife, Fife Construction Forum and TechnetFife have created opportunities and provided advice and support to Fife-based businesses. These networks will continue and ensure Fife contributes more broadly to national targets. A key target championed by the Scottish Government that aims to grow the Scottish tourism sector by 50% by 2015 poses a substantial challenge for Fife.

Tourism contributes around £250m to the Fife economy and supports 12,500 tourist-related jobs. In recent years, Fife's tourist industry has seen increases in visitor expenditure, rising numbers of visits and gains in employment. These trends indicate that there is potential for tourism to be more lucrative than it is currently.

To grow Fife's tourist trade, products such as golf need to be promoted and marketed more effectively.

A recent review of tourism in Fife identified the need for greater engagement with the business community in Fife-wide decision making and improvements to business development and

networking opportunities. This is being addressed through a review of tourism partnership working in Fife and a new service level agreement with VisitScotland. The Promoting Fife initiative will play a key role here in aligning local, domestic and international campaigns – ensuring consistency and cementing a preferred understanding of place.



Priorities how we'll make a difference

- Supporting renewable energy projects to transform Fife's economy for the future and become a leading Scottish centre within the sector and creating or safeguarding 2,000 green jobs
- Implement a multi-agency approach to align skills development and business growth in Fife's renewable energy sector
- Ensuring that the right support structure is in place for tourism businesses to contribute to overall growth and provide business development and networking opportunities within the tourism business community
- Use the 'Promoting Fife' initiative to provide targeted and customer-focused tourism marketing that complements activities by partner organisations, such as VisitScotland
- Maintain existing strengths and develop network activity in financial and business services, construction, creative industries and IT and technology
- Connect niche sectors in Fife to city region activities to benefit from economies of scale

OUTCOME 6 STRONGER COMMUNITIES THROUGH REGENERATION

Issues and Challenges

Economic regeneration aims to strengthen our communities, create wealth and narrow the gap between the most and least deprived communities. This will be tackled by reducing unemployment and promoting job creation in the areas of greatest need.

Within Fife's most deprived areas, almost 17% of the population are without work and, of those who are unemployed, 20% have been out of work for more than one year. Regeneration through renewable energy will offer a number of opportunities for many deprived areas in Fife. The Energy Park Fife and carbon capture developments at Longannet have the potential to create a variety of green jobs and training opportunities that local people can harness.

We also need to provide support programmes and initiatives for those who are furthest away from the labour market as well as those who are "job-ready". Employers need to be

convinced of the benefits of recruiting from these priority groups and young people motivated to gain work skills and qualifications. Those who are in entry level jobs need to be encouraged and supported to gain the necessary skills to progress through employment, ensuring better financial security for themselves and their families.

To encourage business start-ups in priority areas, support needs to be accessible, and appropriate starter business premises need to be provided. The 'Be Your Own Boss' initiative assists unemployed people in deprived areas of Fife to look at self employment and social enterprise start-up as an option. The initiative offers free information and training events, drop-in sessions and advice on grants. This has been supported by developing the provision of affordable business units in Kirkcaldy and Methil. These facilities offer additional advice and support on-site for new business start-ups.

Town centres are at the heart of our communities and a focus for local pride. Fife's town centres have experienced new challenges as a result of the economic downturn.

This has resulted in reduced footfall, redundancies and retail vacancies which have, in turn, led to lack of confidence in retail-led regeneration schemes and town centre developments. The partnership approach taken in Fife has led to the creation of Town Centre Management arrangements in Kirkcaldy and Dunfermline and emerging Business Improvement Districts in these towns. Other town centres have also benefited from support, including bespoke training opportunities and a pilot grant scheme to part-fund shop front improvements. These measures contribute to improving the appearance and vitality of town centres across Fife, benefiting local communities and the local workforce.



Priorities how we'll make a difference

- Ensure renewable energy developments create employment and training opportunities to enhance the regeneration of deprived areas
- Development and expansion of social enterprises as a key part of the local economy and job market in priority areas. This support will include tailored events and support with funding applications.
- Tackling inequalities through regeneration and promotion of communities by investing in town centres. This will help to improve priority areas
- Develop business incubation units in other priority areas, building on the success of recent provision in Kirkcaldy and Methil.
- Delivering 'Be Your Own Boss' programmes throughout priority areas
- Continuing to support town centre partnerships including Town Centre Management; Business Improvement Districts; and Business Associations, to ensure that businesses are stakeholders in the future of their town centre



3. How we will get there

Having identified a number of challenges and priorities for action, the Fife Economy Partnership developed corresponding strategic themes through which the Strategy can be implemented, monitored and evaluated.

STRATEGIC THEMES

The strategic themes and objectives developed for the strategy are in response to, and reflect, our overall vision in terms of improving productivity and participation and increasing population through the principles of equity and sustainable development.

The themes have been developed as “outcome themes” to reflect the outcomes that we need to achieve to realise our vision of a Fife that is the easiest place to do business and a leader in renewable energy.

The outcome themes and objectives will form the basis of the annual action plan which will direct the delivery of the Fife Economic Strategy.

DELIVERING THE STRATEGY

Delivery of the Strategy will be achieved through coordinated action from private and public sector partners. Building on the successes of the previous strategy, and the new Fife Economy Partnership (comprising strong representation from the private sector) will provide a new opportunity to align activities and deliver the objectives in this strategy. The integrated nature of the outcome themes demands clear cross-cutting working relationships between partners and also within individual organisations to ensure delivery of the outcomes.

An **Annual Action Plan** will be developed to focus delivery of the Strategy. Deliverables will be outlined for each of the outcome themes, each with a specified timescale.

MONITORING AND EVALUATION

The revised Strategy will be subject to review in three years time. Monitoring on a regular basis will assess the overall impact of the Fife Economy Partnership’s activities under each outcome theme. A monitoring framework will be developed to measure the impact of actions and activities. Overall performance will be assessed against objectives set out under the economy theme of the Fife Community Plan and performance will be benchmarked through the Fife Single Outcome Agreement (SOA) concordat with the Scottish Government.

Fife Economy Partnership 
GROWING FIFE'S FUTURE

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