

REPORT TO BUCHAN AREA COMMITTEE 17 SEPTEMBER 2019

ECONOMIC ACTIVITY IN BUCHAN – APRIL 2018 TO MARCH 2019

1 Recommendations

The Committee is recommended to:

1.1 Note and make comments on the contents of this report.

2 Background / Discussion

- 2.1 This is an annual report to the Area Committee reporting on economic development related actions specifically in this Area. On 16 May 2017, Infrastructure Services Committee (ISC) approved new Action Areas for Economic Development covering the years 2017-2021. This new Action Plan outlines how the Council will deliver the Regional Economic Strategy, “A 20-year vision for the Well-being of the Place and Our People” which the Council adopted on 16 December 2015 (Item 15). The work of Economic Development is guided by the new Action Plan and progress on the Action Plan was reported to ISC on 16 May 2019 (Item 18).
- 2.2 At a strategic level Aberdeenshire Council continues to be an enthusiastic partner in delivering the Regional Economic Strategy and the City Region Deal (CRD) with Aberdeen City and other partners. Aberdeenshire Council also supports the work of Opportunity North East (ONE) with finance and staff. The Council Leader attends the ONE Board, the Chief Executive attends the Regional Advisory Board, and the ONE Digital Board and the Head of Economic Development & Protective Services attends the ONE Food, Drink & Agriculture Board.
- 2.3 Appendix 1 gives a brief overview of activity covering the 12 month period April 2018 to March 2019, carried out by the Council in the Buchan Area although the first section gives a summary of strategic work covering the north east.
- 2.4 In economic terms Buchan continues to be influenced by agriculture, fishing, energy and its associated supply chains. In recent times, economic concerns have included the impact of cuts in welfare and public services, high levels of business rates relative to the generally poor economic conditions and reduced consumer activity. Whilst interest rates remain at historic lows (Base Rate – 0.75%), businesses continue to experience difficulties in raising finance. Other concerns have also included the impact of the above factors on town centres and the wish for greater tourism activity.

The economy of the Region remains strong with Gross Value Added (GVA) of £18.6 billion in 2017, accounting for 13.1% of total Scottish GVA compared to

a 9.1% population share; 21% of Scotland's export value; 13% of business research and development investment; and 14% of registered enterprises.

Aberdeenshire average household income was £36,220, in 2018, which is 29% higher than the Scottish average of £28,186. The average household income across Buchan is lower than the Scottish average with only 4 areas reporting higher than average incomes (Cruden bay, Longside, Maud & St Fergus). Crimond reported a 5% decrease in household average income across the last 5 years.

The fishing sector is particularly important to Buchan with fish landings at Peterhead topping £200 million for the first time ever last year. The value of pelagic fish, whitefish, and shellfish laid down on the quayside was up by 3.5% on 2017, from £195,349,032 to £202,215,350. Tonnage also increased by 1.4%, from 171,661 in 2017 to 173,996. The value of pelagic landings increased by 15%, up from £60,031,587 in 2017 to £69,122,937, while the tonnage increased marginally from 102,921 to 103,012. And whitefish values and boxes landed rose by 2.3% and 8.6% respectively, from £123,980,690 to £126,832,145 and 1,325,536 to 1,439,098. With the benefit of the world-class Peterhead Fish Market and the potential increase in white fish landings following Brexit, the region's modern and efficient white fish fleet should continue to expand and there's a clear requirement to significantly develop fish processing activities in North East Scotland. The recent development of Iceland's fish processing industry based on modern fish processing equipment and automated controls is a great example to follow.

Oil prices have significantly improved and during April 2019 recorded their highest level in six months, standing at \$75/bbl. The sector has responded to recent challenges, not least through driving efficiency improvements. The oil price slump of 2014 caused unemployment to soar and the property market plummeted. There has been a huge amount of work undertaken in the last few years by the various economic partners which is now yielding fruit. The city region deal, along with the new regional economic strategy, was a real catalyst for change in the North East. There are now four innovation hubs (life sciences, digital business, energy and food & drink and the oil & gas technology centre. We have also seen the benefit of large infrastructure projects. There are big ambitions. From increasing our tourism economy to £1bn by 2023 and growing our food & drink sector, to building on our life sciences strengths and becoming the leaders of the energy transition agenda for UK & Europe.

Outside of the energy sector, the wider outlook for the global economy looks more uncertain than it did just six months ago. Weakening growth in emerging markets – particularly China – and a general softening of confidence across most advanced economies have lowered growth forecasts for the next couple of years. The immediate outlook continues to be shaped by the ongoing Brexit process. One of the implications of this uncertainty has been a weakening in business investment across the economy. Business investment in the UK fell throughout 2018, the first time that this has happened since the financial crisis.

- 2.5 The unemployment rate (benefits claimants) in Buchan stood at 2.5% at March 2019, an increase against the previous year of 2.1% at March 2018. Peterhead North & Rattray has the highest rate within Buchan at 3.9% at March 2019 reporting an increase from 3.1% in March 2018. Both Central Buchan and Peterhead South and Cruden reporting increases from 1.2% in 2018 to 1.4% in 2019 and 1.9% in 2018 to 2.2% in 2019. The Aberdeenshire rate continues to be among the lowest of the mainland Local Authority areas in Scotland and as at March 2019 stood at 1.6% showing an increase against 2018 of 1.4%, with the rate for Scotland being 3.1% showing an increase against 2018 when the rate stood at 2.6%. The official figures may however overlook related but important factors, for example, youth and rural unemployment concentration. (ONS Crown)
- 2.6 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

- 3.1 The Committee is able to consider this item in terms of Section B 1.2 and 1.9 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the matters concerning Economic Development.

4 Implications and Risk

- 4.1 An equality impact assessment is not required because this report will not directly change any Council policy or resource allocation and so does not have a differential impact on any of the protected characteristics.
- 4.2 There are no staffing and financial implications directly arising from this report.
- 4.3 The following Risks have been identified as relevant to this matter on a Corporate Level: Budget Pressures; Working with other organisations (e.g. supply chains, outsourcing and partnership working). No Risks have been identified as relevant to this matter on a Strategic Level
- 4.4 The recommendations in this report do not require a Town Centre First Assessment as this report is to inform Committee of annual activity only

Stephen Archer
Director, Infrastructure Services

Report prepared by Suzanne Robertson, Business Development Executive (Buchan)
Date 15th August 2019

APPENDIX 1

ECONOMIC ACTIVITY IN BUCHAN AREA FOR 2018/19

1. Leadership and Partnership Working

- 1.1 Work to deliver the Regional Economic Strategy with north east partners includes the City Region Deal (CRD) work streams of Digital and Infrastructure; setting up of the Invest Aberdeen Region Hub; review and liaison on the Aberdeen Events Strategy, and collaboration to co-host the Aberdeen City Region stand at Offshore Europe (2017). City Region Deal work carried out by Aberdeenshire Council also includes a Strategic Transport Appraisal. Opportunity North East (ONE) are leading on the CRD Food Hub concept.
- 1.2 Aberdeenshire Council supports ONE by participation and financial support for key projects in particular the Food, Drink and Agriculture Boards work to support the NE Food and Drink Network, the Food and Drink Growth Programme and the Food and Drink Awards. Both ONE and the Council support VisitAberdeenshire in their work to offer advocacy, business engagement events, market and product development support and annual tourism awards to the industry.

2. Business Support and Growth

- 2.1 The Council provides **the Support for Aberdeenshire Business (SAB) Scheme**. The SAB Scheme provides general advice and access to a range of business grants and loans. The grants and loans are awarded subject to the Scheme's criteria, which places emphasis on supporting businesses selling products or services outside the North East and stimulating job creation.

From April 2018 to March 2019, grants totalling £30,788 were awarded to 5 businesses within Buchan. In Ward 5, three businesses were awarded grant funding of £24,835. In Ward 6, two businesses were awarded grant funding of £5,953. The scheme helped to create 5.5 jobs, safeguard a further 2 and levered in other funds totalling £35,078 for the Buchan area.

One project received grant funding in Buchan totalling £15,000. This project aims to support a minimum of ten seafood processors gain their first quality accreditation which will help to open up new market opportunities for processors and help them prepare for opportunities post Brexit. The scheme has been fully subscribed with delivery taking place during 2019.

- 2.2 **Business Gateway** is a business support programme offering a wide range of practical advice, workshops, and support to new and growing businesses. Elevator is contracted to deliver this programme in Aberdeen City and Aberdeenshire with Aberdeenshire Council managing the contract on behalf of both Councils. In Aberdeenshire, Business Gateway supported 636 business start-ups assisted in the year to 31 March 2019. In Buchan, 98 business start-ups were assisted; 11 businesses received business boost support. The business boost service is specifically geared towards helping ambitious local business achieve their growth plans.

There were 12 Buchan businesses accepted into the Early Stage Growth programme, a similar number to the previous year. The Early Stage Growth programme is aimed at business start-ups that will employ staff.

- 2.3 The **Refresh and Reboot Programme** is a supplementary local programme delivered by Business Gateway, which provides additional advisory support to businesses needing to address challenges in the current economic climate. Three businesses were referred for support from this programme over the year from Buchan and were given 9 days of consultancy to help them deal with difficult trading conditions.
- 2.4 The annual **Elevator Awards** event was held in June 2019. The event was organised by Elevator and was sponsored by The Royal Bank of Scotland, private Sector companies, Aberdeen City and Aberdeenshire Councils. The awards celebrate and encourage business achievements and entrepreneurship of companies and individuals in North East Scotland.
- 2.5 The new **First Employee Grant Scheme**, which helps businesses take on their first employee with a £1,000 grant and advice, was relaunched on 21 September 2017 as part of the SAB scheme. From April to 31 March 2019 there were four awards approved for Buchan. Ward 4 & Ward 6 both had two businesses awarded a FEG grant.
- 2.6 **Business Support and Growth-Positive Procurement Programme**
In 2018-19 five workshops and a “Meet the Buyer” event were delivered for local businesses in partnership with Aberdeen City Council and the joint Commercial and Procurement Service (CPS). The CPS also carried out three Procurement Surgery sessions in May, August and December. Total number of attendees for these events was approximately 182.
- 2.7 Business Support Event , “How to identify Funding Available to you” – a dedicated event co-ordinated and funded by **Business Gateway**, was held at Peterhead Football Club on 21st June 2018. Speakers from Start-Up Loans Scotland, The Royal Bank of Scotland, The Federation of Small Businesses, Wider Innovation from Scottish Enterprise, Hall Morrice Accountants, and Economic Development were in attendance to talk through finance and support available to business. The event received 73 bookings in advance of the day. The event was well received and Business Gateway advisers were able to engage with the members of the audience to ensure that everyone had an opportunity to discuss their requirements.

3. Industry Support and Growth

3.1 Agriculture

- 3.1.1 Aberdeenshire Council sponsorship of Shared Modern Apprenticeship scheme pilot project – a new career pathway for young people into agriculture in partnership with the career in association with Scotlands Rural College (SRUC), Opportunity North East (ONE), Ringlink, Skills Development Scotland SDS, and Mains of Loirston Trust.

- 3.1.2 Financial support for NE Milk Producers Association deputation to visit Orkney in August 2018 to learn about the Orkney Cheese business model, a partnership comprising local dairy farmers, Orkney Islands Council and Lactalis (marketing company). Also facilitated Environmental Health Officer (EHO) advice for dairy farmers considering installing milk vending machines
- 3.1.3 The council has sponsored the Good Farming Practice Awards since 2005. West Cockmuir Farm, Strichen, home to Farmlay Eggs won the award in 2017 and hosted an open evening which attracted over 200 visitors in May 2018.
- 3.1.4 Sponsorship of Young Farmers Ambassadors Reunion event in October 2018 which attracted over 150 delegates and included tours to attractions in Buchan.

3.2 Fisheries

- 3.2.1 Continuing support provided to Scottish Seafood Association Training Centre project including creation of Workplace Ready training programme for new entrants to seafood processing. Further information can be found at: <https://www.scottishseafoodassociation.com/workplace-ready-programme/>
- 3.2.2 Council sponsorship of Innovation seminar at Buchan Braes in June 2018 for seafood sector (in association with Seafood Scotland & Scotland Food & Drink)
- 3.2.3 Continuing council commitment to address lack of available premises for seafood processors in/around Peterhead.
- 3.2.4 Stand taken at Scottish Skipper Expo in May 2018 to promote NESFLAG and council's support for fisheries sector
- 3.2.5 Arranged well-received joint meeting of North Sea Coasts (NSC) Marine Resources and Energy & Climate Change Groups in Peterhead which attracted around 50 delegates. Visits to Peterhead fishmarket and Scottish Maritime Academy.

3.3 Energy

- 3.3.1 The energy sector remains a vital component of the Aberdeenshire economy, despite the impact global events have had on the industry. There were some significant City Region Deal developments announced; TechX (part of The Oil & Gas Technology Centre) launched the second year of the Oil & Gas Technology Centre's TechX Pioneers programme. The unique accelerator and incubator programme backed by more than 120 industry partners and mentors, will support a select group of start-up technology developers to take their solutions to the oil and gas market faster.
- 3.3.2 The University of Aberdeen and the Oil & Gas Technology Centre will create a new multi-million pound Decommissioning Centre of Excellence, based at OceanLab in Newburgh, to tackle current and future challenges with world-class research and development in partnership with industry. The National Decommissioning Centre in Newburgh, opened in January 2019 and will tackle current and future challenges with world-class research and development in partnership with the oil and gas

industry in the UK and internationally. Aberdeenshire Council officers remain active in their support of the sector.

3.3.3 Through Invest Aberdeen, Aberdeenshire Council was part of the Scottish delegation which exhibited at the Offshore Technology Conference in Houston in May 2018. Other exhibitions where we had a presence included Subsea Expo, Europe's largest subsea exhibition, in Aberdeen in February 2019 and All Energy in May 2018. Each exhibition provided a platform from which to promote Aberdeenshire as a place to work, live, and invest. Aberdeenshire Council officers maintain a close working relationship with the Department for International Trade and Scottish Development International, to ensure the profile of the area and its companies in overseas markets remains high. Officers are in regular contact with industry trade bodies Subsea UK, Decom North Sea, Scottish Renewables, and Renewables UK.

3.3.4 Aberdeenshire remains home to a number of the country's vital energy assets, including St Fergus Gas Terminal, Peterhead Power Station, Peterhead Port which is the North-east's leading deep sea harbour and Westhill, which remains at the centre of the world's subsea engineering sector.

3.3.5 The ongoing investment at Peterhead Port will ensure it has a long term role to play in serving the UK Continental Shelf in addition to the fishing industry. North Connect was granted planning permission for its converter station at Boddam. The Port was at the centre of construction of Statoil's Hywind. The world's largest floating wind farm off Peterhead is now operational.

3.3.6 In June 2018, Acorn Carbon Capture Storage (CCS) became the first CCUS project in Europe to have been awarded funding support from the European Commission's Connecting Europe Facilities (CEF) fund for the work underway at St Fergus gas Terminal. In November 2018, Acorn CCS received a commitment from the UK Government, the Scottish Government, Pale Blue Dot Energy, and Total, to match fund this work to develop Acorn's CO2 transport infrastructure developments.

3.4 Food and Drink

3.4.1 The **Taste of Grampian** annual food and drink festival took place for the 18th time on Saturday 2 June 2018 at Thainstone, Inverurie. Economic Development provided £10,500 of support for the event, which attracted over 12,000 visitors. The show has a total of 192 exhibitors, which allows food and drink producers and crafters to show and sell their products. The event helps to generate a greater awareness of local products and the producers still report it is their best one-day show in terms of sales. Out of the 68 who were selling 16% reported sales 'higher than anticipated', 31% had sales 'exactly as anticipated' and 53% had sales 'lower than anticipated'. Average sales were lower than the previous year, partly due to lower numbers attending as it was an extremely hot day. Out of 63 exhibitors, 37% stated that they anticipate an increase in sales following the event; 82% felt they had increased awareness of their business/products/outlet and 32% reported making contact with a potential new retail buyer.

3.4.2 The **North East Scotland Food & Drink Awards** were delivered in partnership with Opportunity North East and held on 21 March 2019. They celebrate excellence and innovation while rewarding success in the food and drink sector. Aberdeenshire Council provided £17,180 in support for the event as well as a time commitment from staff.

44 businesses entered a total of 69 new products in the competition. 27 (Aberdeenshire), 8 (Aberdeen City) and 9 (Moray).

There were 12 (27%) businesses entering for the first time (6 from Aberdeenshire). There was a good standard of entries in the Food & Drink Tourism, Innovation and Export categories; the latter being introduced for the first time and receiving 8 entries.

244 food and drink industry representatives attended the awards presentation dinner, which provides opportunities for networking with a wide range of business from across the food and drink supply chain and serves as a platform to showcase the best food and drink from the North East.

Alan Leslie, Buying Director with ALDI chaired the judging panel. He was joined by Nikki Castley of The Cress Co, Lauren Henderson of Lomond Find Foods and Seumas Campbell of Serco NorthLink Ferries. Local winners include two Buchan businesses who won their categories: **rora dairy Little Yoghurt Pots** for Most Successful Product, and Best Retail Product Scottish with their Blueberry Yoghurt; and **the Brew Toon**, Peterhead winning Best Brewed Product (Retail, Foodservice). Other businesses that entered included Mackintosh of Glendaveny, Farmlay Eggs and Kindness Bakery.

3.4.3 Aberdeenshire Council contributed £8,725 towards the **North East Scotland Food & Drink Network**. The programme consisted of 3 Network Events and 3 Dining events between April 2018 and March 2019. Businesses were also invited to other key events.

Building the Network is a way to create connections across the supply chain, accelerate business to business commerce and encourage best-practice learning that allows businesses to grow. This underpins all our other activities in business growth, market development, improving skills, strengthening the supply chain and fostering innovation. The Network is especially important for the new and smaller/medium size businesses who lack contacts and require local outlets for their early stages of growth.

Food and Drink Networking Events have been an important communication channel for many years and have been used to impart topical or specialist information, help people to identify customers and suppliers, to share resources and to learn how others have tackled problems and opportunities. The Dining Events, as well as creating networking opportunities, aim to bring the foodservice sector and local food producers together to increase use of local produce and to increase the quality of local foodservice offering. It specifically supports Food and Drink Tourism objectives.

During the last year, there were several organisations holding events aimed at the food and drink sector, and our judgement was that the event landscape became very busy putting too many demands on businesses. In response to this issue, the Food & Drink Association (FDA) team worked together to utilise the Network Events to address knowledge gaps or fulfil needs identified by Business Growth and Market Development programmes and to deliver bespoke events to targeted businesses.

3.4.4 A pilot familiarity trip was offered to a mix of food and drink producers and tourism businesses in the Buchan area; this was in follow up to the Saplinbrae Hotel Dining Event. It involved visits to **Saplinbrae, rora dairy, Brew Toon brewery and the Peterhead fish market**. As well as the hosts, delegate organisations included - Aberdeenshire Council, Down on the Farm, Grampian Escapes & Tours, Scotland Select Tours and VisitAberdeenshire. It was very well received and helped create an increased understanding of each other's businesses and highlighted opportunities to work together with regards to food and drink tourism.

3.4.5 Similarly, in follow up to the Technology Event in October, selected larger scale businesses were invited to further explore transformational technology at a visit to Macphie. As well as a tour of facilities and Q&A with the Operations Director, this group were used to input to plans for the proposed Manufacturing 4.0 Academy. Delegate businesses included **Dean's, Farmlay, Macphie, Mackintosh of Glendaveny, rora dairy, Savock Farms, six°north, SMAS, The Deeside Water Company and Thistle Seafoods Ltd.**

3.4.6 Aberdeenshire Council contributed £18,700 towards the **Business Growth Programme** for the 2018 Cohort, delivered in partnership with Opportunity North East. The programme was designed specifically for owners and managers of small food and drink businesses as well as aspirational staff from larger companies. The modular programme allowed delegates to continue to run their business while they participated. In addition to group workshops, business speakers, practical exercises and visits, each delegate was offered an experienced Food & Drink business mentor, to support further implementation of their growth plan to get maximum benefit from their participation.

To date, 6 companies have been matched with a Mentor, with interest expressed by 2 others. One company has also benefited from an Executive coaching "Expert Help" pilot.

The programme started with 12 businesses in March 2018 and ran till July 2018. One business from Buchan **Brew Toon** participated in the programme.

3.5 Tourism

3.5.1 Tourism is recognised as an important sector of the Aberdeenshire economy. The Council has a direct input to tourism through provisions of leisure facilities, visitor attractions, path networks, business support, funding events, and operating museums. The Council contributes to the funding of VisitAberdeenshire and also works closely with VisitScotland. Both organisations collaborate to bring visitors to the area and they concentrate on marketing the area, representing the area at tourism

events outwith the north east and bringing tour operators and tourism journalists to the north east.

- 3.5.2 Aberdeenshire Council works in partnership with VisitAberdeenshire to deliver support to individual tourism businesses in Buchan. This is achieved through VisitAberdeenshire Executives visiting businesses to identify any gaps in knowledge and skills and assist by direct advice or signposting to sources of funding, relevant agencies, or organisations. The business can also be informed about the relevant activities and support that VisitAberdeenshire can offer such as free marketing activities (including website listings), social media promotion, partnership attendance at trade shows and exhibitions including the VisitScotland Expo.
- 3.5.3 VisitAberdeenshire can support local tourism groups by giving advice on marketing, funding and explaining the role of different agencies.
- 3.5.4 The tourism sector in the area continues to develop with some notable projects/developments taking place. Peterhead Prison Museum continues to attract high visitor numbers and business are being encouraged to collaborate to develop the tourism offering in Buchan.
- 3.5.5 A Cruise Officers working group has been set up with Aberdeenshire Council staff being active on this group.
- 3.5.6 At the seventh annual Aberdeen City and Shire Tourism Awards, **Peterhead Prison Museum** won the 'Best Visitor Attraction' category. The purpose of the awards is to celebrate and recognise excellence in the regions' hospitality and tourism sectors.

4. Community Support and Growth

4.1 Community Economic Development

- 4.1.1 The Council's **Rural Partnership Fund** assists local Rural Partnerships to provide support to community and social enterprise developments in their areas and to be active participants in Community Planning. Economic Development staff administers and monitors these funds. The two year agreement ends on 31 March 2020. For 2018 – 2019 Buchan Development Partnership was awarded £32,616 from Economic Development and £3,000 Area Manager funds. This is the first year of the 5% reduction in the Rural Partnership budget.

Buchan Development Partnership have supported over 50 projects providing a range of support from groups just starting all the way to a key partner in the Aden Park development that was successful in getting £1.25m Heritage Lottery funding.

Shape Up Peterhead is one example of a fledging volunteer group that had ambitious plans but lacked the appropriate structure and a sustainable plan. The partnership have supported the development of the Management Committee through access to training, helping the group to convert to a Scottish Charitable Incorporated Organisation (SCIO) and develop a social enterprise to enable the group to become less reliant on grant funding. Cruden Bay have completed and published their Community Action Plan. In addition, community action plans are in progress for New Leeds and Boddam.

4.1.2 Asset Transfer Requests (ATR) Considerable support was provided to Buchan

Asset Transfer officer group in light of the new guidance from Scottish Government and the new processes for the Council. A key development was supporting MACBI and the Mintlaw Library asset transfer request which was approved by Buchan Area Committee in February 2018. An additional two enquiries have been received from local groups regarding public toilet facilities in Central Buchan.

4.1.3 Development Trusts and Social Enterprises. The Social Enterprise Support Fund was launched in August 2017 with a total budget of £200k. The scheme has been promoted through rural partnerships and through council media channels. The take up in 2018 has been very positive and has helped a number of social enterprises develop new opportunities in Aberdeenshire. There were 7 successful applications for Buchan listed below.

Name	Area	Grant Award
Mintlaw & Central Buchan Initiative	Mintlaw	£10,000
Friends of Aden, Mintlaw	Mintlaw	£3,116
Buchan Community Farm, Maud	Maud	£17,367
New Deer Community Association, New Deer	New Deer	£9,900
Shape Up Peterhead, Peterhead	Peterhead	£10,000
Modo Circus with Purpose, Peterhead	Peterhead	£10,000
The Brave Outdoors, Peterhead	Peterhead	£9,987
	Total	£70,370

4.2 Employment Support Team

The Employment Support Team (EST) offer support and assistance to clients with multiple barriers to work to reach employment and training. In a review of EST resources and the growing number of clients seeking employment (2,680) it was decided that a new approach in Buchan was needed. EST has worked hard to engage with local people at point of need. This has been achieved through more localised interventions such as the Job clubs operating in Cruden Bay and Mintlaw libraries both of which run an appointment system as this helps the clients by giving a focused 1-2-1 service. EST have now added a weekly Job Club in the Peterhead Jobcentre where clients are given appointment times.

4.2.1 EST are working with the Peterhead GP surgery taking referrals from the welfare rights worker who is based within the practice. This innovative approach has seen GP workload almost halved. As with other areas throughout the Shire, EST and its partners are seeing a high number of clients presenting with some form of

mild/moderate mental health issue, which by their very nature make engagement harder and a much longer process to help the person to reach a place where seeking employment actually becomes a realistic prospect. EST are looking at delivering a Mental Health workshop, following a successful pilot in Kincardine and Mearns, with partner organisation PILLAR across the Shire.

4.2.2 EST Key worker has worked with Community Learning and Development to run a 12 week programme for senior pupils in Peterhead academy who are disengaged from the curriculum and assists in delivering Interview Skills sessions in partnership with Aberdeen Foyer. A very successful Skills and Employment event held was held in October in Peterhead with over 150 people in attendance. Thirty people have entered into employment in the last year.

4.3 European Programmes

European Union funding programmes continue to be delivered throughout Aberdeenshire. Application rounds have been held and the following projects approved:

Programme	Area	Project	EU Grant	Total Costs
LEADER	Aberdeenshire	Project Manager for the North East Food & Drink Tourism Programme	£66,400.56	£66,400.56
LEADER	Aberdeenshire	Educational Show Classroom	£25,251.65	£25,251.65
LEADER	Aberdeenshire	Green Spaces and Biodiversity Development Officers	£130,106.00	£130,106.00
LEADER	Banff & Buchan; Buchan; Formartine	Social Integration of Migrant Workers	£149,978.00	£149,978.00
LEADER	Strichen	Howford Training and Glamping	£12,265.00	£24,530.00
LEADER	Lonmay	Firwood Field Glamping	£60,000.02	£85,285.00
European Maritime & Fisheries Fund	Peterhead	Peterhead Seafood Festival 2019	£31,173.50	£35,631.00
		Total	£475,174	£517,182

Further information on projects funded in Aberdeenshire is available at www.local-development.eu. Guarantees to underwrite commitments of European funding in the event of a 'no-deal' Brexit have been received from central Government.

5. Investment and Infrastructure

5.1 Estates

- 5.1.1 **Mintlaw Site servicing** – Mintlaw- site under offer at Northwoods Mintlaw. Once acquired new starter units will be developed on site. Additional land also acquired to enable larger businesses to construct bespoke units either for owner occupation or on lease. Land will also accommodate a new Roads Depot.
- 5.1.2 **Peterhead Dales** – Peterhead- Site under offer at Dales Industrial Estate for plant hire company. Discussions also underway with Peterhead Port Authority (PPA) regarding the possibility of PPA and Aberdeenshire Council jointly developing small purpose built specialist fish processing units at Dales Industrial Estate. Subject to grant funding.
- 5.1.3 **Peterhead-Redevelopment of former Terex factory at Catto Drive**– Peterhead- Former Terex Factory at Balmoor Industrial Estate now demolished and site to be placed on open market seeking purchasers or tenants for bespoke facilities. Early interest being shown from local manufacturing company

6.1 Infrastructure Investment

- 6.1.1 Significant investment programme is underway in the North east which will see hundreds of kilometres of new fibre optic cabling constructed to help our economy grow, our businesses to compete more effectively in global markets, our residents to be able to access a wider range of internet based services which will soon extend to autonomous vehicles and our students to be able to study and research more effectively when off campus.

Public services will be able to deliver services more cost effectively – particularly in the areas of health and social care, whilst citizens will benefit from being able to avoid queues and complete transactions more rapidly and real time information on bus arrivals/departures will be enabled.

Whilst widespread deployment of fibre optic cable for internet access is relatively recent, the technology is well established – cars in the 1970s employed fibre optic cables for instrument lighting where one bulb was used to illuminate every instrument and switch on the dashboard, reducing the electrical load on the battery and charging system and also reducing the weight of the vehicle as the fibres were significantly lighter than copper wire and the extra bulbs involved.

Not being an electrical conductor, fibre cable is less susceptible than copper to damage from electrical storms and flooding of ducts and its lifespan is at least 50 years, which coupled with low maintenance costs, has meant that financial institutions have identified fibre infrastructure suppliers as a good investment opportunity – this in turn has increased competition and choice in the market, to the benefit of consumers of all types. Superfast broadband offering download speeds of 30 Mbps (but with significantly lower upload speeds) is being rolled out across the country in stages – full fibre broadband offers Gigabit (1000 Mbps) speeds, but

more importantly, an identical upload speed, important to users moving large data files.

6.1.2 Between 2015 and 2022, it is expected that over £50 million will be spent on gigabit capable fibre infrastructure in Aberdeenshire and Aberdeen and additional projects to increase the reach of this new infrastructure, are already being planned.

6.1.3 The nature of infrastructure developments is diverse in the North East, focusing on the Buchan area there has been significant investment over the last year with major investment projects under development or delivered include, the new Fishmarket in Peterhead, an electrical inter connector linking Scotland to Norway, making landfall near Peterhead, what would be Scotland's largest solar farm at Crimond,

6.2 Inward Investment

6.2.1 Infrastructure Services Committee, at their meeting of 30 November 2017 (Item 16), approved involvement in a region wide inward investment hub. In May 2018, Invest Aberdeen was formally established, as a partnership between Aberdeenshire Council and Aberdeen City Council. This followed a period of intensive work with Scottish Enterprise, Aberdeen City Council and other key stakeholders on the transition of the Energetica programme in to Invest Aberdeen and on shaping the future Invest Aberdeen offer.

6.2.2 Recruitment to the Invest Aberdeen team concluded in the spring of 2018. Aberdeenshire Council appointed an Inward Investment Executive and Marketing and Communications Officer who works directly and solely on Invest Aberdeen activity. They work across services with from colleagues in Economic Development who support investment activity on a more ad-hoc basis, in response to specific investor enquiries. Aberdeen City Council has also recruited two full-time staff, a Project Officer and Project Support Officer who work directly and solely on Invest Aberdeen activity with support from City Growth staff. Staff are managed as part of the wider Invest Aberdeen team, which reports to both councils through the respective Head of Economic Development / Chief Officer and through annual updates to the appropriate Committees of each.

6.2.3 Since the Invest Aberdeen team was established in May 2018, the following outputs have been achieved in the first year of operation:

6.2.4 Seventy three inward investment and regional growth enquiries have been actively managed by the team, with 18 of these live at the time of writing this report. These enquiries range from the relocation of energy supply chain companies to Aberdeen through to significant capital investment by and expansion of local food and drink companies, covering all the Regional Economic Strategy priority sectors.

6.2.5 Forty Six investment and regional growth leads have been proactively generated by the team, to introduce potential investors to opportunities. This is in addition to the numbers above and is where the team actively targets investors through networks and introductions or speculative approaches

- 6.2.6 A series of successful launch events took place, both in Aberdeen and at other national and international events (i.e. All Energy in Glasgow, Offshore Technology Conference (OTC) in Houston, ExpoReal in Munich and Offshore Northern Seas (ONS in Stavanger), raising the profile of Invest Aberdeen, the 'soft landing' services it provides and investment opportunities in the city region.
- 6.2.7 Significant engagement activity has been undertaken with priority growth sectors from the Regional Economic Strategy, with Invest Aberdeen officers now embedded within sector forums and business groups. The team worked with stakeholders to develop a suite of sector propositions to provide an overview of Aberdeen's key sector capabilities and these have been used by UK and Scottish stakeholders in supporting inward investment into Aberdeen
- 6.2.8 The Invest Aberdeen website was launched in May 2018, providing a one-stop resource hub for potential investors and for local stakeholder organisations
- 6.2.9 An Invest Aberdeen film was commissioned to support launch activity and ongoing profile raising. This has been well received by local, national and international partners and stakeholders and is widely used by third party agencies to promote the area.
- 6.2.10 The team has hosted familiarisation visits from UK and Scottish Government agencies (i.e. Department for International Trade and the Scottish Government's Trade and Investment team) and shared new collateral with these agencies.
- 6.2.11 The development of an Invest Aberdeen property portfolio ('pitchbook') containing capital investment opportunities within the region. This was presented at MIPIM1 2019. The integration of an online Customer Relationship Management (CRM) system to track business contacts and investment enquiries.
- 6.2.12 Invest Aberdeen has promoted regional activity and investment opportunities through a range of specialist publications including Business Insider, Commercial Property Monthly, the MJ inward investment guide to name a few. Examples; Business Insider; Energy Voice; The MJ at MIPIM - page 22

Outcomes in terms of the level of invested money or jobs created from these activities are not yet available, as this is the first year of operation and it would not be accurate to conclude the achievements to date. Work is underway to measure, as far as possible, the impact of the team's work and this will be reported in future years.

7.4 Regeneration

Developing Excellence in our North Coast Communities is the regeneration strategy for Aberdeenshire Council. The Peterhead Vision and Action Plan was agreed in September 2016 and is a five year plan to deliver change across the economic, physical and social spheres of Peterhead. Regeneration is most successful when it is done in partnership and the plan is therefore a partnership plan, with communities and businesses playing their role in the development of the town.

A fuller summary on regeneration activities was provided to Buchan Area Committee on 23 April 2019 and will be provided again on 08 October 2019.