

REPORT TO KINCARDINE AND MEARN'S AREA COMMITTEE – 4 SEPTEMBER 2018

Economic Activity in Kincardine and Mearns April 2017 to March 2018

1 Recommendations

The Committee is recommended to:

1.1 Consider and comment 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 March 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 10 May 2018 (Item 12).
- 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 Direct support is provided to businesses, community groups and industry by the Council has been provided through a range of activities including the Support for Aberdeenshire Business scheme, the Social Enterprise Support Fund, LEADER funding, industry sector teams, European policy, property services, planning activity, and assistance to gain funds from national programmes.
- 2.4 Aberdeenshire Council is responsible for the Business Gateway contract, the Employment Support Team and related employability activity. The Council also helps administer the European LEADER and European Maritime Fisheries Fund and works with other services on regeneration and town centre activity.
- 2.5 Appendix 1 gives a brief overview of activity covering the 12 month period April 2017 to March 2018, carried out by the Council in the Kincardine and Mearns Area although the first section gives a summary of strategic work covering the north east.
- 2.6 In economic terms, Kincardine & Mearns is closely linked to Aberdeen, particularly in the north of the area and is similarly influenced by the oil and gas sector. In the south, there is a more traditional rural economy based on the prime farmland of the Mearns, and a number of attractive former fishing and agricultural villages. In recent times, economic concerns have included the impact of cuts in welfare and public services,
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high levels of business rates relative to the generally poor economic conditions and reduced consumer activity. The impact of the low oil price, although recovered slightly, remains a significant concern. Whilst interest rates were at historic lows (Base Rate – 0.5%), businesses continue to experience difficulties in raising finance although recent indications are that conditions for mortgage finance are improving. Other concerns have also included the impact of the above factors on town centres and the wish for greater tourism activity and related tourism infrastructure.

The recent referendum result favoured the United Kingdom leaving the European Union. This is likely to have a significant impact on the area, but this is difficult to quantify at present.

- 2.7 The unemployment rate (benefits claimants) in Kincardine and Mearns stood at 1.3% at March 2018, a slight decrease over the rate of 1.4% at March 2017. This compares with Aberdeenshire's rate of 1.4%. The highest rate in the area was 1.6% in Mearns and the lowest 0.9% in North Kincardineshire, with Stonehaven and Lower Deeside at 1.3%.
- 2.8 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 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to a matter which impacts the Kincardine and Mearns area.

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 because no new actions are proposed in this paper.

Stephen Archer
Director of Infrastructure Services

Appendix 1

ECONOMIC ACTIVITY IN KINCARDINE AND MEARN'S AREA FOR 2017/18

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 and the Strategic Business Case for this Hub is now being prepared.
- 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 **Business Support and Growth – Support for Aberdeenshire Business Scheme**
The Support for Aberdeenshire Business (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 2017 to March 2018 grants totalling £39,800 were awarded to 3 businesses in Kincardine and Mearns. This helped create 4 jobs as well as sustaining existing employment. This investment helped lever in an estimated £1,072,950 to the proposal from other sources.
- 2.2 **Business Support and Growth – Business Gateway**
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 and Aberdeenshire with Aberdeenshire Council managing the contract on behalf of both Councils.
In Kincardine and Mearns 120 business start-ups were assisted, of which 18 were classed as Early Stage Growth, meaning they will employ staff.
Growth businesses are projected to increase turnover by more than £200,000 over the next three years. These are the businesses that have the most potential for exporting and taking on new employees, often creating highly skilled and well paid positions. Kincardine and Mearns had 5 growth companies in 2017/18.
- 2.3 **Business Support and Growth-Business Boost**
Business Boost is funded through the European Regional Development Fund (ERDF) and helps existing businesses to realise their growth plans. Advisor support, external consultants and targeted workshops are used to give a boost to the businesses on the scheme, allowing them to increase sales and increase capacity. The objective is to support local businesses with the added advantage of increased employment opportunities and higher exports. In Kincardine and Mearns 18 businesses were supported through Business Boost.

2.4 Business Support and Growth-First Employee Grant Scheme

The First Employee Grant Scheme aims to stimulate employment further and offers advice and a grant of £1,000 to businesses taking on a first employee. For 2017/2018 an award was made to 5 businesses in Kincardine and Mearns.

2.5 Business Support and Growth- Survive and Thrive

The Survive and Thrive programme is an additional local programme delivered by Business Gateway, which provides additional advisory support to businesses needing to address challenges in the current economic climate. Four businesses were referred for support from this programme over the year from Kincardine and Mearns

2.6 The annual **Elevator Awards** event was held on June 29th 2017. The event was organised by Elevator. The awards celebrate and encourage business achievements and entrepreneurship in North East Scotland.

The Entrepreneurial Supporter of the Year award was won by Ann Johnson (Blaze Manufacturing Solutions, Laurencekirk) while DDK Positioning Ltd, Laurencekirk won the award for Innovation.

2.7 Business Support and Growth-Positive Procurement Programme

In 2017-18 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 two Procurement Surgery sessions in July and January. The total number of attendees for these events was approximately 230.

3. Industry Support and Growth – Agriculture

3.1 Support for local dairy sector

Aberdeenshire Council continues to provide support to the local dairy farming sector following the closure of the Muller Wiseman dairy processing plant in Aberdeen in June 2016. Since then virtually all Aberdeenshire-produced milk (over 50 million litres pa) has been transported to Bellshill for processing, mostly at farmers’ expense. The Council is working closely with partners Opportunity North East (ONE) and the Scottish Agricultural Organisation Society (SAOS) to help the farmers explore and evaluate their options and contributed to the costs of creating NE Milk Producers Association, a new body which represents farmers’ interests and is leading the ongoing work.

Previously, ONE and Aberdeenshire Council shared the costs of a major dairy options appraisal project which also sought to attract an inward dairy investor. The new association has been very active and a number of avenues are under consideration.

3.2 The Ringlink rural internship scheme has since 2013 provided local school leavers with a structured introduction to the land-based sector comprising training and a paid six-month work placement on a land-based enterprise. The Council was closely involved in setting up the programme and was a major sponsor in 2013 and 2014. The programme is operated by Ringlink (Scotland) Ltd, an agricultural co-op business based in Laurencekirk and is now fully funded by industry. In 2017, the programme was accredited as a formal Pre-Apprenticeship qualification by SRUC and its special status recognised by the Scottish Agricultural Wages Board. The number of places in 2017 increased from 12 to 15. Thirteen interns completed the programme and are now in fulltime employment or further training in agriculture. A high proportion of the interns and mentor/employers were from northern Aberdeenshire. Fifteen places will

again be provided for the June 2018 intake. Financial support from Scottish Government will enable 6 places to be provided for a new additional winter intake in January 2019 and work is underway to extend the model across Scotland.

3.3 A stand was again taken at Learning Festival event at AECC in February 2018 to raise the awareness of land-based careers to over 1200 teachers attending from NE Scotland. The Council also provided funding towards a Shared Modern Apprenticeship in Agriculture pilot project in association with SRUC, ONE and Ringlink in March 2018.

3.4 The Council continues to provide support to **Stonehaven Farmers Market**. And at a meeting in Laurencekirk, advice and information was provided to a small group exploring setting up a farmers' market in the town. There have been three successful Farmers Markets run in Laurencekirk.

4.1 Industry Support and Growth – Fisheries

The Council again took a stand at the Skipper Expo in May 2017. Officers from the harbours service were on hand to meet with harbour users. Also on the stand was the NESFLAG Coordinator – the NESFLAG programme offers EU grant assistance for eligible fisheries-related projects including the inshore sector.

5. Industry Support and Growth-Food and Drink

5.1 The **Taste of Grampian** annual food and drink festival took place for the 17th time on Saturday 3 June 2017 at Thainstone, Inverurie.

Economic Development provided £10,500 of support for the event, which attracted over 14,000 visitors. The show had a total of 189 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 57 who were selling 30% reported sales 'higher than anticipated', 32% had sales 'exactly as anticipated' and 39% had sales 'lower than anticipated'. Average sales were estimated at £1,466 per business.

5.2 The **North East Scotland Food & Drink Awards** were delivered in partnership with Opportunity North East and held on 22 March 2018.

They celebrate excellence and innovation while rewarding success in the food and drink sector. Aberdeenshire Council provided £15,168 in support for the event as well as a time commitment from staff.

48 businesses entered a total of 86 new products in the competition of which 3 of these businesses were from Kincardine and Mearns

There were 16 businesses entering for the first time. Following the trend of the last 2 years, there was a strong presence of promising young businesses participating; 22 of which had started their enterprises within the last five years.

290 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.

Paul McQuade, Head of Department (Food Buying) with LIDL chaired the judging panel. He was joined by Karen Ford of Brodie Countryfare, Jason Robertson of NTS and Sarah Mackie of Brakes.

- 5.3** Aberdeenshire Council contributed £9,620 towards the **North East Scotland Food & Drink Network**; the programme consisted 4 Network Events and 4 Dining Events between April 2017 and March 2018. Businesses were also invited to other key events.

Building the Network is a way to create connections across the supply chain, accelerate networking 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.

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.

- 5.4** Aberdeenshire Council contributed £14,500 towards the **Business Growth Programme**, 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 supported by an experienced business mentor, to help build their growth plan and get the maximum benefit from their participation.

The programme started with 20 businesses in January 2017 and ran till November 2017. Kincardine and Mearns participants were Castleton Farm Shop, Laurencekirk and Six Degrees North Ltd, Laurencekirk.

Due to the sensitive nature of the data gathered, figures cannot be attributed to specific businesses. However, the small, owner managed companies reported collective turnover growth of £147,000 and 2 FTE employees, which they directly attributed to the Business Growth Programme in the first 8 months.

In tandem with ONE the companies have been introduced and are actively engaged with the wider local and national growth support network such as SE, Aberdeenshire Council, Business Gateway, Scotland Food and Drink (SF&D), Scottish Development International (SDI), Business Mentoring Scotland, Interface and many others to support the achievement of these goals.

6. Industry Support and Growth – Tourism

- 6.1** Tourism is an important sector of the Aberdeenshire economy. The Council has direct input to tourism through the provision 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 Visit Scotland. Both organisations collaborate to bring visitors to the area and they concentrate on marketing the area, representing the area at tourism events out with the north east and bringing tour operators and tourism journalists to the north east.

- 6.2** Aberdeenshire Council and VisitAberdeenshire also work in partnership to deliver support to individual tourism businesses in Kincardine and Mearns. 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 Visit Scotland Expo. In the Kincardine and Mearns an example of a supported business is start-up self-catering accommodation provider Dalriada Properties Ltd, Stonehaven.
- 6.3** Visit Aberdeenshire can also support local tourism groups by giving advice on marketing, funding and explaining the role of different agencies. In Kincardine and Mearns the Our Mearns tourism group was supported.
- 6.4** Aberdeenshire Council are working in partnership with Developing Mountain Biking in Scotland to boost mountain biking visitors to the area. An application was made to Cairngorms, South Aberdeenshire and North Aberdeenshire LEADER. A two year funded post is in place to develop this project. Kincardine and Mearns is likely to benefit from this activity, particularly as another group, NETCO has carried out a feasibility study to look at possible trail development in the area.

7. Industry Support and Growth – Energy

- 7.1** 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 was launched in December 2017 as part of The Oil & Gas Technology Centre with the aim of providing expertise and support both as a technology accelerator and incubator for start-ups and SMEs; 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.
- 7.2** Aberdeenshire Council officers remain active in their support of the sector. Aberdeenshire Council shared exhibition space with Aberdeen City Council at Offshore Europe in September 2017 and 20 businesses joined the stand. Aberdeenshire Council was part of the Scottish delegation which exhibited at the Offshore Technology Conference in Houston in May 2017 and the Council took space at All Energy in Glasgow in May 2017. Exhibition space was also taken at Subsea Expo, Europe's largest subsea exhibition, in Aberdeen in February 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 Department for International Trade (formerly known as United Kingdom Trade and Investment), Scottish Development International and the North East of Scotland Trade Group, to ensure the profile of the area and its companies in

overseas markets remains high. Officers are in regular contact with trade bodies Subsea UK and Decom North Sea.

7.3 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 is recognised as the global centre in subsea engineering excellence. In Kincardine and Mearns the Kincardine Offshore Windfarm, using floating technology received consent to construct.

8. Community Support and Growth – Community Economic Development

8.1 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 one year agreement ended 31 March 2018 and a new two year agreement with 5% budget reduction for 2018 – 2020 was agreed and signed off before the year end. Kincardineshire Development Partnership was awarded £34,333 from Economic Development and £3,000 Area Manager funds for 2017-2018. Kincardineshire Development Partnership have developed and delivered a low cost, creative community empowerment process named Community Cash. Four of these participatory budgeting/funding events were completed through the year. Community Action Plans (CAP) continue to be a focus for the Rural Partnership. Gourdon's Community Action Plan was completed and published. Early discussions have commenced regarding Stonehaven undertaking a Community Action Plan. This type of undertaking in Aberdeenshire's larger towns is often very resource intensive. So may carry over into the following year before completion. The Rural Partnership along with Aberdeenshire Voluntary Action and Aberdeenshire Council offered community groups bespoke training on setting up and running community initiatives 'Grow your Group'. Forty five people took part in the training the culmination was a Funding Fair at which there were around 100 people.

8.2 **Asset Transfers Requests (ATR).** Support and development has been provided on a number of community transfer applications. Support was provided to Kincardine & Mearns Asset Transfer officer group in light of the new guidance from Scottish Government and the new processes for the Council.

8.3 **Development Trusts and Social Enterprises.** The Social Enterprise Support Fund (SESF) was launched in August. The scheme has been promoted through rural partnerships and through council media channels. Starsparks Ltd (trading as The Haven) received an award of £4,140, the first SESF grant to be awarded. This was a social enterprise establishment grant for a new Aberdeenshire Social Enterprise around support and development in wellbeing. There are a number of enquiries from the Kincardine & Mearns area which officers hope to see as applications in 2018/19.

9. Community Support and Growth – Employability

9.1 The Employment Support Team (EST) offer support and assistance to clients with multiple barriers to work to reach employment and training. Key Workers cover Aberdeenshire with one-to-one support which includes building personal confidence and offering practical assistance and training.

9.2 A new Key Worker took up post mid-December 2017 and has spent a lot of time promoting the service throughout K&M. This has resulted in 43 individuals taking up the service offer, 17 of whom have gained employment. (15 full-time and 2 part-time). At this time there are 1390 people actively seeking employment in the area and EST

are promoting various courses and training. With the increase of clients presenting with mild/moderate mental health issues a Mental Fitness workshop in partnership with PILLAR Kincardine is planned to support this client group and hopefully remove this as a barrier to work.

- 9.3 Good links within libraries at Portlethen, Mearns, Stonehaven and Inverbervie have resulted in four job clubs in the area and one off employability sessions. EST is actively engaged in the Developing the Young Workforce and have attended school fairs and delivered presentations and workshops to 4/5/6th year pupils in the three Academies-Mearns, Portlethen and Mackie.
- 9.4 Partnership working has continued as the Employment Support Team support a number of local initiatives including taking a desk with the Stonehaven Town Partnership's reuse of the Court Buildings.
- 9.5 EST organised a successful Skills & Employment event in Stonehaven earlier this year, teaming up with other agencies and companies to promote a variety of different services and local job opportunities. Over 60 participants attended the event and the feedback showed a positive attitude to more of these type of events in the town.

10. Community Support and Growth- Town Centres

- 10.1 The **Town Centre First Principle** was launched in June 2017, and was rolled out through committee in November 2017. Similar to equalities, officers are requested to consider all decisions that could impact the main town centres. Ambassador Officers and Elected Member Ambassadors have been nominated. All training material and guidance is in place. 130 officers have completed the training on this principle. Impacts are being recorded and monitored. Over the next 12 month all current policy and strategy will be reviewed and any with potential impact to the main town centres will have the Town Centre First Principle embedded into the procedures. Work will be done with Heads of Service and authors of new policies and strategies to ensure the Principle is embedded where required.
- 10.2 The Council and Portlethen and District Community Council have been engaging with the local community, facilitated by Architecture Design Scotland to assess Portlethen and come up with an action plan. Following the initial public consultations the town centre was one area where the community would like to see improved or created. Part of the exercise was to get a definition of what the community would like to see with regards to a town centre and what seemed to come out from all groups was the need for people to come together, it was noted that there was a lack of community space for evening events such as Hogmanay celebrations and generally that community spirit that is created when other communities use their town centres. Three sites in Portlethen were looked at: Asda, the Green and Jubilee Hall. To look at these sites further Architect and Design Scotland worked with the Council and Portlethen and District Community Council, at the data that had been assembled with a view to further spatial planning. The results of this exercise were presented to Area Committee before the summer vacation.

11. Community Support and Growth- European Programmes

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

European Maritime & Fisheries Fund:
Coastal Areas Aberdeenshire & Angus awarded £53,256
Stonehaven Paddleboarding awarded £7,695

Guarantees to underwrite commitments up until the point when the UK leaves the EU (estimated at March 2019) have been received from central Government. The Service is working to maximise commitments of funding to ensure that as much of the c.£11m allocated to Aberdeenshire is formally committed to projects by this deadline. Bids to extend the European Social Fund and European Regional Development Fund programmes until 2023 are under development.”

12. Investment and Regeneration – Estates Team, Property

12.1 Laurencekirk- Provision of advance factory units- Following the relocation of a tenant from a large industrial unit, plans are underway to strip out, refurbish and sub divide the premises to provide smaller units more in keeping with demand for the area. Plans are yet to be finalised but it is likely between 4 and 6 units will be created.

12.2 Cairnrobin- Site disposal for industrial and office development- A site of approximately 6.88 hectares (17 acres) is currently under offer to a major developer/builder. Once missives are concluded, and if the planning permission is granted, their intention is to fully service the site (together with sites to the north and south which are under separate ownership) to create a major expansion to the current adjacent business park. This represents a major investment by the developer despite the current challenging market conditions.

12.3 General- In addition to the above it is hoped to acquire a small workshop or workshops to lease out to suitable tenants. This will provide a source of revenue for the Council and will also potentially provide business/industrial facilities for small businesses who perhaps may not have been able to purchase the property themselves. There is also a regular programme of capital improvements to the Council’s current portfolio to ensure these remain fit for purpose for small businesses.

13. Investment and Regeneration-Digital Connectivity

13.1 Broadband. A digital infrastructure upgrade programme for the area outwith the Highlands and Islands is nearing a conclusion. This has seen over 300 new street cabinets built in Aberdeenshire and one of the highest increases in fibre penetration in the country – up from 20% in 2014 to 89% now – the national average is just over 95%.

Because of high rates of uptake of fibre broadband, the Gainshare provision in the contract with Openreach was triggered – this has injected a further sum of over £20m into the programme. The Gainshare element of the contract committed Openreach to paying back (for reinvestment in the contract) a sum of money, triggered by an uptake if fibre enabled broadband exceeded 20%. This cash will be deployed until the end of the 2018 calendar year, with some physical work stretching into 2019. Whilst the number of Aberdeenshire beneficiaries of Gainshare monies is in the hundreds, many will receive a “fibre to the premises” solution which is the best future-proofed solution possible.

Aberdeenshire was the first Council area in the area outwith the Highlands and Islands to see uptake of fibre broadband exceed 40%. This shows clear evidence of demand for better connectivity.

The Digital Scotland Superfast Broadband (DSSB) programme will be closed in Q3 of 2018. This will be followed by an audit and detailed report on how the Council's £16m contribution to the project was spent and this information will be presented to the Council. Average upgrade costs per premises in Aberdeenshire are high due to there being twice the national average of Exchange Only lines, which are more expensive to upgrade.

The anticipated outcome for Aberdeenshire from the DSSB programme, is for just over 89% of premises to be passed by fibre, with the majority of these able to access a download speed of 30 Mbps or better.

13.2 Mobile Phone Coverage and Services. The mobile network operators have also been investing in their infrastructure to improve coverage and services. Whilst there is no map showing coverage by all operators, much of Aberdeenshire now has 4G coverage and individuals can check the situation at any address on the OFCOM website

13.3 Whilst much has been achieved, there remains a significant number of residents who don't have access to realistic broadband speeds and mobile phone services and most businesses don't have access to gigabit capable services, however, work is continuing to address these challenges.

14. Investment and Regeneration –Inward Investment

Aberdeenshire Council's Economic Development Action Plan was approved by Infrastructure Committee (16 March 2017, Item 16) and the Investment and Regeneration Theme set out that the Council will 'We will work with our partners including Aberdeen City Council and Scottish Development International to develop a co-ordinated approach to attracting and securing inward investment opportunities'.

With this in mind, work was undertaken to develop a new inward investment approach for Aberdeen and Aberdeenshire. The approach was informed via a commission by Aberdeen City Council with consultants, Breeze Inward Investment. They found that at present the City region was the largest location in the UK without an inward investment team, but is the most dependent on inward investment in the UK outside London.

Following agreement to the approach by Infrastructure Services Committee (30th November 2017, Item 16) an inward investment hub ([Invest Aberdeen](#)) has been put in place. The resource of four investment officers (two with Aberdeenshire Council and two with Aberdeen City Council) are working closely with colleagues at Scottish Enterprise, Scottish Development International and the Department of International Trade along with key partners across the North East to develop a pipeline of investment leads and respond to and co-ordinate investment enquiries.

The approach includes Energetica as a core product, and also builds on our wider regional strengths and key industries. It also reflects the investment of the City Region Deal into the industries of energy, life sciences, food and agri technology, and tourism.

Reports on activity will continue to be reported as part of the wider Economic Development update.

