Development Opportunities in Fife
Evolving Data-Driven Innovation and the Entrepreneurial Ecosystem

Preliminary Analysis Report
Development Opportunities in Fife

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Foreword

The Kingdom of Fife was once at the heart of Scotland’s heavy industries, from the coal mines beneath the earth to the shipbuilding yards that lined the Firth of Forth.

Those traditional stalwarts were supplemented by the grain and the livestock grown and raised on prime agricultural land, and by the fishing boats that landed their catches in the area’s numerous harbours.

In more recent years, those primary and secondary industries have been joined by lighter manufacturing – especially in the electronics and food and drink sectors – and by a thriving services sector, ranging from finance through to healthcare.

In 2021, Fife’s participation in both the Edinburgh and South East Scotland City Region Deal and the Tay Cities Deal will help the area to access the funding and the partnerships it needs to take the next steps in growing its economy.

Those next steps will use data to drive innovation. By gathering and analysing information, businesses will be able to develop products and services that will better meet the needs of their customers.

This use of data-driven innovation (DDI) is not limited to companies that would traditionally rely on computers and other digital technology. While businesses operating in the finance and in the information and communication technology arenas may be among the first to harness DDI, its applications extend far and wide.

Using sensors to monitor the performance of offshore wind turbines will enable firms in Fife to know when maintenance and repairs will be needed. Sensors will also allow the ageing infrastructure in Scotland’s oil and gas industry to be monitored, so it can be decommissioned and recycled at the appropriate moment, completing the links in Fife’s circular economy, with some of the structures potentially being decommissioned near where they were built.

Farmers use satellites and computers to monitor weather conditions and determine the optimum paths for tractors to seed, spray, and harvest crops. Manufacturing lines can be made even more efficient by gathering data on the performance of machinery and by analysing procedures and processes on the shop floor.

Public services can be transformed by understanding when and why citizens access services, from education and healthcare through to libraries and public transport. That same data on transport and provision of services such as public toilets can also help to enhance the Kingdom’s thriving tourism sector, ensuring visitors have access to the services they need to improve their holidays and trips, turning them into return visitors and ambassadors for Fife.

In this report, Fife’s economic development priorities are examined, and links are identified with the expertise available within the University of Edinburgh and its partners. With strong transport links between Fife and the Lothians, the opportunities for the kingdom to tap into the knowledge and experience of academia and support services at the university are immense.

The next steps are to identify the current and potential uses of DDI within Fife and then form those links with the university. Just as black gold in the form of coal and oil drove the kingdom’s economy in the past, so too could data drive the innovation needed for Fife’s economy of the future.

Jarmo Eskelinen
Executive Director, Data-Driven Innovation, University of Edinburgh/City Region Deal

Cllr David Alexander and Cllr David Ross
Co-Leader, Fife Council
Executive Summary

This report aims to identify opportunities for the University of Edinburgh to develop data-driven innovation (DDI) activities in Fife.

We identify specific opportunity areas for DDI activities across the eight key sectors identified in the Fife Economic Strategy 2017-2027 (i.e. energy and renewables; manufacturing incl. engineering; finance and business services incl. Fintech; digital technology incl. ICT; tourism, culture and creative industries; food and drink; health and care; construction and civil engineering).

We present the key TRADE (Talent, Research, Adoption, Datasets and Entrepreneurship) opportunities areas that the university can deploy in Fife:

• Advanced manufacturing for engineering and construction;

• Autonomous systems and sensors on marine and airborne platforms;

• Data intelligence for enterprise services;

• Data-enhanced agriculture/food & drink, distribution and logistics; and,

• Smart systems for health and wellbeing.

The university’s capabilities can be deployed in three ways: Physical infrastructure, digital platform and network of partners. In terms of an research and development (R&D) hub as a physical infrastructure (along the lines of the advanced manufacturing research centre model), we see tangible opportunities with advanced engineering and robotics, and automation and autonomous systems applications. This could be developed to establish an educational hub to accelerate the talent pipeline, embedded in Fife College in collaboration with the University of Edinburgh.

We identify further opportunities for talent through training and skills development (e.g. degree-level apprenticeships, industry-sponsored thesis/projects, CPD, and executive education) with online curriculum development as means to scaling-up provision. There is an enthusiasm across the DDI hubs (e.g. EFI, Bayes Centre, Usher Institute) to develop these opportunities in partnership with Fife College and Skills Development Scotland.

There are two key challenges that need to be addressed:

• The willingness of industry to engage and take up the DDI agenda; and,

• Embedding DDI engagement within the university.

In order to move forward, we recommend a series of gap analyses of the DDI landscape in Fife relating to innovation, entrepreneurship and skills needs. There are wider questions about how to link the DDI Programme to an inclusive growth and social inclusion agenda across the whole City Region. There are relevant approaches existing within the university, including: the widening participation agenda and growing and developing innovative learner pathways; the City Region Deal Inclusive Growth Framework; and Living Lab with participatory methodology and real problem-solving approaches.

The importance of the foresight opportunities for the university with local stakeholders needs to be recognised. Datasets and evidence of impacts on the City Region needs to be developed as part of the DDI Programme, also considering the social benefits of the identified DDI opportunity areas.
List of acronyms

Advanced Manufacturing Research Centre (AMRC)
Artificial Intelligence (AI)
City Region Deal (CRD)
Construction Scotland Innovation Centre (CSIC)
Continuing professional development (CPD)
Data-Driven Innovation (DDI)
Digital Health and Care Institute (DHI)
Edinburgh and South East Scotland City Region Deal (ESES-CRD)
Edinburgh Centre for Carbon Innovation (ECCI)
Edinburgh Future Institute (EFI)
Edinburgh Innovation (EI)
Edinburgh International Data Facility (EIDF)
Edinburgh Living Lab (ELL)
Expression of interest (EoI)
Gross value added (GVA)
Heriot Watt University (HWU)
Higher Education Institution (HEI)
Higher National Certificates (HNCs)
Higher National Diplomas (HNDs)
Information and Communication Technology (ICT)
Internet of Things (IoT)
Knowledge Transfer Partnerships (KTP)
Local Authorities (LAs)
National Manufacturing Institute for Scotland (NMIS)
Research and Development (R&D)
Scottish Enterprise (SE)
Scottish Qualification Authority (SQA)
Scottish Vocational Qualifications (SVQs)
Skills Development Scotland (SDS)
Small and Medium-sized Enterprises (SMEs)
Talent, Research, Adoption, Datasets, and Entrepreneurship (TRADE)
The University of Edinburgh (UoE)
Introduction

The Data-Driven Innovation (DDI) Programme is part of the Edinburgh and South East Scotland City Region Deal (ESES CRD). At its core, the Programme aims to support organisations and individuals benefit from the cutting-edge research and development in the generation, storage, analysis and use of various forms of data.

The DDI programme aims to “help establish the region as the data capital of Europe, drawing in inward investment, fuelling entrepreneurship and delivering inclusive economic growth”. It will improve digital skills through working with schools, further and higher education, employers, and training providers.

The University of Edinburgh (UoE) has engaged with this research agenda for several decades and has globally been leading expertise in informatics and data science, as well as in the related fields of engineering and natural and social science. UoE and Heriot Watt University are working together, particularly in the area of robotics. The DDI Programme is centred around five innovation hubs (i.e. Edinburgh Future Institute; Easter Bush; National Robotarium; Bayes Centre; Usher Institute). The Edinburgh International Data Facility (EIDF) project underpins the five innovation hubs, and supports the inclusive growth ambitions of the partnership.

In looking towards extending the DDI Programme with partners in the ESES-CRD, this study specifically analyses some of the emerging areas of opportunity for developing the academic, commercial and civic collaboration with partners and stakeholders in Fife, in particular, to address the ambitions of the overarching CRD economic development and inclusive growth agenda.

Fife Council is the third largest local authority in Scotland in terms of population, and is committed to supporting two city deals – the Edinburgh and South East Scotland (ESES) City Region Deal, and the Tay Cities Deal, covering the northeast of Fife. In this study, we will only focus on the ESES City Region Deal, while we are aware of informal arrangements to support potential synergies between the two deals in the coming years. There is one higher education institution located in Fife, the University of St Andrews, while Fife College is a key local skills provider, along with private providers.

The shift away from dependence on traditional industries towards a more service-based economy has been a focus of economic development policy in Fife. The Fife Economy Partnership, Fife Council and the Opportunities Fife Partnership have jointly developed the Fife Economic Strategy 2017-2027 to achieve sustainable and fair economic growth for Fife. In this economic strategy, eight key industrial sectors are identified, which can significantly contribute to high economic growth in the region. This study identifies potential DDI opportunities across these sectors. This study is based on interviews conducted between October and December 2018 with key individual stakeholders including the industry, academic and governmental sectors, as well as the analysis of secondary data sources. More than 30 individuals were consulted (see Appendix A for their names and organisations). Key areas of opportunity are identified by matching the existing and emerging alignment of interests between the university DDI activities and key private and public sectors in Fife. The report concludes by evaluating options and recommending possible next steps.

1 See https://ddi.ac.uk/ for more information. [all online sources were accessed as of 6 December 2018 unless otherwise stated]
2 The UK and Scottish governments, and regional partners are investing £1.1bn over 10 years in transport, housing, culture, skills and employability and innovation. The regional partners include the six local authorities of Edinburgh, Midlothian, East Lothian, West Lothian, Fife and the Scottish Borders, plus universities and colleges in the region.
3 See https://www.ed.ac.uk/local/city-region-deal; http://www.edinburgh.gov.uk/download/meetings/id/57706/item_86_-_edinburgh_and_south-east_scotland_city_region_deal and http://www.acceleratinggrowth.org.uk/
See https://ddi.ac.uk/about-us/ for DDI Innovation Hubs.
The Fife economic strategy and key economic sectors

As the context for this study, the geographical and industrial profiles of businesses in Fife and their economic activities are analysed drawing on a number of secondary data sources (e.g. Fame database, ONS data) (See Appendix B for details).

The Fife Economic Strategy 2017-2027 has identified eight key areas that can significantly contribute to high economic growth in the region (see Table 1). In this study, we focused on these eight areas to understand the needs of the Fife industry and align them with the capabilities of the University of Edinburgh.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Enterprises</th>
<th>Turnover (£)</th>
<th>Employment (Nos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy and renewables</td>
<td>-----</td>
<td>-----</td>
<td>-------</td>
</tr>
<tr>
<td>Manufacturing incl. Engineering</td>
<td>835</td>
<td>3.86 bn</td>
<td>15,010</td>
</tr>
<tr>
<td>Finance and business services incl. Fintech</td>
<td>110</td>
<td>500 m</td>
<td>3,470</td>
</tr>
<tr>
<td>Tourism, culture and creative industries</td>
<td>715</td>
<td>565 m</td>
<td>13,000+</td>
</tr>
<tr>
<td>Food and drink</td>
<td>655</td>
<td>725 m</td>
<td>6,000</td>
</tr>
<tr>
<td>Digital technology incl. ICT</td>
<td>570</td>
<td>271 m</td>
<td>5,220</td>
</tr>
<tr>
<td>Health and Care, and Education</td>
<td>495</td>
<td>509 m</td>
<td>14,730</td>
</tr>
<tr>
<td>Construction and Civil engineering</td>
<td>1,210</td>
<td>1.04 bn</td>
<td>7,260</td>
</tr>
<tr>
<td>Fife Region Total</td>
<td>10,295</td>
<td>12.98+ bn</td>
<td>106,000</td>
</tr>
</tbody>
</table>

Table 1 – Economic activity in the eight key economic sectors as per Fife economy strategy 2017-2027
Manufacturing, wholesale and retail, and health and social work are the top three employment sectors in Fife in 2018. Given their size, they are expected to add the most gross value over the forecasted period till 2028. Significant contributions to growth are also expected from real estate activities and the construction sector. However, they will not be the fastest growing sectors - over the forecast period the fastest growing sectors are expected to be information and communication, professional, scientific and technical activities and administrative and support services. The public sector is a significant employer in Fife, contributing to 26 per cent of Fife’s GVA in 2016, followed by manufacturing (19.5 per cent) and professional and other private services (18.6 per cent). Health and care is the largest public sector employer in Fife.

In relation to the Scottish economy, Fife is considered as a high productivity and low output region. In 2018, the GVA by Fife was £7.5 billion, which was six percent of Scotland’s total national output. Fife’s business base is largely made up of micro and small to medium enterprises (SMEs). In Fife, 96 per cent of businesses have fewer than 49 employees and 62 per cent have 0-4 employees. There are only 50 businesses in Fife with more than 250 employees. Moreover, 80 per cent of Fife’s productivity comes from these larger companies.
DDI relevance, inclusive growth agenda and challenges to key economic sectors in Fife

The UK Government has pinpointed several areas as key industrial drivers of economic growth. These are: artificial intelligence, additive manufacturing, automation and robotics, smart technology, fourth industrial revolution (4IR) and augmented reality. Realising the growth from these sectors, the UK Government Industry Strategy identifies various grand challenges:

- Put the UK at the forefront of the artificial intelligence and data revolution;
- Maximise the advantages for UK industry of the global shift to clean growth;
- Become a world leader in shaping the future of mobility; and,
- Harness the power of innovation to help meet the needs of an ageing society.

The Scottish Government also has an economic strategy with four priorities that place digital development at the epicentre of future investment and innovation trends. As a result, Scotland has developed a strategic agenda for realising its full potential in the digital arena. Among the key goals of this strategy are:

- Stimulating innovation, welcoming investment and promoting its digital technologies industries;
- Developing internationally competitive, digitally mature businesses across all sectors;
- Becoming recognised internationally as a natural test bed for innovation in connectivity; and,
- Focusing education and training systems on expanding the existing pool of digital skills and capabilities.

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In the context of the Fife economy, each of the eight key economic sectors indicates a growing need and potential demand of DDI; for instance, in the oil and gas industry, sensors, analytics and data reporting are the key areas of future development. One of the perceived challenges is competition with global businesses in other countries that are ahead in the shift toward industry 4.0. Some manufacturing and engineering businesses in Fife have already realised the importance of data-driven innovation and industry 4.0 concepts in their manufacturing processes (e.g. Bosch Rexroth, the Glenrothes DPS Group).29

The transition to Industry 4.0 is not an even process. Three key issues are identified namely, adoption of DDI, attraction and retention of skilled labour, and automation. In the Fife economy, more than 80 per cent of the companies are small and medium size. Whilst large organisations may have been adopting robotics and flexible manufacturing systems for many years, small and medium-sized enterprises (SMEs) may be lagging behind due to lack of awareness and resource constraints.

Another perceived challenge for SMEs in Fife is the skills agenda. The availability and quality of skilled labour for manufacturing, engineering and construction has been recognised as a key challenge - along with the ageing workforce. Attraction and retention of talent is one of the major issues, especially for SMEs. There is a new challenge of investing in retraining and upskilling existing workers as digitalisation and automation change the nature of workplaces. There are a few recent locally embedded skills initiatives, particularly in health and care sector and fintech sector, with the involvement of businesses in Fife and Fife College (see p.14).

The Scottish Government’s (2015) economic strategy states: “increasing growth and tackling inequality are mutually supportive.”30 The Fife Council Business Charter provides a framework for the working relationship between Fife Council and local businesses, both improving the economic performance and reducing inequalities31. At the CRD level, an analysis of the City Region’s inclusion challenges identified the five thematic interventions:

- Accelerating inclusive growth;
- Removing the physical barriers to growth;
- Community benefits through procurement;
- Targeted skills interventions; and,
- Social benefit through innovation32.

There is no one-size-fits-all approach to tackling these issues and realising opportunities related to DDI as part of the inclusive growth agenda, given the rapidly changing technological landscapes as well as local socio-economic and demographic challenges. Given the University of Edinburgh’s focus on relevant DDI agendas, and its desire to engage with the needs and aspirations of local partners, there is a potential that the DDI Programme can play a significant role in improving the local industry’s economic performance and enhancing the inclusive growth agenda.

This study built up on the existing “DDI Programme Impact Pathways” model (Appendix C). Based on the analysis of the data and information collected in this study, we developed a preliminary model of DDI deployment in Fife and used it as a conceptual framework (Appendix D).

31 See the objectives set out in the Fife Council Business Charter https://businesscharter.fife.scot/ [02/04/19]
Matching key sectors in Fife with UoE DDI capability

In Table 2, the eight key sectors identified by Fife’s Economic Strategy 2017-2027 are presented alongside key industry actors. Local opportunities and some of the challenges for these sectors are identified. Key issues addressed in skills in Fife are identified in *italics* These are matched with the UoE’s DDI capabilities and potentials. For the full information, see Appendix E.

<table>
<thead>
<tr>
<th>Key Sector in Fife</th>
<th>Fife Industry strength/opportunity and challenges</th>
<th>UoE’s DDI capability and potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy and renewables</td>
<td>Oil and gas large players (e.g. Babcock, TechnipFMC, Oceaneering, Burntisland Fabricators) and supply chains; The Levenmouth Demonstration Turbine (ORE Catapult); Global Energy Inc. Queensway Park Data Centre Campus.</td>
<td>• Orca Hub (joint HW-UoE / Robotarium venture) Sensors, analytics and data reporting are key areas for future development: – Manufacturers: Quality Control – Operations: Predictive Maintenance (based on statutory requirements)</td>
</tr>
<tr>
<td>Manufacturing incl. Engineering</td>
<td>Sensors and big data as one of emerging supplementary themes regarding materials and machine design. <em>Availability and quality of skilled labour as a challenge; ageing workforce.</em></td>
<td>• &quot;Industry Forth&quot; (2018) FASTBLADE-Babcock; Engineering + Informatics and +EI; SDS + SE + Invest in Fife / Fife Council + companies (EoIs) Fife College linked in through SDS. Advanced Manufacturing Innovation Centre, proposed in 2018, with main themes: – Industry 4.0 – Manufacturing engineering – Welding – Metallurgy and composites – Machining – Scientific services – Nuclear AMRC</td>
</tr>
<tr>
<td>Finance and business services incl. Fintech</td>
<td>Payment services e.g. Ingenico Group; Renovite Technologies; FIS Global; Payment Centric The Fife Fintech Skills Academy (Fife Council, Fife College, fintech industry in Fife; Fintech Scotland)</td>
<td>EPPC-Data Lab project with Paywizard • Data Lab • Fintech Scotland • Centre of Excellence for Cyber Security Research, Informatics</td>
</tr>
</tbody>
</table>

Table 2 – Matching key sectors in Fife and DDI capability at UoE
<table>
<thead>
<tr>
<th>Key Sector in Fife Economic Strategy 2017-2027</th>
<th>Fife Industry strength/opportunity and challenges</th>
<th>UoE’s DDI capability and potential</th>
</tr>
</thead>
</table>
| Digital technology incl. ICT                | e.g. Semifab, Exterity, Artilium, TDK-Micronas, Paywizard, BiTwise, RG Wire and Cable; CDL vehicle information services; itek; EAF | • AI and blockchain accelerator at Bayes Centre  
• Centre of Excellence for Cyber Security Research  
• Edinburgh Living Lab |
| Tourism, culture and creative industries    | Relatively fast average annual growth of 2.6 per cent – creative industry but limited impact; Tourism – job growth expected. | Links between DDI and creative industry in Fife (e.g. Fife College, Create in Fife; Fife Craft Association) being sought  
e.g. digital informatics; informatics; Bayes; EPCC; ECCI. Data-driven marketing and forecasting for tourism industry. |
| Food and drink                              | Food and drink - Ports and logistics  
e.g. Diageo - spirits manufacturer drinks industry (whisky), global distribution centre in Fife (near Leven) | Ports and logistics  
– Data integration across the various business units – links to Bayes Centre  
Other areas  
• Geoscience  
• Easter Bush (potential to develop smart farming links through DDI agritech programmes) |
| Health and Care                             | NHS Fife; commercial care providers  
*Gap between lower skills and post-graduate level skills*  
*Futureequipped* by DHI; CSIC and FE Colleges; upskilling and new curriculum development covering health, construction and ICT | Data health work with NHS Fife (Usher Institute)  
– NHS fellowship in Fife  
– Healthcare innovation funding bid – working with NHS in Fife, Borders  
– *UG PG curricula with health data; online course for scaling up*  
The Advanced Care Research Centre –  
Data analytics, IoT/sensors, AI/Robotics, therapeutics; With LAs, NHS, University, Colleges; care providers, industry; Potential opportunity for an outreach demonstration site |
| Construction and Civil engineering          | Large scale construction  
e.g. Queensferry Crossing/Jacobs  
Housing construction/off-site and automated/robotised construction  
– Lack of digitisation  
A substantial increase in employment expected in construction | Civil engineering / Centre for future infrastructure;  
CPD courses and masters programme.  
Procurement office–Climate KIC |

Table 2 – Matching key sectors in Fife and DDI capability at UoE

33 This table is mostly focused on opportunities in the private sector. However, the potential role of the public sector should not be ignored (as clearly highlighted in the Scottish Government’s Digital Strategy. While Health &Social Care are mentioned here, there probably are other public sector opportunities for driving innovation around data. More research is required to identify them. For example, the CivTech pilot has demonstrated the potential for engaging small businesses in developing solutions to public service challenges. See https://www.gov.scot/publications/realising-scotlands-full-potential-digital-world-digital-strategy-scotland/pages/2/
Opportunities for data-driven innovation in Fife

Building on the information presented in Table 2, through communications with a variety of academic and professional colleagues across the university, a series of key areas of opportunity have been identified. Among these opportunity areas, we highlight activities, which already have links to partners in Fife.

Specifically, our attention has been drawn to the university’s scientific expertise and technological competences in the following five thematic opportunity areas:

- Advanced manufacturing for engineering and construction;
- Smart systems for health and wellbeing;
- Autonomous systems and sensors on marine and airborne platforms;
- Data intelligence for enterprise services; and,
- Data-enhanced agriculture/food and drink, distribution and logistics.

The conceptual framework is presented below:

Figure 1 – A schematic of the opportunity areas and corresponding key stakeholders at UoE and in Fife
Advanced manufacturing for engineering and construction

There are opportunities in advanced manufacturing for machine engineering, for the university and industry in Fife, to develop renewable energy machinery, as well as to build, maintain and decommission other oil and gas and maritime systems. This led to the School of Engineering and Bayes Centre submitting a proposal “Industry Forth” for the Strength in Places Fund in summer 2018 with a proposal to build an advanced manufacturing innovation centre in Rosyth in collaboration with Babcock. The partners included Babcock, Scottish Enterprise, Invest in Fife and Fife Council. Skills Development Scotland (SDS) and Fife College were also partners.

Opportunities are sought between the School of Engineering and SDS to develop and deliver innovative learning pathways in partnership with Fife College and industry. This would provide a future opportunity to establish an educational hub embedded in Fife College to accelerate the talent pipeline, including:

- Offering degree-level apprenticeship training in engineering (SoE), data science (SoI/Bayes Centre) and entrepreneurship/innovation and entrepreneurship (Business School); and,

- Further access to education programmes at the University of Edinburgh (MSc/MEng/PhD/EngD) with CPD options.

There are also opportunities in off-site, automated and robotised manufacturing within the construction industry, especially in relation to fabricated panels, roofing systems and timber engineering.

Autonomous systems and sensors on marine and airborne platforms

The School of Geosciences’ near-earth observation activities, currently with a significant base at Fife airport, would be an excellent start-point to develop an ambitious R&D programme of networked autonomous systems and advanced sensors. This relates in particular to marine and airborne platforms, either mobile (e.g. drones and submersibles) or fixed infrastructure (e.g. road and rail network, energy installations, telecommunications). By working with partners in construction and energy sectors and utilising expertise in engineering, robotics and AI, opportunities could be found in a variety of applications in IoT enabled infrastructure resilience, advanced sensory materials and autonomous mobile platform deployment. Significant market opportunities are arising through decommissioning of oil and gas infrastructure, the expanding renewable energy sector and a predictive real-time road, rail, power and telecommunications system maintenance.

Smart systems for health and wellbeing

The Usher Institute is developing a collaboration with NHS Fife. The College of Medicine is developing curricula for both undergraduates and postgraduates with health data, aiming to scale these up through online courses for local clinical professionals. In addition, UoE has a part-time HN/degree route with Fife College and the NHS in biomedicine. The Advanced Care Research Centre (ACRC) may offer a new opportunity to connect DDI Programme, the private sector, NHS boards, local authorities, colleges and care providers, and SDS.

NHS Fife has been awarded an eHealth Insider award for Patientrack, an electronic monitoring and early warning system that has significantly reduced cardiac arrests in Fife. Fife Health & Social Care Partnership runs the Well programme and is currently investigating opportunities to expand this digitally.

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34 The proposal was not selected to develop the full-stage bids. See Strength in Places Fund https://epsrc.ukri.org/news/events/ news/strengthinplacesfund/ [28/04/19]
35 We were informed about a potential bid/proposal being developed to support the Space and Satellites sector, which would involve looking at developing a local ecosystem for building remote sensing/geospatial data capture devices. This is at very early stages, but we understand it would link to the autonomous systems and sensors work, and to the expanding the precision engineering capacity.
36 The Advanced Care Research Centre (ACRC) https://ddi.ac.uk/projects/advanced-care-research-centre/
38 The Well programme provides physical integrated hubs for health and social care services.
There may be opportunities to combine healthcare and sensor technologies for home healthcare to tackle the societal challenges of an ageing society. In terms of upskilling digital skills in these fields, Futureequipped is a pilot project delivered by the Digital Health and Care Institute (DHI) and Construction Scotland Innovation Centre (CSIC) and FE colleges in Scotland including Fife College. The project focusses on upskilling and new curriculum development covering health, construction and ICT along with the digitisation of home healthcare technologies.

**Data-enhanced agriculture, distribution and logistics**

There are opportunities to link these sectors with the system engineering and analytics expertise at the University. This could lead to significant new applications for data-enhanced agriculture, distribution and logistics.

**Data intelligence for enterprise services**

Building on the existing financial services, businesses and critical public and private enterprise-level data handling solutions, a significant expansion of the work in data intelligence for enterprise services may be possible, perhaps through partnering with Queensway Data Centre in Glenrothes. EPCC with its existing industry links, would be a core competence of the university in this area.

In an area closely related to DDI, the recently developed Fife Fintech Skills Academy is one of the innovative approaches adopted by payment service businesses in Fife with partners including Fife Council, Fife College, and Fintech Scotland to respond to the specific skills gap in payment services and upskilling workforces to meet the new data-driven financial services.
Addressing the TRADE outputs

The proposed areas of opportunity in different ways cover all target DDI sectors and key TRADE performance indicators\(^{39}\). In particular, working with partners such as Fife College and schools\(^{40}\), the university can support a leading talent development programme by targeting wider cohorts of data literacy as set out in the DDI Skills Gateway Project.

Such partnerships can enhance data literacy in Fife by supporting the development of schools and college curriculums, supplying critical expertise and by providing opportunities for executive education, CPD courses and graduate apprenticeship schemes\(^{41}\).

The university is currently identifying a number of areas that impact “learner progression and pathways”, including apprenticeships, SVQs, HNCs and HNDs – and associate/articulated student degrees. A recent project in advanced manufacturing aims to deliver training to colleges and industry on realising the potential for Industry 4.0. The university is also delivering a data science enhancement to modern apprenticeships in financial services and healthcare, and working with the Scottish Qualification Authority (SQA) and Skills Development Scotland (SDS) to develop the next generation of data science qualifications (HNC/HND Data Science) and apprenticeships. The main catalyst for the university is the development and delivery of graduate apprenticeships in data science and cyber security, and new opportunities are being sought in engineering.

Furthermore, by co-locating academics and practitioners, building on existing research capability, new avenues for directly impactful, applied/near to market research and adoption are likely to arise. Specifically, working with big business, such as the engineering prime Babcock, spirits giant Diageo or energy lead Burntisland Fabrications, who have capacity for investment into expanding the knowledge base for innovation, the University can also play a key role in enhancing new opportunities for DDI. This may include shaping the responsible, sustainable and inclusive research agenda for the future.

Support for SMEs with Business Gateway Fife, the Scottish Manufacturing Advisory Service (SMAS) and other business support organisations need to be enhanced to make them aware of data opportunities. The SME managers whom we interviewed told us that they prefer to train their workforce through ongoing learning “by experience” due to highly specialised nature of their businesses. These may pose additional challenges when SMEs try to adopt DDI in their operation. At the same time, they welcome opportunities for hosting university staff to enhance the innovativeness of their R&D and manufacturing processes through adoption of new technologies, knowledge and practices.

With Fife’s upcoming data centre, the university’s unique expertise in data acquisition, storage, processing and management can be brought to bear in order to improve public services and modernise data infrastructure available to businesses across the region. In addition, the university can critically facilitate the development of ethical and legal consensus around co-creation and use of data between citizens, public sector and private enterprises.

39 See https://ddi.ac.uk/data-talent-for-industry/our-growth-plan/
40 Knowledge Sharing Schools and the Newbattle model are some of the examples.
41 Skills linkages can be further explored as part of the broader commitments within the Integrated Regional Employability and Skills programme. http://www.acceleratinggrowth.org.uk/ires
Finally, by pushing the envelope in innovative R&D and business development, we believe a range of new opportunities for entrepreneurship will emerge. Collaboration with incubation spaces and accelerator facilities is important in order to build and support entrepreneurial capability of local industry. The university could contribute to growth acceleration opportunities within the Fife’s innovation hubs and enterprise zones, through its business development services by supporting networking and skills exchange, and providing expertise to business formation and growth. Developing DDI related managerial capacity and leadership skills of local businesses is also an area the University could contribute through CPD courses and executive education.

According to the existing customer relationship management data on the UoE industry links in Fife, there are different forms of university-industry engagement, including collaborative research, CASE studentships, knowledge transfer partnerships (KTPs), projects managed by Interface (e.g. innovation vouchers), consultancy and staff secondment. However, we do not know how these engagement forms co-exist and evolve over time. There might be synergistic relationships across each of the TRADE components (e.g. research, adoption and training). In order to understand the impacts of DDI activities over time, close monitoring of KPIs and links across KPI metrics is needed.

There remain wider questions to be addressed about how to link DDI programme to inclusive growth and social inclusion agenda. There are relevant approaches existing within the University, including:

- Skills provision, the widening participation agenda and an interest in growing existing, and developing innovative learner pathways;
- Procurement office - City Region Deal Inclusive Growth Framework; and,
- Living Lab with participatory methodology and real problem solving approaches.

Wider social impacts of the identified DDI opportunity areas need to be identified, which can be found not only in Fife but across other local authorities in the City Region and beyond. A policy question remains: what policies and actions are needed to be undertaken for all to realise the benefits of such inclusive growth?
Capabilities delivery model

The university’s DDI, as well as any other expert innovation capabilities, can be deployed to a target economic sector through one of three types of strategic pipelines: physical infrastructure; digital platform; and network of partners. All three are, of course, not exclusive to each other, dependent on investment of resources and personnel, and require careful calibration.

Physical infrastructure, e.g. an “innovation hub”, can provide an intensive and permanent basis for collaboration, with substantial and long-lasting effects. Such an infrastructure would benefit from the co-location of various stakeholders, including researchers and business developers, with firms and partner organisations. In particular, such a physical presence in the local ecosystem embeds the university’s R&D capacity in the geographical area, rather than relying upon continuous transfer from the central institutional base outside the area (in this case, from Edinburgh to Fife).

Laying down physical infrastructure in particular opens up opportunities for a more persistent and informal engagement with a variety of stakeholders, with a range of creative and open-ended opportunities emerging in the region (e.g. enterprise hubs in Glenrothes and Kincardine). Challenges remain in terms of “inclusive innovation”, particularly, SME engagement and management of adopting technology, which could serve as a conduit to inclusive growth.

Figure 2 – The Capabilities Delivery Model coupled with DDI KPI themes

Physical Infrastructure “R&D Hub”

Digital Platform

Network of Partners

Engagement

Co-Location

Data pooling

Insights

Improve Skills

Collaborate

42 Some examples in the UK include Advanced Manufacturing Research Centre (AMRC) at the University of Sheffield (https://www.amrc.co.uk/), and the National Manufacturing Institute for Scotland (NMIS) with the University of Strathclyde as the anchor university (https://www.gov.scot/policies/manufacturing/national-manufacturing-institute-for-scotland/). At the NMIS, the skills proposition includes Foundation Apprenticeships, Modern Apprenticeships, and Graduate Apprenticeships, postgraduate training and the CPD and upskilling of existing staff (https://www.skillsdevelopmentscotland.co.uk/news-events/2017/june-2017/innovation-in-manufacturing/).


Key codified knowledge and skills can also be transferred over various non-direct routes, with the aid of digital platforms. These are particularly important in reaching a mass audience of (potential) partners, or if such audience is geographically dispersed including rural areas. This would, for instance, be important in addressing opportunities in distributed economic systems, such as in agriculture, transportation or energy generation. Though sometimes criticised for its (necessarily) limited level of two-way engagement and exchange, virtual platforms are powerful tools in scaling up provisions in a fast-paced environment, where on-demand access to information and mobile application are essential.

By developing a network of partners, the university’s expertise can be embedded in a wider ecosystem through those key organisations, who are willing and able to integrate and further develop the expertise on offer by the university. The university is currently developing its strategic partners in order to build holistic relationships from strategic perspectives. For instance, the provision of executive education and CPD courses can be developed across the university, going beyond the business school, by engaging with strategic partner organisations, including the leadership development opportunities in the DDI areas. We also note relevant work undertaken by the university’s procurement office, in particular examining community benefits policies within the City Region Deal Inclusive Growth Framework.45

Across these three pipeline models, the identification of appropriate partners, engagement channels and available resources will be the key. These partners can be not only industry but also local government, colleges, and non-governmental organisations, and can vary significantly in their size, capabilities and level of engagement with the programme. Importantly, this requires extensive and patient development of ties with partners, as well as between them, and a significant commitment within the university’s counterparts to adapt to local requirements when working with them. Good practices of partnerships are also found in other cities, such as Newcastle City Futures (NCF)46. For the University of Edinburgh to take the opportunities in Fife forward, links with Fife Council, NHS Fife, SDS, along with Fife College, Scottish Enterprise, the Scottish Funding Council, and the innovation centres may be strengthened further in order to catalyse such a network of partners approach.

45 CRD partners are working collectively with the University to maximise social benefits through the procurement.
46 Led by Newcastle University partnered by Northumbria University, the NCF comprises 22 partners covering public, private and third sectors in the city. Newcastle University focuses its research expertise around the societal challenges of “Ageing”, “Sustainability” and “Social Renewal”, producing not just excellent research but practical and realistic solutions to problems society faces today. http://www.newcastlecityfutures.org/about-us/
Conclusion – challenges and recommendations for next steps

As this is a preliminary feasibility study, the conclusions and recommendations are limited in terms of the scope and level of details. Such a study needs to be supplemented with further research in order to define and detail the possible pathways for the exploitation of opportunities presented.

“Key opportunity areas related to DDI are identified in relation to the Fife industry profiles (see Table 2). In particular, there are opportunities in advanced manufacturing for engineering and construction, mainly to co-develop renewable energy machinery, as well as to build, maintain and de-commission oil and gas and maritime systems – and to accommodate off-site, automated and robotised manufacturing within the construction sector, especially in relation to fabricated panels, roofing systems and timber engineering. This has already led to the School of Engineering and Bayes Centre working closely with Babcock. It also links closely to other opportunities in developing autonomous systems and sensors on marine and airborne platforms, such as infrastructural intelligence and remote sensing for precision agriculture and construction engineering. Another example is smart systems for health and wellbeing, including the Advanced Care Research Centre, with an opportunity for collaboration with Fife College. Noting Fife’s large service economy, in particular, payment services, developing collaboration with recent initiatives such as the Fintech Skills Academy would lead to new solutions in data intelligence for enterprise services. By working with the significant, yet somewhat dispersed agricultural, distilling, retail and hospitality sector, data-enhanced agriculture/food & drink, distribution and logistics solutions can be developed with both local partners as well as global businesses.

These opportunities would also support the development of a skills ecosystem, by growing and developing innovative learner pathways, and would lead to significant improvement of outcomes for widening participation through strategic partnerships. Also, opportunities for executive education and CPD courses are recognised in the areas related to DDI. There are two key challenges that need to be addressed externally and internally:

- Willingness of industry to engage and take up the DDI agenda
- Embedding DDI engagement within the university.

These include potential issues with engaging industry stakeholders in Fife, particularly SMEs, and establishing links to the industry’s DDI needs, demands and interests. For the university, understanding the complexity of the local skills landscape, connecting with specific local SMEs and supply chain systems may take time and effort, and prove to be challenging. Collaboration with organisations such as SMAS, Interface, innovation centres, Business Gateway, and Fife College could pave a way for future complementary opportunities. The models of governance and partnerships for business support as well as resource issues require consideration both at local and national levels.
Internally, the university also needs to examine how DDI engagement opportunities can be embedded in its current and future activities. It is acknowledged that financial incentives alone are not sufficient for academics to increase research collaboration with businesses and to bridge the gap between industry and societal needs. Time, support and an environment encouraging of engagement are recognised as some of the factors that foster academic-business collaboration. Better understanding is required regarding how markets for academic DDI expertise can be formed, developed and sustained.

Critical questions relate to linking the DDI Programme to inclusive growth and social inclusion agenda, and how to capture wider social impacts of the identified DDI opportunity areas, which need to be mapped out and expressed in emerging programme delivery plans and associated KPIs. In order to explore how to take these opportunity areas further through external and internal stakeholder engagement, we suggest the deployment of the Living Lab methodology. Such an inclusive approach can bring together internal and external capacity and align interests through design-driven exercises, to form concrete projects and partnerships by exploiting the opportunities. Another example is the public policy forum catalysing dialogues across public sector leadership.

There are opportunities to link TRADE components - research and adoption to talent and entrepreneurship opportunities through developing datasets. The opportunity for the university to engage with foresight issues needs to be recognised and better deployed in collaboration with the Council and other local stakeholders. Datasets and evidence of impacts on the City Region need to be built as part of the long-term development of the DDI Programme.

**Recommendations**

In order to move forward, the key next step is to better understand the most promising areas for collaboration identified in this report, as opportunities for DDI in Fife (e.g. advanced manufacturing; health and wellbeing). The identification, awareness raising and implementation of ‘digital skills’ within these areas and key industry sectors (e.g. fintech, health and care, and engineering) is also imperative.

Focusing on these areas, this report recommends:

- Review current DDI landscape in Fife across the key sectors and beyond;
- Gap analysis of the current DDI landscape relating to innovation, entrepreneurship and skills needs in Fife;
- Review current University of Edinburgh/academic partners’ capacity and capability to develop collaborative projects in Fife (see Table E1 in Appendix E);
- Develop 1-3 pilot projects for each area/sector, to build collaborative partnerships and develop capacity for engagement, particularly targeting SMEs to enhance a wide range of data literacy and digital skills; and,
- Evaluate the projects and design future activities, in order to promote the uptake of skills and technology related to DDI by local businesses and other partners.

This would help focus and prioritise activities and resource allocation over the next phase of the DDI programme, moving from six months, 18 months to three year plans. Understanding the capacity of local businesses and academics to take on collaborative projects is the first step. Matching and aligning resources to the life cycles of projects, availability of physical infrastructure and indigenous technology capacity of identified key sectors and the opportunity areas would help refine the focus for successful DDI adoption projects in Fife.

**Further contact**

Proposals to be taken forward through the DDI programme are developed through a business case approach. To take forward any of the opportunities identified in this report, or any other ideas that this report has triggered, the first step should be to contact the DDI team at the City Region Deal Data-Driven Innovation Programme Delivery Office at: ddi@ed.ac.uk

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48 Edinburgh Living Lab https://www.edinburghlivinglab.org/
Study team (authors)

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Matjaz Vidmar (School of Social and Political Science)

Dr Alessandro Rosiello (University of Edinburgh Business School)

Owais Golra (University of Edinburgh Business School)

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The following individuals at the DDI team gave inputs and support to the study at various points:

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This study was commissioned and supported by Professor Charlie Jeffrey, past Senior Vice-Principal, University of Edinburgh.

Any remaining errors in this report are the responsibility of the authors.
Appendix A: Sources of Data and Analysis

Primary Data Sources and Groups of Informants

Interviewees in Fife
- Fife Council (Economy, Planning and Employability Services)
- Fife College (Principal, Director of Faculty of Engineering, energy and mathematics, Business Development)
- A small number of advanced manufacturing companies
- Developing the Young Workforce Fife Engineering/STEAM Business Breakfast, 6 November 2018

Scottish Organisations
- Skills Development Scotland
- Innovation Centres (DataLab; Digital Health and Care Institute; Construction Scotland IC)
- Scottish Engineering
- Fintech Scotland
- Interface

University of Edinburgh
- DDI programme team, Hub Leads
- DDI related BDMs and academics at Bayes Centre, EFI, Easter Bush, and Usher Institute
- Edinburgh Innovation
- Edinburgh Living Lab
- Professional services across the University
- A roundtable discussion (Bayes Centre, 4 December 2018, with Craig Skeldon, Douglas Graham, Laura Mckie, Jeff Steynor, Peter Hayakawa, Catherine Magill, Tony Venus, Helen New)

Secondary Data Sources

Information sources in Fife includes:
- Fife Economic Strategy (2017-2027) (Fife Economic Partnership)
- Invest in Fife
- Regional Skills Assessment

Information sources at University of Edinburgh includes:
- Edinburgh Innovation CRM data related to projects in Fife provided by Edinburgh Innovation
### Table A1 List of informants – External organisations

<table>
<thead>
<tr>
<th>Individuals</th>
<th>Organisation</th>
</tr>
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<tbody>
<tr>
<td>Keith Winter</td>
<td>Fife Council (Economy, Planning and Employability Services)</td>
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<tr>
<td>Gordon Mole</td>
<td></td>
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<tr>
<td>Morag Miller</td>
<td></td>
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<tr>
<td>Iain Shirlaw</td>
<td></td>
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<tr>
<td>Hugh Hall</td>
<td>Fife College</td>
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<tr>
<td>Chris Cooke</td>
<td></td>
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<tr>
<td>Nick Inglis</td>
<td></td>
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<tr>
<td>Jan Thomson</td>
<td></td>
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<tr>
<td>Krystyna Marette</td>
<td></td>
</tr>
<tr>
<td>Lewis Gale</td>
<td></td>
</tr>
<tr>
<td>John Penman</td>
<td>Fife Fabrications; Manufacturing Champion for the Fife Economy Partnership</td>
</tr>
<tr>
<td>Dillon Russell</td>
<td>Quality Precision Electronics LTD</td>
</tr>
<tr>
<td>William Scott</td>
<td>Skills Development Scotland (Key Sector Manager: Engineering)</td>
</tr>
<tr>
<td>Adam Turner</td>
<td>DataLab</td>
</tr>
<tr>
<td>George Crooks</td>
<td>Digital Health &amp; Care Institute</td>
</tr>
<tr>
<td>Sanna Rimpiläinen</td>
<td></td>
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<tr>
<td>Sarah Buchanan</td>
<td>Construction Scotland Innovation Centre</td>
</tr>
<tr>
<td>Shelley Breckenridge</td>
<td>Interface</td>
</tr>
<tr>
<td>Paul Sheerin</td>
<td>Scottish Engineering</td>
</tr>
<tr>
<td>Stephen Ingledey</td>
<td>Fintech Scotland</td>
</tr>
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### Table A2 List of informants – The University of Edinburgh informants

<table>
<thead>
<tr>
<th>Individuals</th>
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<tbody>
<tr>
<td>Michael Rovatsos</td>
<td>Bayes Centre</td>
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<tr>
<td>Craig Skeldon</td>
<td></td>
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<tr>
<td>Simon Marr</td>
<td></td>
</tr>
<tr>
<td>Nick Mills</td>
<td>Usher Institute</td>
</tr>
<tr>
<td>Douglas Graham</td>
<td>Edinburgh Future Institute</td>
</tr>
<tr>
<td>Helen Dundas</td>
<td>Easter Bush</td>
</tr>
<tr>
<td>Alan Hughes</td>
<td>University of Edinburgh Business School</td>
</tr>
<tr>
<td>Jeff Steynor</td>
<td>School of Engineering</td>
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<tr>
<td>Frank Mill</td>
<td></td>
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<tr>
<td>Laura Mckie</td>
<td>Edinburgh Innovation</td>
</tr>
<tr>
<td>Berndan Mcguckin</td>
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<tr>
<td>Peter Hayakawa</td>
<td>Procurement Office</td>
</tr>
<tr>
<td>Catherine Magill</td>
<td>Edinburgh Living Lab</td>
</tr>
<tr>
<td>Tony Venus</td>
<td>Apprenticeship</td>
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<tr>
<td>Helen New</td>
<td></td>
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<tr>
<td>Katrina Castle</td>
<td>Strategic Partnerships and Transitions</td>
</tr>
<tr>
<td>Kostas Kavoussanakis</td>
<td>EPCC</td>
</tr>
</tbody>
</table>
Appendix B: Economic Activity in Fife

Fife is the 4th largest economy among the 32 local authorities in Scotland. It is home to 370,300 people and makes a significant contribution to the Scottish economy with an annual business turnover of around £13.6 billion. Fife supports over 9,700 businesses and around 152,000 jobs.

The Fife region can be classified into 27 different types of geographical data zones. The main classification used by Fife council is the 7 Area Committees, namely: City of Dunfermline, Cowdenbeath, Glenrothes, Kirkcaldy, Levenmouth, North East Fife and South West Fife. However, Fame database, which we used to gather information on active businesses in Fife, identifies 12 geographical areas as shown in Figure B1. The concentration of firms in the twelve areas can be grouped into four further categories as follows:

- **West Fife:** Dunfermline and Kirkcaldy shows the highest number of geographic concentration of companies consisting of 3259 (36.8%) and 1245 (14.1%) respectively.

- **Central Fife:** Glenrothes also shows higher concentration with 1001 (11.3%) companies.

- **East Fife:** In this part, St. Andrews and Leven also show reasonable geographic concentration of companies with 686 (7.8%) and 652 (7.5%) respectively.

- **The rest of seven areas across Fife incorporate the remaining 1192 (13.5%) of companies with Inverkeithing and Kelty being the least concentrated areas.**

Figure B2 presents the actual sector-wise distribution of firms in Fife based on UK SIC 2007 industrial classification system, as per fame database (For more details see table A1. The data shows that the highest number of firms are active in professional, scientific and technical activities (16%) followed by construction (13%), manufacturing (11%), wholesale & retail (10%), administrative support (9%), other services (8%) and, information and communication (7%).

![Figure B2: UK SIC 2007 Primary Industry Classification (fame database)](image)

![Figure B1: Number of Enterprises per Geographical Area (fame database)](image)

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51 KnowFife Dataset; Understanding Fife’s Geographies, https://knowfife.fife.gov.uk/

52 Fame Database; https://www.bvdinfo.com/en-gb/our-products/data/national/fame
Figure B3: UK SIC 2007 Secondary Industry Classification (fame database)
Table B1: UK SIC 2007 Secondary Industry Classification (fame database)

<table>
<thead>
<tr>
<th>Activity (prim. UK SIC 2007)</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialised construction activities</td>
<td>769</td>
</tr>
<tr>
<td>Office administrative, office support and other business support activities</td>
<td>571</td>
</tr>
<tr>
<td>Retail trade, except of motor vehicles and motorcycles</td>
<td>541</td>
</tr>
<tr>
<td>Activities of head offices; management consultancy activities</td>
<td>482</td>
</tr>
<tr>
<td>Computer programming, consultancy and related activities</td>
<td>469</td>
</tr>
<tr>
<td>Architectural and engineering activities; technical testing and analysis</td>
<td>463</td>
</tr>
<tr>
<td>Real estate activities</td>
<td>457</td>
</tr>
<tr>
<td>Food and beverage service activities</td>
<td>440</td>
</tr>
<tr>
<td>Other personal service activities</td>
<td>429</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>394</td>
</tr>
<tr>
<td>Other professional, scientific and technical activities</td>
<td>334</td>
</tr>
<tr>
<td>Construction of buildings</td>
<td>332</td>
</tr>
<tr>
<td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td>
<td>186</td>
</tr>
<tr>
<td>Wholesale trade, except of motor vehicles and motorcycles</td>
<td>186</td>
</tr>
<tr>
<td>Sports activities and amusement and recreation activities</td>
<td>178</td>
</tr>
<tr>
<td>Human health activities</td>
<td>176</td>
</tr>
<tr>
<td>Land transport and transport via pipelines</td>
<td>152</td>
</tr>
<tr>
<td>Repair and installation of machinery and equipment</td>
<td>138</td>
</tr>
<tr>
<td>Warehousing and support activities for transportation</td>
<td>132</td>
</tr>
<tr>
<td>Legal and accounting activities</td>
<td>126</td>
</tr>
<tr>
<td>Crop and animal production, hunting and related service activities</td>
<td>122</td>
</tr>
<tr>
<td>Accommodation</td>
<td>111</td>
</tr>
<tr>
<td>Manufacture of fabricated metal products, except machinery and equipment</td>
<td>109</td>
</tr>
<tr>
<td>Education</td>
<td>109</td>
</tr>
<tr>
<td>Financial service activities, except insurance and pension funding</td>
<td>107</td>
</tr>
<tr>
<td>Services to buildings and landscape activities</td>
<td>97</td>
</tr>
<tr>
<td>Civil engineering</td>
<td>91</td>
</tr>
<tr>
<td>Creative, arts and entertainment activities</td>
<td>58</td>
</tr>
<tr>
<td>Activities auxiliary to financial services and insurance activities</td>
<td>52</td>
</tr>
<tr>
<td>Employment activities</td>
<td>48</td>
</tr>
<tr>
<td>Social work activities without accommodation</td>
<td>47</td>
</tr>
<tr>
<td>Travel agency, tour operator and other reservation service and related activities</td>
<td>46</td>
</tr>
<tr>
<td>Rental and leasing activities</td>
<td>46</td>
</tr>
<tr>
<td>Mining support service activities</td>
<td>44</td>
</tr>
<tr>
<td>Publishing activities</td>
<td>42</td>
</tr>
<tr>
<td>Information service activities</td>
<td>41</td>
</tr>
<tr>
<td>Manufacture of food products</td>
<td>39</td>
</tr>
<tr>
<td>Activities of membership organisations</td>
<td>38</td>
</tr>
<tr>
<td>Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</td>
<td>36</td>
</tr>
<tr>
<td>Motion picture, video and television programme production, sound recording and music publishing activities</td>
<td>33</td>
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</tbody>
</table>
### Table B1: UK SIC 2007 Secondary Industry Classification (fame database) continued

<table>
<thead>
<tr>
<th>Activity (prim. UK SIC 2007)</th>
<th>Number of companies</th>
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<tbody>
<tr>
<td>Manufacture of computer, electronic and optical products</td>
<td>33</td>
</tr>
<tr>
<td>Manufacture of beverages</td>
<td>33</td>
</tr>
<tr>
<td>Residential care activities</td>
<td>33</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>31</td>
</tr>
<tr>
<td>Electricity, gas, steam and air conditioning supply</td>
<td>30</td>
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<tr>
<td>Security and investigation activities</td>
<td>29</td>
</tr>
<tr>
<td>Scientific research and development</td>
<td>29</td>
</tr>
<tr>
<td>Advertising and market research</td>
<td>28</td>
</tr>
<tr>
<td>Veterinary activities</td>
<td>25</td>
</tr>
<tr>
<td>Manufacture of machinery and equipment n.e.c.</td>
<td>24</td>
</tr>
<tr>
<td>Waste collection, treatment and disposal activities; materials recovery</td>
<td>24</td>
</tr>
<tr>
<td>Manufacture of rubber and plastic products</td>
<td>22</td>
</tr>
<tr>
<td>Residents property management</td>
<td>18</td>
</tr>
<tr>
<td>Extraction of crude petroleum and natural gas</td>
<td>18</td>
</tr>
<tr>
<td>Manufacture of furniture</td>
<td>18</td>
</tr>
<tr>
<td>Manufacture of other transport equipment</td>
<td>17</td>
</tr>
<tr>
<td>Postal and courier activities</td>
<td>16</td>
</tr>
<tr>
<td>Libraries, archives, museums and other cultural activities</td>
<td>16</td>
</tr>
<tr>
<td>Manufacture of electrical equipment</td>
<td>15</td>
</tr>
<tr>
<td>Printing and reproduction of recorded media</td>
<td>15</td>
</tr>
<tr>
<td>Fishing and aquaculture</td>
<td>13</td>
</tr>
<tr>
<td>Public administration and defence; compulsory social security</td>
<td>13</td>
</tr>
<tr>
<td>Forestry and logging</td>
<td>12</td>
</tr>
<tr>
<td>Manufacture of basic metals</td>
<td>12</td>
</tr>
<tr>
<td>Manufacture of other non-metallic mineral products</td>
<td>12</td>
</tr>
<tr>
<td>Repair of computers and personal and household goods</td>
<td>11</td>
</tr>
<tr>
<td>Manufacture of textiles</td>
<td>9</td>
</tr>
<tr>
<td>Manufacture of paper and paper products</td>
<td>8</td>
</tr>
<tr>
<td>Manufacture of wearing apparel</td>
<td>7</td>
</tr>
<tr>
<td>Water collection, treatment and supply</td>
<td>7</td>
</tr>
<tr>
<td>Other mining and quarrying</td>
<td>7</td>
</tr>
<tr>
<td>Manufacture of motor vehicles, trailers and semi-trailers</td>
<td>6</td>
</tr>
<tr>
<td>Manufacture of chemicals and chemical products</td>
<td>6</td>
</tr>
<tr>
<td>Insurance, reinsurance and pension funding, except compulsory social security</td>
<td>6</td>
</tr>
<tr>
<td>Water transport</td>
<td>5</td>
</tr>
<tr>
<td>Programming and broadcasting activities</td>
<td>5</td>
</tr>
<tr>
<td>Activities of extraterritorial organisations and bodies</td>
<td>4</td>
</tr>
<tr>
<td>Activities of households as employers of domestic personnel</td>
<td>3</td>
</tr>
<tr>
<td>Gambling and betting activities</td>
<td>3</td>
</tr>
<tr>
<td>Remediation activities and other waste management services</td>
<td>3</td>
</tr>
<tr>
<td>Activity (prim. UK SIC 2007)</td>
<td>Number of companies</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Undifferentiated goods- and services-producing activities of private households for own use</td>
<td>2</td>
</tr>
<tr>
<td>Air transport</td>
<td>2</td>
</tr>
<tr>
<td>Manufacture of coke and refined petroleum products</td>
<td>2</td>
</tr>
<tr>
<td>Manufacture of tobacco products</td>
<td>2</td>
</tr>
<tr>
<td>Manufacture of leather and related products</td>
<td>2</td>
</tr>
<tr>
<td>Manufacture of basic pharmaceutical products and pharmaceutical preparations</td>
<td>2</td>
</tr>
<tr>
<td>Mining of metal ores</td>
<td>1</td>
</tr>
<tr>
<td>Mining of coal and lignite</td>
<td>1</td>
</tr>
<tr>
<td>Sewerage</td>
<td>1</td>
</tr>
<tr>
<td><strong>All</strong></td>
<td><strong>8,912</strong></td>
</tr>
</tbody>
</table>
### Appendix C: DDI Programme Impact Pathway
(Source: the University of Edinburgh DDI Programme, 2018)

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation</td>
<td>Activities</td>
</tr>
<tr>
<td>- Market Demand</td>
<td>DDI level: Concentrates DDI activity in the five hubs</td>
</tr>
<tr>
<td>- Needs</td>
<td>Increase space available to co-locate and collaborate with partners</td>
</tr>
<tr>
<td>- Assumptions</td>
<td>Talent: Increase training capacity and design and deliver new (academic and professional) courses</td>
</tr>
<tr>
<td>- Problems</td>
<td>Programme investment in new DDI focused activities (10 yrs)</td>
</tr>
<tr>
<td>- Stakeholder engagement</td>
<td>Research: Undertake more DDI focused publicly funded research and extend its quality and scope</td>
</tr>
<tr>
<td>Alignment</td>
<td>Adoption: Undertake programme of near to market R&amp;D with businesses. Greater takeup of DDI related CPD courses by employees. Engagement with wider community and local schools (via Outreach Programme) to raise awareness</td>
</tr>
<tr>
<td>- Vision</td>
<td>DDI Programme Impact Pathway</td>
</tr>
<tr>
<td>- Objectives</td>
<td>Data: WDCC to gather, store and process usable datasets accessible to self and partners</td>
</tr>
<tr>
<td>- Resources</td>
<td>Entrepreneurship: Scale up support for start-ups through provision of dynamic, venture capital funding, incubation space and mentoring. Flow through of DDI graduates to micro businesses and SMEs</td>
</tr>
<tr>
<td>- Local dynamics</td>
<td>Dyslexia: Public</td>
</tr>
<tr>
<td>- Collaborators</td>
<td>Data partners (public, private and third sector)</td>
</tr>
<tr>
<td>- Intended outcomes</td>
<td>Businesses, Public</td>
</tr>
</tbody>
</table>

#### Short-term
- Talent: More learners take up courses and develop DDI skills
- Research: More research investment is leveraged to unlock new data insights, ideas and IP
- Adoption: Greater joint working with businesses on DDI branded products and services and greater awareness in local businesses, schools and the public about impact of data

#### Medium-term
- Talent: Learners apply DDI skills in the workplace to establish own enterprise
- Research: Research activity improves teaching and attracts and retains talent
- Adoption: Business, school children and public make different choices, knowledge transfer from CPD courses and outreach programmes results in greater take up of DDI talent and research, new markets develop

#### Long-term
- Talent pool grows, skills shortages are addressed (employment)
- Existing workforce equipped with more tech resilient skills (employment and wages)
- Productivity improves (wages, GVA, tax revenue)
- Wider benefits to consumers and service users from application of DDI (e.g. better health outcomes, cheaper products and services)
- New gains are created (employment)
- GVA rises (tax and productivity benefits)

<table>
<thead>
<tr>
<th>Data: Better access to a wider range of data sets encourages research and enterprise activity</th>
<th>Data: Growth rate of DDI activity in City Region increases and its reputation grows</th>
<th>Availability of talent, research and data attracts more inward investment including R&amp;D funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurships: Number of spin out companies</td>
<td>Entrepreneurships: Number of spin out companies</td>
<td>Exchanges benefits from application of data to transition public services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix D: DDI Programme Impact Pathways model developed in the study in Fife

**Programme:** DDI - Potential Impact Pathways in Fife

**Situation:** From our Development Opportunities in Fife analysis, it is possible to observe the potential for matching between emerging DDI needs of local industry players with the DDI capabilities within the University. Moving forward we envisage the development of DDI Programme impact Pathways, linking TRADE KPIs with outcomes/impacts as suggested in the logic model below.

**Inputs**
- Physical Infrastructure
- Digital platforms
- Network of partners

**Action/Outputs**
- Activities
- Participation

**Outcomes/Impact**

<table>
<thead>
<tr>
<th>Short</th>
<th>Medium</th>
<th>Long</th>
</tr>
</thead>
<tbody>
<tr>
<td>More impactful research to understand a many fashion</td>
<td>DDI activities growth</td>
<td>City Region (Fife) emerges as a new and globally relevant DDI-driven ecosystem, with remit in various industrial sectors</td>
</tr>
<tr>
<td>Enhanced access to a wide range of relevant datasets</td>
<td>Increased DDI-related expenditure in the region</td>
<td>More investment flows into the region, targeting R&amp;D activities</td>
</tr>
<tr>
<td>More learners take up DDI training, more courses become available</td>
<td>Increased capacity to retain and create DDI-skills, knowledge transfer from CPD courses and outreach programmes results in greater take up of DDI relevant and research, new domains of industrial activity may be affected</td>
<td></td>
</tr>
<tr>
<td>Greater joint-working with businesses on DDI-based products and services</td>
<td>Enhanced productivity and innovation capacity</td>
<td>A resilient entrepreneurial ecosystem emerges</td>
</tr>
<tr>
<td>Increase in number of new businesses</td>
<td>More entrepreneurial ventures survive, new domains of industrial activity emerge</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions**
- Concentration of resources good for regional/sector development (Katz and Wagner, 2016)
- Financial and business development support key for SMEs (Ellyvoulohou and Vehier, 2012)
- Networking and access to expertise/research and facilities key for businesses growth (Huggins, Johnston and Thompson, 2012)

**External Factors/Obstacles**
- Issues with finance (investment competition)
- Challenging and unpredictable (socio-)economic environment
- Scientists reluctant to engage with business and knowledge exchange
- Global competition

**Template Source:**
http://www.uwsx.edu/ce/edande/evaluation/evallogicielmodelworksheets.html
### Appendix E: Matching Key Sectors in Fife and Opportunity Areas for DDI Programme

The following table is based on information from “Fife’s Economic Strategy 2017-2027” and interviews conducted by the Study team between October and November 2018, merged with our analysis on the UoE research centres and DDI opportunity areas in Fife.

**Table E1 Analytical mapping of economic activity and university research and development activity linked to form the key opportunity areas**

<table>
<thead>
<tr>
<th>Opportunity Area</th>
<th>Key Sector in Fife Economic Strategy 2017-2027</th>
<th>Fife Council support areas</th>
<th>Fife Industry strength/ opportunity and challenges</th>
<th>UoE capability related to DDI and potential</th>
<th>Fife College, other HEIs and other relevant stakeholders</th>
<th>UoE Research Centres</th>
<th>UoE key DDI contacts</th>
</tr>
</thead>
</table>
| **Advanced Manufacturing for Machine Engineering** | Energy and renewables | • Increase Modern Apprenticeship; explore opportunity for Foundation and Graduate Apprenticeship  
• Upskilling workforce  
• Improve links between education and businesses  
• Oil and gas decommissioning;  
• Investment in Energy Park Fife Phase 3  
• Increase Modern Apprenticeship; explore opportunity for Foundation and Graduate Apprenticeship  
• Upskilling workforce  
• Improve links between education and businesses | Oil and gas large players (e.g. Babcock, FMC, Oceanearing, Burnt Island Fabricators) and supply chains;  
The Levenmouth Demonstration Turbine (ORE Catapult);  
Global Energy Inc | • Orca Hub (joint HW-UoE / Robotarium venture)  
Sensors, analytics and data reporting are the key areas of future development (currently weak links to DDI, but a great opportunity, as there is a significant need):  
• Manufacturers: Quality Control  
• Operations: Predictive Maintenance (based on statutory requirements) | • St Andrews Eden Campus spin-offs  
Energy Park  
Data Centres | UK Carbon Capture and Storage Research Centre (UKCCSRC)  
Edinburgh Centre for Carbon Innovation (ECCI);  
National Centre for Earth Observation (NCEO)  
FloWave  
Industrial Doctorate Centre in Offshore Renewable Energy (IDCORE)  
Scottish Microelectronics Centre  
Edinburgh Materials Microanalysis Centre (EMMAC) | Bayes; Ei |
<table>
<thead>
<tr>
<th>Opportunity Area</th>
<th>Key Sector in Fife Economic Strategy 2017-2027</th>
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<th>UoE Research Centres</th>
<th>UoE key DDI contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomous Systems and Sensors on Marine and Airborne Platforms</td>
<td>Manufacturing incl. Engineering</td>
<td>Sensors and big data as one of emerging supplementary themes to material and machine design; Availability and quality of skilled labour as a challenge; ageing of workforce;</td>
<td>• “Industry Forth” / FASTBLADE-Babcock Engineering + Informatics and +EI; SDS + SE + Invest in Fife / Fife Council + companies (EoIs) Fife College linked in through SDS. Advanced Manufacturing Innovation Centre, proposed in 2018, with main themes: - Industry 4.0 - Manufacturing engineering - Welding - Metallurgy and composites - Machining - Scientific services - Nuclear AMRC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity Area</td>
<td>Key Sector in Fife Economic Strategy 2017-2027</td>
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<td>---------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
</tbody>
</table>
| Data Intelligence for Enterprise | Finance and business services incl. Fintech   | • Assist Fintech companies to develop new products and services  
• Attracting Fintech firms | Payment services e.g. Ingenico Group; Renovite Technologies; FIS Global; Payment Centric | • Fintech Scotland  
• Centre of Excellence for Cyber Security Research, Informatics  
EPPC-Optos project; EPPC-Data Lab project with Paywizard | The Fintech Skills Academy, launched in September 2018 with Fife Council, Fife College, Fintech industry; Fintech Scotland  
• Data Lab | Edinburgh Parallel Computing Centre (EPCC)  
Human Communication Research Centre (HCRC) | Bayes/EPCC  
Informatics |
| Digital technology incl. ICT     | Increase FE and HE places for future workforce  
• Increase Modern Apprenticeship; explore opportunity for Foundation and Graduate Apprenticeship  
• Support IoT  
• Big Data analysts demands  
• New businesses | Semfab, Exterrrity, Artlium, TDK-Micronas, Paywizard, Bitwise, RG Wire and Cable; CDL vehicle information services; itek; EAF | • AI and Blockchain accelerator at Bayes Centre  
• Centre of Excellence for Cyber Security Research  
• Public policy forum  
• Living Lab | • Data Lab  
Edinburgh Napier University's Cyber Academy  
• Civtech – SMEs | The Credit Research Centre | Bayes; EFI  
DDI team  
ELL |
| Tourism, culture and creative industries | Develop skills pathways – progression to higher skilled jobs  
• New digital platforms | Creative industry - Create in Fife; Fife Craft Association  
Strong arts and craft sector  
Four theatres | Links between DDI and creative industry in Fife being sought e.g. digital informatics; informatics; Bayes; EPCC; ECCI. | Fife College – creative industry, fashion | Digital Humanities  
Centre for Service Excellence  
Digital Curation Centre (DCC)  
ECA Product Design  
DISIGN  
Centre for Design Informatics (CDI) | Informatics, Bayes; EFI |
<table>
<thead>
<tr>
<th>Opportunity Area</th>
<th>Key Sector in Fife Economic Strategy 2017-2027</th>
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<th>Fife Industry strength/ opportunity and challenges</th>
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<th>UoE Research Centres</th>
<th>UoE key DDI contacts</th>
</tr>
</thead>
</table>
| Data-enhanced Agri/ food Distribution and Logistic | Food and drink | • Ensure a flow of engineers into food and drink manufacturing  
• Fife Food Port, storage and distribution project at Rosyth and other ports | Food & drink - Ports and logistics  
e.g. Diageo - spirits manufacturer  
Drinks industry (whiskey), global distribution centre in Fife (near Leven) | Ports and logistics  
- Data integration across the various business units  
Other areas of food & drink  
• Geoscience  
• Easter Bush  
[Not much link with Fife, but possibly some links through Agri EPI and SRUC in Smart farming] | Queen Margaret University | FRIED | Bayes  
Easter Bush |
| Smart | Health and Care | • Fill employment and skills demands  
• Develop skills pathways – progression to higher skilled jobs | NHS Fife; commercial care providers  
Gap between lower skills and PG level skills | Data health work with NHS Fife  
- NHS fellowship in Fife  
- Healthcare innovation funding bid – working with NHS in Fife, Borders  
- UG PG curricula with health data; online course for scaling up | Futureequipped by DHI; Construction Scotland Innovation Centre and FE Colleges; upskilling and new curriculum development covering health, construction and ICT | Queen Margaret University | Usher Institute for Population Health and Informatics  
Centre for Research on Environment, Society, and Health (CRESH)  
Centre for Cognitive Ageing and Cognitive Epidemiology  
Edinburgh Centre for Research on the Experience of Dementia  
Centre for Dementia Prevention  
The Advanced Care Research Centre – Data analytics, IoT/sensors, AI/Robotics, therapeutics ; With LAs, NHS, Universities, Colleges; care providers, industry; Demonstration site development with Fife College | Usher Institute; EI |

The Physical Activity for Health Research Centre (PAHRC)  
Mason Institute for Medicine, Life Science and the Law (MI)
<table>
<thead>
<tr>
<th>Opportunity Area</th>
<th>Key Sector in Fife Economic Strategy 2017-2027</th>
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<th>UoE Research Centres</th>
<th>UoE key DDI contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Civil engineering</td>
<td>• Invest in Apprenticeship</td>
<td>• Fife Supplier Development Programme for SMEs</td>
<td>Large scale construction e.g. Queensferry Crossing/Jacobs; Housing construction - Lack of digitization Increase in employment expected in construction Off-site, automated and robotised manufacturing within the Construction industry - especially in relation to fabricated panels, roofing systems and timber engineering.</td>
<td>Centre for future infrastructure; CPDs and Masters programme. Procurement office – Climate KIC</td>
<td>Edinburgh Napier University; Institute of Sustainable Construction</td>
<td>BRE Centre for Fire Safety Engineering (CFSE); Edinburgh Centre for Carbon Innovation (ECCI); OPENspace</td>
<td>Bayes</td>
</tr>
</tbody>
</table>