

Shetland Islands Council



Economic Development Policy Statement 2007 – 2011

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Shetland Economic Development Policy Statement 2007-2011

Part 1 - Introduction

- 1.1 This document forms an integral part of Shetland Islands Council's Corporate Plan covering the period of the present Council, which ends in 2011. Work on the Economic Development Policy Statement began as part of the member led service-planning exercise that was set up by the new Council in the summer of 2007. It has been completed with the involvement of the 4 Industry Panels that have been established by this Council to achieve a better engagement with Shetland industry during the next 4 years.
- 1.2 The Economic Development Policy Statement will act as the policy framework for the work of the Council's Development Committee and the Economic Development Unit. It is expected that policies will be added, amended or deleted in the course of the Council's work so the Economic Development Policy Statement will be updated regularly by the Development Committee to reflect these changes.
- 1.3 An effort is made to link the Council's economic development work to the objectives of the Scottish Government's Economic Development Strategy. Apart from making sense from a "joined up government" perspective, the link is necessary because the Council's financial settlement from the Government carries with it a number of economic development targets, which the Council is expected to deliver on. The arrangement is explained in more detail in the next pages.
- 1.4 The next 4 years will be a pivotal time in Shetland's history. It will be a time when the decline of the oil industry in Shetland will be in sharp focus and there will be an increasing emphasis on broadening Shetland's commercial base through new activities, encouraging creativity, seeking new methods of working, improving skills and by finding ways to link Shetland more closely to the outside world. There has to be a drive to improve product quality and service standards in all sectors so that Shetland can build on a growing reputation for being creative, modern and distinctive. We also need to make sure that the development potential of the existing traditional industries is understood fully and is acted upon so that "at hand" economic development opportunities are not missed.
- 1.5 To help Shetland along the path described above, the Economic Development policy Statement contains 29 policies, together with related pledges, delivery mechanisms, expected outcomes and progress dates.

Part 2 - Links to the Scottish Government's Economic Strategy

2.1 Published in 2007, the Scottish Government's Economic Strategy has a main purpose to:-

“focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”

2.2 It describes 5 Strategic Objectives:

Wealthier and Fairer – Enable businesses and people to increase their wealth and more people to share fairly in that wealth

Smarter – Expand opportunities for Scots to succeed through life long learning ensuring higher and more widely shared achievements

Healthier – Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care

Safer and Stronger – Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life

Greener – Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

It then goes on to discuss 5 priorities that are internationally recognised to be critical to economic growth, citing the examples of Ireland and New Zealand as small countries that have made significant progress based on this approach. These 5 priorities are:

Learning, Skills and Well-being – improved education opportunities; promoting higher levels of physical and mental health; and, creating the conditions for talented people to live, work and remain in Scotland;

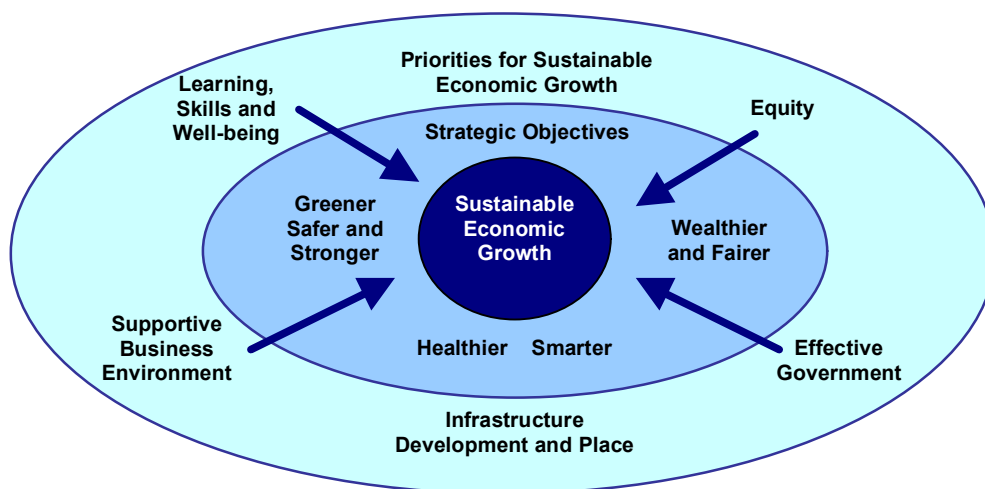
Supportive Business Environment – increase the number of highly successful, competitive businesses, target support to businesses in pursuit of opportunities outside Scotland; a broader consideration of innovation; and, raise levels of business R&D;

Infrastructure Development and Place – invest in making better connections across and with Scotland; offer cost-effective public transport alternatives; and introduce a more effective and faster planning and development regime;

Effective Government – a streamlining of the Governments direct dealings with business, including better regulation and more efficient procurement practices;

Equity – opportunities for all, to give all of Scotland a chance to succeed and to promote economic growth and environmental quality as mutually advancing aims.

2.3 The purpose, objectives and priorities of the Government's Economic Development Strategy are illustrated in the diagram below:



2.4 In essence, the Council's Economic Development Policy Statement is a very close fit with the direction set by the Government in the national Economic Development Strategy. The close match in approach is encouraging, given that the Government will be supporting Shetland's economic development efforts through the Rate Support Grant and that the outcome targets set by the Government should therefore be relevant for our situation. The appropriate outcome targets set by the Government are described in the next section.

Part 3 – Shetland’s Contribution to National Economic Policy – Outcomes, Indicators and Targets

3.1 Of the 45 outcomes that the Scottish Government is requesting of all local authorities, 5 are relevant to the work of the Council’s economic development service. These are set out in the table below:

National Indicator	Public Responsibility	Baseline (2006/07)	Shetland Target
At least halve the gap in total research and development spending compared with EU average by 2011	Economic Development Unit, HIE, NAFC, Shetland College	The average level of Research and Development spending in the EU in 2003 was 1.93% of Gross Domestic Product (GDP)	Increase R&D spending to 1.6% of GDP Support 4 new R&D projects every year
Increase the business start-up rate	Economic Development Unit, HIE	In 2006 there were 111 business start-ups in Shetland, a rate of 5.1 per 1,000 head of population. This was well up on the 2002 figure, which was 3.8 per 1,000.	Increase annual business start-ups figure to 5.5 per 1,000 of population. Support 20 new business start-ups per annum
Grow exports at a faster average rate than GDP	Economic Development Unit, HIE	Export overseas from Shetland was estimated to be £150m in 2005 (HIE; November 2007) The rate of growth of Scottish GDP was 2.3 in 2007. UK GDP rose by 3.1 in the same period. Figures are not available for Shetland GDP but at the time of the last survey the Shetland figure was very close to the Scottish average.	Growth in the value of exports by 4.6% 10 businesses engaged in new/extended international business development activity per annum

<p>Improve knowledge transfer from research activity in universities</p>	<p>Shetland College, NAFC, Economic Development Unit, HIE</p>	<p>In 2007/08 and 2006/07 there were 2 projects linking research in Aberdeen University with economic activity</p>	<p>Involvement in 2 projects every year linking university research with economic activity and local business</p>
<p>50% of electricity generated in Scotland to come from renewable sources by 2020 (interim target of 31% by 2011)</p>	<p>Economic Development Unit (and other Council services), HIE</p>	<p>Currently 14,122 kW installed capacity from renewable sources in Shetland (including district heating system)</p> <p>Burradale Wind Farm meets 8-18% of Shetland's electricity needs</p>	<p>Shetland's electricity needs to be fully provided for by the Viking Energy project by 2016</p> <p>Exporting of energy to UK mainland via interconnector</p> <p>Raise renewable installed capacity by 1820 kW by 2011</p>

Main Aim

“The main aim of the Council’s economic development service is to improve the quality of life of Shetland residents by promoting an environment in which traditional industries can thrive and innovate alongside newer emerging industries.”

To help us achieve this vision our aims are to:

- Encourage enterprise and sustainable growth
- Expand knowledge and build skills
- Improve access and extend opportunities
- Focus on quality

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Estimated Cost	Key outputs	Key progress dates
Section A			<u>Lead Member (for all Sectors apart from Oil)</u>	L= Loans G = Grants		
<u>Traditional Sectors</u>						
<u>Fisheries</u>						
1. Rebuild confidence in the fish catching industry, particularly as regards the white fish sector, and consolidate the current position of the pelagic sector (catching and processing)	By 2011 there will be 5 new, capable crews working in the white fish catching sector Support the replacement of the ageing white fish fleet – 8 vessels to be replaced by 2011	Support, on a commercial basis, at least 10 new and replacement fishing vessels Continue and when possible extend the quota purchase scheme Establish a dedicated mentoring training programme to support new crews	Chairman – Shetland Islands Council Development Committee	£4.5m (L) £2m (L) £0.1m (G)	25 new jobs 25 retained jobs Direct output - £5m	2007 –11 2007 – 11 2008
2. Enhance Shetland's reputation as a high quality producer of fish and fish products	Support 4 infrastructure projects directly affecting the fishing industry and creating 50 jobs	Implement targets and recommendations contained in the Shetland Seafood Plan Support all Fisheries pledges through commercial investment and grant assistance	Head of Economic Development Head of Business Development Financial Controller	£1m (80%= C; 20% = G)	50 new jobs Direct output - £4m	2007 – 11 2007 - 11
3. Encourage sustainable growth in Shetland's aquaculture industry	Support 4 projects aimed at improving the aquaculture industry to be versatile, profitable, and efficient	Support NAFC through core funding arrangements and continually review the structure and activities to ensure full relevance with Shetland's needs Work with NAFC to gain a better understanding of optimum growing conditions in the aquaculture sector		£8m (G) £1m (L = 50%; G = 50%)	Retain 60 jobs Retain 20 jobs	2007 – 11 2008

Key Delivery Mechanisms:

Shetland Seafood Plan
NAFC Marine Centre
Proposed Seafood Processing and Marketing Scheme

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Estimated Cost	Key outputs	Key progress dates
<u>Tourism</u>			<u>Lead Member</u>			
4. Improve access to Shetland through better air and sea links	Re-establish the Continental shipping link	Work with international partners in the Moregruppen project dedicated to a Norway-Shetland- UK link	Chairman – Shetland Islands Council Development Committee	£0.1m (G)	Direct output – £1.5m	2008
	Maintain the direct air link between Sumburgh and Stansted Airport in London	Provide route development support through VisitShetland		£0.05m (G)	£0.5m direct output	2008 - 09
5. Continue to develop Shetland as a tourist destination, through development of high quality products and services	Encourage 4 significant quality improvements to visitor accommodation provision in line with visitor expectations	Complete study of future visitor accommodation needs	<u>Lead Officers</u>	£1m (G = 50%; L = 50%)	20 new jobs	2007 – 11
	Develop 4 new commercial activities for visitors	Provide support through commercial investment and grant assistance	Head of Economic Development	£0.4m (G = 50%; L = 50%)	8 new jobs	2007 –11
		Review and revise the Tourism Financial Assistance Scheme	Head of Business Development			
	Encourage 4 Country Museums/visitor attractions to be open during the shoulder season as 'wet weather' attractions	Draw up and implement pilot project	Financial Controller	£0.1m (G)	2 new jobs	2008
	Encourage 6 heritage related capital improvement projects	Adopt Heritage Tourism Investment Programme. Support Shetland Geopark status and 5 additional heritage projects.		£3m (G)	20 new jobs	2007 - 11

6. Continue to promote Shetland as a high-quality visitor destination	Ensure that VisitScotland continues to market Shetland in line with Shetland's aspirations for developing the tourism sector	Work together with VisitShetland to plan and resource marketing activities in a manner that reflects changing market conditions and identifies imaginative solutions for Shetland's complex circumstances	<u>Lead Member</u> Chairman – Shetland Islands Council Development Committee	£1.6m	4 FTE jobs	2007 – 11
	Switch marketing media towards modern technologies such as the internet and mobile phones					
	Increase occupancy rates by 10%					
	Develop a commercial visitor agency to improve packaged holidays in Shetland	Respond to findings of package holiday study		£0.4m	5 jobs	2007 - 08
7. Support people involved in products and services for the tourism sector	Devise and implement 4 projects to drive up quality standards in tourism	Facilitate one project a year in partnership with tourism sector	<u>Lead Officers</u> Head of Economic Development	£0.1m		2007 – 11
	Run an interactive local event for the cultural/heritage part of the industry to encourage best practice	Aim to run one event every year	Head of Business Development Financial Controller	£0.1m		2008 - 11

Key Delivery Mechanisms:

Shetland Tourism Plan
VisitShetland
Revised Tourism Financial Assistance Scheme
Shetland Tourism Heritage Investment Plan

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Estimated Cost	Key outputs	Key progress dates
<u>Agriculture</u>			<u>Lead Member</u>			
8. Shift the emphasis of the agriculture industry in Shetland to a market-led economy which is less reliant on EU and UK subsidy payments	Foster growth in direct income in the agriculture industry of 10-15% by 2011	Construct and facilitate operation of a new community abattoir Support the development of air dried meat processing	Chairman – Shetland Islands Council Development Committee	£4m (of which £2.4m already pledged) (G) £0.1m (G)	15% increase in direct agricultural income	2010
9. Add value in all areas of production, but especially in meat products and wool		Investigate new production methods for the finishing of animals Encourage use of local produce in schools, care homes and other establishments		£2m to operate agriculture assistance schemes	Output - £2.2m (direct output + multiplier effects) 30 new jobs	2009 2007 – 2011 2007 –2011
10. Support agricultural development projects that derive income from and enhance Shetland's natural heritage		Offer support for industry groups and businesses engaged in the marketing of Shetland agricultural products (3 projects) Assist 2 projects engaged in value adding in wool production Approve a Shetland Rural Development Strategy and implement findings, particularly in relation to grant schemes Ensure that all assistance schemes help towards finding market led solutions	<u>Lead Officers</u> Head of Economic Development Head of Business Development Financial Controller	£0.2m		2008 – 2011 2007 – 08 2008 2007-2011

<p><u>Textiles</u></p> <p>11. Encourage the expansion of the Shetland textile sector</p>	<p>Foster output growth of 10% by 2011</p> <p>Foster the best possible understanding of the market and market opportunities among textile producers</p> <p>Encourage projects that position Shetland as supplier of premier textiles to a discriminating market</p>	<p>Support 4 projects through commercial investment or grant assistance</p> <p>Undertake a survey of the local marketing skills in the textile sector</p>	<p><u>Lead Member</u></p> <p>Chairman – Shetland Islands Council Development Committee</p> <p><u>Lead Officers</u></p> <p>Head of Economic Development</p> <p>Head of Business Development</p> <p>Financial Controller</p>	<p>£0.2m</p>	<p>5 new jobs</p>	<p>2007 – 11</p> <p>2008</p>
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Key Delivery Mechanisms:

Shetland Rural Development Strategy

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
<p><u>Section B</u></p> <p><u>Oil Industry</u></p>						
12. Increase production of hydrocarbons through Sullom Voe Oil Terminal (SVT)	<p>Achieve delivery of raw gas from Laggan gas field into SVT for further production in 2011</p> <p>Encourage commitment of Rosebank/Lochnagar finds to SVT by 2011</p> <p>All crude oil tanks to be refurbished by 2011</p> <p>Commitment of Phase II of Clair field development to SVT by 2011</p> <p>Promote SVT as a centre for ship-to-ship oil transfer</p> <p>SVT port study concluded by March 2009</p>	<p>Work through Sullom Voe Association to encourage full use of Sullom Voe harbour and terminal</p> <p>Engage suitable consultants through tendering exercise</p>	<p><u>Lead Member</u></p> <p>Convener, Shetland Islands Council</p> <p><u>Lead Officer</u></p> <p>Chief Executive, Shetland Islands Council</p>	<p>There are no direct costs on the Economic Development Unit for work done through the SV Association</p> <p>£0.05m (G)</p>	<p>Retain SVT as a central part of the economy for the next 20 years</p> <p>20 new jobs</p>	<p>2009</p> <p>2010</p> <p>2007 – 11</p> <p>2009</p>
13. Diversify port of Sullom Voe to be less reliant on oil production	<p>2 projects committing inward investment to SVT by 2010</p> <p>Retention of existing job numbers in oil industry and related sectors</p>	<p>Support new industry through commercial investment</p> <p>Engage with service providers when necessary to strengthen Shetland's ability to retain and attract work</p>		<p>£0.1m (G)</p> <p>£0.5m (L)</p>		<p>2010</p> <p>2007 - 11</p>

<p>14. Encourage logistical operations at Lerwick, Scalloway, Scatsta and Sumburgh</p>	<p>Encourage further decommissioning contracts in Shetland (3 possible during period)</p> <p>Encourage offshore hardware maintenance in Shetland</p> <p>Improve and develop port facilities and services to attract vessels serving the oil and gas fields West of Shetland</p>	<p>Engage with partners to attract 2 further large-scale decommissioning projects in Shetland</p> <p>Work with logistics services to attract a hardware maintenance project to Shetland</p>		<p>£0.5m (L)</p>	<p>10 new jobs</p>	<p>2007 - 11</p> <p>2007 - 11</p>
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Section C			Lead Member			
<u>New and Emerging Industries</u>			Chairman – Shetland Islands Council Development Committee			
<u>Creative Industries</u>						
15. Establish robust broadband services to businesses, organisations and homes in Shetland		Investigate the potential of new telecoms. services in Shetland along with necessary infrastructure		£0.1m (research & feasibility)		2008
	Achieve full integration of fibre-optic cable	Support infrastructure development projects through commercial investment				2008 – 11
	Full broadband service (at least 4-8 MB) to 80% of Shetland's population by 2011		<u>Lead Officers</u>	£0.1m		2010
	Point-of-Presence site set up in Shetland	Support business projects through commercial investment and grant assistance	Head of Economic Development	£0.5m (G = 50%; L = 50%)	60 new jobs	2008 – 11
	Establishment of 20 new businesses dependent on high-speed data links offering direct employment to 60 people		Financial Controller			2011
16. Support growth of businesses in the creative industries sector	Delivery of BT's C21st network by 2011	Provide grant support for small business start up and expansion		£0.4m (businesses)	40 new jobs	2007 - 11
	20 new businesses engaged in the creative industry sector, offering direct employment to 40 people			£0.6m (cinema & music venue)	20 new jobs	
					Direct output - £12m (see music venue report)	

Key Delivery Mechanisms:

Creative Industry Plan
Telecommunications Infrastructure Study

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
<u>Renewable Energy</u> 17. Continue the development of the Viking Energy community wind farm project	Establishment of a fixed interconnector to the UK mainland by 2012	Work with project partners to lobby government agencies to achieve interconnector	Viking Energy Project to be delivered by Charitable Trust	£0.2m (contingency budget for project continuing for extended period)	Planning permission to be achieved by 2010	2009
	Gain full planning permission for Viking Energy	Provide full information necessary for planning permission to be achieved	<u>Lead Member</u>			2008
	Viking Energy community wind farm project to be at construction stage by 2011	Identify correct financial and operational structure for bringing the project forward	Chairman – Shetland Islands Council Development Committee			2010
18. Support research and development projects in renewable energy across the isles, in homes, businesses and community organisations	2 renewable energy projects in the marine environment supported	Support 7 renewable energy projects through commercial investment and grant assistance	<u>Lead Officers</u> Head of Economic Development	£0.5m	20 new jobs from all renewable energy projects outside of the Viking Energy Project	2007 - 11
	4 terrestrial renewable energy projects supported	Prepare research projects in appropriate circumstances (3 projects during the period)	Head of Business Development Financial Controller	£0.05m (research)		2007 - 11
19. Investigate establishment of manufacturing processes in the renewable energy sector in Shetland	Consolidation of PURE hydrogen project in Unst				Increase the local installed capacity of renewable energy by 1820 kW	2011
	Integration of low-energy technology in local build standards for business projects					
Key Delivery Mechanisms: Viking Energy Project Renewable Energy Policy						

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
<u>General</u>						
20. Investigate provision of a drydock/lift for vessel maintenance in Shetland	Complete Research project into drydock/lift provision	Draw up study remit and identify suitable consultants through a tendering exercise	<u>Lead Member</u> Chairman – Shetland Islands Council Development Committee	£0.05m – study into drydock provision	Dependent on outcome of study	2009
21. Encourage new activities not presently located in Shetland	3 projects supported to develop new activities in Shetland	Support new projects through commercial investment and grant assistance		£0.02m (G)	10 new jobs	2008 -11
22. Encourage the expansion and development of new manufacturing and businesses providing new services	Provide support for 4 projects		<u>Lead Officers</u> Head of Economic Development Head of Business Development Financial Controller	£0.6m (L)	15 jobs	
23. Facilitate new food & drink processing activities	2 projects supported developing new food & drink processing activities in Shetland			£0.2m	10 jobs Direct output - £0.5m	

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
Section D						
Marketing						
24. Improve Shetland's reputation as a place that offers: <ul style="list-style-type: none"> • Products of excellent quality that meet the needs and aspirations of the consumers most likely to be interested in what Shetland has to offer; • Services provided to a standard that consistently exceeds customer expectations 	Work towards a common brand standard and identity	Communicate the Shetland brand	Head of Economic Development	£2.0m for marketing schemes and priorities	Creation of a Shetland Brand book and a range of related support materials	2008
	Improve Shetland's online image	Create a user-friendly primary electronic entry point to Shetland	Principal officer Marketing		Establish www.shetland.org	2008
	Develop Shetland's reputation for high standard food and drink	Encourage food and drink producers to work together by highlighting the benefits of a coherent marketing approach and related activities			Assist 10 projects.	2007-11
	Celebrate the best of Shetland	Improve the Johnsmas Foy as a major summer event in Shetland			Establish a Shetland Food website	2007-11
					Support development of the Johnsmas Foy in 2008-2011	2007-11
25. Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride	Improve the marketing skills of individuals and organisations	Support development of core marketing skills and best practice		£1.5m for Tall Ships Races and Hamefarin	Organise Shetland Hamefarin 2010 and Tall Ships Races 2011	2008-11
	Promote Shetland to consumer markets	Coordinate initiatives which are directed at key trade and consumer audiences using Shetland's brand values			Host 4 marketing conferences in relevant thematic areas	2008-11
	Support private businesses to improve product marketing	Support businesses that aim to improve the image of Shetland products and services			Completion of 8 initiatives or promotions	2007-11
					Assist 10 businesses	

Key Delivery Mechanisms:

Shetland Marketing Strategy

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
Section E People and Community			Lead Member			
26. Support community enterprises engaged in economic activities (eg, business units)	Support 8 projects engaged in community enterprises	Support through grant assistance schemes	Chairman – Shetland Islands Council Development Committee	£0.2m (G)	8 projects	2007 – 11
	Investigate ways to improve the Rural Shops Improvement Scheme	Undertake revision of the existing Rural Shops Improvement Scheme		£0.2m (G)	Retain network of rural shops – support 30 projects	2008
27. Enable individuals to achieve their full economic potential	Research ways to retain active rural population	Undertake intensive research project into the retention of active rural population		£0.02m (G)	Refine Council's policy on assisting projects in remoter areas	2008 – 11
	Engage with Learning Centres to provide skills at the forefront of industry needs	Set up detailed structure in the training sector to determine training needs in Shetland	Lead Officers	£0.21m (G)	Strengthened Provision of Learning Centre Network	2008
	Reinvigorate the Graduate Placement Scheme to attract more fresh skilled people into industry	Research ways to restructure the Graduate Placement Scheme to provide higher quality outputs for both graduates and employers	Head of Economic Development	£0.02m (G)	Revised Graduate Placement Policy	2008 – 11
	Ensure the better integration of migrant workers into the local community	Bring together agencies involved in services related to the needs of economic migrants	Head of Business Development	£0.02 (G)	Set guidelines on integrating migrant workers into Shetland	2008
	Develop a programme to engage schoolchildren and college students with economic development	Support school of ambition or similar initiatives	Financial Controller	£0.01 (G)	1 project	2007 - 11
	Encourage the employment of disadvantaged people	Support COPE's development initiatives		£1.0m (G)	Continued employment of 50 people	2007 - 11

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Cost	Key outputs	Key progress dates
Section F			<u>Lead Member</u>			
<u>Business Guidance and Engagement</u>			Chairman – Shetland Islands Council Development Committee			
28. Encourage knowledge transfer into new and emerging businesses	Ensure that businesses obtain correct advice about start-up and expansion	Operate the Business Gateway service as part of the national network Engage suitably qualified mentors to assist with the achievement of business aims and objectives		£0.2m (G) £0.06m (G)	Provide advice for 100 businesses every year	2008 2008
29. Establish meaningful dialogue with Shetland's industries	Engage with industry through Panels and Working Groups	Set up Panels for: Industry, Agriculture, and Fisheries Set up industry specific working groups when required	<u>Lead Officers</u> Head of Economic Development Head of Business Development	£0.1m (G)	Operation of the industry panels as part of the Council's meeting cycle	2007
	Investigate setting up of a new Shetland Chamber of Commerce	Set up a project to identify the need for and process of setting up a Chamber of Commerce	Financial Controller		Decision to either proceed with project or not	2009

Part 5 – Operating Principles and Guidelines

5.1 Social Inclusion

The Council is committed to upholding people's rights, to promoting social inclusion, to protecting the vulnerable and the disadvantaged and to ensuring that all citizens have equal opportunity to fulfil their potential.

The Council aims to promote an inclusive society which values diversity and works to secure and protect the rights of all the people of Shetland by combating disadvantage, discrimination, risk, exploitation and abuse.

5.2 Sustainable Development

In all aspects of economic development work the Council will endeavour to find sustainable solutions for economic development. Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

5.3 Making a Difference

Council investment in economic development projects should lead to the creation or improvement of a process, service or product that would not have happened without the Council's assistance. Funds should only be awarded to projects that could not proceed without assistance.

5.4 The Role of Development Agencies

While the ongoing efforts of all organisations participating in economic development are important, the future success of the economy depends on the businesses and workers making a living in Shetland. Development agencies have a role in facilitating and supporting economic development and working in partnership with businesses to achieve prosperity.

5.5 Financial Duty of Care

Economic development work is, by its very nature, high risk in terms of the safe investment of public funds. While this is so, the Council still has a duty of care to the public for maximising the productive use of public funds for economic development work by having regard to the viability of projects being considered, the need for public assistance and the probability of changes in the environment that projects will operate in.

5.6 State Aid Compliance

The Council must comply with State Aid regulations for the investment of public money in private enterprise.

5.7 Promoting Independent Working

The Council will seek to ensure the financial independence of businesses and organisations that benefit from public assistance. In particular there is a need to avoid situations where dependencies can arise.

5.8 Transparency

The availability of services, eligibility for services and the process of applying for and approval of services will be made clear to all potential applicants. All aware of financial assistance to applicants will be published.

5.9 Consideration of Applications for Financial Assistance

1. Assistance will only be approved when an application meets the Council's economic development policies as specified in this document or can be processed under a specifically approved assistance scheme.
2. Funding shall not be approved on any spending committed by an applicant for assistance before a decision is taken on that application by the Council.
3. Assistance shall not be approved to rescue businesses that are failing or have failed.
4. Grant assistance is not available for the purchase of businesses or buildings. This is because such approvals can interfere with the market and may lead to an unfair advantage being given to an applicant.
5. In general, assistance is not available for projects/businesses that are in direct competition with existing businesses serving the Shetland market. Such assistance is likely to lead to unfair competition. However, in circumstances when specific assistance schemes exist for that type of business or when the applicant business is operating in a remote area/outer island, grant assistance may be considered after careful examination of the project details.
6. Assistance is only available for commercial ventures and initiatives. This policy does not apply to projects that may not be commercial in themselves but which aim to serve commercial sectors. Community inspired infrastructure projects fall into this latter category.
7. Projects have to demonstrate viability and need for assistance. However, need for assistance is not a criterion when incentive schemes are drawn up to encourage specific types of project.

