

April Newsletter

News from Shetland.org

Hi, thank you for subscribing to the Shetland.org Newsletter. We hope you find it of interest. This month, we'd like to extend an especially warm welcome to the hundreds of you who signed up during March, either on-line or at the One Life Live exhibition at Olympia in mid-March, of which we have more news below.

If you're considering a move to Shetland, please don't hesitate to contact us for more advice using either the contact details at the end of this Newsletter or via the contact page on the website - you'll find it [here](#).

Shetland Salmon On Menu At Last Night's G20 Dinner

At the dinner in Downing Street for the G20 leaders, chef Jamie Oliver chose organic salmon from Skerries, Shetland, for the starter. It was served with samphire and sea kale, vegetables from Sussex, Surrey and Kent and Irish soda bread. The main course featured Welsh lamb, with a vegetarian option of lovage and potato dumplings, and the dessert was Bakewell tart and custard. This latest accolade will be welcomed by Shetland producers, whose reputation for quality is steadily spreading. Organic salmon, mussels and lamb are particularly favoured.

If you'd like to learn more about the range of food available from Shetland, there's an online [Shetland Food Directory](#) to stimulate the taste buds.

Shetland wins Scotland's top planning award

Shetland has carried off the top award in the annual Scottish Awards for Quality in Planning, organised by the Scottish Government. The Shetland entry related to a regeneration project in the islands' capital, Lerwick, that began in the 1980s and is still under way.

The town's waterfront was the scene of bustling activity during the 19th and early 20th centuries, the hub of a very prosperous fishing industry based particularly on herring. During the 20th century, though, the need for deeper water for larger vessels forced a move to new facilities in the northern part of the harbour. The old fishing stations fell into decay and redevelopment was inhibited by the very poor vehicular access to the area. A bold approach was needed and, over the past 25 years, the area has been transformed. A new access road came first, followed by the development of a modern business park and the award-winning Shetland



Shetland Museum and Archives
at night.

centre, [Mareel](#), that will provide two cinemas, a music venue and high quality video and audio studios that will support the islands' creative industries.

In the awards, the Shetland project faced competition from a number of successful schemes elsewhere. The judges were impressed, however, by the quality of what had been achieved and the way in which funding had been drawn in from a wide range of sources.

There's more about the awards at the [Scottish Government's Planning website](#), where they'll be posting a video of the waterfront project in the near future.



North Ness Business Park,
Lerwick

New Body Will Promote Shetland

Following talks between Shetland Islands Council and the Scottish Government, a new local body will take over some of the work previously done in Shetland by VisitScotland, the national tourism organisation. There's been concern in Shetland that the promotion of the islands hasn't always reflected the differences that exist between Shetland and Scotland. In particular, Shetland observers say that much Scottish promotion is built around tartan, shortbread and whisky, while Shetland offers an altogether different Scandinavian dimension.

The new body, known simply as Promote Shetland, will help not only to attract visitors but also to strengthen the promotion of other things that Shetland has to offer, for example distinctive textiles and excellent food.

'Bards In The Bog' - First Poems Appear

As we reported a couple of months ago, Shetland Arts and the Shetland Library have launched a poetry competition that will result in new poetry gracing Shetland's public toilets. Entries came from all over the world and Shetland-based poet Jen Hadfield, who recently won the TS Eliot Prize, has now judged them. Ms Hadfield said:

"Settling on six poems out of the 130 or so sent in was very, very difficult. The folder included poems that were hilarious, weighty, experimental, formal, satiric, playful. I set myself to choose great poems that also demonstrated the stylistic variety of the submissions. There should be something for everyone."

The selected entries can be seen on the [Shetland Library website](#). Anyone wishing to try their hand will have another two opportunities later this year.



The first "Bards in the Bog"
winners go on display.

Bird Observatory Among European Cash Recipients

Several Shetland projects are to benefit from European funding. The biggest grant has gone to the bird observatory on the island of Fair Isle, which lies about 25 miles south of the Shetland mainland. The charitable trust that runs the observatory is raising funds to replace the building and they have warmly welcomed the award of £550,000. Further support has come from Highlands and Islands Enterprise, which has offered £400,000. These grants augment the £1.15m already secured from Shetland Islands Council and have moved the Observatory much closer to its £4m target.

Fair Isle is an outstanding place for bird-watching and boasts a very long list of rare species that have appeared there either during regular migration or when blown thousands of miles off course. For more on the Observatory and the appeal, please go to its [website](#).

Other small communities have good reason to celebrate. The island of Fetlar will get its first proper pier, thanks to a £300,000 European grant, opening up new fishing and leisure opportunities. The pier at Walls, in the west of Shetland's mainland, is to be replaced too.

Other grants will support for better broadband access in remoter areas, improved video links between Shetland and Aberdeen hospitals, a community transport service and the establishment of a café that will offer employment and training to people with special needs on the island of Whalsay. The last of these is an extension of projects already operating in Lerwick that involve people with disabilities in catering, horticulture and soap-making.

Norway Connection Promoted

Staff from VisitShetland have recently joined colleagues from other UK tourism offices to promote the islands in Oslo. Shetland will once again have a direct air connection to Bergen during summer 2009 after the link proved very popular last year. Whilst this obviously opens up opportunities for Shetland businesses, the service also offers a very direct route into continental Europe for Shetland holidaymakers, with a flight time of just an hour. In both Norway and Shetland, the link is also seen as nurturing the long-standing connections between Shetland and west Norway that go back to Viking times but, more recently, were crucial during the Second World War.

Investment In Sports Facilities Brings Rewards

Over more than two decades, Shetland has invested in sport throughout the islands. The Clickimin Centre in Lerwick offers the most extensive range of facilities, but sports centres and outdoor pitches are available in all the main settlements; the islands have no fewer than nine modern swimming pools. Clickimin was the hub of the NatWest Island Games, held in Shetland in 2005, when more than 2,500 athletes and support staff from 24 island communities competed in 15

[2009 games](#), to be held in Åland.

Encouragingly, Shetland's athletes continue to make their mark in other competitions. Bobby Bristow, from Lerwick, has been selected to compete for Scottish schools in an international tournament involving England, Wales and Ireland. This is the third year in a row in which a Shetland competitor has been selected for the event and it follows his successful outing in the Scottish Schools cross-country event at Irvine.

Wind Farm Proposals On Public Display

Over the past few years, there has been growing interest in developing a renewable energy sector in Shetland, based on wind, tidal and wave energy. The first major project to come forward is a large, 550mW wind farm in the central mainland. It is being promoted jointly by Scottish and Southern Energy and the Shetland Charitable Trust, the intention being that half the profits from the scheme would augment the Trust's resources and enable it to maintain and expand the many services it already provides to the community.

Naturally, the proposals have provoked a lively debate. Supporters say that the project could play a role in tackling global warming as well as bringing financial advantages. Opponents are concerned about impacts on landscape and peat and propose a smaller project to meet Shetland, rather than export, needs. An application for consent for the project is imminent but it's likely to be some time before the Scottish Ministers come to a decision. Separate decisions will be needed about the under-sea cable - essential to export the power - and about the substantial investment involved.

Talk of tidal power generation has focused on the strong tidal streams that flow between Shetland's islands. Some experimental work has already been undertaken. Shetland also has excellent potential for wave power, particularly off the Atlantic coast.

Isles Get Ready For Folk Festival

This year's [Shetland Folk Festival](#) is as keenly anticipated as ever. The 29th of its kind, it features a typically eclectic palette of musical talent, ranging from the gritty Australian blues of Hat Fitz through bluegrass-tinged, Toronto-based Madison Violet to the Asturian bagpipes and bouzouki of Felpeyu and the Scottish 'acid-croft' sound of Shooglenifty. For more on the background to the festival, see our [feature article](#).

Guernsey Looked to Shetland in Setting Up New Tribunal

The island of Guernsey is in the process of setting up a radically different mechanism for securing welfare and justice for its children and young people. Until now, the island has relied on a juvenile court, focused on offending behaviour. Following an examination of alternatives, they have decided to adopt a model very similar to the Scottish Children's

government representatives made several visits to Shetland during the framing of their new legislation, reckoning that the issues that arose would be quite similar in the two administrations. They liked what they saw and the new Guernsey arrangements are expected to come into force later this year. More details of what is proposed are available [here](#).

The Scottish Children's Hearing system has its origins in the 1964 report by Lord Kilbrandon, who argued that the circumstances of children who offend and those of children who suffer abuse or neglect are largely identical; indeed, they were frequently the same children. The Scottish system that he devised focuses on identifying and meeting the needs of children for care, protection, guidance and control. Decisions are made by a lay tribunal, not by a court, and are taken in the best interests of the child rather than with a view to inflicting punishment. In that sense, it is similar to systems operating in Scandinavia. There is an online version of the Kilbrandon Report, with a more recent introduction, [here](#) (PDF, 344kb).

The Chair of Shetland Children's Panel, Alastair Hamilton, is one of three Scottish Children's Panel members who have been involved in training the thirty newly-recruited members of Guernsey's Child Youth and Community Tribunal.

Art Exhibition Wins Acclaim

Shetland has lively arts community and several painters and sculptors live in the islands, many of them being involved in the [Veer North group](#). Exhibitions are held frequently, mainly in the splendid new gallery in the Shetland Museum and Archives (called Da Gadderie), at the Bonhoga Gallery in Weisdale or in Vaila Fine Art, a private gallery in Lerwick.

An exhibition by one of the members of Veer North, Paul Bloomer, has recently opened in Da Gadderie and has met with very favourable reviews. Bloomer's work is bold, colourful and often strongly-textured, with the process of painting often laid bare in rivulets of paint. His style seems particularly well-adapted to capturing the very special qualities of light that are so much a part of Shetland. The impact of the paintings really needs to be appreciated at first hand, but several of the exhibits are included in his [online gallery](#).

Paul Bloomer's work can also be seen from time to time outside Shetland and he is represented in London by the [Boundary Gallery](#).

Another Successful Music Festival Displays Young Talent

Eric Tebbet, adjudicator at this year's music festival, has described the young talent on show as 'world class'. More than 260 young musicians were formally entered in the festival but around 1,000 took part in workshops across the islands. Shetland has a long tradition of offering music tuition to all children and, over the years, it's a policy that has been rewarded by an extraordinary outpouring of music of all kinds.

with instruments ranging from brass and violin to African drums. A singer, Erin Sandison, became the Senior Young Musician Of The Year. Sophie Wishart, who plays piano and violin, was Junior Young Musician Of The Year.

Viking Age Continues To Fascinate

Shetland's Viking past is, of course, very much part of the islands' heritage. Plans have just been announced for a new Up Helly A celebration, this time in the south of the Shetland mainland, an area which until now has had no winter fire festival; it will take place on 12 March 2010. Well before that, this year's Johnsmas Foy - the islands' annual midsummer festival - is to take, as this year's theme, Shetland and the Viking world.

Among other attractions, there are expected to be re-enactments of Viking life and performances of Viking music by musicians from Sweden and Finland. The Foy runs from 18 to 28 June and programme details will be available later in April on the [Johnsmas Foy website](#).

The Viking world also continues to engage academics. For example, at a recent [conference at Cambridge](#); one of the themes explored was the way in which Vikings apparently built relationships with the peoples of Ireland, Scotland and may, indeed, be seen as an early example of successful immigration. Whether this pattern was repeated everywhere is less clear; in Shetland, the presumption has been that the Vikings effectively wiped out the established Pictish culture.

Ann Cleeves' Crime Quartet Attracts Television Interest

Ann Cleeves' quartet of Shetland crime novels featuring detective Jimmy Perez may be adapted for television. The rights to the series have been secured by Plain Vanilla, a production company founded by Dominic Minghella, and the firm hopes to make a mainstream drama series based on the Perez stories. The members of Plain Vanilla have many television credits, including Robin Hood, Casualty, Life on Mars, Hamish Macbeth and Ashes to Ashes. There's more about this on [Ann Cleeves' website](#).

Meanwhile, on 30 April, Shetlander Marnie Baxter will read a new short story by Ann Cleeves, The Soothmothers, on BBC Radio 4. The broadcast starts at 3.30pm.

...But World War 1 Tale Is Stranger Than Fiction

A new book by Orkney writer Margaret Flaws records the extraordinary events played out in Lerwick in November 1914, when the entire staff of the town's post office was imprisoned on suspicion of tampering with confidential war communications. In *Spy Fever: The Post Office Affair* (published by The Shetland Times at £14.99) she tells how a nervous British admiral ordered the forty staff to be detained, resulting in their being marched up to the town's prison by troops with fixed bayonets. Although eight of the men were released the next day, it took an astonishing six days for the rest to be set free. No crime had been committed, except wrongful imprisonment.

One Life Live - We Have Winners!

The Shetland.org team spoke to hundreds of visitors at the One Life Live exhibition at London's Olympia in March. Nearly all of them signed up for our free prize draw, in which the prize was a trip to Shetland. We're now able to announce the winners: Christopher and Maureen Millward, of Preston, will be winging their way northwards later this year and we very much look forward to welcoming them.

There's a warm welcome in Shetland for everyone else, too. Whether you simply want to enjoy a break or would like to settle in the islands, we'll be delighted to see you. There's more information on visiting Shetland at the [VisitShetland website](#) and you can find out all about living and working here at www.shetland.org.

And finally...

Lonely Planet, the guidebook publisher, have recently posted some rather nice images of Shetland on their website. Here's the [link](#).

Feedback

We'd welcome any comments you have about this email, or about the Shetland.org site.

Also, if you have any enquiries at all about Shetland we'd be more than happy to assist you. Please contact us using any of the methods listed below.

Thank you again for taking the time to read this newsletter and please feel free to forward it to anyone else who may be interested in Shetland.

The Team At Shetland.org

Contact Us ...

Tel: +44 (0)1595 745 885
Address: Shetland Islands Council, 6 North Ness, Lerwick,
Shetland ZE1 0LZ, UNITED KINGDOM
Email: info@shetland.org

One Life Live 2009: Costs/Funding

Costs	£
Stand Space Hire	2,100
Stand Graphics and Design	1,467
Stand Equipment Hire	350
Stand Structure Hire	1,897
Stand Construction and Dismantle	1,800
Other promotional costs	66
Shipping Costs	137
Independent Supplement Advert/Advertorial	1,900
Official Show Guide Advertising	1,250
Music and Presentation Fees	1,817
Music and Presentation Travel & subsistence	1,217
TOTAL COSTS	<u>£14,001</u>



REPORT

To: Development Committee

30 April 2009

From: Principal Officer - Marketing

DV038-F
One Life Live Event

1.0 Introduction

- 1.1 The purpose of this report is to provide feedback on the recent Shetland presence at the One Life Live exhibition held at Olympia, 13-15 March in London.
- 1.2 The Shetland presence at this event was aimed at promoting the message of 'moving, living and working' in Shetland and used the Shetland.org website as a focus for this.
- 1.3 Shetland.org, promoted as the primary electronic gateway to Shetland, was one of several projects which were addressed in the marketing service action plan for 2007/2008.
- 1.4 The site was formally presented to the Development Committee at its meeting on 5 June 2008 [Min. Ref. 04/08] and accompanying presentation. The site was also officially 'soft' launched following the meeting.
- 1.5 Shetland.org is intended to help achieve the Council's aim of increasing Shetland's population and aims to enthuse and inspire people, whether or not they have any prior knowledge of Shetland; however, it is also honest about the advantages and disadvantages of living here. In a wider, 'gateway' role, the site is also a useful resource for anyone looking for reliable information about Shetland.

2.0 Links to Council Priorities

- 2.1 The Council is committed to sustainable development; principal corporate priorities relevant to this report include Marketing Shetland, Skills Development, Economic Diversification and Strengthening Rural Communities.
- 2.2 The project links closely to the 'targets and priorities' agreed by Community Planning Board and Shetland Islands Council in 2007. These relate to increasing quality of life in Shetland. Specifically the presence at One Life Live relates to the target set for increasing the Shetland population to 25,000 by 2025, set in line with the 'A Smart, Successful Highlands and Islands' strategy. The project is also therefore directly linked to the same target stated in the Shetland Islands Council Corporate Plan 2008-11.

3.0 One Life Live – The Exhibition

3.1 The Exhibition

- 3.1.1 One Life Live is an annual lifestyle change exhibition and is designed for anyone who longs to pursue new, professional or personal goals. These are themes which very closely connected to the objectives of Shetland.org and thus it was decided that this was a suitable exhibition to attend.
- 3.1.2 Over 300 exhibitors were present at the show in 8 different zones offering inspiration and practical guidance to those attending to achieve a purposeful, fulfilling and well balanced work and home life.
- 3.1.3 The event was media-partnered by The Independent newspaper and supported by organisations including 'The Ecologist' and 'Wanderlust' Magazines – publications which are consistent with the target market for Shetland.
- 3.1.4 Initial statistics indicate that there were 15,500 visitors to the show over the 3 days. This is short of the estimated 20,000+ expected, and perhaps may be attributed to the current financial climate.
- 3.1.5 The Shetland presence comprised a 3m x 2m shell-scheme stand which incorporated an attractive display of imagery and graphics based on the website. Also included were a computer terminal point with Internet access and large 42" plasma screen relaying highly attractive images depicting scenes of life in Shetland and Shetland fiddle music on-site at various points over the weekend.

- 3.1.6 The Shetland presence also extended to 2 twenty minute presentations entitled 'The Shetland Magnet' on Saturday and Sunday by local artist Roxanne Permar and TS Eliot prize winning poet Jen Hadfield.
- 3.1.7 The exhibition thus provided an excellent opportunity to speak directly with people who were seriously interested in introducing change to their lives and who were intrigued as to what Shetland had to offer them.

3.2 The Promotion

- 3.2.1 The target set around the show presence and promotion was to increase the number of subscribers to the monthly newsletter by 500 people.
- 3.2.2 The monthly newsletter, which is e-mailed to registered site users, focuses on highly positive, interesting and inspirational news stories and features covering many aspects of Shetland. Feedback has shown that these prove of much interest to registered site users. Highlighting Shetland in this way helps to build a positive reputation for it and is consistent with the overall aims of the site. A copy of the April 2009 newsletter is included at Appendix 1 for reference.
- 3.2.3 In addition to the presence at the show, advertising and editorial copy were taken in the One Life Live supplement, included with The Independent newspaper on 28 February. Advertising was also taken in the official show guide. A copy of the advertisement placed is included at Appendix 2.
- 3.2.4 Two additional incentives were offered to ensure a positive uptake for registration to the newsletter:
- A prize draw which included free return travel to Shetland along with weekend accommodation which was supplied by Flybe and Busta House Hotel respectively;
 - A free 'e-book' providing 10 highly positive reasons to consider moving to Shetland.

3.3 Results

3.3.1 The increase in newsletter registrations through Shetland.org based on newsletters sent was 844 which exceeded the target set by 344:

- February 2009 newsletter (sent 5th Feb) was sent to 163 people;
- March 2009 newsletter (sent 11th March) was sent to 550 people;
- April 2009 newsletter (sent 2nd April) was sent to 1007 people.

3.3.2 The number of Website visits around the promotion also increased significantly:

- January 2009: 2477 visits*
- Feb 09: 2462 visits
- Mar 09: 4012 visits*

* January and March figures are for first 28 days of the month only, to enable accurate comparison with February.

3.3.3 These statistics show that the target of 500 new registrations on the site, based on the February newsletter distribution, has been easily surpassed and thus presents a highly positive outcome.

3.3.4 In addition, an increase in the number of direct e-mail contacts made in connection with specific queries relating to things such as housing, grant availability, and broadband connection has been dealt with since the promotion commenced.

3.3.5 Finally, highly positive contacts and leads were also established with freelance journalists, editorial journal staff, television and film people and others such as representatives from other highly relevant exhibitions for Shetland such as The Outdoors Show. These can be used in the future to develop promotional efforts and are highly relevant to the Promote Shetland initiative.

4.0 **Shetland.org – Next steps**

4.1 Further opportunities to promote the site, in addition to the ongoing attention to information accuracy and newsletter generation, will be considered over the next few months. This may include engaging with a promotional agency.

5.0 Financial Implications

- 5.1 The total costs relating to the Shetland presence at the One Life Live exhibition attendance and associated promotion amounted to £14,001 – this is detailed at Appendix 3. The costs were approved within delegated authority against General Ledger Code RRD5031.
- 5.2 Following launch of Shetland.org, an agreement was reached with the site developer to provide ongoing site management work. This includes updating where required (images and text), general maintenance/ improvement and newsletter distribution. This arrangement has worked well on a joint working basis. There will however be an ongoing cost implication for this service.
- 5.3 Costs relating to ongoing management and updating of the site along with promotion will be managed within existing budgets. There are no other additional direct financial implications arising from this report.

6.0 Policy and Delegated Authority

- 6.1 This report has been written based on Economic Development Policy Number 25 “Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride” (Development Committee Minute Reference 01/08, SIC Minute Reference 55/08).
- 6.2 In accordance with Section 11.0 of the Council’s Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:
 - Economic Strategy
 - Europe

As this is an information report, there is no requirement for a decision to be made.

7.0 Observations

- 7.1 The results from the One Life Live have been highly encouraging and have positively impacted on efforts to promote Shetland as a place to live and work.
- 7.2 A further website currently being developed by the Marketing Service and aimed at an internal Shetland audience should be ready for launch this month at www.shetlandmarketing.org and will be presented to a future Development Committee.

- 7.3 This site will aim to provide solid advice about every aspect of marketing in Shetland, from market research and product development through to dealing with customer feedback. It will offer inspiration to those already living and working in Shetland, advise on projects being undertaken and provide relevant and up-to-date marketing information in order to help everyone involved in any kind of business or public activity positively to reinforce the islands' reputation.
- 7.4 It must also be borne in mind that whilst promotion is a highly valuable part of development efforts, the concept of marketing expands far and wide - particularly in respects of marketing a place. Consequently, whilst good marketing for Shetland must involve promoting Shetland (i.e. telling people about the place and what we have here), we should be placing more considerable emphasis on actively learning from feedback via research or experiences and look inward to Shetland to improve ourselves in all aspects of life. This will help us to enhance our reputation and is key to realising the marketing concept.

8.0 Conclusion

- 8.1 The experience of the One Life Live event and accompanying promotion has proved to be a highly positive experience and has resulted in a significant increase in subscribers to the monthly newsletter and thus, potentially, more people giving active consideration to move to Shetland to live and work.
- 8.2 Shetland.org therefore continues to be a significant and highly beneficial addition to Shetland's internet presence and is now an important component in Shetland's promotional efforts.
- 8.3 As we move into a new phase of marketing with 'Promote Shetland' the role of Shetland.org now has increased significance.

9.0 Recommendation

- 9.1 I recommend that the Development Committee notes the success of the promotion at One Life Live which focussed on encouraging people and businesses to consider Shetland as a place to move, live and work, as part of the overall marketing strategy for Shetland.

Our Ref: NHH/KLM/RF1234
Date: 23 April 2009

Report No: DV038-F



Shetland

What kind of life could you have there?

A life in beautiful surroundings, with wildlife on the doorstep. A life among welcoming and lively people. A life lived to the full, in a creative community, with first-class educational and recreational facilities. Shetland is a very special place: it might be the place for you.

To find out more, please come and visit us at stand B46 in the Free Time zone or log onto www.shetland.org

WIN a return trip to Shetland

Win a return trip to Shetland with two nights 3 star accommodation at Busta House Hotel in our free prize draw sponsored by

flybe.com

To enter, just sign up to receive our newsletter by completing a card on our stand or register online at www.shetland.org

Highlights over the weekend

- Live acoustic Shetland music
- Seminars led by artist Roxanne Permar and 2009 TS Eliot prize winner Jen Hadfield (who themselves have made the move) in the Brighter Future theatre on:
 - Saturday 2.30pm to 2.50pm
 - Sunday 1.00pm to 1.20pm

SHETLAND.ORG

SHETLAND
PRIDE OF PLACE



Events



Friday 3 October

OFFICIAL LAUNCH

Venue: Clickimin Leisure Complex, Lerwick
7.30pm – 10.00pm (doors 7.00pm)

Shetland Islands Council Convener Sandy Cluness will officially launch the Shetland Food Festival. The evening event will involve cookery demonstrations delivered by our two visiting masters in the kitchen, Jean-Christophe Novelli and George Mclvor. Master of Ceremonies, Phil Goodlad of BBC Radio Scotland, will conduct a post demonstration question and answer session with both chefs.

This is an open event and entry is £3.00 / Concessions £1.00

FOOD AND STORIES

Venue: The Spiggie Hotel, Scousburgh
From 7.00pm - 9.00pm, enjoy soup and salt beef bannocks accompanied by storytelling with Elma Johnson and Shetland fiddle music by Maggie Adamson and Brian Nicholson.

Cost: £10.00

To make a booking, please contact Spiggie Hotel on 01950 460409



Saturday 4 October

PRODUCERS' MARKET AND FOOD THEATRE

Venue: Clickimin Leisure Complex, Lerwick
Doors open at 12.00 noon

Cost: £3.00 / Concessions £1.00

12.00 noon – 6.00pm Producers' Market
(sponsored by Scottish Co-operative)
A mouth-watering display of Shetland produce – to sample and buy

12.30pm – 6.30pm Food Theatre supported by
Grieg Seafood Hjaltland UK Ltd
Seated venue with extra large screens

Demonstration sessions

12.30pm George Mclvor
1.30pm Eunice Henderson
2.30pm Jean-Christophe Novelli **
3.30pm George Mclvor
4.30pm Jean-Christophe Novelli **
5.30pm Frank Johnson
** followed by book signings

2.00pm and 4.00pm The Shetland Taste Experience
Trevor Laffin of Slow Food Edinburgh will run 'Slow Food' Taste workshops at the festival. Each session involves a 45 minute in-depth taste experience where participants will taste four items of Shetland food from a plate and discuss the tastes, textures and origins of the food. Each session will involve an introduction to the Slow Food concept and Edinburgh Slow Food Convivium.

Cost: £1.00

WRVS 70 YEARS CELEBRATION

Venue: Cunningsburgh Hall
2.00pm - 5.00pm
Teas and homebakes, including freshly baked bannocks. Featuring a photography exhibition by Dave Donaldson as well as a Fair Trade stall; face painting; soft play and more.

FOOD AND STORIES

Venue: The Spiggie Hotel, Scousburgh
From 7.00pm - 9.00pm, listen to fiddle music by Kirsten Hendry as you feast on soup, salt beef bannocks, and hear stories from Elma Johnson.

Cost: £10.00

To make a booking, please contact Spiggie Hotel on 01950 460409

Sunday 5 October

PRODUCERS' MARKET AND FOOD THEATRE

Venue: Clickimin Leisure Complex, Lerwick
Doors open at 12.00 noon

Cost: £3.00 / Concessions £1.00

12.00 noon – 6.00pm Producers' Market
(sponsored by Scottish Co-operative)
A mouth-watering display of Shetland produce – to sample and buy

12.30pm – 6.30pm Food Theatre supported by
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Seated venue with extra large screens

Demonstration sessions

12.30pm George Mclvor
1.30pm Glynn Wright
2.30pm George Mclvor/Dave Parham
3.30pm Glynn Wright
4.30pm George Mclvor
5.30pm Charlie Simpson,
Alex Dodge and ForWirds

2.00pm and 4.00pm The Shetland Taste Experience
Trevor Laffin of Slow Food Edinburgh will run 'Slow Food' Taste workshops at the festival. Each session involves a 45 minute in-depth taste experience where participants will taste four items of Shetland food from a plate and discuss the tastes, textures and origins of the food. Each session will involve an introduction to the Slow Food concept and Edinburgh Slow Food Convivium.

Cost: £1.00

FOOD AND STORIES

Venue: Busta House Hotel, Brae
Enjoy a delicious meal and be treated to an hour of Shetland stories and fiddle music

Meal: 7.30pm – 9.00pm
Storytelling and music: 9.00pm – 10.00pm

To make a booking, please contact Busta House Hotel on 01806 522506



Monday 6 October

COURSE: Does it Pay to Grow Local? and Selling Costs and Selling Prices**

Venue: St Catherine's Suite, Shetland Hotel, Lerwick
10.00am – 4.00pm*

TALK: John Goodlad – The History of Pelagic Fishing in Shetland
Pelagic nibbles and wine will follow talk

Venue: NAFC Marine Centre, Scalloway
7.30pm (doors 7.00pm)

Tuesday 7 October

COURSE: Introduction to Cheese Manufacture (Day 1)**

Venue: NAFC Marine Centre, Scalloway
9.00am – 4.00pm*

COURSE: Introduction to Community Supported Agriculture (CSAs)**

Venue: St Catherine's Suite, Shetland Hotel, Lerwick
10.00am – 4.00pm*

TALK: Hansen Black – Understanding the Shetland Fishing Industry

Venue: NAFC Marine Centre, Scalloway
7.30pm (doors 7.00pm)

Wednesday 8 October

COURSE: Introduction to Cheese Manufacture (Day 2)**

Venue: NAFC Marine Centre, Scalloway
9.00am – 4.00pm*

COURSE: Small Scale Poultry Keeping and New Enterprises from Birds**

Venue: Bressay Suite, Lerwick Hotel
9.30am – 4.30pm*

COURSE: Low Powered Marketing for Food Producers**

Venue: St Catherine's Suite, Shetland Hotel, Lerwick
10.00am – 4.00pm*

TALK/PRESENTATION: 'The Planting to Plate Project': Penelope Hamilton, Crofters Commission and **'Growing Organically for your Allotment':** Pete Glanville, Shetland Organic Producers' Group

Venue: Tingwall Public Hall
Doors: 7.30pm (doors 7.00pm)

FOOD AND STORIES

Venue: Wind Dog Café, Gutcher, Yell
Enjoy a delicious meal and be treated to an hour of Shetland stories and fiddle music

Meal: 7.30pm – 9.00pm
Storytelling and music: 9.00pm – 10.00pm

To make a booking, please contact Wind Dog Café on 01957 744321

Thursday 9 October

COURSE: Food & Drink Opportunities in Farm Diversification**

Venue: Bressay Suite, Lerwick Hotel
9.30am – 4.30pm*

COURSE: Introduction to Small-Scale Horticulture Cropping in Northern Scotland**

Venue: NAFC Marine Centre, Scalloway
10.00am – 5.00pm*

FILM: Babette's Feast (Certificate: U)

Superb adaptation of Isak Dinesen's very funny short story about two sisters based in a remote region of Denmark in the 1870s. A bizarre, magical concoction, seasoned to literally mouthwatering effect.

Venue: Shetland Museum and Archives, Hay's Dock, Lerwick
Cost: £4.00 / Concessions £3.00
Film: 7.30pm (doors 7.00pm)

Friday 10 October

COURSE: Beginners Course in Beekeeping**

Venue: Bressay Suite, Lerwick Hotel
10.00am – 3.30pm*

TALK: Local Breeds and Local Food: Ronnie Eunson

Venue: Shetland Museum and Archives, Hay's Dock, Lerwick
7.30pm (doors 7.00pm)

FOOD AND STORIES

Venue: Sumburgh Hotel
From 7.00pm - 9.00pm, enjoy a delicious meal and be treated to an hour of Shetland stories and fiddle music

Meal: 7.30pm – 9.00pm
Storytelling and music: 9.00pm – 10.00pm

To make a booking, please contact Sumburgh Hotel on 01950 460201

Venue: The Spiggie Hotel, Scousburgh
From 7.00pm - 9.00pm, enjoy soup and salt beef bannocks accompanied by storytelling with Elma Johnson and fiddle music by Maggie Adamson and Brian Nicholson.

Cost: £10.00

To make a booking, please contact Spiggie Hotel on 01950 460409

Saturday 11 October

TINGWALL FARMERS' MARKET

Venue: Tingwall Public Hall
10.00am – 2.00pm
A chance to sample and buy local produce, craft items and more.

COURSE: Bannock Making Workshop

Your chance to try your hand at traditional bannock making. The workshop will include a demonstration on bannock making by Joan Poleson and a chance to try it out for yourself. All ingredients will be provided however participants should bring with them a suitable griddle/frying pan or electric griddle/frying pan to make the bannocks on.

Venue: Scalloway Junior High School
Session 1: 9.00am - 1.00pm
Session 2: 2.00pm - 5.00pm

Cost: £8.50 per session (to be paid in advance)
To make a booking, please contact SIC Economic Development Unit on tel: 01595 744944 or email: development@shetland.gov.uk

FILM: Bastinado Salsa

This Shetland made film brings together some of Shetland's best cooks and musicians for an unforgettable and fun movie experience.

Venue: Shetland Museum and Archives, Hay's Dock, Lerwick
Cost: £3.00
Film: 7.45pm (doors at 7.00pm)

Dishes from the film can be sampled in the foyer between 9.00pm and 10.00pm

Sunday 12 October

LUNCH: Sunday Lunch

Venue: Vidlin Hall
Enjoy a traditional Shetland Sunday lunch with all the trimmings. There will be Shetland vegetable soup; fish; lamb; beef; and Shetland fudge cheesecake. Booking is essential.

To make a reservation, please contact Monique Hunter, tel: 01806 577312

FILM: Ratatouille (Certificate: U)

A sewer rat working undercover at a posh restaurant is a pretty icky premise but, in arguably the greatest of Pixar's films, you'll be rooting for the rodent.

Venue: Shetland Museum and Archives, Hay's Dock, Lerwick
Cost: Meal and film - Adults £13.00 / Children (under 14) £5.00
Film only - Adults £5.00 / Children (under 14) FREE
Film: 2.30pm (doors 2.00pm)
Food sittings at 12.15pm and 1.15pm

KEY LEARNINGS AND POINTS TO CONSIDER

- The Shetland Food Festival was a great way of driving knowledge and interest about Shetland in general. Through talking with the media about the strength of Shetland produce, journalists have been alerted to the islands as a source of high-quality food and also as a destination for the discerning traveller. The success of the campaign can be seen in the fact that the circulation figures for the coverage of the Festival and of Shetland has been in the excess of 100 million, and we would anticipate this to grow with further interest next year. This raises key questions for future festivals about the management of local press and visiting journalists.
- There was a really positive response from the media towards the festival and the calibre of press coverage reflects this. However, certain publications work months ahead and these lead times meant that certain opportunities (especially in the national supplements and glossy monthly magazines for instance) were already booked up until mid-late November. In order to better target the media for an event in October, it would be best to start approaching journalists at least 3 months in advance of the launch date.
- Offering all-expenses paid trips to Shetland, and including exclusive trips to producers such as mussel farms, was a highly successful way of getting good quality pieces from major media (Simon Parkes from BBC Radio 4's Food Programme, Matthew Fort from The Guardian, STV's Five Thirty Show, and Choice magazine).
- Having Jean-Christophe Novelli's name attached to the festival garnered interest from the press and certainly helped in attracting those publications who would be drawn to the celebrity angle. It is worth mentioning though that his busy schedule of travelling meant that some press and broadcast opportunities (ITV's Loose Women, BBC1's The One Show) had to be declined due to timing.
- When contacting nationals about the festival, it is important to note for the future that many of them said that as there are so many food festivals nationally and internationally, they do not generally give editorial space to these events.
- Another thing that should be considered for future campaigns is that for the competitions part of the campaign, Franklin Rae contacted TV, radio, national, Scottish and regional contacts and the issue that was most problematic was that the prize value. This value tends to be very high, which meant that opportunities were sparse as the all-expenses trip to Shetland was not substantial enough to match the required amounts.
- As a result of this campaign, we are sure that there is a very strong appetite for a wide range of stories about Shetland, something which the council can tap into for a wide range of their activities.



REPORT

To: Development Committee

30 April 2009

From: Principal Officer - Marketing

**DV039-F
Shetland Food Festival**

1.0 Introduction

- 1.1 The first ever Shetland Food Festival was held between 3 and 12 October 2008. It encompassed a wide range of food-related events and activities at venues throughout Shetland. The main emphasis on the event was to gain national and international recognition of the pedigree of Shetland produce.
- 1.2 The event was a stated action in the Shetland Food and Drink Strategy and Action Plan (February 2008) and was complimentary to the Shetland Food Directory and website which was developed and launched by the Economic Development Unit in June 2008.
- 1.3 The longer-term vision set was to establish an annual event, involving members of the community, businesses and organisations with a view to celebrating food and recognising its benefits from an economic, social and health perspective.
- 1.4 This report provides a review of the event and outlines the plans for 2009 as part of the move to establish an annual food festival, co-ordinated by the Economic Development Unit.
- 1.5 Committee members are invited to comment and contribute to the discussion in this area.

2.0 Links to Council Priorities

- 2.1 The Council is committed to sustainable development; principal corporate priorities relevant to this report include Marketing Shetland, Skills Development, Economic Diversification and Strengthening Rural Communities.

3.0 Shetland Food Festival

- 3.1 The aim of establishing a Shetland Food Festival was shared with those set for the Shetland Food and Drink strategy, namely:

Aim

- To create a sustainable, innovative and quality-driven food and drink industry in Shetland.

The following objectives for the event were agreed and set in conjunction with EventScotland:

Objectives

- Raise the status of professions in food production, retail and hospitality;
- Highlight entry points and development options for those considering a career in food or employed within it;
- Raise standards of customer service in hospitality businesses;
- Encourage strong connections between Shetland and its regional food producers and awareness of the farm-to-fork journey;
- Encourage pleasurable and convivial encounters at the table;
- Develop enthusiasm for the discovery and enjoyment of good food in local children;
- Attract visitors from outside the region to Shetland to sample the hospitality available.

- 3.2 Whilst these objectives were set in connection primarily with economic development priorities, the festival also recognised the impact of food in respect of health issues. Accordingly, NHS Shetland were closely involved in efforts to develop the programme from an early stage.

3.3 The Festival and Programme

3.3.1 The festival was held between 3-12 October and dovetailed with the Shetland Accordion and Fiddle Festival which took place 9-12 October.

3.3.2 Following approval of a speculative, but ultimately positive, application for grant assistance from EventScotland under its Regional Events Programme in February 2008, plans to develop a festival were taken forward. This was the first time funding had ever been approved for a project in Shetland under that programme.

3.3.3 The public, via local media and printed fliers, and industry via the Council coordinated Food and Drink Panel on 22 May, were invited to participate or put ideas forward for development and inclusion in the event programme.

3.3.4 The festival dates were selected for 3 reasons:

- Shetland produce is largely in season at the time;
- It would mean an event taking place out with the main tourist season and thus provided scope for future development (this was the primary reason EventScotland funding was forthcoming);
- A longer festival period made it easier, and potentially more beneficial, for individual eateries to take part and for other events to be comfortably housed in the programme.

3.3.5 The main period of the event was focused on the launch weekend, being 3-5 October, which took place at Clickimin Centre, with a continued range of events and initiatives being held through until Sunday 12 October.

3.3.6 A programme was developed which included a wide range of initiatives and this is attached at Appendix 1. Specific highlights of the event included:

- A Producers' Market and Food Theatre demonstrations featuring Master Chef and TV personality Jean-Christophe Novelli with Master Chef George McIvor with local chefs;
- Talks, stories and film with food as a main theme;
- 25 participating eateries throughout Shetland preparing daily specials or ensuring primary use of fresh produce for the festival;
- 10 short courses covering a variety of food-related skills and initiatives from poultry-keeping to cheese manufacture.

- 3.3.7 As part of the EventScotland funding agreement it was necessary to undertake an Economic impact assessment for the event. Following negotiation to reduce the cost of this significantly this was undertaken by Anderson Solutions (Consulting) Limited.
- 3.3.8 The Executive Summary of the assessment is attached at Appendix 2 and provides an analysis of the festival from a predominantly financial viewpoint. Some of the issues highlighted are addressed in paragraph 5 of this report.
- 3.3.9 The scope of the report was such that it was necessary to concentrate largely on financial issues and thus it does not address the wider community issues relating to festivals. It is known from research for example that festivals can hold significant benefits for a place's identity within itself, regionally and nationally.¹ However, it does make a number of points and recommendations which will be given consideration in organising this year's event.
- 3.3.10 It is not considered a major concern that the festival did not immediately recognise a major economic impact in its first year. This is a common trend in new events. However as efforts to develop Shetland's food and drink industry continue this will hopefully change.

3.4 Costs

- 3.4.1 A list of the costs under main headings is attached at Appendix 3.
- 3.4.2 The total cost for establishing, hosting and promoting the festival amounted to £77,258.
- 3.4.3 Whilst this figure may at first appear high, it should be borne in mind that the start-up phase of any new venture, and in particular events, inevitably requires a fairly high level of investment. In addition, the high level of sponsorship and grant funding received from other bodies enabled a much higher spend than would have been possible if Council funds alone had been used to support the event.
- 3.4.4 One of the largest cost elements was the promotional budget which involved engagement with PR company Franklin Rae. This generated much interest in the festival and subsequent press visits and positive Shetland coverage was achieved which justified this.

¹ International Festival and Events Association

3.5 Funding

- 3.5.1 Whilst the Council was the largest single event funder, efforts to attract grant funding and private and public sector sponsorship, whilst very time-consuming, were very successful and resulted in a sum of £39,819 or 52% being sourced. This was considered an excellent result and attempts will continue to be made to secure external funding for 2009.
- 3.5.2 Income of £2,178 was also raised through gate receipts at Clickimin Centre for the combined Producers' Market and Food Demonstration sessions.

4.0 Achievements

- 4.1 A number of highly positive outcomes were achieved, many of which can be developed as the festival develops.
 - 4.1.1 Excellent contacts were made with the media e.g. Simon Parkes of the BBC Radio 4 Food Programme and Mathew Fort food broadcaster and food columnist with The Guardian which resulted in highly positive coverage in both media.
 - 4.1.2 The festival effectively represented the first major PR project in which the Economic Development Unit had been involved and resulted in a total advertising equivalent coverage totaling some £2,186,593. This is significant as we move into a new phase of promoting Shetland under the 'Promote Shetland' initiative. There are valuable lessons which can be gained as to how PR is managed by the Council at large for other initiatives. 'Key learnings' for the PR element of the initiative are at Appendix 3. A significant list of warmed contacts who are highly interested in covering different aspects of Shetland has also been provided by Franklin Rae, the PR company who undertook the PR function, and will prove very useful for future promotional efforts.
 - 4.1.3 A new Shetland website was created with links to other appropriate Shetland websites.
 - 4.1.4 Locally, the Festival also gained major coverage in local media, notably a major pull-out supplement in The Shetland Times of 03 October 2008.

5.0 Issues

- 5.1 There were some issues realised around the organisation of the event, and these require to be addressed. This will be done via consultation with members of the food industry and public. It is proposed that an organising committee be established to enable ideas to be generated and to allow other groups to have increased buy-in to the festival design.
- 5.1.1 Some doubts were raised over the 10 day duration of the festival. The reasons for setting the festival at this length are listed at 3.34. Other food festivals such as 'Eat Newcastle' and the Wimbourne Food Festival run for 15 and 9 days respectively. However this will be addressed.
- 5.1.2 The objectives set were wide ranging and it was difficult to ensure that all could be met. Part of this was due to the fact that it was not possible to programme certain elements on timing grounds (e.g. schools participation was virtually non-existent and Shetland Museum and Archives had events already programmed for that time). Staff at both the Education and Community Services have already been advised of outline plans for 2009 which should result in a more positive outcome in these areas.
- 5.1.3 Whilst the PR element of the festival ultimately presented excellent value for money, a fairly short lead time was forced. This can be taken account of for 2009, and it is proposed that the PR effort is scaled down.
- 5.1.4 There was some confusion as to what the purpose of the festival was. It is felt that this was largely due to the fact that this was the first time such a festival had been held and, as such, was difficult for some people to understand.
- 5.1.5 The Economic Impact Assessment recommended that 7 areas are addressed in order to target weaknesses and ensure greater economic impact from future activities. This will be done and, as part of this process, it is intended to establish a small festival sounding board to assist in consultation and idea generation. It is likely that this will comprise:
- Shetland Food and Drink Group
 - Shetland Organic Producers' Group
 - Restaurant sector representatives
 - Shetland Islands Council Environmental Services
 - Seafood Shetland
 - Aquaculture Shetland
 - Food Retail sector
 - Education sector
 - Shetland Museum and Archives

6.0 Financial Implications

- 6.1 The Council approved the Economic Development Unit budget for 2009/2010 on 18 February 2009 [Minute Reference 13/09]. As part of this £30,000 was approved for Shetland Food Festival against General Ledger Code RRD5041.
- 6.2 The budget for Shetland Food Festival in 2008 was considerably enhanced by donations and grants from outside bodies.
- 6.3 A number of cost saving measures, based on the 2008 festival have been identified and implementation of these will ensure that costs for the 2009 festival will remain strictly within this budget. These include considerable reduction of the promotional budget.

6.0 Policy and Delegated Authority

- 6.1 This report has been written based on Economic Development Policy Number 25 “Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride” (Development Committee Minute Reference 01/08, SIC Minute Reference 55/08).
- 6.2 In accordance with Section 11.0 of the Council’s Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:
 - Economic Strategy
 - Europe

As this is an information report, there is no requirement for a decision to be made.

7.0 Observations

- 7.1 In addition to the Shetland Food and Drink Strategy and Action Plan, establishment of an annual Food Festival for Shetland is in line with several local and national strategies, namely:
 - ‘Successful and Sustainable’ – Shetland Seafood Development Project
 - Shetland Islands Council Economic Development Priorities
 - VisitScotland/EventScotland strategy
 - HIE Food and Drink Strategy
 - DEFRA Government Strategy on Regional Food

- 7.2 Festivals do take a number of years to fully establish and one need only consider, locally, Shetland Folk Festival which now 29 years on, is world-famous in its field and provides an excellent stage to develop Shetland's reputation.
- 7.3 EDU staff are currently working with Shetland Arts on development of a draft Shetland Events Strategy. It is hoped that initial work on this will be completed by June 2009.

8.0 Conclusion

- 8.1 Festivals and events are a key component of developing a sense of community and pride, generating economic growth, accentuating natural and manmade assets, and helping to strengthen a place's identity, both regionally and nationally.
- 8.2 The inaugural Shetland Food Festival was an attempt to establish an annual festival around Shetland's produce which is often described as 'world-class'.
- 8.3 Feedback from the event has been highly positive although there were the key issues identified which need to be addressed.
- 8.4 Development of an annual Shetland Food and Drink Festival will help to provide confidence to the Food and Drink industry, and create a platform for promoting the best of Shetland produce in order to achieve positive publicity and strengthen reputation.

9.0 Recommendation

- 9.1 I recommend that the Development Committee notes the feedback from Shetland Food Festival 2008 as part of the overall marketing strategy for Shetland.

Our Ref: NHH/KLM/RF1215
Date: 23 April 2009

Report No: DV039-F

Executive Summary

Introduction

Shetland Islands Council (SIC) commissioned this economic impact evaluation to provide:

- a measurement of the direct financial impact from the Festival;
- an analysis of additional economic benefits to businesses;
- an overview of any legacy impacts achieved by the Festival; and
- information which ensures the client can maximise economic impacts from future events.

The following research tools were used to provide information for the analysis and conclusions reached in the report:

- a short self-completion visitor survey at the core Festival event at Clickimin Centre. The survey provided 157 completed returns;
- a series of telephone interviews with 19 organisations that participated in the Producers' Market or in their own premises;
- four telephone consultations with funding partners; and
- two telephone consultations with speakers at the Festival.

Rationale for the Festival

The overall aim of the Shetland Food Festival was, in line with the Shetland Food and Drink Strategy, to 'Contribute to the creation of a sustainable, innovative and quality-driven food and drink industry in Shetland'. In summary, the rationale for hosting a Food Festival in Shetland in 2009 was two-fold:

- a Food Festival in Shetland was a specific action identified in the Shetland Food and Drink Action Plan 2008/09; and
- events are recognised as generators of economic growth both through direct impacts and legacy benefits.

Resources Used

The cost of delivering the Food Festival in Shetland was £77,000. Public sector funding was used to cover 88% of the cost. SIC contributed over £37,000 (49%) and other public sector funding partners were Event Scotland (19%), HIE Shetland (17%) and NHS Shetland (4%). Private sector businesses contributed the remaining 12% and sponsors included Greig Seafood Hjaltsland UK Ltd, Scottish Co-operative, Tesco plc, Seafood Shetland and Shetland Aquaculture.

In addition to financial resources the Festival was designed and delivered by SIC officers and required significant time and effort in the build up to the event and during its implementation.

Activities Delivered

The focus of the ten day Festival was a three day event comprising a Producers' Market and Food Theatre. Twenty-seven businesses and organisations were represented at the Producers' Market, of which 16 were private businesses that were selling food or drink products at the event. The majority of private businesses represented at the Festival were small businesses, a small number of which only operated on a part-time basis. The main attraction in the Food Theatre was the use of well-known chefs to provide demonstrations using Shetland food.

Throughout the remaining seven days of the Festival there were one-off events in Lerwick and elsewhere in Shetland that included storytelling and musical evenings, talks, training courses and films. A number of eating establishments also participated in the Festival, often this participation included special menus or special dishes which were on offer for the duration of the Festival.

The Festival was also supported by the commissioning of a PR company to ensure media coverage of the Festival and of Shetland.

Outputs Achieved

Chapter Four of the report presents a detailed analysis of the outputs achieved from Festival activities. In summary the three main outputs analysed are: visitor attendance, media coverage and gross expenditure. The outputs from the Festival are summarised as:

- approximately 1,200 visitors attended Festival events, which was approximately a third of the target agreed with Event Scotland. Attendance is considered to be disappointing in relation to the scale of the investment and the capacity of the events although specific events, particularly some of the training courses, did achieve high attendance numbers and in some instances were at full capacity;
- an estimated 3% of visitors to the Festival were from outside of Shetland, which is a fifth of the target of 15% agreed with Event Scotland;
- the volume of media coverage achieved by PR activities associated with the Festival is estimated to be worth an equivalent advertising spend of £2.2 million¹;
- gross expenditure of attendees at the Festival and those visitors to Shetland who did attend the Festival is estimated to be in the region of £18,000. Gross expenditure is generated from a number of sources and refers to spending in the local economy which can be linked to the Festival. Gross expenditure includes entry fees and spending by visitors who would have been in Shetland anyway. However gross expenditure does not reflect the net economic impact on the economy as it does not take into account the additionality or displacement associated with the spending. Furthermore this purely financial analysis cannot capture other economic benefits experienced as a result of the Festival but which are not so readily measured in financial terms. These are referred to as impacts and are discussed in detail in Chapter Five and summarised below.

¹ Franklin Rae, the PR consultancy commissioned to manage the coverage, has compiled a separated document which reports in detail on the media coverage obtained.

Impacts Achieved

The impact of the Festival is considered against three measures of benefit which are:

- net economic impact;
- qualitative economic benefits and in particular legacy benefits; and
- overall satisfaction of participants with the Festival.

Net Economic Impact - Net economic impact is a calculation which uses information from the calculation of gross expenditure and applies measures which relate to additionality, displacement and the multiplier effect. The calculations and rationale behind these measures are set out in detail in Chapter Five of the main report.

In summary, the net economic impact from the Festival is estimated to be £6,700. The analysis shows that the type of Festival related spending which creates the greatest economic benefit to the Shetland economy is:

- spending which increases consumption of local produce and subsequently reduces imports; and
- spending by visitors to Shetland who have been influenced to be in Shetland by the Festival.

The majority of benefits directly experienced by Shetland businesses were experienced by those businesses involved in the Producers' Market. On average there was no benefit experienced by the eating establishments who participated in their own premises.

Qualitative Economic Benefits - Qualitative economic benefits are those which are difficult to measure in financial terms, particularly as only a limited period of time has passed since the Festival was held. Some of these benefits may turn into more measurable financial benefits at some point in the future. However, more often than not future benefits are only likely to occur through further investment. The findings of the analysis are summarized below:

- the visitor survey showed that 92% of visitors said that they were more likely to purchase Shetland produce in the future;
- eleven of the nineteen organisations interviewed thought that their involvement in the Festival may lead to future sales, however they all thought that this benefit may be modest or negligible;
- benefits experienced by the businesses at the Producers' Market included being able to receive direct feedback from customers on their existing or new products, which for many producers is not always easy to achieve, benefits from new relationships built with potential customers and the benefit of being able to directly promote their company to current and new markets. These type of benefits are commonly generated by events and can be difficult to achieve in a more effective or efficient way;

- the survey of businesses also asked specifically about the impact the Festival had on their behaviour with regards to product, promotion and markets. A third of respondents stated their experience at the Festival had encouraged them to promote their existing products in a different way and a fifth had been encouraged to develop new products and a fifth had been encouraged to expand into new markets. These are all very positive impacts with a potential to create a valuable legacy from the Festival;
- those interviewed were also asked about the benefit of the Festival for Shetland as a whole, in general respondents were very positive about the Festival's ability to raise awareness of the range of produce available in Shetland and that this is a key step in encouraging more local consumption of local produce.

Satisfaction with the Festival

The final measure of impact was to assess how satisfied both visitors to the Festival and business participants were with the Festival. The analysis of satisfaction shows that on average visitors to the Festival were highly satisfied with the event but business representatives were on average less satisfied. However, all of the business respondents said that they would participate again but a number of those expressed that they would like to see some changes to the Festival. In addition, their willingness to participate must be weighed against the fact that for many their involvement had cost them little other than time. Concerns highlighted by the businesses included:

- the Festival lacked a clear purpose;
- the structure and timing of the event was poor;
- there was inadequate or no representation of key sectors in the food industry; and
- the Festival provided a poor return on investment to businesses and to the public sector.

Conclusions and Recommendations

The Food and Drink Strategy and Action Plan for Shetland clearly sets out an ambition to develop the food industry in Shetland and the research undertaken for this evaluation has identified that businesses are supportive of development activity which can assist economic growth within the food industry. Furthermore there is a rationale which clearly supports the use of events as a mechanism to achieve economic growth.

The first Food Festival in Shetland has achieved notable success particularly in the media coverage achieved, in the demand for training activities linked to food and the qualitative benefits to those businesses who did participate in the Producers' Market.

However, despite these successes the economic impact of the event has been very disappointing, equating to a ten pence return on every pound of public sector expenditure. The full report sets out in detail the reasons which are believed to have contributed to this result but in summary include a lack of strategic guidance and clarity of purpose, too short a timescale to design and implement the Festival, insufficient involvement from industry in the development of the Festival and a lack of legacy planning linked to the Festival.

The following recommendations are made in order to address these weaknesses and to ensure greater economic impact from future activities. These are explained in more detail in Chapter Six of the main report.

- R1: Review the objectives of the Festival in association with key stakeholders;
- R2: Consider if there are alternative activities, in place of a Festival, that may more efficiently and effectively achieve the priority objectives;
- R3: Identify specific benefits a Festival should achieve and who the beneficiaries are likely to be;
- R4: Design a Festival appropriate to the priority benefits;
- R5: Continually review progress to ensure there are logical linkages between objectives, resources being used, activities developed and outputs and impacts pursued;
- R6: Develop a legacy plan for the Festival to ensure economic impact is optimised; and
- R7: Develop a process to monitor and evaluate success.

Shetland Food Festival 2009: Costs/Funding

Costs	£	
Venue Hire	5,690	
Masterchefs	13,536	
Local chefs	450	
Food Theatre	6,654	
Event Promotion	30,363	
Food Courses	13,000	
Economic Impact Assessment	5,000	
Additional Costs	2,565	
TOTAL COSTS	£77,258	
Funding	£	
EventScotland	14,440	19%
NHS Shetland	3,000	4%
Hjaltland Seafarms Limited	1,500	2%
Seafood Shetland	1,000	1%
Aquaculture Shetland	1,000	1%
COOP	3,000	4%
TESCO	2,879	4%
HIE Shetland	13,000	17%
Shetland Islands Council	35,261	46%
Event Income	2,178	2%
TOTAL FUNDING	£77,258	

Notes:

Venue Hire – Hire of Clickmin Centre and other venues (eg for talks)

Masterchefs – Fees, accommodation, ingredients travel and subsistence for visiting Master chefs and executive assistants

Local Chefs – Fees for local chefs and participants

Food Theatre – Set up and dismantle costs, screening and PA system

Event Promotion – PR contract work, website, fliers, programme, photography & filming, press visits

Food Courses – Fees and venue hire

Economic Impact Assessment – Study into economic impact as required by EventScotland

Additional costs – MC fee and travel, film hire costs, Slow Food workshop/ingredients, prize draw, PR promotional items, bannock-making workshop



Shetland Islands Council

We are pleased to attach details of 14 grant awards made from 01 February – 28 February 2009. The value of the grants approved is £67,138.08. For more information on these grant aid schemes, please contact the Economic Development Unit on tel. 744940.

SHETLAND AGRICULTURAL BUSINESS SCHEME (SABS)		
Organisation	Purpose of Grant	Amount Granted
Alan MacDonald	This grant will be used towards fertiliser	£113.00
William Brown	This grant will be used towards fertiliser	£226.00
J Budge	This grant will be used towards Bull Purchase	£1,934.08
N Coutts	This grant will be used towards 3 x heifers	£300.00

4 Shetland Agricultural Business Scheme Grants were awarded for a total of £2,573.08

SHETLAND RURAL DEVELOPMENT SCHEME (SRDS)			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Eric Graham	This grant will be used towards field drainage and fencing	£4,840.00	£2,420.00
L & E Gifford	This grant will be used towards potato harvesting equipment	£6,000.00	£3,000.00

2 Shetland Rural Development Scheme Grants were awarded for a total of £5,420.00 towards total project cost of £10,840.00

MARKETING DEVELOPMENT PROGRAMME GRANTS			
Organisation	Purpose of Grant	Project Cost	Amount Granted
The Tait Gallery	This grant will be used towards an exhibition of oil paintings at Duff House, Banff – June – August 09. Travel costs, photo framing costs and promotional postcards and poster costs	£1,412.00	£ 706.00
Tait Electronics (Shetland) Ltd	This grant shall be used towards the cost of exhibiting at ATC Global 2009, Rotterdam. – travel costs and printing of leaflets.	£6,776.00	£3,388.00

2 Marketing Development Programme Grants were awarded for a total of £4,094.00 towards total project cost of £8,188.00

RURAL SHOP IMPROVEMENT SCHEME			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Sandwick Baking Company Ltd	This grant will be used towards purchasing a new EPOS system for the retail shop	£19,994.00	£9,997.00
R S Henderson	This grant will be used towards a new cash register and fax machine	£1,538.00	£769.00

2 Rural Shop Improvement Scheme Grants was awarded for a total of £10,766.00 towards project cost of £21,532.00

DISCRETIONARY DELEGATED SCHEME			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Fair Isle Electricity Company Ltd	This grant will be used towards replace the gearbox in the 60Kw Aerogenerator	£49,656.00	£24,828.00
SCFWAG	This grant will be used towards operational cost of the SCFWAG office over the period 19 February – 31 March 2009	£4,043.00	£ 2,022.00
Shetland Cattle Herd Book Society	This grant will be used towards the cost of creating a website incorporating a database of all cattle	£3,374.00	£1,687.00
Shetland Amenity Trust	This grant will be used towards reprinting Shetland Interpretive Leaflets	£15,748.00	£15,748.00

4 Discretionary Delegated Scheme Grants were awarded for a total of £44,285.00 towards project cost of £72,821.00



REPORT

To: Development Committee

30 April 2009

From: Head of Economic Development

DV040-F
Public Activity Report
March 2009

1.0 Introduction

- 1.1 This activity report is being presented to Development Committee as a means of communicating with Members the current project and potential business activities being led by the staff in Economic Development.

Following a request at the Development Committee on 22 January 2009 (Min Ref 16/09), the Activity Report has been divided into two separate reports – one for public viewing which contains general information which can be considered in public, and one for non-public viewing which will contain sensitive information. This is the public version.

- 1.2 The report gives updates in the following areas:

- Ongoing project work
- New project enquiries
- Government initiatives
- February and March grant awards

2.0 Links to Corporate Priorities

- 2.1 The activities reported in this document aim to fulfil our commitments in the Corporate Plan to deliver a sustainable economy and supports the aims contained in the Economic Development Policy Statement (2007-2011).

3.0 Ongoing Projects

3.1 Hamefarin 2010

Northlink has kindly offered honorary islander discounts to Hamefarers using their service to travel to the celebrations in 2010. There is very strong interest from New Zealand with the Shetland Society of Wellington confirming that 90 of its members will be travelling next June. This is a reasonable indicator that the prediction of 500 Hamefarers is realistic and may well be exceeded. The Hamefarin Committee is encouraging Hamefarers to book their accommodation as early as possible so that any issues with accommodation can be resolved well before the event.

3.2 Islands Year of Culture 2011

The Steering Group for this project includes representatives from all Islands Councils involved, and met for the first time on 03 March 2009. Following the meeting a proposal for the festival was prepared for discussion at the Convention of the Highlands and Islands on 23 March. The discussion on the scope of the project should have been concluded at the Highland and Islands Conveners meeting on 23 April. Once a shared understanding and direction is established the Steering Group will meet again to begin the detailed planning of the festival.

3.3 Fetlar Working Group

The Group met again on 15 April 2009 to discuss various aspects of the Fetlar Development Plan. News of the ERDF funding for the berthing facility has been greeted with enthusiasm and islanders are very keen to see further progress on the project. Year one funding is now in place for Fetlar Development Ltd to employ a Development worker.

A European Regional Development Fund (ERDF) grant of £300,000 has been awarded to the Council towards the cost of a small pier/berthing facility in Fetlar. This will be located at Hamar's Ness and is part of the overall breakwater project.

3.4 Move to Solarhus Building

SIC and HIE Economic Development Services moved to Solarhus on 20 April 2009.

3.5 Childcare Strategy

Strategy development will be reported through Services Committee.

3.6 Sumburgh Airport

Phase 2 of the airport improvement project has been completed. This now means that Shetland imagery and dialect phrases have been placed around the main concourse in the terminal building up to and including the airport shop. The design element of the final phase is currently being undertaken and work is expected to be complete by the summer. The 'artistic' mural has been removed and gifted to Shetland Arts.

3.7 Johnsmaas Foy

The Foy has a Viking theme in 2009 and, accordingly, some interestingly themed special events are being scheduled. These include the visit of Professor Gísli Sigurðsson, an Icelandic expert on the Viking Sagas who will deliver talks in this area, Viking music from Norwegian musicians Marianne Maans, Maja Lillian Marcussen, Kare A Lie and Tove Gleditsch Lie and Viking re-enactments performed by a visiting Polish troupe. A Johnsmaas Foy Coordinator has been appointed this month to pull together the necessary arrangements for June. It is planned to appoint a Coordinator for the 2010 event in October 2009 in line with Council policy to continue to develop the Johnsmaas Foy as a major summer event.

3.8 Flavour of Shetland

As part of the Foy, Flavour of Shetland will be held over the weekend of 25 to 28 June. An improved availability of seafood as part of the 'food village' is assured this year. EDU staff have been working closely with Seafood Shetland, Shetland Aquaculture and private businesses in developing this. Other arrangements for the event are proceeding well.

3.9 Shetlandmarketing.org

The website is intended to provide support and inspiration to local organisations in connection with marketing Shetland. Accordingly it will provide information on the Shetland brand project, commercial and non-commercial case studies, positive news relating to marketing and links to good, reliable, sources of marketing information. The site should be ready for a May launch.

3.10 Shetland Food Directory

The Shetland Food Directory has been mailed to a specifically targeted list of Scottish contacts whom it is felt will find the provenance of the produce Shetland has to offer. Advertising for the guide has been taken out in the first edition of 'The Larder' publication which is a new 'foodie' publication produced by The List, whilst additional advertising has been secured through NorthLink. Members will be aware that

Jamie Oliver prepared a meal for the G20 leaders in Downing Street on 31 March which featured Organic Shetland Salmon from Skerries. Mr Oliver has been mailed a copy of the Shetland Food Directory.

3.11 Events Strategy

Work on the strategy is progressing and EDU staff are now working closely with Shetland Arts on taking this forward. It is expected that a draft strategy should be finalised towards the end of May. The strategy will consider events at all levels with Shetland involvement which take place both within and out with the islands with a view to identifying how these can be managed and developed to achieve maximum benefit for Shetland in future. The strategy will tie in closely to the EventScotland strategy which was launched in December 2008.

3.12 Ann Cleeves Shetland Quartet - Potential TV Dramatisation

Staff have secured funding from Scottish Screen to cover the costs for a recce to Shetland for representatives of production company Plain Vanilla and author Ann Cleeves. This will allow important issues to be given immediate consideration in connection with the potential for TV dramatisation of Ms Cleeves Shetland Quartet of novels. The visit to Shetland took place over 21-23 April. The recce is very much a first stage in a long process which may or may not see a TV production going ahead. Close contact with representatives from Plain Vanilla has been maintained since initial approach in February and much is being done to encourage and support the project. Additional interest has also been registered this month with EDU for a separate project which also has TV potential. Development of this will be investigated via our links with the Scottish Highlands and Islands Film Commission, Scottish Screen and Shetland Arts.

3.13 Shetland Agricultural Business Scheme

The total value of payments made under this agricultural de minimis scheme in 2008 was £93,193.93 with a euro value of 114,772. A total of 189 applications were received from 177 applicants with grants towards fertiliser accounting for 62% of the total funding awarded. Eight applicants were awarded grants for lime, 37 applicants received assistance towards home rearing 107 beef and dairy heifers, assistance was awarded to 18 applicants for growing 24 hectares of arable crops and the new bull improvement project added to the scheme during 2008 resulted in grants being paid on 9 pedigree bulls.

3.14 European Priorities

The Highlands & Islands European Partnership (HIEP) was formed in 1998 to pursue a joint approach to engagement with the EU. The partnership reports to the H&I's Conveners' Group and membership currently comprises the 7 H&I's Local Authorities, HIE and the UHI. To date, the partnership has primarily focused on matters relating to EU

funding programmes and how they can be used to support the socio-economic development of the H&I's. Allied to this has been a focus on seeking to influence the development of future regional policy and the associated Structural Funds. Of secondary importance has been activity in other policy areas and it is recognised that given the changing environment in Europe, that this will become more important in the future.

To ensure that the partnership remains fit for this purpose, the members have undertaken a review of its operation and remit. This has been driven by a number of factors, including the changing landscape of EU funding, the changing focus of partner organisations detailed in the Government Economic Strategy and Single Outcome Agreements, and the Scottish Government Action Plan on European Engagement. Alongside this, there was a recognition that the partnership's priorities for engaging in Europe needed to be re-confirmed.

Following recent discussions within the H&I's Conveners' Group it was agreed that each HIEP member would submit their individual European priorities with the aim of reaching a set of common European priorities for the partnership as a whole, to be discussed and agreed at a meeting of the Conveners in May. The following priorities have been identified for Shetland based on our single Outcome Agreement and Economic Policy Statement:

Territorial Cohesion/State Aid

- Acknowledgement of territorial features, particularly those areas permanently geographically disadvantaged and with special needs deriving from peripherality.
- A more flexible and less restrictive approach to state aid regulation in remoter communities, and particularly in the fisheries and agriculture sectors.

Maritime Affairs

- An integrated EU maritime policy must seek to protect the fragile coastal and island communities whose economies are dependent on the marine environment.
- Ensuring fisheries management measures recognise the needs of fisheries dependent communities.

Broadband Communications

- Improving and ensuring equal access to high bandwidth provision.

Renewable Energy Development

- Strengthening structural funding for renewable energy projects in all renewable sectors.
- Transmission infrastructure for the H&I's.

Increasing uptake of European funding

- Improving awareness and access to European funds.
- Reducing bureaucracy associated with accessing European funds.
- Increased funding for the infrastructure development of the region.

4.0 New Project Enquiries

- 4.1 Between 20 February and 27 March 2009 34 initial enquiries were considered at the New Projects Meeting. These projects are enquiries that are not eligible for the more routine support schemes. The new projects related to the following sectors:

Services - 9
Tourism and Heritage - 1
Creative Sector - 8
Manufacturing - 1
Aquaculture - 3
Leisure - 2
Food and Drink – 2
Recycling – 1
Fishing – 2
Renewable Energy – 1
College Related - 4

Of these projects 8 were new business start-ups. Five projects have received or are receiving business-planning advice. 23 are providing more information or are submitting applications for assistance. Nine projects were either not eligible for assistance or did not wish to take up the assistance that was being offered. For example, businesses that are offered support through loans may choose to borrow from a bank instead. This system of reporting new project enquiries has now been superseded by the Business Gateway since 01 April 2009. An update is provided in Section 5.5 of this report, and a summary of Business Gateway activities will be provided in future reports.

5.0 Government Initiatives

5.1 First Time Shareholders Scheme State Aid Update

These cases still sit with the European Commission lawyers but a meeting has been arranged for the 05 May 2009 with the Chief Executive of the SIC and members of the European Commission, DEFRA, Scottish Government and UK Rep to try and bring this to a conclusion.

5.2 LEADER Programme

To date the Local Action Group (LAG) has awarded £263,491 to 18 projects. Five additional potential projects were discussed at the last LAG meeting. At the time of writing this report some discussion had taken place on identifying ways that part of the LEADER co-ordination functions could be outsourced. Little progress has been made on this largely because of other work and because outsourcing the functions is not as straightforward to achieve as it might seem.

5.3 Scottish Rural Development Plan – Rural Priorities

The February round of approvals proved to be problematical because the demand in Scotland outstripped the available budget, particularly in the agri-environment area. With some persuasion (the Convener wrote to the Minister on behalf of the Shetland agricultural sector and Tavish Scott MSP was briefed as well), the Minister decided to allocate funds from the 2009/10 budget so that eventually most projects were approved, including a number of Shetland ones. Large grants were awarded to the Fair Isle Bird Observatory and the New Scalloway Museum. However, because of the pressures placed on the budget in the February round, the June round has been cancelled and, at the time of writing, an announcement was awaited from the Minister to confirm the arrangements for the later rounds in 2009. Clearly, from the agri-environment perspective this scheme is not achieving what the former ESA and Rural Stewardship Scheme did.

5.4 Changes to State Aid Reference Rate

The UK State aid reference rate is the base interest rate periodically set by the European Commission, which forms the basis for the minimum interest rates applied to commercial investments from public funds. The SDT/SIC interest rate policy uses this reference rate to calculate appropriate lending rates so that investments are compliant with State aid regulation. The reference rate is calculated on inter-bank borrowing rates, whereas Bank lending is linked to the Bank of England base rate.

For many years now the SIC/SDT lending rates have tended to be fairly similar to Bank rates. However, since late 2008 the Bank of England base rate has steadily reduced and until recently the European rate has remained high meaning that the SIC/SDT lending rates have been unattractive to local businesses seeking investment.

In the past 2 months the State aid reference rate has reduced three times and the lending rates have now fallen back into line with rates available from the Banking sector.

5.5 Business Gateway

From 1 April 2009 the EDU has been running the Business Gateway. A rota of Duty Managers has been established. Working relationships are being developed with the national Business Gateway Centre in Clydebank. Contracts have been issued to Business Advisers and to Train Shetland (for the short training courses). A budget of £140,000 has been allocated by the Scottish Government and HIE to run the Business Gateway in Shetland during 2009/10.

6.0 Financial Implications

6.1 There are no financial implications arising from this report.

7.0 Policy and Delegated Authority

7.1 This report has been prepared in relation to the Main Aim of the Economic Development Policy Statement 2007-2011, “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”. The Policy Statement was approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).

7.2 In accordance with Section 11.0 of the Council’s Scheme of Delegations, the Development Committee has delegated authority to implement decisions within the remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:

- Economy
- Europe

As this is a report for information, there is no requirement for a decision to be made.

7.3 In accordance with Section 11.0 of the Council’s Scheme of Delegations, management of the Shetland Development Trust, on behalf of the Council as sole Trustee, is delegated to the Development Committee.

8.0 Recommendations

8.1 It is recommended that the Committee note the contents of this report.

Our Ref: NG/JJ A09
Date: 22 April 2009

Report No: DV040-F

Appendix

Appendix 1 - Grant approvals for March 2009
Appendix 2 – Grant Approvals for February 2009



Shetland Islands Council

We are pleased to attach details of 16 grant awards made from 01 March – 31 March 2009. The value of the grants approved is £105,365. For more information on these grant aid schemes, please contact the Economic Development Unit on tel. 744940.

SHETLAND AGRICULTURAL BUSINESS SCHEME (SABS)		
Organisation	Purpose of Grant	Amount Granted
Robert Nicolson	12 tones fertiliser, bull improvement scheme and heifer rearing scheme	£1,890

1 Shetland Agricultural Business Scheme Grants were awarded for a total of £1,890

MARKETING DEVELOPMENT PROGRAMME GRANTS			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Andrea Williamson	Exhibit work at trade and craft shows in the UK, funding towards cost of stand space and display equipment, travel and transporting stock to and from the event and to print promotional material	£6,870	£3,435
Shana Handbags	Aviemore Tradeshow – April 09, updating website and buying shelving display	£442	£221

2 Marketing Development Programme Grants were awarded for a total of £3,656 towards total project cost of £7,312

RURAL SHOP IMPROVEMENT SCHEME			
Organisation	Purpose of Grant	Project Cost	Amount Granted
J & K Anderson	Purchase new meat slicer	£7,200	£3,600
Ulstia Shop t/a Brae Stores Ltd	New counter and shelving units plus carriage	£7,678	£3,839

2 Rural Shop Improvement Scheme Grants was awarded for a total of £7,439 towards project cost of £14,878

DISCRETIONARY DELEGATED SCHEME			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Northmavine Community Development Company (NCDC)	Core funding to implement the Northmavine Development Plan	£47,310	£16,690
Shetland Cattle Herd Book Society	Admin and meeting attendance grant to maintain the administration and serve the membership of the SCHBS on a professional basis	-	£3,000
Shetland Flock Book Trust	Attendance at the Royal Highland Show for purpose of marketing sheep from Shetland	£1,484	£742.00
Slow Food Edinburgh	Coordinate and host a Shetland dinner	£7,009	£3,504
Sue White	Assistance with preparation of a business plan for an independent successor to Shetland Crofting Farming and Wildlife Advisory Group	£2,000	£2,000
Scottish Crofting Foundation – Shetland Area	08/09 Operational costs	£8,800	£4,400
Wendy Inkster / t/a Burra Bears	Towards the cost of building a workshop and store.	£42,868	£12,860
Unst Partnership Ltd	Feasibility study into the purchase of the Saxa Vord Resort	£30,902	£10,198

8 Discretionary Delegated Scheme Grants were awarded for a total of £53,394 towards project cost of £140,373

DISCRETIONARY DELEGATED SCHEME – EFF Match Funding Grants			
Organisation	Purpose of Grant	Project	Amount
Blueshell Mussels Ltd	Expansion of mussel farm trailing and change machinery to efficient NZ system	£782,819	£25,000
North Atlantic Shellfish Limited	Mussel Processing Equipment & Website	£121,603	£6,080
Uyeasound Salmon	Purchase of a serviced site and the construction of new 480sq m multi-purpose premises in Uyeasound, Unst. These premises will act as a shore base.	£158,114	£7,906

3 EFF Match Funding Grants were awarded for a total of £38,986 towards project cost of £1,062,536



REPORT

To: Development Committee

30 April 2009

From: Project Manager, The Tall Ships' Races 2011

**DV037-F
The Tall Ships' Races 2011**

1.0 Introduction

- 1.1 The purpose of this report is to update and inform Members on the progress of The Tall Ships' Races organisation following the contractual agreement signed by the Shetland Islands Council to deliver The Tall Ships' Races Lerwick 2011. This report also seeks approval of the Council grants to assist in the delivery of this event.

2.0 Links to Corporate Plan

- 2.1 Celebrating Shetland's Cultural Identity, through thinking and acting collectively, and Marketing Shetland to help achieve Sustainable Economic Development are all priorities contained in the Council's Corporate Plan 2007-2011. This project is being undertaken to help fulfil these priorities.

3.0 Background

- 3.1 Sail Training International (STI) organises Tall Ships' Races as part of its objective to develop and educate young people of all nationalities, cultures, religions and social backgrounds through sail training experience. The Tall Ships' Races have been organised since 1956 and have been enormously successful in the promotion of sail training and in the engagement with the maritime communities that have acted as host ports for the Races for over 50 years. It is acknowledged that the host ports involved use the Races as a means to celebrate their own culture, and to boost community spirit.
- 3.2 On 5 December 2006, the Council's Executive Committee recommended that the Council submit a bid for Lerwick to be a host

Port for the 2011 Tall Ships' Races (Min. Ref. 50/06). The Council ratified this decision on 13 December 2006 (Min. Ref: 184/06). On 27 March 2007, STI announced that Shetland's bid had been successful.

- 3.3 The Tall Ships' Races 2011 begins in early July 2011 in Waterford (Ireland). The first race runs to Greenock (Scotland). From there the next leg to Lerwick is a cruise in company. The ships will arrive in Lerwick on 21 July 2011 and depart on 24 July 2011. After Lerwick, the race is to Stavanger (Norway) and the final leg is to Halmstad in Sweden.
- 3.4 A major benefit of hosting an event of this calibre is the international exposure gained by being part of this prestigious event and attracting visitors to attend.

In 1999, the event in Shetland attracted several thousand visitors and the socio-economic return was calculated at £2.4 million. Since then there has been significant growth in media interest and participation in the event, in 2005 Newcastle generated over £3.8 million worth of press coverage and gained direct economic impact of £50 million due to hosting the event.

In Waterford, Ireland in 2005, they attracted over 160 media representatives and gained media exposure worth over 6 million euros. The direct economic impact of the event was worth over 30 million euros.

More recently, Liverpool hosted the event in 2008 and generated over 1 million visitors and an economic return of £9.5 million due to hosting the event.

- 3.5 Following consultation within the Council on 07 February 2008 (Min Ref 20/08), it was subsequently identified that the most effective organisation to undertake the project would be a private company. There is a need to attract significant amounts of sponsorship and becoming a private company will assist in achieving community-wide engagement.
- 3.6 Shetland Tall Ships 2011 Ltd has been incorporated as of January 2009 with the objectives of delivering a high-quality event on behalf of Shetland and to meet the contractual obligations with Sail Training International. The Company is chaired by Convener, Sandy Cluness with Mr Peter Malcolmson as Vice-Chairperson, and the following people are Directors of the Company:

Cllr Josie Simpson
Cllr Leslie Angus
Cllr Allan Wishart
Mr Billy Stove
Ms Sandra Laurenson
Mr Peter Leask

Fiona Dally was recruited and appointed as the Project Manager and Company Secretary and it is anticipated the Company will recruit additional staff members in order to deliver the event. The business plan is available in Appendix 1.

4.0 Proposal

- 4.1 The Council has led the bid and signed the contract for hosting The Tall Ships' Races in 2011 and as such is the principal funder of the event. In addition, the scale and diversity of The Tall Ships' Races event means that many Council services need to be involved. It is proposed that the Committee agree an additional grant of £36,030 to Shetland Tall Ships 2011 Ltd in 2009/10. It is also proposed that the Committee agrees in principle to fund further grants of £115,889 and £761,902 in 2010/11 and 2011/12 respectively.

5.0 Financial Implications

- 5.1 In the report presented to the Council on 07 February 2008, (Min Ref 20/08) an estimate was provided that the Tall Ships Races 2011 would cost around £1.2 million. This figure was calculated from the cost of the 1999 event. Following the preparation of the business plan, it has been identified that the cost of the event will be up to £1.6 million and additional sponsorship/external funding targets have been set to achieve this budget.

Shetland Islands Council Reserve Fund	1,080,000
Shetland Development Trust	120,000
Sponsorship and External funding	<u>400,000</u>
	1,600,000

A budget summary is attached in the business plan in Appendix 1.

The following amounts has been spent on the project through SIC Economic Development Unit:

Year	Project Spend (£)
2007/8	82,345
2008/9	37,342
Total	119,687

These costs of £119,687 are part of the total project costs of £1.6 million. The Host Port contractual fee of £80,000 has been paid to Sail Training International and a capital investment of £24,000 has been made to resource bench/seating for 300 people that will be used in events prior to 2011 such as Flavour of Shetland and will be a resource available for other community based events.

In 2009/10, a budget of £50,000 (RRD50422402- Tall Ships) has been allocated to the Tall Ships project through Shetland Islands Council, Economic Development. Having prepared the financial

projections, an additional £36,030 is required for 2009/10 and will be sourced from within existing EDU budgets (RRD15202402- Other General Assistance). These funds of £86,030 will need approval to be released to Shetland Tall Ships 2011 Ltd.

The Shetland Development Trust has also committed £120,000 for the Project Manager costs as part of their sponsorship towards the event.

The request from the Reserve Fund would require commitment of £877,791 over the two-year period:

Year	Grant request (£)
2010/11	115,889
2011/12	761,902
Total	877,791

These financial projections would be refined annually within the agreed Economic Development Unit Reserve Fund budgetary process.

6.0 Observations

- 6.1 Annually, the Flavour of Shetland event on Victoria Pier and Johnmas Foy is delivered in late June by the Shetland Islands Council's Economic Development Unit. In 2009/10 the budget allocation for the Flavour of Shetland is £70,000 and Johnmas Foy is £50,000. In 2011, the Flavour of Shetland concept could be delivered as part of The Tall Ships' Races activities and the Johnmas Foy could be incorporated as part the wider Cruise in Company activities due to be delivered around the Shetland community in the build up to the arrival of the fleet in Lerwick.

7.0 Policy and Delegated Authority

- 7.1 This report has been prepared in line with the Council's decision to submit a bid for Lerwick to be a host port for the Tall Ships' Races 2011 taken on 5 December 2007 (Min. Ref: 50/06) and the subsequent decision to take forward detailed financial planning for the event. (Min Ref 20/08). Policy Number 25 enables "individuals and businesses to develop and promote Shetland products and services with confidence and pride." One of the key outputs identified for policy 25 is the organisation of The Tall Ships' Races in 2011. This policy was approved by the Development Committee on 24 April 2008 (Min Ref 01/08) and by the Council on 14 May 2008 (55/08).
- 7.2 In accordance with Section 11.0 of the Council's Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:

As the subject of this report is covered by existing policy the Development Committee does have the delegated authority to make a decision.

8.0 Conclusion

- 8.1 Large-scale events such as hosting The Tall Ships' Races provides Shetland with the opportunity to demonstrate how much a small community, working together, can achieve. The socio-economic return and media exposure gained by hosting this event is considerable, as detailed by evidence of other host port successes in paragraph 3.4. In 2011, Shetland could achieve over £3 million socio-economic return through hosting the event. It is essential that funding be put in place early to ensure that The Tall Ships' Races 2011 achieves and exceeds the levels of success achieved in 1999 and 2005.

9.0 Recommendation

I recommend that the Development Committee:

- 9.1 Approve the virement of £36,030 as identified in paragraph 5.1 and approve the release of grant to the Shetland Tall Ships 2011 Ltd of £86,030.
- 9.2 Approve in principle, the estimated grant requests for 2010/11 and 2011/12 of £115,889 and £761,902 respectively for Shetland Tall Ships 2011 Ltd, subject to future years' budget estimates exercises.

Our Ref: FD/KS/RF1122
Date: 23 April 2009

Report No: DV037-F

The Tall Ships' Races 21st – 24th July 2011



Business Plan

Shetland Tall Ships 2011 Ltd
Contact: Fiona Dally, Project Manager

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1.0 Executive Summary

Shetland Tall Ships 2011 Ltd has been established to deliver The Tall Ships Races in Lerwick, 21-24th July 2011. Through joint collaboration with our lead partners, Shetland Islands Council and Lerwick Port Authority in hosting the event we aim to:

- Highlight Shetland and our distinctive areas as an events and tourism destination
- Generate economic benefits for Shetland and our regional areas
- Provide community participation and area regeneration
- Gain high-profile international media coverage for Shetland

The purpose of this business plan is to outline the operational tasks that need to be undertaken and identify the financial requirements that are required to successfully deliver a high-quality event for Shetland.

2.0 Event Background

2.1 History of the Event

The lead organiser of The Tall Ships Races is Sail Training International, a not-for-profit organisation which was created to organise the first race of sail training Tall Ships in 1956.

The Tall Ships' Races are held every summer in European waters. Each year between 70 and 100 vessels from 15-20 countries, crewed by some 5-6,000 young people from over 30 countries worldwide, take part in this unique event that combines four days of activities in each port with racing or Cruising-in-Company between ports.

During the race series the young crews get the chance to gain experience by sailing with their contemporaries from other countries while facing the physical and emotional challenges that only the ocean can provide.

Lerwick successfully hosted The Tall Ships Races in 1999. Several thousand spectators were attracted to the event involving over 50 Tall Ships with over 2000 crew from countries around the world participated in the Cruise-in-Company leg from Greenock to Lerwick, between 9th-12th August. The economic impact of the event was calculated at £2.6 Million. The event has grown considerably since it was last held in Shetland and there is potential for wider socio-economic return in 2011.

2.2 Race Management

The Races are managed directly by Sail Training International. The Race Director is Paul Bishop and the Race Committee is chaired by Knut Western. They are responsible for all aspects of the Races, covering registration of competing vessels, rules and regulations and safety.

A 'Tall Ship' is not necessarily one of the glamorous square-riggers. Entry is open to any monohull sailing vessel of more than 9.14m waterline length, provided that at least 50 percent of the crew are aged between 15 and 25 years and that the vessel meets Sail Training International's safety equipment requirements.

Early entry into The Tall Ships' Races is encouraged by Sail Training International, however, the closing date for entries is generally 1st May in the Race year.

2.3 The Races Circuit

The Tall Ships Races circuit for 2011 is as follows:

Waterford, Ireland	Thurs 30 June – 3 July	Race 1
Greenock, Scotland	Sat 9 – Tues 12 July	Cruise-in-Company
Lerwick, Shetland	Thurs 21 – Sun 24 July	Race 2
Stavanger, Norway	Thurs 28 – Sun 3 Aug	Race 3
Halmstad, Sweden	Fri 5 – Mon 8 Aug	

The Cruise-in-Company leg creates an excellent opportunity for Shetland to develop a programme which will give Tall Ships the chance to explore the West of Scotland and Shetland before they reach Lerwick.

The Cruise-in-Company will give a select few Scottish ports a chance to be part of the event and get their communities involved through hosting cultural programmes to attract the Tall Ships into their port. Young sail-trainees could also have the experience of a lifetime by joining Tall Ships, who call into their port, to take part in the Races.

2.4 Event Contract with Sail Training International

In late 2007, Shetland won the bid to host The Tall Ships Races and the Shetland Islands Council signed the host port contract to deliver the event on behalf of Sail Training International. The Races are managed by Tall Ships Races (Europe) Ltd. The Council is obligated to ensure the terms of this contract are fulfilled.

Key deliverables in the contract are as follows:

- Port fees of £80,000 and £6,000 of shared paraphernalia costs paid to Sail Training International
- Inspection visit costs covered for Sail Training International
- Free berthing and crew facilities such as toilets, showers and laundry facilities
- Race Office facilities, management accommodation and transport
- Support sponsorship and corporate hospitality opportunities for ships
- Media and crew facilities
- Provide at least 25 Sail trainees to participate in 2011 Races

There are several standard host port social events that must also be held during the Tall Ships visit in Lerwick:

- Social, sports and cultural activities for crew
- Crew Parade and Prize giving ceremony
- Captains', Officers' and Crew Dinners/Parties

3.0 Event Delivery in Shetland

3.1 Scale of the Event

Shetland has previously hosted The Tall Ships in 1999 and more recently in 2005, Shetland hosted the NatWest Island Games. Both these events depended on the involvement and participation of the local community for its success. Since 1999, the number of ships participating in the Races and the media interest in the event has also grown considerably.

In 2005, Newcastle generated over £3.8 million worth of press coverage and gained direct economic impact of £50 million due to hosting the event. In Waterford, Ireland in 2005, they attracted over 160 media representatives and gained media exposure worth over 6 million euros. The direct economic impact of the event was worth over 30 million euros.

More recently, Liverpool hosted the event in 2008 and generated over 1 million visitors and an economic return of £9.5 million due to hosting the event.

3.2 Number of Visitors

The average number of crew and trainees participating in The Tall Ships' Races is 3000. The number of visitors generated is more difficult to estimate particularly as it is a non ticketed event and catchment populations differ.

In Shetland, we are restricted by the available transport and accommodation infrastructure to attract large numbers of incoming visitors. Unlike our partners in other ports, we do have limitations on the number of day visitors that we can attract to the event.

On the other hand, Shetland has the ability to attract visitors who will come for the duration of the event as a holiday and stay in available accommodation, return home to visit friends and relatives and possibly sail to the event with visiting yachts.

We aim to attract at least 6,000 visitors during the four day event. There is also potential to attract cruise ships to the port during the event, which could attract an additional 2000 day-visitors. The media exposure created by hosting the event will also generate interest for attracting future visitors to the islands.

3.3 Company Background

Shetland Tall Ships 2011 Ltd is a newly formed private company set up to deliver The Tall Ships Races and contract obligations with Sail Training International on behalf of the Shetland Islands Council.

The company is chaired by Sandy Cluness and the Vice-Chair is Peter Malcolmson. The other Directors of the Company are: Sandra Laurenson, Allan Wishart, Josie Simpson, Billy Stove, Leslie Angus and Peter Leask.

Fiona Dally is the Project Manager and Company Secretary and sits on the Organising Committee, which is attended by all eight appointed Company Directors.

The Project Manager is responsible for organising The Tall Ships' Races and is also responsible for the business management, safety and risk management of the event. The Company will also employ additional staff members in due course, to assist in the delivery of the event.

There are currently six key functional areas that are managed at sub-committee level:

- Harbour
- Social
- Transport
- Liaison
- Finance and Sponsorship
- Marketing, PR and Communications

3.4 Company Vision

Shetland Tall Ships 2011 Ltd aims to host a world-class event that will firmly establish Shetland as a premier sailing destination and showcase Shetland as a unique and memorable tourism and events location. Through hosting the event, we also aim to build a sustainable legacy for future events and sail training development in Shetland.

3.5 Company Goals

- To provide Sail Training International with an exceptional Race Port in 2011
- To provide race participants with a positive and memorable experience of Shetland
- To encourage active participation of young people in the event and ongoing sail training development in Shetland
- To promote Shetland as a tourism and events destination

- To enhance Shetland's reputation for hospitality and quality products
- To celebrate Shetland's culture
- To reaffirm Shetland's capability to host major international events
- To make better connections with other seafaring communities
- To work together as a community to deliver an enjoyable and worthwhile event
- To maximise the socio-economic returns of hosting the event for Shetland

3.6 Event Targets and Measuring Success

The success of the event will be measured in a variety of ways. Some indicators of success have been detailed below and the results will be measured over both the short and longer term.

1. Monetary/Return on Investment (ROI)

All measures should be taken to maximize the socio-economic returns of hosting the event. Where possible, any scope for infrastructure investment should be made to enhance the sustainability of hosting events, rather than incurring ongoing rental expenditure each time an event is hosted.

A detailed socio-economic impact study will also be undertaken to establish the value of these types of events to the Shetland community. As a benchmark, the company should aim to secure at least £3 million economic return for the local economy. It will also be important to value the media exposure that's achieved by hosting the event.

2. Attendance/participation

We aim to attract over 6,000 visitors during the event week and our target is to attract at least 70 ships to participate in the Races. We aim to get over 3000 crew members, with 80% of the crew coming from outside the UK.

We will fulfil the minimum requirements to support 25 sail-trainees during the Races and aim to exceed these requirements.

For many people, The Tall Ships' Races will be a catalyst to visit Shetland. It presents us with a golden opportunity to promote our assets and to encourage repeat visits to the area.

3. Awareness/knowledge/perceptions/attitudes

We aim to showcase Shetland and ensure everyone has a unique and memorable time. Through hosting this event, we will display Shetland as an easily accessible, contemporary, modern and thriving community. Demonstrating that Shetland is an attractive holiday and sailing destination and a welcoming community to live in.

4. Experience quality

A diverse range of arts, culture, sport and hospitality should be used to showcase Shetland to ensure that visitors and sailors leave Shetland with positive memories. The company should deliver a premium event and should not compromise on quality. A good indicator of the success of the event will be in guaranteeing selection in the future for hosting these types of events.

5. Environmental outcomes

The Company aims to be as environmentally responsible throughout the event production as possible. The Port of Lerwick has ISO 14001 certification and will be ensuring that their facilities meet the highest environmental standards. The Company will also be working closely with the Shetland Islands Council to undertake recycling throughout the event week.

6. Community engagement

Throughout the planning and hosting of the event all measures should be taken to include and attract a cross-section of the Shetland community to participate. Young people should also play a key role through participation in volunteering and experiencing sail training.

Particular effort should also be made to ensure that people throughout the whole of Shetland are encouraged to volunteer, and events should be held throughout the isles where possible. Local businesses should be actively encouraged to engage in sponsorship and being part of the event's success.

Publicity should be used to ensure that the local community are kept up to date with event developments. These actions will be detailed in the marketing and promotional plan.

3.7 SWOT Analysis

The management of an event of this scale presents a number of challenges. It is important to consider some of the strengths and opportunities that will flow from undertaking the organisation of such a high profile event, as well as examining the weaknesses and threats that exist.

Strengths:

- Partnership working
- Maritime tradition/interest
- Key heritage and cultural assets
- Berthing areas close to town centre
- Enthusiasm of local people
- Proven event management skills

Weaknesses:

- Limitations of transport and accommodation infrastructure
- Weather
- Dependency on mainland companies to deliver key infrastructure

Opportunities:

- Promotion of Shetland as tourism and events destination
- Boost media interest in Shetland
- Setting the stage for future events
- Building a sustainable local sail training culture

Threats:

- Competition from other 2011 events
- Competing financial priorities
- Non-completion of Mareel

4.0 Event Organisation and Planning

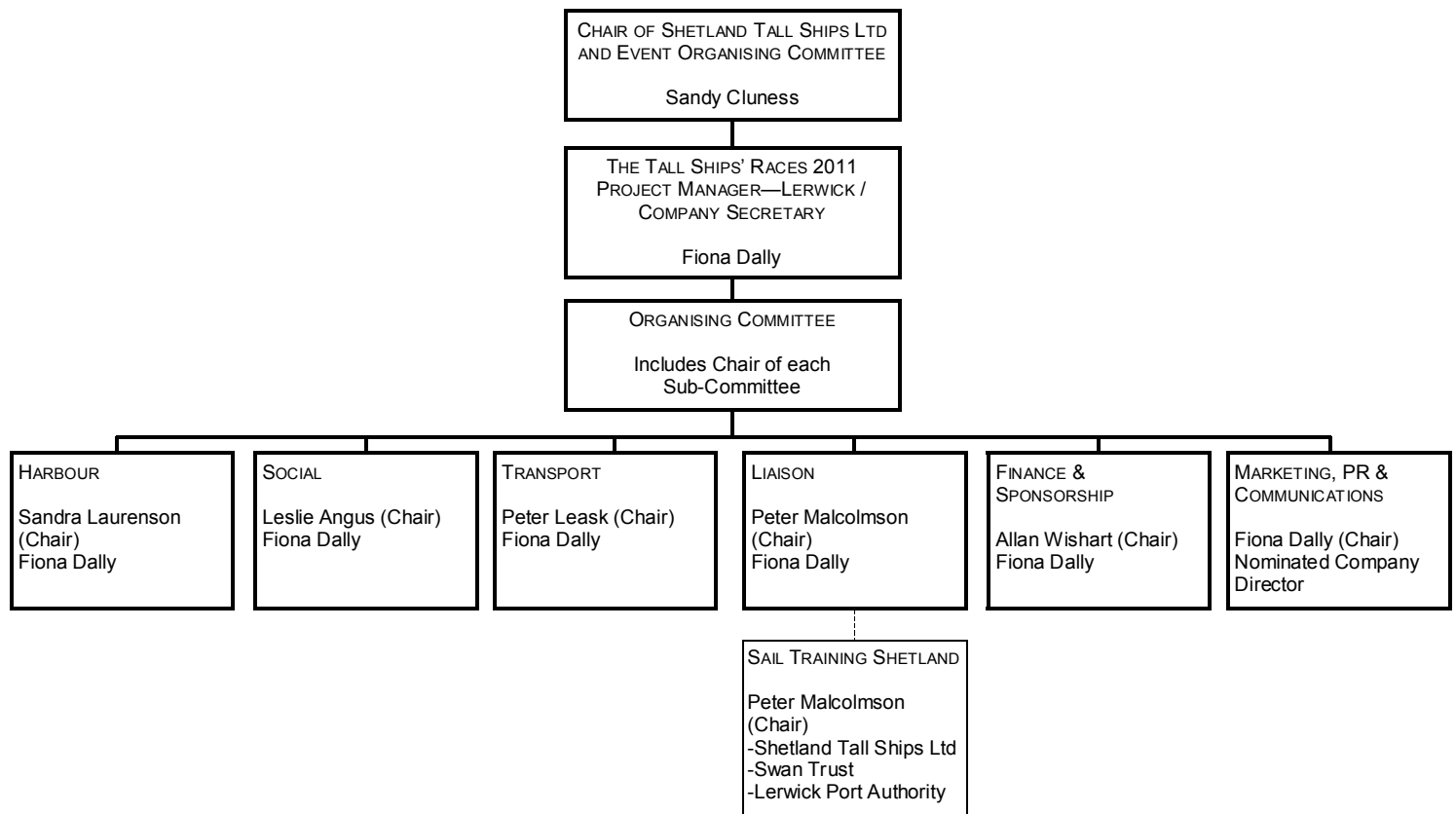
4.1 Organising Committee and Sub-Committee Structure

The Organising Committee is organised and facilitated by the Project Manager and meetings are currently held every six weeks and attended by all Directors of the Company.

Each sub-committee will meet as and when required and the appropriate updates and items for decision are brought to the Organising Committee. The Project Manager will also form smaller sub-groups as and when required to progress specific tasks.

The Project Manager sits on each sub-committee and is responsible for identifying areas for joint collaboration and avoiding areas of duplication within the event organisation.

Event Delivery: Organisational Structure



In addition to the above event organisation structure, a separately constituted body seeking charitable status, *Sail Training Shetland*, has been set up to provide a sustainable organisation to deliver local sail training. The following bodies make up *Sail Training Shetland*:

The Swan Trust
Shetland Tall Ships 2011 Ltd
Lerwick Port Authority

Peter Malcolmson has been nominated as the Chair and Fiona Dally is an officer on *Sail Training Shetland*.

The body has been set up “to provide opportunities for the development and education of young people from Shetland and elsewhere (aged 15-25 yrs) inspiring positive change through the adventure, challenge and experience of Sail Training”.

As Chair of the organisation, Peter Malcolmson will maintain the essential links between this operation and the liaison sub-committee.

4.2 Membership of Sub-Committees

The membership of each sub-committee involves at least one Director, who is the chair of the committee, the Project Manager, and appropriate

stakeholders and volunteers who can make a valuable contribution to their specific sub-committee area.

4.3 Harbour Sub-Committee

The Harbour sub-committee is chaired by Director, Sandra Laurenson and is responsible for undertaking the following duties:

- Provide Fleet facilities to include berthing, safe access and pilots/tugs
- Provide Port facilities for the vessels
- Follow STI guidance to ensure that the facilities for the fleet are in place three days before the official port visit dates
- Make arrangements for a civilian vessel to travel with the race fleet as a Communications vessel
- Provide boats for the STI inspection team and media representatives
- Lead the Coordination of the Parade of Sail and liaise with the social committee on key spectator issues
- Coordinate the content and production of the Captain's Manual
- Actively seek berthing opportunities for independent visiting ships
- Liaise closely with the social committee to ensure the successful integration between crews and wider event facilities
- Liaise with partner agencies to undertake the necessary health and safety, risk management and emergency planning

4.4 Social Sub-Committee

The Social sub-committee is chaired by Director, Leslie Angus and is responsible for delivering four key social components of the event:

1. The standard social events held during the Races:

- Opening Ceremony
- Crew Parade
- Prize Giving Ceremony
- Crew Party
- Officers Party
- Captains' Dinner
- Parade of Sail (Harbour committee to take lead and liaise with social committee)

2. The crew social programme including:

- Sport
- Culture
- Heritage
- Music

3. The social programme for spectators:

- Young people (15-25 yrs old)
- Families
- Visitors to Shetland- all ages and nationalities

4. The social programme for VIP's, volunteers, media, sponsors and future host ports:

- The Social committee should take lead and liaise with the marketing and sponsorship committees on media and sponsor social requirements
- Coordinate the needs of Sail Training International who will require up to 20 invites to the standard social events
- The Chairman of STI should be seen as a VIP and seated on the stage at prize giving be placed at the top table at official functions
- The Social committee should make available appointed "hosts" to entertain and inform future host ports
- Liaise with the liaison committee to organise a volunteers party

In addition the social sub-committee is also responsible for:

- Liaising with partner agencies to showcase all aspects of Shetland through the social programme
- Liaising with the retail and restaurant industry to become part of the event
- Ensuring that the range of events available to the spectators can be appreciated by all target audiences
- Catering for all social aspects of the event (will require small working group, using catering expertise, in the main social sub-committee)
- Providing essential public facilities for the event in close liaison with the harbour committee
- Ensure safety at all events- engaging venue and security staff as necessary
- Liaise closely with the transport committee to detail programme requirements
- Liaise with partner agencies to undertake the necessary health and safety, risk management and emergency planning

4.5 Transport Sub-Committee

The Transport sub-committee is chaired by Director, Peter Leask and is responsible for undertaking the following duties:

- Liaise with the social committee to receive the social programme transport requirements
- Provide a pool of cars for race officials
- Liaise with the harbour committee who are taking the lead to ensure there is access to boats for STI and media representatives

- Provide a pool of bicycles for race officials
- Provide free transport on internal transport systems for crew
- Arrange parking passes and designated areas for VIP/Organising committee vehicles
- Coordinate a park and ride facility for spectators
- Liaise with the SIC on essential road closure notices and rearranging Taxi ranks
- Coordinate the crew transfer system
- Coordinate transport signage and communications with relevant partners
- Liaise with partner agencies to undertake the necessary health and safety, risk management and emergency planning

4.6 Liaison Sub-Committee

The Liaison sub-committee is chaired by Director, Peter Malcolmson and is responsible for undertaking the following duties:

- Set up a liaison system, recruiting the most suitable volunteers as Liaison officers to assist each vessel with their needs during their time in port
- Recruit a Chief Liaison Officer at least one year prior to the event
- Coordinate the Liaison officers' (LO) training and publication of the LO's handbook
- Coordinate the daily attendance schedules for crew participation in the social programme for passing onto the social/transport committee
- Liaise closely with the communications committee to coordinate the facilities required for the Liaison headquarters, which should be in place five days prior to the official port dates
- Liaise closely with the social committee to organise a Volunteers party
- Liaise closely with the social/merchandising committee on liaison catering and merchandising requirements
- Cruise in Company liaison
- Take a lead role with partner agencies (LPA and SIC) to ensure annual sail training is offered in Shetland between 2009-2010 in the build up to the 2011 races
- Recruit at least 25 trainees within the sail training programme in 2011 to participate in the Races

4.7 Finance and Sponsorship Sub-Committee

The Finance and Sponsorship sub-committee is chaired by Director, Allan Wishart and is responsible for undertaking the following duties:

- Act as the project board for recommending the desirable funding model for the event
- Approach all appropriate external partners for funding avenues

- Undertake an ongoing financial monitoring role to support the Project Manager who is responsible for all budgets allocated for the event
- Establish event sponsorship strategy for achieving maximum financial and resource based return for the company
- Engage with business community to achieve sponsorship strategy
- Actively seek Corporate hospitality opportunities for visiting ships
- Liaise closely with the social committee to ensure the successful delivery of social events for sponsors
- Follow overall event sponsorship guidance from Sail Training International

4.8 Marketing, PR and Communications Sub-Committee

The Marketing, PR and Communications sub-committee is chaired by Fiona Dally and is responsible for undertaking the following duties:

- Establish a brand identity and maintain an event website
- Establish a marketing strategy for the event- as an independent port and including joint-port initiatives
- Promote the event locally and internationally as appropriate to a well developed media base
- Liaise with the finance and sponsorship committee to maximize media exposure for sponsors
- Coordinate with the social committee to ensure during the event week appropriate media activities are catered for
- Take the lead coordination role to ensure appropriate safety, directional and sponsorship signage is in place throughout the event sites during the Races
- Coordinate package sales for visitors to attend the event
- Using the core membership of the group- a small merchandising group should be responsible for delivering commercial and volunteer requirements
- Provide race office facilities with suitable phone, fax, internet and computer provisions which should be set up at least three days prior to the official port dates for the following areas:
 - Organising committee office
 - Liaison headquarters
 - Transport office
 - Cruise-in-company office
 - STI race offices
 - Meeting room space for daily briefings
 - Media centre
 - Crew centre
- Provide free wireless internet provision for all possible event areas for the event week
- Provide mobile phones for the liaison system

- Liaise with all committees to maximise the use of technology and communications for good event management

5.0 Event Infrastructure

5.1 Event Sites

The proposed event site plans have been prepared as follows:

Berthing will be located at Holmsgarth, Shearers and Victoria Pier area. Crew facilities including toilets, showers and laundry facilities will be located at these areas.

The main event spaces have been identified as follows:

Holmsgarth
Shetland Museum and Archives
Mareel
Victoria Pier and Town Centre
Fort Charlotte
Town Hall
Clickimin Leisure Complex

Visitor support facilities will be located at all main berthing areas and will include a range of facilities including toilets, catering and entertainment. Information and music points will be set up linking each berthing and entertainment zone.

The Company will be requesting road closures for the esplanade and town centre for the duration of the event. The Transport sub-committee will also prepare a detailed traffic management and park and ride strategy.

Event support headquarters and first-aid points will be set up at both Holmsgarth and Victoria Pier areas.

Media facilities, liaison headquarters and crew centre will be established within Mareel with supporting facilities at both berthing areas.

The Race headquarters will be set up at Victoria Pier area and the main operations centre for Shetland Tall Ships 2011 Ltd will be at Harbour House.

5.2 Planned Key Developments

A major infrastructure development is the construction of Mareel, which is planned as a key venue during the event.

In addition, the Lerwick Old Town Action Plan serviced by the Lerwick Old Town Development Association, has several priorities that once delivered will enhance the event location prior to 2011.

Within the entertainment zones, key developments are also to be undertaken to deliver key aspects of the event:

- Family entertainment at all locations during the daytime
- Living history and exhibitions
- Local catering and the use of local produce as widely as possible
- Active involvement of local traders to ensure the event can maximise sales
- Promotion of Shetland culture and arts

5.3 Health and Safety overview

The Company will take direction from the relevant event safety guide, produced by the Health and Safety Executive and all other relevant health and safety guidance and rules within the UK to ensure the event is delivered to the required safety standards.

The Company is working closely with the Shetland Islands Council; Emergency Planning Department to collate the relevant emergency plans for the event.

The Company is also working closely with the Shetland Islands Council, Safety and Risk department and Environmental Health department to ensure event organisers undertake the necessary health and safety planning.

The Company will be meeting with the Scottish Ambulance Service, British Red Cross and blue light services to ensure all the required resources are in place for July 2011. Early discussions have also taken place with local security firms to discuss security and stewarding requirements for the event.

6.0 Marketing and Promotion of The Tall Ships' Races

6.1 Marketing and Promotional Plan

Plans are being prepared as Shetland can use this event to showcase our islands as an excellent tourism, sailing and events destination. Engagement with Event Scotland is in progress to ensure that Shetland can receive financial and strategic support, for this event, at an early stage from this national organisation. It is important to identify that this event needs specific marketing and promotional actions for each of the following key target audiences:

- Race participants
- Local community

- Tourists
- Media

Shetland was the first host port in 2011 to launch their website in late 2008, www.tallshipsraceslerwick2011.com is a key site for presenting updates and news items to the target audiences.

Shetland is also taking the lead to develop a Cruise in Company programme that will give selected local ports around Shetland the opportunity to get involved in the event and initiate early community engagement.

The company is also working closely with the Swan Trust to develop local sail training opportunities for participation in the Races between now, 2011 and beyond.

The marketing and promotional plan will outline the types of activities that will be undertaken, when they will be undertaken and how much they will likely cost.

6.2 Role of Destination Marketing Organisation and VisitShetland

Within the local tourism sector, changes are currently taking place to enable locally controlled Destination Marketing. The company has identified that early engagement with this organisation once established and VisitShetland will be essential towards maximizing event exposure for Shetland within the broader aims of “Promoting Shetland”.

At every opportunity, The Tall Ships Races should be used as a key tool to promote Shetland within general publications and travel news. The company also want to initiate early engagement with tourism stakeholders and will be offering to undertake presentations to all interested parties.

6.3 Joint Marketing Activity by Host Ports

Two Joint Host Port meetings have been held to date. A joint marketing stand was developed for the Sail Training International Conference in Halifax, November 2008 and plans are being developed for a Joint Host Port Captain’s reception during the Baltic Races circuit in 2009.

The First Minister of Scotland has also agreed to endorse the event and letters from the First Minister will be sent out this spring to potential race participants encouraging them to take part at the Scottish Ports, Greenock and Lerwick. Shetland is also taking the lead to produce joint marketing material from Greenock and Lerwick for inclusion with the event invitation being sent out to race participants.

Ongoing Joint Port cooperation and communications will be undertaken between 2009-2011 to maximise the shared benefits of hosting the event in each port.

7.0 Financial Projections and Funding Strategy

7.1 Financial Projections

Detailed financial projections have been prepared following an examination of the financial experience of other host ports, along with the historic experience of delivering the event in 1999 and other recent major events in Shetland. Quotations from potential suppliers have also been sought. A 5% contingency has been added to the total event cost to allow for budget variations between 2009-2011.

7.2 Expenditure

The financial projections have been prepared in a functional manner to allow for careful monitoring and ongoing review at sub-committee level.

- **Company Operations**

The cost for the core Company operations has been estimated at £382,493. This covers the three-year period which began in June 2008 through to December 2011.

- **Harbour**

The costs associated with the Harbour logistics has been estimated at £217,825. Berthing fees and free pilotage are being provided by Lerwick Port Authority sponsorship. Depending on the fleet size, pontoons may be required and subsequently this infrastructure could become an asset for the Shetland community.

- **Race Management facilities**

The cost associated with race management facilities has been estimated at £123,900. The major cost in this area is the port fee of £80,000.

- **Social**

The cost associated with the social infrastructure, event programme and shore-based facilities has been estimated at £488,700.

- **Liaison**

The cost associated with setting up a liaison system, providing sail trainee participation in the 2011 Races and preparing the Cruise in Company has been estimated at £21,220.

- Transport

The cost associated with providing internal transport systems, crew transfer provisions and transport for the social programme has been estimated at £102,900.

- Finance and Sponsorship

The cost associated with Finance and Sponsorship is £58,000. Principally these costs are towards fulfilling the contractual obligation to fund up to 25 sail trainees in 2011 and to provide support towards providing signage and agreed benefits for sponsors of the event.

- Marketing, PR and Communications

The cost associated with providing marketing, promotion and communications/ICT support towards the event has been estimated at £130,397.

7.3 Income

- Grant/Trusts

A report has been prepared for presentation to the Shetland Island's Council, Development Committee on 30th April detailing an overview of grant assistance requested to assist in the delivery of the event. If approved, the total project grant assistance requested from the Shetland Islands Council is £1,080,000. These costs will include paying for Council Services required during the event week. In addition, £120,000 has been secured through the Shetland Development Trust for Project Management employee costs as part of their sponsorship towards the event.

- Sponsorship/Income Generation

A detailed sponsorship strategy will be prepared with a view to seeking corporate support. Assistance will be sought from local and national companies. Sponsorship will be sought in both cash and in kind support. An estimated income target of £400,000 has been identified from this source. The event also has the capacity to generate income through franchising and merchandising. It is anticipated that the company will look to take commission on activities such as event bar sales and any ticketed music acts throughout the event duration. Event income generation costs have been included in the target for sponsorship/income generation.

- European and External Funding

Since 1999, major external European funding streams have become less available for assisting these types of projects. The Shetland

Islands Council, European Officer has been approached to establish whether any current or future funding streams could be applied for aspects of this project. In particular, within the social programme, funding may be available for music and creative arts development aspects of the project.

Within our obligations to sponsor sail trainees; external funding will be sought through *Sail Training Shetland* to assist in the delivery of our sail training requirements for 2011.

Event Scotland has also been approached for financial assistance towards the project delivery and a Joint Port meeting between Greenock, Lerwick and Event Scotland is scheduled to take place in April.

In addition, Highlands and Islands Enterprise have been approached to establish whether any funding opportunities can be realised through the project.

7.4 Financial Summary

Expenditure

Company Operations	£ 382,493
Harbour	£ 217,825
Race Management Facilities	£ 123,900
Social	£ 488,790
Liaison	£ 21,220
Transport	£ 102,900
Finance and Sponsorship	£ 58,000
Marketing, PR and Communications	£ 130,397
5 % Contingency	<u>£ 74,475</u>
Total	<u>£1,600,000</u>

Income

Shetland Islands Council	£1,080,000
Shetland Development Trust	£ 120,000
Sponsorship/Income	<u>£ 400,000</u>
Total	<u>£1,600,000</u>



REPORT

To: Development Committee

30 April 2009

From: Head of Business Development

New Scalloway Museum DV041-F

1.0 Introduction

- 1.1 This report has been prepared to enable the Development Committee to put in place the last part of the funding package required to convert a former knitwear factory in Scalloway into a new Community museum. The grant has been applied for by the Shetland Bus Friendship Society Properties Limited (SBFS Properties Ltd). It should be noted that a great deal of the information in this report was contained in Report No.CD-230-F, which was considered by the Services Committee on 12 March 2009 (Minute Reference 17/09). Unlike that report, which was concerned only with the phase one renovation works, this report also includes the phase two fitting and design costs.

2.0 Links to the Corporate Plan

- 2.1 From an economic development perspective this milestone heritage project will help the Council to achieve the following corporate priorities:

- Development of new commercial attractions for visitors
- Implementation of tourism project that drive up quality standards
- Support for projects engaged in by community enterprises

In addition the project will make a meaningful contribution to the Heritage Tourism Investment Programme discussed later in the report.

3.0 Background

- 3.1 The existing Scalloway museum is located on Main Street in Scalloway and was opened in 1985. Operated by Scalloway History Group, the museum has increased its collection considerably since opening.
- 3.2 In recent years the existing museum building has experienced problems due to a lack of adequate display and storage space, poor access and limited car parking. These problems have been further exacerbated by the need to upgrade the building in order to protect and preserve the museum's collection.
- 3.3 In 2001 the Shetland Bus Friendship Society (SBFS) was established by a group of interested individuals keen to record and educate the community about the Shetland Bus operations during World War II.
- 3.4 In 2003 a working group was formed between Scalloway History Group and SBFS to identify a way forward for the Scalloway Museum. It was agreed that the two organisations should pool their resources with SBFS becoming responsible for the operation of a new museum for Scalloway.
- 3.5 In July 2005, Shetland Islands Council paid SBFS a Feasibility Grant of £4,166 to explore the possibility of developing the former knitwear building in Scalloway into a community museum. At Feasibility Stage the project had an indicative cost of £387,560 excluding professional fees, statutory consents and VAT.
- 3.6 The former knitwear building on Castle Street was identified as the preferred site and a new company limited by guarantee, SBFS Properties Ltd, was formed in 2005. This property was considered attractive as it was available, and provided a large building with lots of potential and space for development. It also had the added benefit of being situated next to Scalloway Castle thus creating the potential for a visitor "hub" and synergies between both visitor attractions.
- 3.7 In January 2006 the former knitwear building was purchased by SBFS Properties Ltd for a cost of £130,286. This was achieved through the group successfully securing grant assistance from the National Lottery New Opportunities Fund (£96,933), Highlands and Islands Enterprise (£25,015) and a contribution from their own funds (£8,338).
- 3.8 In August 2006, Shetland Islands Council awarded SBFS Properties Ltd a Design Grant of £15,000 to undertake the detailed design phase of this project. However, the total costs of the design phase was £62,485 towards which the group received funding of £13,572 from Shetland Enterprise and met the balance of the costs i.e. £33,913 from their own resources.

4.0 Present Position

- 4.1. The Feasibility and Design stages have been completed up to pre-tender stage, including the approval of Planning Permission and a Building Warrant.
- 4.2. SBFS Properties Ltd have submitted grant applications to the Big Lottery Fund and the Scottish Rural Development Programme towards the refurbishment, display and fittings costs and the proposed employment of a dedicated Development Worker post in the museum.
- 4.3. Unfortunately last month SBFS Properties Ltd was informed that its Big Lottery Fund application had been unsuccessful. Therefore, following this decision a number of meetings have taken place between representatives of SBFS Properties Ltd and officers from the Council and Highlands and Islands Enterprise to consider the groups options and agree a way forward.
- 4.4. The agreed outcome of these meetings is that the project should be separated into 3 distinct phases as follows:
 - Phase one – undertake refurbishment of knitwear building;
 - Phase two – install internal fittings and museum displays;
 - Phase three – employ a Development Worker to oversee the museum operation, volunteer recruitment and training and community involvement/capacity building.
- 4.5. SBFS Properties Ltd has successfully applied for a capital grant of £100,000 from the Council's Services Committee on 12 March 2009. A successful application for £392,314 has also been made through the Scottish Government's Rural Development Plan. Other applications are being made to external bodies to cover the full costs of phases one, two and three of the project.
- 4.6. The refurbished facility will provide the group with a spacious, modern museum that includes the following:
 - A fully accessible refurbished building;
 - Increased display and storage space;
 - Art display area and shop;
 - Toilet and reception area;
 - A range of other facilities such as seating areas, baby changing facilities and car parking.

- 4.7 When phase two is complete, it is proposed that the museum would have five main themes that will influence the fixed displays and exhibitions in a range of mediums, including various interactive systems. The main themes are as follows:
- An introduction to Scalloway
 - Scalloway – Shetland's Ancient Capital (including Castle)
 - Industrial Scalloway (textiles, fishing and agriculture)
 - Scalloway at War (and the Shetland Bus)
 - Scalloway people (inventors, collectors and writers)
- 4.8 In order to complete phase three of the project i.e. the employment of a dedicated Development Worker over a five year period, it is estimated that funding of up to £140,000 will be required.
- 4.9 It is further proposed that Phases two and three of this project will run simultaneously, but with funding being sought from alternative sources. If successful, the Development Worker will co-ordinate the different aspects of this project and ensure continuity between the phases. The Development Worker would be employed by SBFS.
- 4.10 The Development Worker post will be responsible for overseeing the museum's operations in its early years, putting in place the necessary policies, procedures and safeguards, engaging with the local community and recruiting a pool of committed volunteers to ensure that the Scalloway Museum is further developed and sustained into the future.
- 4.11 When complete, the new museum will become a valuable resource that is available to the whole community, including school and youth groups. It will offer a much improved visitor experience and it is hoped the new facility can gain a 3 star Visit Scotland attraction rating within the first 3 years of operation. It is expected that the museum will help to attract up to 10,000 visitors per year into the Scalloway area, which should provide other social and economic benefits to the community.
- 4.12 It should be noted that SBFS Properties Ltd does not have charitable status and is not registered for VAT.

5.0 Proposal

- 5.1 SBFS Properties Ltd are working towards achieving a new museum estimated to cost £936,000 for phases one and two and is seeking £200,000 from the Development Committee towards this total cost. Should the funding not be achievable for this scale of project then the project can be scaled down to cost just over £800,000. This option would also require a grant of £200,000 from the Development Committee. The proposal is therefore for the Development Committee to consider awarding a grant of £200,000 to SBFS Properties Ltd.

6.0 Financial Implications

- 6.1 This paragraph describes the two different options that can be used to achieve the desired outcome depending on the levels of external funding that can be attracted into the project. The first is the aspirational model that can be achieved only if all remaining funding applications are successful while the second is a scaled down version that is achievable with less funding. These different models are described below:-

Higher Cost Model (Phases one and Two)

	£
Building Costs (Phase One)	530,745
Fitting and Design (Phase Two)	234,888
Heat Pump	18,995
Finance Costs	25,000
Additional Display Costs (Phase two optional)	45,648
Contingency (10% on Phase one and Phase two)	80,963
Total	£936,239

Funding

	£
Scottish Rural Development Plan	392,314
Own Funds	25,000
SIC Services Committee	100,000
SIC Development Committee	200,000
Other External Applications Pending Decisions	218,925
Total	£936,239

Lower Cost Model (Phases one and Two)

	£
Building Costs	530,745
Fitting and Design	234,888
Heat Pump	18,995
Finance Costs	20,000
Total	£804,628

Funding

	£
Scottish Rural Development Plan	392,314
Own Funds	25,000
SIC Services Committee	100,000
SIC Development Committee	200,000
Other External Applications Pending Decisions	87,314
Total	£ 804,628

SBFS Properties Ltd intends to develop the building to the highest standard that can be funded. That is why they are working hard to achieve the more expensive of the two options presented in this report. At present the more likely option is the less expensive one, as there is a better chance of attracting the remaining external funding required. The drawback with this option is that any unforeseen expenditure in the building costs will have to be financed by reducing the fitting and design cost. Whichever option is achieved the outcome will provide Scalloway, and Shetland, with a worthy museum to celebrate the life and times of Scalloway and its district as part of Shetland's heritage.

6.2 Business Plan

SBFS Properties Ltd's Business Plan is very detailed and has been examined very closely by the various bodies that have awarded, have considered or are considering awarding financial support for the project. The Business Plan is based on conservative estimates and predicts small annual surpluses (between £3000 and £6,000) for both SBFS and SBFS Properties Ltd for the next 3 years. Achieving these surpluses depends on being able to attract around 10,000 visitors every year. Given the intended museum themes these visitor numbers should be achievable.

- 6.3 Should the Development Committee decide to support this project the grant would be coded to RRD 1631 2402, Heritage Tourism grants. This budget has sufficient funds to meet the expenditure in this financial year.

7.0 **Policy and Delegated Authority**

- 7.1 This report has been prepared under Economic Development Policies: 5 "Continue to develop Shetland as a tourist destination, through development of high quality products and services"; and, 26 "Support Community Enterprises engaged in economic activities". These policies were approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).

- 7.2 In addition the project meets all the principles contained in the Council's Heritage Tourism Investment Programme, as follows:-

Value for Money – As demonstrated in the Business Plan for the project.

Long Term Viability – The project will be self sufficient (after all phases have been completed), again as demonstrated in the Business Plan and also based on the operation of the existing Scalloway Museum.

Minimum Environmental Impact – an existing building is being converted without the need to develop on a new site.

Best Practice in conservation and heritage management- It is a condition of grant the Scalloway Museum will be operated to national museum standards.

Community Support – There is strong support in the Scalloway and adjacent communities for this project.

High Quality and Good Service – This should be achieved if the new museum is operated to national standards.

Links to wider strategic objectives- These links are demonstrated in this report and SRDP funding would not have been approved without the strategic links being clear.

- 7.3 In accordance with Section 11.0 of the Council's Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:

Economic Strategy
Europe

As the subject of this report is covered by existing policy the Development Committee does have delegated authority to make a decision.

8.0 Observation

- 8.1 While no specific conditions have been placed on SBFS Properties Ltd and SBFS to attain any particular quality standard, both organisations will be encouraged to achieve the highest possible standards given available resources.

9.0 Conclusion

- 9.1 The development of a new museum in Scalloway is a major step in the drive to promote Shetland as a year round tourism destination. Having the ability to interpret Shetland's ancient capital and the Shetland Bus in particular in a modern museum offers an exciting prospect for developing the heritage and tourism sectors in Shetland.

10.0 Recommendation

- 10.1 I recommend that the Development Committee approve a grant of £200,000 to the Shetland Bus Friendship Society Properties Limited for converting the former knitwear factory as Scalloway's new museum, subject to the conditions specified in appendix 1.

Head of Service: Douglas Irvine
Chief Executive: Morgan H. Goodlad

Business Development
Economic Development Unit
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Mr John M. Burgess
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If calling please ask for
Douglas Irvine
 Direct Dial: 01595744932

Your Ref:
 Our Ref: DI/KLM/RF1191

Date: D R A F T

Dear Sir

**Reserve Fund Grant
 New Scalloway Museum**

On behalf of Shetland Islands Council (hereinafter referred to as “the Council”) I am pleased to offer Shetland Bus Friendship Society Properties Limited (hereinafter referred to as “the Company”) a grant of 25% or £200,000 (Two Hundred Thousand Pounds), whichever is the lesser, towards the cost of renovating and fitting the disused knitwear factory, adjacent to Scalloway Castle, as the New Scalloway Museum, subject to the following conditions: -

- 1 The grant has been approved on the basis of your project expenditure and financing being as follows:-

Project Costs	£	Project Funding	£	%
Building Costs	530,745	SRDP	392,314	49
Fitting and Design	234,888	Own Funds	25,000	3
Heat Pump	18,995	SIC Services	100,000	12
Finance Costs	20,000	SIC Development	200,000	25
		Other External Funding	87,314	11
Total	804,628	Total	804,628	100

2. No payment will be made until the Company produces to the Council adequate evidence:-

- a) That expenditure has been incurred. The Council requires valid original invoices that must either be receipted using the supplier’s stamp or be attached to a letter from the supplier confirming payment. **(Hand written receipts that do not bear a supplier’s stamp will not be accepted).**

Expenditure committed prior to the date of this letter will NOT be eligible for grant.

- b) That the balance of the cost of the project has been raised in a manner satisfactory to the Council.
 - c) That all necessary consents including planning permission and a building warrant have been obtained.
 - d) That all other requirements as detailed in this letter have been met.
3. The Company will operate within Shetland for a period of at least 10 years from the date of receipt of grant and will not remove its business or the equipment or other assets, which form the subject of the grant, outside Shetland.
 4. The Company will keep all buildings, equipment and other assets, which are the subject of or which relate to the grant offered, fully insured against loss and damage by fire, storm, theft, impact and such other risks as are appropriate, and vehicles shall be comprehensively insured; and you will exhibit the policies and receipts for the premiums to the Council on request.
 5. The Company will not transfer, sell or discontinue its business, nor dispose of the assets which form the subject of this grant; nor use the buildings, equipment or other assets which are the subject of this grant for any purpose other than the approved project.
 6. The Company will maintain the equipment or other assets which are the subject of or relate to the grant offered, and keep them in good condition; and will permit any person authorised by the Council to inspect them on request.
 7. The Company will keep proper books of accounts and will provide the Council with the statement of accounts, reports or other explanations as may be required by the Council.
 8. The Company will supply on request any additional information the Council may require to monitor the conditions under which grant is made.
 9. In the event of any breach of the foregoing conditions the Council may, at its sole discretion, require repayment of all or part of the grant, by the Company and may also disqualify the Company from receiving any other assistance in terms of the Schemes operated by the Council. If the property/equipment for which grant assistance was received is sold, transferred or otherwise disposed of within the ten years from receipt of grant, the new owner must accept the grant conditions for the remaining period, failing which the grant will be repayable by the Company in full, at the date of sale or transfer.
 - 10. Grant recipients must inform the Council of any changes in their circumstances affecting the grant conditions, in particular if the Company gives up the business for which grant assistance was given.**
 11. Unless otherwise agreed in writing by the Council, these conditions shall endure under this offer for a period of 5 years from the date of the last payment of the grant.

12. The Council reserves the right to ascertain the amount of arrears of debt, if any, owed to the Council by applicants for assistance and to withhold payment of any assistance granted until such time as the arrears have been cleared or satisfactory arrangements have been made to clear such arrears.

If these conditions are acceptable please sign and date this letter and return it to me as soon as possible.

This offer is valid only until 30 April 2010. If, by that date, the grant has not been claimed and paid or if, by that date, an extension has not been requested and given this offer of grant lapses. If grant is still sought at that time, a fresh application would be required.

To claim your grant, please refer to the attached guidance notes on claiming financial assistance. Submissions with incomplete claim forms will not be processed.

A copy of this letter is enclosed for your retention.

The Council reserves the right to publicise the assistance to the Applicant and to include it in a public record of cases, both to demonstrate how its resources are used and to give examples of the types of development it is able to assist. The Applicant shall ensure that any publicity given to the Project contains an acknowledgement of the Council's funding support and shall display in a prominent place, any plaque, sticker or logo as the Council may require.

Yours faithfully

Head of Business Development

Enc

I, John M Burgess, being an authorised signatory of Shetland Bus Friendship Society Properties Limited , accept the offer of grant on the conditions specified in this letter.

Signed: Date:



REPORT

To: Development Committee

30 April 2009

From: Economic Development Officer

Report No: DV047-F

EnWRAP – Energy from Waste – Realising Aquaculture’s Potential

1.0 Introduction

- 1.1 Anaerobic digestion is an increasingly mainstream technology utilised to break down waste materials (i.e. farm slurry) into renewable energy (biogas) and biofertiliser. The technology however has not been tested or optimised to utilise waste materials from the marine industries.
- 1.2 The NAFC Marine Centre, in collaboration with Newcastle University, propose designing a pilot scale biogas anaerobic digestion facility – a plant which will be designed specifically to accommodate waste materials from Shetland’s aquaculture industry and the by-catch from commercial fisheries.
- 1.3 Besides optimising the technology to process marine waste, EnWRAP will enable all the required permissions and legislative approvals required for a fully commercial anaerobic digestion facility to be established in Shetland, as well as the economic model for biogas generation and utilisation in Shetland.

2.0 Link to Corporate Priorities

- 2.1 The report helps to achieve the Sustainable Economy Action Area of the Corporate Plan by linking economic activity to market needs and by encouraging enterprise and sustainable economic growth. The project aims to meet objectives across the Corporate Plan, specifically promoting aquaculture as versatile, profitable and efficient (Fisheries); supporting a renewable energy project in the marine environment (Renewable Energy), and; contribute towards ensuring that less than 20% of solid waste goes to landfill each year (Sustainable Use of Resources).

3.0 Background

- 3.1 Anaerobic digestion of waste to generate renewable energy whilst reducing the volume of waste that would otherwise need to be incinerated or land-filled is a comparatively recent technology. The process involves the microbial decomposition of feedstock at pressure and high temperature, the energy demands for which are met by heat generation from biogas combustion.
- 3.2 The process generates biogas that can be combusted to generate green electricity using a stationary engine; or compressed to either provide a local source of domestic bottled gas, or as biomethane for transport fuel. The remaining solids left after the process can be used as fertiliser and soil conditioner. Anaerobic digestion is increasingly widely used to process agricultural and food waste, but has not hitherto been optimised to process marine waste materials.
- 3.3 Potential marine biomass in Shetland to feed an anaerobic digester as envisaged in the EnWRAP project would come from the wastes generated in the local aquaculture industry and bycatch from commercial fisheries. Feedstock could therefore include biomass from fish mortalities that are currently ensiled or consigned to landfill, currently incurring cost to the producer. The plant would take advantage of both animal wastes and algal wastes (generated from fouling from mussel aquaculture).
- 3.4 While landfill of untreated fish waste is prohibited under Animal By-Products (Scotland) Regulations 2003, there is currently an interim dispensation from the Scottish Government to allow this activity. This evidently carries the risk that at some point in the future this derogation will be rescinded.
- 3.5 The project has significant potential to reduce industry costs while enhancing Shetland's reputation for sustainable food production in a clean environment. Furthermore, the project provides both innovation in renewable energy generation, and a potential source of locally-produced green energy for the Shetland community.

4.0 Proposal

- 4.1 NAFC Marine Centre, in collaboration with Newcastle University, propose to design a pilot scale anaerobic digestion facility designed primarily to utilise waste materials from Shetland aquaculture and fisheries by-catch. (The facility will also be designed with the capacity to digest domestic and commercial food wastes, and where appropriate elements of agricultural wastes).
- 4.2 The project will enable all the required permissions and legislative approvals required for a fully commercial anaerobic digestion facility to be established in Shetland, as well as the economic model for biogas generation and utilisation in Shetland.

5.0 Financial Implications

5.1 NAFC Marine Centre are concurrently applying to LEADER for 50% of the project cost, with a decision to be made on their application on 14 May 2009. Were this bid to be unsuccessful, the project would not be able to proceed. The timescale is for the project to run from July 2009 to July 2011, and it is anticipated that the costs will be spread relatively evenly throughout this period with £58,646 budgeted for 2009/10, and £63,794 budgeted for 2010/11.

5.2 The EnWRAP project cost breakdown is as follows:

Research associate employment costs	£ 57,325
NAFC Marine Centre academic supervision costs	£ 15,008
Newcastle University academic supervision costs	£ 16,050
Travel costs	£ 7,171
FTE costs (Newcastle University Estates & indirect costs)	£ 13,900
Design costs	£ 10,172
Financial management	<u>£ 2,814</u>
TOTAL	<u>£122,440</u>

5.3 The proposed funding for EnWRAP is as follows:

LEADER	£ 61,220
Shetland Islands Council	£ 54,872
NAFC (in kind – project supervision management time)	<u>£ 6,348</u>
	£ 122,440

5.4 The Shetland Islands Council component would be sourced from the Other General Assistance, Grants, budget, budget code RRD1520 2402, and would be split evenly between the two financial years in question, equating to £27,436 in 2009/10 and 2010/11 respectively.

6.0 Policy and Delegated Authority

6.1 This report has been prepared under the following Economic Development Policy numbers:

- 3 “Encourage sustainable growth in Shetland’s aquaculture industry”;
- 18 “Support research and development projects in renewable energy across the isles”, and;
- 21 “Encourage new activities not presently located in Shetland”.

which were approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).

6.2 In accordance with Section 11.0 of the Council’s Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have

been approved by the Council, in addition to appropriate budget provision, including:

Economic Strategy
Europe

As the subject of this report is covered by existing policy the Development Committee does have delegated authority to make a decision.

7.0 Observations

- 7.1 This report concerns a tried and tested renewable technology that once optimised to deal with marine waste products offers considerable potential for Shetland to utilise such waste to generate renewable energy; improve the operational and economic efficiency of marine-based businesses; and further enhance Shetland's reputation as a sustainable and environmentally conscious community.

8.0 Conclusion

- 8.1 This is an ideal opportunity to complement significant LEADER funding and support research that promises significant benefits for Shetland as a whole.

9.0 Recommendations

- 9.1 It is recommended that the Development Committee approve a grant of £54,872 (£27,436 in each financial year 2009/10 and 2010/11) to NAFC Marine Centre to undertake the proposed EnWRAP project, subject to a successful application for LEADER funding.

Our Ref: JD/JJ RF/339
Date: 23 April 2009

Report No: DV047-F



REPORT

To: Development Committee

30 April 2009

From: Project Manager

**Fisheries Training Programme - Skillseekers
SVQ Level 2 Marine Vessel Support (Fishing)
Report No: DV044-F**

1.0 Introduction

- 1.1 This report is being presented to the Development Committee so that the previous Shetland Development Trust (SDT) decision to provide a grant to ensure the continuance of previous support to the Fisheries Training Programme for Skillseekers be formally transferred to the SIC.
- 1.2 There is a need for this report since the recommendation is also to amend some of the terms of the current SDT decision.
- 1.3 It is recommended that a grant of £10,000 be provided to the Shetland Fisheries Training Association (SFTA) to support students undertaking the SVQ Level 2 Marine Vessel Support (Fishing) for the 2009/2010 session.

2.0 Link to Corporate Priorities

- 2.1 The report helps to achieve the Sustainable Economy Action Area of the Corporate Plan by linking economic activity to market needs and by encouraging enterprise and sustainable economic growth. The project aims to fulfill the commercial lending pledges contained in the Economic Development Policy Statement (2007-2011).

3.0 Background

- 3.1 On 23 April 2007, minute reference 31/07, the SDT approved a report to assist in the funding of the Fish Catching Skillseekers Training Programme for the financial years 2007/08, 2008/09 and 2009/2010.

- 3.2 The decision by the Trustees of the SDT to support the Fisheries Training Programme until the end of the financial year 2009/2010 was made following a successful pilot programme in 2006/07. A total of 6 students completed the pilot programme, five from the whitefish sector and one from the pelagic sector.
- 3.3 Since the pilot, four students, all from the whitefish sector, successfully completed the Programme in 2007/08 and one student enrolled in the financial year 2008/09 but did not complete the course after moving from fish catching to the aquaculture sector.
- 3.4 The Programme has been previously part funded by the Shetland Fishermen's Association (SFA) up to £5,000 p.a.
- 3.5 The reason for support to students undertaking their SVQ level 2 marine vessel support (fishing) came from the difficulty experienced by students accessing support whilst at sea, given their self-employed status. Skillseekers are usually employees of a business whilst undertaking their training but this is not the case in the fish catching sector. Also there had historically been a low up-take of young people going into the fish catching sector as a career and this three year programme was to try to address this situation. This has been an important programme to encourage young people to undertake a career in the fish catching sector.
- 3.6 Eight of the ten trainees who successfully completed the Programme since 2006/07, have successfully gained employment within the catch sector with one student joining the merchant navy and the other changing his career path.
- 3.7 The SDT had previously paid the weekly allowance directly to the student following submissions of timesheets.

4.0 Proposal

- 4.1 The proposal is that the SIC agree to fund the support for the Fish Catching Training Programme during the financial year 2009/2010, at a cost of £10,000.
- 4.2 Four students have applied to undertake the course in 2009 and it is suggested that the current £50 per week be raised to £85 per week to correspond with the Skillseekers allowance paid in other sectors which averages between £80-£100 per week. The level of £85 per week would keep the funding required from the Economic Development Unit within the budget which was approved by the SIC on 18 February 2009, minute reference 13/09
- 4.3 It is proposed that the budget of £10,000 be paid to the Shetland Fisheries Training Association for payment directly to students upon submission of approved timesheet, similar to the process which was previously adhered to by the SDT, subject to the terms and conditions in the offer letter attached at Appendix 1.

5.0 Financial Implications

- 5.1 The Fish Catching Skillseekers Training Programme has secured funding for the course activities with the SDT previously funding the allowance for the 42 week period when students were at sea, and protective clothing.
- 5.2 The cost of the sea time placement allowance for 2009/10 is proposed to be as follows:

Placements at Sea - 42 weeks @ £85 x 4 students	£ 14,280
Protective Clothing – 4 students @ £190 each	<u>£ 760</u>
	£ 15,040

- 5.3 The proposed funding for the 2009/10 Programme is as follows:

Economic Development Unit	£ 10,000
Shetland Fishermen's Association (SFA)	<u>£ 5,040</u>
	£ 15,040

- 5.4 The allowance payments will be paid to the SFTA at a cost of £10,000 and will be funded from the budget code RRD 2120 2402 – Fisheries General Assistance.

6.0 Policy and Delegated Authority

- 6.1 This report has been prepared under Economic Development Policy number one “Rebuild confidence in the fish catching industry, particularly as regards the white fish sector . . .” and number 27 “Enable individuals to achieve their full economic potential” which were approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).

In accordance with Section 11.0 of the Council's Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:

Economic Strategy
Europe

As the subject of this report is covered by existing policy the Development Committee does have delegated authority to make a decision.

7.0 Observations

7.1 This report concerns a previous Shetland Development Trust (SDT) approval to provide funding towards the Fisheries Training Programme for Skillseekers within the fish catching sector.

7.2 This is a valued course of learning for young people giving them an opportunity to earn while undertaking training. It is hoped that the Programme will be the first step in encouraging young people into the fish catching sector.

7.3 It is proposed that the terms of the current SDT decision be amended as follows:

	<u>Current Decision</u>	<u>New Terms</u>
Weekly Allowance	£50.00	£85.00
Allowances Administered by	SDT	SFTA
Match Funding from SFA	£5,000	£5,040

7.4 The increase in the allowance to the students whilst at sea is required so that it is better aligned to similar payments to individuals undertaking Skillseeker training in other sectors.

7.5 It is necessary to pay the budget to the SFTA for administration, given that they can offer the flexibility of payment direct to students which would be difficult to administer through the SIC. Should a student not complete the course the balance in funding will be mandated from the SFTA back to the SIC.

7.6 The payment to each student will be made as part of the individual recipients de minimus allocation which is a maximum of €30,000 over three years.

8.0 Conclusion

8.1 Support to this course is a valuable way of attracting young people into the industry.

8.2 The SIC are requested to continue the support previously offered by the SDT fulfilling their previous commitment to support the Programme, until the end of the 2009/2010 session.

8.3 There is a requirement for the change in allowance and method of payment to each student via the SFTA to be approved by the SIC given that this is an amendment to the original SDT decision.

9.0 Recommendations

- 9.1 It is recommended that the Council continue the commitment to support four students to undertake the Fisheries Training Programme for the 2009/2010 session and that the grant of £10,000 be paid to the Shetland Fisheries Training Association, subject to the terms in the attached grant offer.

Our Ref: SMK/0401
Date: 15 April 2009

Report No: DV044-F

Head of Service: Douglas Irvine
Chief Executive: Morgan H. Goodlad

Shetland Fisheries Training Association
 NAFC Marine Centre
 Port Arthur
 Scalloway
 Shetland
 ZE1 0UN

Business Development
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If calling please ask for
Sheila Keith
 Direct Dial: 01595 744967

Your Ref:
 Our Ref: RF 0401/DDS

Date: D R A F T

Dear Sir

FISHERIES TRAINING PROGRAMME – SKILLSEEKERS

On behalf of Shetland Islands Council (hereinafter referred to as “the Council”) I am pleased to offer the Shetland Fisheries Training Association (hereinafter referred to as “SFTA”) a grant of £10,000 (Ten Thousand Pounds), towards the cost of providing training allowances and equipment to students undertaking the SVQ Level 2 Marine Vessel Support (Fishing), subject to the following conditions: -

- 1 The grant has been approved on the basis of your project expenditure and financing being as follows:-

Project Costs	£	Project Funding	£	%
Training Fees	14,280	SIC – EDU	10,000	66.5
Protective Clothing	760	Shetland Fishermen’s Association	5,040	33.5
Total	<u>15,040</u>	Total	<u>15,040</u>	<u>100.0</u>

2. No payment will be made until the SFTA produces to the Council adequate evidence:-
 - a) That four students have enrolled on the aforementioned course for the 2009/2010 session.
 - b) That the Shetland Fishermen’s Association has agreed in writing to pay the balance of funds.
 - c) that all other requirements as detailed in this letter have been met.

3. The SFTA will make a payment of £85 per week for a maximum of 42 weeks per student, to a maximum of four students undertaking the aforementioned course for the 2009/2010 session. Payments will be made to students upon the submission of timesheets evidencing each students attendance on the course, each timesheet will be signed by the skipper or a responsible person on the fishing vessel which the student will be placed.
4. The SFTA will pay a maximum of £190 for each student for protective clothing and will keep original invoices for these costs.
5. The SFTA must keep accurate records of all payments for allowances and protective clothing and any expenditure not expended from the £10,000 grant will be repaid to the SIC upon the completion of the 2009/2010 session of the aforementioned course.
6. The payments to each student will be paid under the Fisheries De Minimus payment to each individual recipient.
7. The SFTA will keep proper books of accounts and will provide the Council with the statement of accounts, reports or other explanations as may be required by the Council.
8. The SFTA will supply on request any additional information the Council may require to monitor the conditions under which grant is made.
9. In the event of any breach of the foregoing conditions the Council may, at its sole discretion, require repayment of all or part of the grant, by the SFTA and may also disqualify the SFTA from receiving any other assistance in terms of the Schemes operated by the Council.
- 10. The SFTA must inform the council of any changes in their circumstances affecting the grant conditions, in particular if the SFTA decides to stop or reduce the operation of the training scheme which is supported by this grant.**
11. Unless otherwise agreed in writing by the Council, these conditions shall endure under this offer for a period of one year from the date of the last payment of the grant.

If these conditions are acceptable please sign and date this letter and return it to me as soon as possible.

This offer is valid only until 31 January 2010. If, by that date, the grant has not been claimed and paid or if, by that date, an extension has not been requested and given this offer of grant lapses. If grant is still sought at that time, a fresh application would be required.

To claim your grant, please refer to the attached guidance notes on claiming financial assistance. Submissions with incomplete claim forms will not be processed.

A copy of this letter is enclosed for your retention.

The Council reserves the right to publicise the assistance to the Applicant and to include it in a public record of cases, both to demonstrate how its resources are used and to give examples of the types of development it is able to assist. The Applicant shall ensure that any publicity given to the Project contains and acknowledgement of the Council's funding support and shall display in a prominent place, any plaque, sticker or logo as the Council may require.

Yours faithfully

Head of Service

Enc

I, (name in full) being an authorised signatory of
..... , accept the offer of grant on the conditions
specified in this letter.

Signed: Date:



REPORT

To: Development Committee

30 April 2009

From: Head of Economic Development

**Report: DV049-F
Mareel, Cinema & Music Venue
Sounding Board Feedback Report #3.**

1.0 Introduction

- 1.1 The purpose of this report is to update Members on progress and costs on the Mareel project.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's Corporate Plan 2008-2011 which sets out a range of priorities to more effectively and efficiently organise the Council's business.

3.0 Background

- 3.1 In October 2008, Development Committee agreed to the formation of a Sounding Board to monitor the Mareel project (Minute ref 44/08).

- 3.2 The membership of the board is:

- Development Committee Chairperson, Joseph Simpson
- Development Committee Vice Chairperson, Alastair Cooper
- Development Committee Member, Frank Robertson
- Head of Economic Development, Neil Grant
- Capital Programme Service Manager, Mike Finnie
- Executive Director of Education and Social Care, Hazel Sutherland

3.3 The remit of the Board is:

- “to monitor the activity and spend on the Mareel project”
- “to consult on behalf of the Committee and Council regarding grant conditions to be applied...”
- “to provide a progress report on the Mareel project to each cycle of the Development Committee and Council. The content of the report will be appropriate for the report to be taken in public.”

3.4 The Sounding Board also reports to Services Committee each cycle.

3.5 The Sounding Board last met on 14 April 2009.

4.0 Activity/Progress

4.1 A Grant Offer Letter, for £6,155,000, was issued on 02 March and accepted by Shetland Arts on 27 March 2009. The Memorandum of Understanding has also been concluded between SIC, Shetland Arts and the Shetland Charitable Trust.

4.2 The following is provided as an update on the Mareel project provided by the Sounding Board.

4.2.1 Funding

4.2.1.1 Shetland Arts have secured £12.1m of funding for the project as detailed below:

Confirmed Funding

	£000'
Shetland Islands Council	5,190
Scottish Arts Council Capital Lottery Fund	2,120
HIE	965
Shetland Islands Council	965
European Structural Funds	2,822
	12,062

4.2.2 Contract/Specification

4.2.2.1 Shetland Arts have accepted DITT's bid to build the cinema and music venue, at a contract price of £10,022,019. and a contract has been entered into.

4.2.2.2 Site preparatory work is planned to commence on the site in early May.

4.2.2.3 The land purchase from SLAP has been concluded.

4.2.2.4 The total project cost of the cinema and music venue is £12,062,203 which includes a £340,000 contingency (this was wrongly stated in last cycle report as £300,000). £1,394,911 of the project costs have been spent to date.

4.2.3 Project management

4.2.3.1 Shetland Arts have appointed Ewan Balfour of H James Nisbet, Lerwick as Project Manager.

4.2.4 Other

4.2.4.1 GB Oils Fuel Storage tanks – At Development Committee on 5 March 2009 Dr J W G Wills asked whether the Mareel project would be paying for the modifications to the fuel tank to comply with HSE [Min Ref 28/09]. I can confirm that the costs are not being borne by the Mareel project.

4.2.4.2 Dr J W G Wills also enquired as to whether the vibration from the underground sewage pump owned by Scottish Water, which will sit in close proximity to the building had been considered by the architects. The project team confirmed that pump vibration had been considered by the design team, and not deemed to be a problem.

5. Proposal

5.1 I propose that the Committee notes the work being done by the Sounding Board

6.0 Financial Implications

6.1 The Council has already approved this spend from the Capital Programme and Economic Development Unit. There are no financial implications arising from the terms of this report.

7.0 Policy and Delegated Authority

7.1 The proposal that forms the basis of this report satisfies a number of policies, contained in the Economic Development Policy Statement 2007-2011 which was approved by Development Committee on 24 April 2008 (Min Ref 01/087 and by the Council on 14 May 2008 (Min Ref 55/08). This report has been prepared based on the following policies:

- 5. “Continue to develop Shetland as a tourist destination, through development of high quality products and services.”

- 16. “Support growth of businesses in the creative industries sector.”
- 27. “Enable individuals to achieve their full economic potential.”

7.2 In accordance with section 11 of the Council’s Scheme of Delegations, the Development Committee has delegated authority to implement decisions within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:

- Economic Strategy
- Europe

7.3 As this is a report for information, there is no requirement for a decision to be made.

7.4 In accordance with Section 11 of the Council's Scheme of Delegation, management of the Shetland Development Trust, on behalf of the Council as sole Trustee, is delegated to the Development Committee.

8.0 Conclusions

8.1 The Sounding Board will continue to engage with the project team and report back to the Committee each cycle.

9.0 Recommendations

9.1 I recommend that the Committee notes the content of this report.

Our Ref: NRJG/JJ RF/1221
Date: 24 April 2009

Report No: DV049-F