



REPORT

To: Development Committee

21 January 2010

From: Head of Economic Development

**DV005-F
Public Activity Report
November and December 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
- Government initiatives

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 Risk Management

- 3.1 This is an information report so there are no risks associated with the recommendations.

4.0 Ongoing Projects

4.1 Vessel Maintenance Facility Study

Expressions of interest were reviewed by EDU officers and a number of consultants were selected and invite to tender. Tender documents were sent to the selected consultants on 11 December 2009, with instructions to submit tenders on or before 22 January 2010.

A small team has been established to review submitted tenders, based on a scoring system detailed in the Consultancy Brief. The evaluated is scheduled to take place on 29 January 2010.

4.2 New Business Start-Ups

Figures for the 3rd quarter of 2009 have been released by the Committee for Scottish Clearing Bankers.

There were 7 new business start-ups in Shetland in Q3 2009, compared to 18 in Q3 2008 and 15 in Q3 2007.

In the first three quarters of 2009 there were 40 new business start-ups, compared to 57 in the same period in 2008 and 37 in the same period in 2007.

4.3 B4 Films – “Between Weathers”

EDU staff again hosted another visit from the Creative Director of B4 films Jim Brown in early December in connection with the proposed 'Between Weathers' feature movie which is to be shot in Fetlar (target August 2010). His 2 day visit involved meetings with EDU and Shetland Arts staff along with visits to the Saxa Vord resort in Unst (as a potential base for the feature), a general scenic tour of the west side of Shetland and a casting session in Lerwick involving local acting talent for possible use in the feature. EDU staff are working closely with Shetland Arts on this development opportunity for Shetland. Funding for developing a professional script for the feature was considered by the Shetland Leader Local Action Group on 17th December in a pre-application phase and whilst the project in its entirety was viewed positively funding for this element of the development phase was rejected. It is now possible that the Council will be approached for funding towards development of the script and this will be considered in due course from existing EDU budgets. Funding for this element of the project is also currently being given consideration by Scottish Screen and it is expected that a decision on this will be made in February.

4.4 Shetland Events and Festivals Strategy

A further week of interviews in connection with this project was undertaken in early December by Dr Iain Skewis which went well. A final visit will take place in January aimed at completing the proposed set of interviews whilst some additional questionnaire work has been added to the original investigative work programme developed for the project. It is expected a basic draft strategy will be presented in late January for this. Dr Skewis was also invited to deliver an update on the project at the Tourism and Culture Panel which was carried out on 10th December. Panel members who had not been consulted were invited to get in touch if they felt they would like to contribute to the investigative work.

4.5 Promote Shetland

A detailed operational plan has been produced by PromoteShetland and the PromoteShetland Steering Group continues to meet regularly to provide a sounding board for the initiative. Andy Steven, Destination Manager, is in the process of arranging meetings with Council Members to provide an outline of the plan and how this will be rolled out. This will offer an opportunity for Members to ask direct questions on any aspect of the service being provided to the Council. A further piece of strategic marketing work is being undertaken by Promote Shetland which will assist in guiding the service into the future. This will form the backbone of an event aimed at improving visibility of the service within Shetland which is currently due to be held in February. VisitScotland Chief Executive Philip Riddle is due to visit Shetland to meet with the PromoteShetland Steering Group on 25 February and this will provide an opportunity to ensure that the service integrates well with VisitScotland to the maximum benefit of Shetland.

4.6 Intangible Cultural Heritage in Scotland

This project is backed by the United Nations Educational, Scientific and Cultural Organization (UNESCO). EDU staff hosted a visit to Shetland by Professor Alison McCleery and Dr Linda Gunn who are leaders of the project in Scotland through Napier University in early December. Up-Helly-Aa is already considered by Professor McCleery and Dr Gunn as an excellent example of 'Intangible Cultural Heritage'. 'Intangible Cultural Heritage' involves "the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage". A visit and tour to the Lerwick Up-Helly-Aa Galley Shed was greatly appreciated as was a lengthy visit to the Shetland Museum and Archives and subsequent meeting with Archivist Brian Smith. Professor McCleery and Dr Gunn were invited by EDU to present on the project at the Tourism and Culture Panel on 10th December and have followed up contacts with

cultural and heritage groups in Shetland as well as Shetland Amenity Trust. They have been highly appreciative of their invite to Shetland along with the attitude shown to the project and it is clear that Shetland has much to offer, and to glean, from this highly interesting initiative.

4.7 Publicly funded Catering establishments

We have made significant progress with our review of publicly funded Catering establishments. Members may recall that the total subsidy to this sector was reported as £429k.

We have now received revised business plans from the participants who intend to continue trading, and are able to report that by the end of the trading year 2012/13, the total subsidy to this sector is expected to reduce to around £50k; a considerable achievement. We will continue to monitor this sector and advise Members as appropriate.

4.8 Shetland Telecom

Progress towards the creation of "Shetland Telecom" is underway and the office at 66 Commercial Road is now operational. Two members of staff have been seconded to the project.

The project plan for the fibre optic cable has been initiated and funding of £1.1m has been allocated from the Capital Programme for next year.

Fresh talks with BT on their involvement in the project have been scheduled to take place over the next few weeks.

4.9 Foula Electricity Phase 2

A planning application has been submitted for wind turbines as part of phase 2 of the Foula Electricity Scheme. The application was submitted with an environmental impact assessment. It is hoped a decision will be made on this shortly. The Foula Electricity Trust have submitted an application for funding to the Lottery. The next few months will see the pulling together of a funding package for the works. A full report on phase 2 will be presented to this Committee within the next two cycles of meetings.

4.10 Marine Energy

Aegir Project - Pelamis wave power and their partner Vattenfall made a visit to Shetland in December to announce their joint venture called Aegir Wave Power Ltd. The partners have been in touch with the Economic Development Unit over the last couple of years and have made several research visits to Shetland. The project proposed is for a 20 MW wave power project to be located off the west coast of Shetland. The partnership presented their project to stakeholders in Shetland and undertook site visits during their visit. A project of this scale will require an inter-connector to the National Grid to be in place.

Shetland Marine Energy Development (SMED) - The marine development group are putting together a project to undertake survey work to measure the resource at potential marine sites around Shetland. The Marine Development Officer based at NAFC Marine centre is putting together a brief for the work. In drawing up the brief it is important that the results of the survey fit with standards set by the industry and the information required by potential developers. Consultation with the European Marine Energy Centre in Orkney and developers such as Pelamis is being undertaken to ensure this is the case. The model shall also make use of existing survey data available around Shetland. There is a separate project going ahead that shall look in more detail at seabed conditions, depth of sediment and benthic studies.

4.11 LEADER

To date the Local Action Group (LAG) has awarded £533,659 to 26 projects. Two of these projects are to be funded from the Convergence budget at a cost of £58,909. The LEADER budget part of the LAG's Programme is currently fully committed unless project underspending occurs or new cash allocations are made by the Government. In all 58 potential projects have been considered by the LAG. Currently, only projects which are eligible for Convergence funding are being considered for application to the LAG.

As of 01 January 2010 the intervention rate for new LEADER projects was raised to 90%, and the intervention rate on Convergence projects was raised from 35% to 50%. However, the 90% intervention rate is at the discretion of the relevant LAG.

There is a LEADER Finance and Audit Seminar in Edinburgh on 20 January 2010, which will be attended by the Shetland LEADER Co-ordinator. Among the issues to be discussed are the potential impact of the new intervention rates.

Discussions are ongoing regarding the transference of Rural Priority Measure Codes 321 and 341 from SRDP administration to LEADER administration.

5.0 Financial Implications

5.1 There are no financial implications arising from this report.

6.0 Policy and Delegated Authority

6.1 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).

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 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.

7.0 Recommendations

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

Our Ref: NG/JJ A09
Date: 14 January 2010

Report No: DV005-F

Appendix

Appendix 1 - Grant approvals for November and December 2009.



Shetland Islands Council

We are pleased to attach details of 61 grant awards made from 01 November – 31 December 2009. The value of the grants approved is £76,420.15. 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
A & D Hunter	Lime, Fertiliser and Heifer Grants	£3,340.00
A J Williamson	Heifer Grant	£100.00
AT & KB Doull	Fertiliser and Heifer Grants	£541.00
Alan Clark	Fertiliser Grants	£88.20
AM & P Dodge	Lime, Fertiliser and Heifer Grants	£406.75
JRHC Brown	Fertiliser, Lime and Arable Crops Grants	£633.15
C & CJ Johnson	Fertiliser Grants	£56.40
C B Henderson	Fertiliser Grants	£94.90
Charles Clark	Fertiliser Grants	£58.80
D Murray	Fertiliser Grants	£169.20
David Anderson	Fertiliser and Arable Crops Grant	£540.00
David L Nicolson	Fertiliser Grant	£650.25
David Niven	Fertiliser Grant	£88.20
Bryan Deyell	Heifer grant	£100.00
Peter Duncan	Fertiliser grant	£197.40
E J Duncan	Fertiliser grant	£141.00
Erland N Smith	Heifer & Fertiliser grants	£156.40
W D Fraser	Fertiliser grant	£411.50
Gavin Gray	Lime grant	£435.00
A Halcrow	Fertiliser grant	£22.50
Hamish Hunter	Fertiliser grant	£56.40
Brian Hunter	Fertiliser grant	£382.20
P Hunter	Fertiliser grant	£382.20
Ian A Manson	Fertiliser grant	£135.00
J & A Nicholson	Fertiliser grant	£564.00

J & D S Halcrow	Lime & Fertiliser grant	£1,636.25
John D Morrison	Fertiliser grant	£112.80
John L Tulloch	Fertiliser & Lime grant	£227.40
John Manson	Fertiliser grant	£108.00
A & N Johnson	Lime, Fertiliser & Arable Crops grant	£1,502.45
R W A Johnson	Fertiliser grant	£94.00
J H Johnson	Fencing grant	£840.00
K J Anderson	Fertiliser grant	£84.60
K W Rennie	Heifer grant	£100.00
Lynn Polson	Heifer grant	£100.00
M W Burgess	Heifer grant	£700.00
Nicolson Bros.	Fertiliser grant	£621.00
Peter Tait	Fertiliser grant	£56.40
Charles Alan Priest	Fertiliser grant	£49.00
R & E Thomason	Heifer grant	£100.00
R Cross	Fertiliser grant	£338.40
R D Robertson	Fertiliser grant	£28.20
R L Robertson	Fertiliser grant	£169.20
Ronald Irvine	Fertiliser and heifer grants	£1,445.00
S E Rennie	Heifer grant	£100.00
Frank Tulloch & Partners	Bull grant	£1,500.00
W A Johnston	Fertiliser grant	£81.00
Messrs Wishart	Fertiliser grant	£567.00

48 Shetland Agricultural Business Scheme Grants were awarded for a total of £20,311.15.

MARKETING DEVELOPMENT PROGRAMME GRANTS			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Beltain Candles	Grant towards promotional projects for new product development	£1,102.00	£551.00
Brough Lodge Trust	Grant towards website development	£3,582.00	£1,791.00
Lerwick Engineering & Fabrication Ltd	Grant towards the cost of exhibiting at Offshore Europe, Aberdeen and company advertising	£7,606.00	£3,803.00
Rosy & Rory Lobster	Grant towards promotional projects – design & print promotional materials, exhibiting at Pettenweem Arts Festival, Design and print of company packaging & design and print of promotional labels	£2,266.00	£1,133.00
Shetland Motorhome Hire	Grant towards marketing and advertising.	£384.00	£192.00
The Café Consulate	Grant towards new product development in textiles	£2,000.00	£1,000.00
Wild by Viktoria Indrica	Grant towards promotional labels & business cards	£320.00	£160.00

7 Marketing Development Programme Grants were awarded for a total of £8,630.00 towards total project cost of £17,260.00.

DISCRETIONARY DELEGATED SCHEME			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Lakeland Unst Ltd	Grant towards Sea Cap Feed Barge	£540,134.00	£24,500.00
Nortech Marine Ltd	Grant towards setting up abrasive water jet cutter	£30,978.00	£10,978.00
Shetland Arts Development Agency	Grant towards the Craftmakers Award Scheme	£18,400.00	£7,700.00

3 Discretionary Delegated Scheme Grants were awarded for a total of £43,178.00 towards project cost of £589,512.00

Rural Shop Improvement Scheme			
Organisation	Purpose of Grant	Project Cost	Amount Granted
Tagon Stores	Grant towards new fridges	£5,232.00	£2,616.00
Skerries Coop	Grant towards diesel fuel tanks	£3,370.00	£1,685.00

2 Rural Improvement Scheme Grant was awarded for a total of £4,301.00 towards project cost of £8,602.00.



REPORT

To: Development Committee

21 January 2010

From: Head of Business Development

DV001-F **Progress Report of Business Gateway Service**

1.0 Introduction

- 1.1 The purpose of this report is to bring the Committee's attention to the services being provided through the Business Gateway. This includes some information on outcomes from the earlier enquiries in 2009, as well as the enquiries data. I have explored some of the operational issues that we face in running the Business Gateway and have attached an Action Plan to improve the service as we go forward.

2.0 Links to Corporate Priorities

- 2.1 Ensuring the effective operation of the Business Gateway is an action included in the Corporate Plan under the Business Guidance and Engagement section of Sustainable Economy.

3.0 Background

- 3.1 In September 2007 the Scottish Government decided to transfer all Business Gateway services from the Enterprise Companies to Local Authorities. The Government also stipulated that the Business Gateway had to be run to a uniform standard throughout Scotland. Previously, HIE had operated elements of the Business Gateway service but not the whole service offered by Scottish Enterprise.
- 3.2 Following a period of discussion on delivery methods, funding etc. the service was launched by the Economic Development Unit on 1 April 2009, at the same time as the other Highland and Island Councils launched the service.

3.3 The Business Gateway service provides people with a variety of learning tools to help them either set up in business or to understand more about how to operate a business. It is a client focussed service run to specific national standards involving both locally provided and central services. These services include:

- Access to the Business Gateway website (bgateway.com), which contains a broad range of information that can be browsed at the leisure of the client;
- A national call centre where clients can speak to business advisers about their requirements. The call centre holds a bank of information on various business activity, particularly markets, all available free of charge to clients;
- Local centres where clients can meet with skilled business counsellors who can assess their needs and then provide the appropriate Business Gateway services;
- Business start-up packs that include leaflets on relevant start up information, including basic details on business planning;
- Access to business advisers who will work with clients on a one-to-one basis to identify areas of learning and to help prepare business plans;
- An opportunity to attend one-to-many short courses on, for example, the first steps into business; and,
- Other events that may be organised to offer learning opportunities for business and prospective business people.

4.0 Proposal

4.1 The performance review for the first eight months of operating the Business Gateway is attached as appendix one. Appendix two shows the actions that need to be achieved to improve the service during the calendar year 2010. It is proposed that the Development Committee notes the work of the Business Gateway in Shetland and the development that still needs to take place to make the service more effective.

5.0 Financial Implications

- 5.1 The Scottish Government, through HIE, has allocated a sum of £137,157 for the Council to operate the Business Gateway in Shetland during 2009/10. The estimated expenditure is set out below:

	£
Short Course Training	22,860
Adviser Training	48,400
Business Advisers	50,000
Advertising	5,000
Publications	4,000
Equipment	500
EDU Charges	<u>6,397</u>
Total	137,157

- 5.2 In future years the training for advisers costs will be much less and the costs for business advisers will be higher as more people are encouraged to use the service. It may also be possible for the Council to defray some of the EDU staff costs for running the Business Gateway service from this source. The grant from the Scottish Government for £137,157 is coded as RRD 1810.

6.0 Policy and Delegated Authority

- 6.1 This report has been prepared under Economic Development Policy number 28 "Encourage knowledge transfer into new and emerging businesses", which was 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 this is an information report, there is no requirement for a decision to be made.

7.0 Conclusion

- 7.1 The establishment of the Business Gateway in Shetland has been a long process, involving lengthy discussions with national and regional bodies, a series of tendering exercises, and a lot of staff time. So far, it looks as though the service has made a promising start that can be built on to achieve more for clients and better integration with national provision.

8.0 Recommendation

- 8.1 I recommend that the Committee note the progress being made to operate the Business Gateway in Shetland and the actions required to achieve the improvements that have been identified.

Our Ref: DI/KLM
Date: 13 January 2010

Report No: DV001-F

Business Gateway

Performance Report

April 1 to December 4 2009

General

The Economic Development Unit has been operating the Business Gateway in Shetland since 1 April 2009 up to the first week of December 2009. As a nationally specified service the Business Gateway offers the following support to people considering starting up in business, existing businesses with growth plans, and, businesses facing issues:

- General Business Advice
- Business Start Up Information Packs
- National website bgateway.com
- National Call Centre
- Short Training Courses
- Business Advisers

In addition to the Business Gateway services the access to Council financial assistance has been included so that we foster a “one stop” approach to economic development services in Shetland.

This report covers the first eight months of operating the Gateway and shows the picture as at 8 December 2009.

Results

Total Enquiries – 149

Business Start Up Enquiries – 72

Existing Business Enquiries – 47

Council Financial Assistance enquiries – 55 (there were 30 enquiries relating solely to Council Financial Assistance).

Directed to National Services – 55

Issued with Start Up Information Packs – 44

Referred to Train Shetland for Short Training Courses - 47

Appointment of Business Advisers – 59

Outcomes

Seven people have begun to trade in new businesses

16 people are working towards establishing a business (These are all people who sought Business Gateway Services before the end of July 2009 as it is difficult to determine the outcomes from later enquiries)

56 people have attended short course training at Train Shetland

17 applications for Council assistance have been approved

19 applications for assistance are awaited

Two applications for assistance were being assessed at the time of writing

Seven enquiries for Council assistance were not eligible for support

Short Courses Run by Train Shetland

Date	Description	Attendance
23.06.09	Basic book-keeping	6
29.06.09	First Steps into Business	7
15.09.09	Marketing and Promotion	6
29.10.09	Using the Media to Benefit Your Business	13
24.11.09	Introduction to Selling Skills	6
25.11.09	First Steps into Business	18
		56

Enquiries By month

April – 25

May – 24

June – 14

July – 18

August – 10

September – 19

October – 20

November – 16

December – 3 (up to 4 December)

Total – 149

Other Information

We undertook a survey of the first Business Start Up enquiries at the six month stage to gauge how useful clients felt the service was. Of the 36 clients contacted out of the 46 Business Start Up enquiries to that date, all considered that the Business Gateway service had been of some value to them. The most helpful aspects of the service are the work of the business advisers and the First Steps into Business course run by Train Shetland. By this time 9 of the 36 interviewed had decided not to progress with their projects for various reasons including finding a full-time job.

Appendix Two

Business Gateway

Action Plan for Improving Service Delivery in Shetland

Activity	Action Involving *	Achieved by
Appointment of shadow co-ordinator	Head of Econ. Devt. Chief Executive	April 2010
Appointment of replacement duty manager	Head of Econ. Devt	April 2010
Strengthening of HIE's role to include more clients	Highlands and Islands Business Gateway Managers Group	August 2010
Provide clearer details of the service to JobCentre and Careers service	JobCentre and Careers Service Managers	January 2010
Clearer demarcation guidance for Business Advisers	Jeff Gaskell (Business Adviser)	December 2010
Broaden the use of Business Advisers to include all on the list	Duty Managers Business Advisers	September 2010, following conclusion of Premier Adviser training
Advertise training courses to wider business community including social enterprises	Train Shetland Short Courses Manager	February 2010
Obtain access to full national database	Business Gateway National Service	September 2010
Improve promotional activity to target more Shetland clients	A team of Duty Managers	June 2010
Ensure that staff have the time to complete Premier Adviser training	Head of Economic Devt.	October 2010
Investigate the use of wider professional services for clients	Both Highland and Islands and National Business Managers Groups	May 2010
Ensure that the Council is made fully aware of the specification for the Business Gateway Service	Head of Economic Devt.	Continuing
Establish a working relationship with Infrastructure Services	Service Managers in Infrastructure Services	March 2010

Improve the Performance Management data gathering	Roy Longmuir (Business Adviser) Brian Smail, Business Gateway National Service	April 2010
Obtain Investors in People Certification	Specialist Professional help + Duty Mangers	December 2010

* All actions will include the Head of Business Development at some stages.



REPORT

To: Development Committee

21 January 2010

From: European Officer

REPORT NO: DV004-F UPDATE ON EUROPEAN ACTIVITIES

1.0 Introduction

- 1.1 The purpose of this report is to update Members on current European issues and activities.

2.0 Link to Corporate Priorities

- 2.1 Maintaining and enhancing links with European affairs is a key component of the aims to achieving a sustainable economy as identified within Shetland Islands Council's Corporate Plan 2008-2011.

3.0 Risk Management

- 3.1 This is an information report so there are no risks associated with the recommendations.

4.0 Funding Streams

4.1 Highlands & Islands Convergence Programme 2007-2013

Decisions are expected shortly on the outcome of 3 funding applications:

- ESF application for £85,500 towards the cost of establishing the Shetland Business Growth Training Scheme – a scheme aimed at increasing and developing workforce skills within local SMEs.
- ERDF application for £266,700 towards the cost of establishing the Shetland Business Energy Efficiency Scheme – a scheme aimed at encouraging local SMEs to adopt renewable energy technologies into their business operations.

- Re-submitted ERDF application for £300,000 towards the cost of a berthing facility in Fetlar.

Dennis Malone, Chief Executive of HIPP (who manage the H&I's Structural Funds programme) and Jim Millard of the Scottish Government's Structural Funds Unit plan to visit Shetland on 28 January to meet with Council representatives and other agency officials. The purpose of their visit is to discuss potential projects which could come forward for ERDF/ESF assistance.

4.2 European Fisheries Fund (EFF) 2007-2013

A total of 18 Shetland companies and organisations shared just over £2 million of EFF funding at the latest round of awards in November 2009. This included £1.1 million awarded under the ISA scheme. The number of applications for Axis 2 (support for aquaculture, processing and marketing) and Axis 3 projects (support for measures of common interest) vastly exceeded the available funds in these axes resulting in many beneficiaries receiving a reduced grant award.

Funding for EFF Axis 4, which is to target the sustainable development of fisheries areas, is yet to be allocated. The Scottish Government propose that Axis 4 funds will be delivered via local LEADER groups thus focussing on a bottom up approach. Latest information from the Government suggests that the funding allocations to LEADER groups will be made on fisheries dependency. The total Axis 4 budget allocation for the H&I's region is £1.4 million.

5.0 **Conference of Peripheral Maritime Regions (CPMR) Activities**

5.1 CPMR General Assembly

The General Assembly met in Gothenburg from 30 September to 2 October 2009.

- The Assembly ratified the appointment of a new CPMR Secretary General, Eleni Marianou. Ms Marianou, of Greek nationality, most recently worked in the South West of England office in Brussels and took up her post on 1 January 2010.
- Councillor Angus was elected as the CPMR's UK Member on the Political Bureau. The Political Bureau proposes policy guidelines for the CPMR and implements the decisions adopted by the General Assembly. A meeting of the CPMR UK members, chaired by Councillor Angus, will take place on 2 February in Edinburgh in advance of the next Political Bureau meeting on 15-16 February.
- Issues prominent at the General Assembly included the impact of the economic crisis, regional policy post-2013, energy and climate change, and fisheries. Councillor Angus chaired the session on the CFP reform.

5.2 Fisheries Intercom Group

The CPMR Fisheries Intercom Group, chaired by Councillor Simpson, was tasked with preparing the CPMR's response document to the Common Fisheries Policy consultation. A response was submitted to the European Commission by the deadline of 31 December 2009.

5.3 North Sea Commission

A major focus of the work of the North Sea Commission during 2010 will be the coordination of a North Sea Strategy, similar to what has been done for the Baltic Sea. It is considered that there is a need for consensus when it comes to managing a shared space such as the North Sea. A North Sea Strategy could promote better co-ordination of programmes, initiatives and EU Directives leading to more efficient co-operation and harmonised policies, as well as stimulating the sustainable development of the North Sea region. An initial conference for all North Sea 'stakeholders' is proposed for the end of March in London to kick-off the process.

6.0 **Policy Issues**

6.1 Common Fisheries Policy

SHOAL submitted a robust response to the CFP consultation in December 2009.

There was also an opportunity to submit views on a reformed CFP to the Scottish Government's Inquiry into Future Fisheries Management and at a Scottish Government workshop held at the NAFC in September. Councillor Simpson also presented a paper at an event organised by the Region of Brittany on "The Future of the CFP" in Brussels on 29 September on the balance between sustainability of fish stocks and socio-economic needs of maritime regions.

In March 2010, the Commission will produce a report following the consultation.

A Greek MEP, Maria Damanaki, has been proposed as the successor to Joe Borg as EU Commissioner for Fisheries and Maritime Affairs. The European Parliament will vote on the new European Commission line up on 26 January 2010. The new Commission cannot take office before the European Parliament has approved it. The term of office of the European Commission is five years.

6.2 European Parliament Intergroup on Mountains, Islands and Sparsely Populated Regions

The recently ratified Lisbon Treaty now recognises the principle of territorial cohesion. Territorial cohesion is included under Article 174 of the Treaty which states that “*particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions*”. In effect, this means that account should be taken of geographical barriers and regional inequalities in order to reduce socio-economic disparities between areas.

In December, a European Parliament Intergroup on Mountains, Islands and Sparsely Populated Regions was established in order that the interests and specific characteristics of these territories are taken into account and protected. Alyn Smith MEP played a leading role in the establishment of this group. The group has not been formalised as yet and still has to decide its priorities and working procedures however, overall, it will seek to ensure that Article 174 finds direct applications in EU regulations and directives, especially in the areas of regional policy and state aid. The CPMR Islands Commission will be a member of this intergroup.

6.3 EU 2020 Consultation

The European Commission has produced a consultation paper on a future “EU2020” Strategy as a replacement to the current Lisbon Strategy. The Commission is seeking views on the following priorities as key drivers of EU 2020:

- Creating value by basing growth on knowledge.
- Empowering people in inclusive societies.
- Creating a competitive, connected and greener economy.

The Highlands & Islands European Partnership will submit a joint response to the consultation.

7.0 **Financial Implications**

- 7.1 The financial implications arising from this report are potential travel and subsistence costs associated with attending forthcoming external meetings. These costs can be met from existing budgets.

8.0 Policy & Delegated Authority

8.1 This report is relevant to three of the overall aims within the Economic Development Policy Statement 2007-2011 which was approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08). The relevant aims are: encourage enterprise and sustainable growth; expand knowledge and build skills; and improve access and extend opportunities.

8.2 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:

- Economic Strategy
- Europe

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

9.0 Conclusion

9.1 This report provides an overview and update of current EU issues and activities.

10.0 Recommendation

10.1 Members are asked to note the contents of this report.

Our Ref: SJS/R4/10/6
Date: 7 January 2010

Report No: DV004-F



REPORT

To: Development Committee

21 January 2010

**From: Head of Finance
Executive Services Department**

Report No: F-002-F

**Economic Development Unit Revenue Management Accounts
Support Ledger and Reserve Fund
For the Period 1 April 2009 to 31 December 2009**

1. Introduction

- 1.1 The purpose of this report is to advise Members of the financial position on the Economic Development Unit's Support Ledger and Reserve Fund revenue management accounts (RMA) for the first nine months of 2009/10.

2. Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to reviewing financial performance relative to the Council's financial policies.

3. Risk Management

- 3.1 This is an information report so there are no risks associated with the recommendations.

4. Background

- 4.1 The revenue management accounts are presented to the Executive on a monthly basis to monitor the Council's overall financial position.
- 4.2 Only controllable items of expenditure are included, on the basis that recharges for central services and financing costs and financing income are excluded, as these are not controllable in terms of spending decisions. The financial data in this report include employee costs, property costs, transport, grants and other running costs, and income comprises of fees and charges, grants and rents.
- 4.3 For information, all appendices show the Annual Budget, Year to Date Budget, Actual and Variance. It is the Year to Date variances, which are referred to within this report. An estimation of when spending will occur or

income is to be received is made on each budget and a spend profile is set by the service department which determines the Year to Date Budget. The Year to Date Variance shows how actual activity has varied from the planned budget.

5. Support Ledger

5.1 Appendix 1 shows the objective and subjective position for the Economic Development Unit support services, there is an underspend of £80,601 (12%). There is still back pay to be paid which is creating an underspend on employee costs plus there is general underspending of support operating costs particularly on travel and subsistence.

5.2 For more detailed information, Appendix 2 shows the Support Ledger by cost centre.

6. Reserve Fund

6.1 Appendix 3 shows the objective and subjective position on the Reserve Fund for Economic Development. This shows an underspend for the first 9 months of £951,356 (18%). However it should be noted that spend is only 42% of the annual budget with profiled activities not taking place as anticipated i.e. NAFC grant not paid out as scheduled (£438k). There is also the difficulty in profiling grant budgets i.e. determining when grant assistance that has been offered will be paid. Most of the underspend is committed but there is no guarantee it will be paid out in this financial year.

6.2 For more detailed information, Appendix 4 shows the Reserve Fund by cost centre.

7. Financial Implications

7.1 The Support Ledger for the first 9 months is £80,601 under the year to date budget and the Reserve Fund is £951,356 under the year to date budget.

7.2 The Head of Economic Development has estimated the outturn financial position on Economic Development Services will be well within the budget for the year.

8. Policy & Delegated Authority

8.1 The Development Committee has delegated authority to act on all matters within its remit for which the Council has approved the overall objectives and budget, in accordance with Section 11 of the Council's Scheme of Delegations.

9. Recommendation

9.1 I recommend that the Development Committee note the report.

Report No: F-002-F
Ref: Management Accountancy/HKT

Date: 14 January 2010

EDU MANAGEMENT INFORMATION 2009/10 - PERIOD 9

1st April 2009 to 31st December 2009

<u>Revenue Expenditure by Service</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
Economic Development Unit (total)	941,895	665,635	585,033	80,602
Administration	438,816	291,674	212,613	79,061
Head of Business Development	503,079	373,961	372,420	1,541

<u>Revenue Expenditure by Subjective</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
Employee Costs (sub total)	840,842	531,115	503,228	27,886
Basic Pay	617,121	385,197	353,154	32,043
Overtime	0	0	6,039	(6,039)
Other Employee Costs	223,721	145,918	144,035	1,883
Operating Costs (sub total)	198,032	134,670	82,988	51,682
Travel & Subsistence	89,530	55,958	33,922	22,036
Property Costs	1,983	1,425	8,814	(7,389)
Other Operating Costs	106,519	77,287	40,252	37,035

Transfer Payments (sub total)	0	0	0	0
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Income (sub total)	(96,979)	(150)	(1,183)	1,033
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TOTAL	941,895	665,635	585,033	80,601
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EDU RMA 2009/10 - COST CENTRE DETAIL - PERIOD 9	1st April 2009 to 31st December 2009
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<u>Description</u>		Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
		£	£	£	£
Business Development Staff & Mgt		503,079	373,961	372,420	1,541
SRD1000	Head of Business Development	247,498	182,891	179,575	3,316
SRD1010	Business Technical Support	150,729	112,725	108,251	4,474
SRD1020	Marketing Support	104,852	78,345	84,594	(6,249)
EDU Administration		438,816	291,674	212,613	79,061
SRD0000	EDU Mgt & Administration	430,316	285,299	212,613	72,686
SRD0001	EDU Recruitment Expenses	8,500	6,375	0	6,375
TOTAL Economic Development Unit		941,895	665,635	585,033	80,601

EDU MANAGEMENT INFORMATION 2009/10 - PERIOD 9

1st April 2009 to 31st December 2009

<u>Revenue Expenditure by Service</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
Economic Development Unit (total)	10,042,869	5,147,230	4,195,874	951,356
Business Development	5,771,219	2,796,434	2,478,170	318,264
Fisheries	4,271,650	2,350,796	1,717,704	633,092

<u>Revenue Expenditure by Subjective</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
Employee Costs (sub total)	378	378	3,859	(3,481)
Basic Pay	0	0	2,677	(2,677)
Overtime	0	0	0	0
Other Employee Costs	378	378	1,182	(804)
Operating Costs (sub total)	910,769	599,697	562,090	37,607
Travel & Subsistence	22,000	16,500	64,900	(48,400)
Property Costs	94,011	50,824	44,583	6,241
Other Operating Costs	794,758	532,373	452,607	79,766

Transfer Payments (sub total)	9,160,009	4,572,385	3,712,027	860,358
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Income (sub total)	(28,287)	(25,230)	(82,103)	56,873
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TOTAL	10,042,869	5,147,230	4,195,873	951,356
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EDU RMA 2009/10 - COST CENTRE DETAIL - PERIOD 9

1st April 2009 to 31st December 2009

Description	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
Economic Development				
RRD1104 SCFWAG Advisors	0	0	0	0
RRD1105 Pony Breeders Scheme	1,000	750	0	750
RRD1129 Livestock Health Scheme	135,000	66,491	43,653	22,838
RRD1133 Agriculture General Assistance	400,000	152,247	75,349	76,898
RRD1136 Agriculture Contractors Scheme	30,000	4,650	4,650	0
RRD1137 Shetland Rural Dev Scheme	100,000	30,586	7,446	23,140
RRD1138 Shet Agric Business Scheme	100,000	89,416	102,966	(13,550)
RRD1150 Agricultural Loans	98,100	98,100	98,100	0
RRD1500 Other Research	100,000	59,673	44,127	15,546
RRD1502 Publications	2,000	1,500	0	1,500
RRD1520 Other General Assistance	212,970	119,891	101,638	18,253
RRD1523 Rural Shop Improvement	87,378	41,755	30,825	10,930
RRD1526 Rnew Energy Proj	180,000	90,367	29,376	60,991
RRD1528 Foula Electricity	76,000	5,580	23,000	(17,420)
RRD1530 Economic Infrastructure Projec	669,725	60,000	124,216	(64,216)
RRD1532 Architectural Heritage	(27,378)	0	0	0
RRD1540 New Manufacturing-New Service	100,000	0	0	0
RRD1541 Food & Drink Projects	102,475	56,250	45,000	11,250
RRD1545 Textiles	101,900	0	0	0
RRD1550 Broadband Services	60,000	50,000	17,613	32,387
RRD1551 Pop Set up Highspeed data link	100,000	87,500	58,384	29,116
RRD1552 Mareel	322,000	163,518	161,838	1,680
RRD1553 Creative Industry Development	50,000	22,529	8,375	14,154
RRD1560 Community Enterprise Schemes	50,000	0	0	0
RRD1561 Retain Active Rural Population	40,000	0	5,000	(5,000)
RRD1562 Engage with Learning Centres	70,000	70,000	0	70,000
RRD1564 Childcare	100,000	15,000	15,000	0
RRD1620 Tourism Financial Assistance	100,000	54,769	27,997	26,772
RRD1621 Tourism Infrastructure	300,000	204,834	204,833	1
RRD1630 Tourism General	80,000	0	13,635	(13,635)
RRD1631 Heritage Tourism	831,000	736,125	756,875	(20,750)
RRD1632 Quality Imps Fr Visitor Accom	100,000	0	0	0
RRD1800 Leader	28,372	17,265	78,401	(61,136)
RRD1810 Business Gateway	137,157	78,787	82,995	(4,208)
RRD1900 Sullom Voe Port Study	100,000	6,286	0	6,286
RRD1910 Decommissioning Projects	75,000	0	0	0
RRD2104 S.H.O.A.L.	2,500	1,875	211	1,664
RRD2120 Fisheries General Assistance	140,000	92,868	61,638	31,230
RRD2121 North Atlantic Fisheries Coll	2,341,350	1,485,341	1,047,763	437,578
RRD2200 Quota/Licence Purchase	460,000	0	0	0
RRD2201 Mentoring Programme	10,000	7,500	0	7,500
RRD2203 Fisheries&Aquaculture Lending	1,167,800	725,000	605,000	120,000
RRD2204 European Fisheries Match Fundi	150,000	38,212	3,093	35,119
RRD5005 MDP	98,000	73,500	43,992	29,508
RRD5031 Shetland Promotional Costs	267,910	124,491	103,662	20,829
RRD5038 Johnsmas Foy	57,000	42,750	32,037	10,713
RRD5039 Flavour of Shetland	69,580	56,689	67,922	(11,233)
RRD5041 Food Festival	30,000	24,322	25,696	(1,374)
RRD5042 Tall Ships	86,030	30,000	34,991	(4,991)
RRD5043 Hamefarin	0	0	6,787	(6,787)
RRD6010 Investment Management	150,000	60,813	1,791	59,022
TOTAL ECONOMIC DEVELOPMENT UNIT	10,042,869	5,147,230	4,195,874	951,356



REPORT

To: Development Committee

21 January 2010

From: Principal Officer - Marketing

DV002-F
The Johnsmas Foy 2009

1.0 Introduction

- 1.1 The purpose of this short report is to present a review of the 2009 Johnsmas Foy to the Committee and to outline and gain approval for the future plan to address the options for developing the event into the future.

2.0 Links to Corporate Priorities

- 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 undertaken to help fulfill these priorities.
- 2.2 The Council is committed to improving the Johnsmas Foy, as a major summer event in Shetland, through its Economic Development Policy Statement 2007-2011, approved by the Development Committee on 24 April 2008 (Minute Reference 02/08) and Shetland Islands Council on 14 May 2008 (Minute Reference 55/08).

3.0 Risk Assessment

3.1 Identifiable risks associated with this project are:

- One of reputation for the Council and the community of Shetland in not continuing an identifiable Johnsmas Foy event in June for the next two years. However, that this is mitigated by the hosting of two major summer events in Shetland in 2010 and 2011.

4.0 Background

- 4.1 The Johnsmas Foy was first proposed as a concept to the Council in March 2005 by the then Head of Planning (Report No. PL-08-05-F).
- 4.2 The report presented asked the Council to consider support of an annual festival in Shetland entitled 'The Johnsmas Foy: Shetland's Festival of The Sea' using the sea as its main theme.
- 4.3 Since this date the Johnsmas Foy has been held annually during the period that, centuries ago, used to mark the arrival of the Dutch herring fleet in Shetland. The event is guided by a steering Committee which meets regularly to discuss ideas for developing specific events within the Foy.
- 4.4 In 2006 the concept of applying different themes to the event was established and since then some events, principally the 'new' events developed for the Foy in that year, have actively addressed this theme. For example in 2008 Shetland's historic connection with the ports of the Hanseatic League, a trading system that dominated trade in the islands for more than 300 years from around 1400, was celebrated.
- 4.5 Over the past 5 years the Foy has developed from that originally proposed to the point that it has actively embraced other events taking place during that period of the year. This has enriched the event but perhaps has diluted the cultural focus of the event to some degree and as a result caused difficulty in confirming programming and subsequently the ability to promote it well in advance to potential visitors.
- 4.6 In the report presented to the Development Committee on 02 October 2008 [Min Ref 40/08] the Council agreed that the budget allocated to the Johnsmas Foy 2010 should be for expenditure relating to the 2010 Hamefarin' activities (confirmed by the Council on 22 October 2008 [Min Ref 141/08]).
- 4.7 In its meeting of 30 April 2009 [Min Ref 33/09], the Development Committee agreed that the budget allocated for the Johnsmas Foy in 2011 should be directed towards the wider Cruise in Company activities to be delivered around the Shetland Community in the build up to the arrival of the Tall Ships in Lerwick (confirmed by the Council on 22 May 2009 [Min Ref 53/09]).

- 4.8 The Johnsmas Foy Steering Group feel that this timing provides an good opportunity to undertake a professional review of the Johnsmas Foy, its contribution to promoting Shetland and to investigate the future for the event, its focus, direction and resourcing.
- 4.9 Such a review would be a dedicated and separate piece of work from the currently ongoing review on an Events and Festivals Strategy for Shetland. However, the work undertaken to review the Johnsmas Foy would draw heavily on the findings from that study.

5.0 Proposal

- 5.1 A report compiled by Mr Davie Gardner t/a Atlantic Edge Music Services, who was contracted by the Economic Development Unit to undertake the main central coordination role of the 2009 event, is attached at Appendix 1.
- 5.2 A draft consultants brief to guide the review work for The Johnsmas Foy is attached at Appendix 2 and this has been approved by the Johnsmas Foy Committee. It is therefore proposed that the Committee agree for this work to proceed.

6.0 Financial Implications

- 6.1 The Johnsmas Foy was delivered well within the £57,000 2009/2010 budget set for the event and this is detailed at Appendix 3. The current total cost posted to that budget is £32,037. Additional costs still to be posted to the budget amount to £7,753. A sum of £3,458 relating to the 2009 event was paid from the 2008/2009 budget which gives a total projected cost for delivery of the Foy of £43,248. This figures does not include Internal Recharges.
- 6.2 The cost for the proposed Johnsmas Foy review will be covered from existing budget RRD15001760 which is intended for research. The cost for the study will be within delegated authority.

7.0 Policy and Delegated Authority

- 6.1 This report has been prepared under Economic Development Policy number 25 "Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride" which includes events. The policy was 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.

8.0 Conclusion

- 7.1 The Johnmas Foy has become a regular summer fixture in the Shetland events calendar and in 2009 it was clear that some elements of the Foy were more successful than others. The review of the Foy as proposed and backed by the Johnsmas Foy Steering Group will clarify the future direction for the event.

9.0 Recommendation

- 9.1 I recommend that the Committee:

- (a) notes the feedback provided on the Johnsmas Foy event held in 2009 and the progress being made to review the future direction for it.
- (b) approve the proposal to engage with a professional review of The Johnsmas Foy, subject to the conditions specified in appendix 2.

Our Ref: NHH/RF/1110
Date: 13 January 2010

Report No: DV002-F

JOHNSMAS FOY - 2009

COORDINATORS REPORT AND FEEDBACK

This report is aimed at providing Shetland Islands Council and the Johnsmas Foy Steering Group with feedback on the Johnsmas Foy 2009 in general and constitutes an overview of the various core events and components that went to form the overall event.

I acted as Co-ordinator for the event, working in close partnership with the Shetland Islands Council's Economic Development Unit (mainly Nicola Halcrow) and with other local agencies, groups and individuals who were promoting events during and as part of the Foy i.e. Shetland Amenity Trust, Shetland Arts, Shetland Yoal Rowing Association and Fetlar Foy

Feedback and attendance numbers from these agencies, groups and individuals, where available and applicable, is included and forms part of this report.

It should be noted that I was not personally in a position to attend all the various events that went to make up the 2009 Foy, however I have noted and included details derived from those who did attend or oversee each core item / event. Brief information on the management lead-in to each event is also included for general information.

JOHNSMAS FOY 2009 – GENERAL OVERVIEW

The Johnsmas Foy 2009 ran from 18th June until 28th June, and this year had as its theme 'Shetland's Viking Heritage'.

The event in general promotes, fosters and encourages a wide range of cultural activity throughout its ten-day period, much of which could not take place from a purely commercial or privately promoted stand-point. It is therefore desirable, indeed necessary, that if an event of this nature is to take place at all (or indeed continue in future) it will more than likely be / remain the remit of Shetland Islands Council and / or its third party Trusts.

Feedback on the event as a whole, coupled to generally positive audience attendances throughout, lead to the view that it can be considered to have been a significant success and that it now forms an important, appreciated and enjoyed part Shetland's social and cultural calendar.

However, some public confusion still exists in terms of what the wider Johnsmas Foy actually is, with many believing that the culmination event of the Foy, the 'Flavour of Shetland', is in itself the Johnsmas Foy.

That said, it is clear that the public in general genuinely appreciate the aims and cultural diversity of the Foy and that it also has a positive impact on tourists – mainly those already visiting the isles at that particular time.

The general feedback from those promoting events, especially the main agencies such as Shetland Arts and Shetland Amenity Trust, has again been in the main very positive.

To provide a more detailed overview in this respect we will now look at the individual core events that made up the 2009 Johnsmas Foy and some of the results achieved via those events:

Johnsmas Foy – Opening Event – Shetland Museum and Archives – 18th June.

The opening of the Johnsmas Foy also coincided with the opening of the events main exhibition, 'The Sails in St Magnus', held in the Shetland Museum and Archives - promoted by Shetland Amenity Trust. As such a dual opening ceremony was arranged and promoted in the building in partnership with that Trust.



The Johnsmas Foy itself was officially declared open by Shetland Islands Council Convenor Sandy Cluness, while the opening of the 'Sails in St Magnus' exhibition was carried out by Jimmy Moncrieff – General Manager of Shetland Amenity Trust.

Two of the original Sails designers / artists Dave Jackson and Erlend Brown attended the opening – providing visitors with a guided tour of the exhibition.

Music for the occasion was provided by the visiting Viking related musicians from Norway and Sweden, while the 2009 Lerwick Jarl squad were also in attendance to help promote the events Viking theme.

Note: It was strongly felt by Shetland Amenity Trust that the Walhalla Vikings, in preference to the Lerwick Jarl squad, should have been invited to attend and perform at this opening in an 'official' capacity. This point was noted by the Co-ordinator. However by that stage the Lerwick Jarl squad had been invited to attend the opening and it was felt it would be counter-productive to have both sets of Vikings in official attendance.

Around 50 people attended this opening ceremony.

Walhalla Vikings – Promoted by Shetland Amenity Trust – 18th – 21st June

Located at Old Scatness in Sumburgh these 'visitors' proved to be perhaps the 'hit' of the whole 2009 Foy. Their attire, approach (and attitude) was of a very authentic nature and they provided a historical narrative of Vikings and Viking times, in addition to delivering hugely enjoyable combat scenes.

They also attended the events Viking Feast. See separate section.

All their performances were well attended and clearly appreciated, with at least two schools visiting the site especially to view this particular attraction.

Initial problems were experienced when the troupe's transport broke down en route to the ferry in Aberdeen, which delayed their initial arrival. This difficulty was well managed by



Shetland Amenity Trust and they ultimately arrived on the ferry a day later than originally hoped for.

All pre-event management for this event was handled by Shetland Amenity Trust who, it is believed, had some difficulty in terms of logistical planning and language barriers. However the visit ultimately went off extremely well as already stated.

Attendances are not known exactly. However, over the whole two-week period of the Johnsmas Foy visitor attendances at Old Scatness were 947 – almost double the same period in the previous year.

‘Strengleikr’ - Viking Musicians from Norway – 18th – 20th June

Although of a reasonably authentic nature and approach (from what can be historically gauged) these musicians were not particularly experienced or indeed of high quality, although having said that they were generally appreciated by those who attended the events they participated in.

They performed at the opening ceremony, delivered four schools workshops in Bells Brae School, Whalsay Junior High School, Tingwall Primary School and Sandwick Junior High School, together with a concert in Lerwick Town Hall and a short performance at the Viking feast in Sumburgh.



It was clear from the outset they were not acquainted or experienced with more formal musical environments i.e. the Town Hall concert, but with assistance they carried this off reasonably well on the night, again to general appreciation. They were more comfortable in, and perhaps more suited to, a workshop style environment.

The pupils at the school workshops generally enjoyed their performances, although some were clearly a bit bemused by some of the content and perhaps the language barriers that inevitably existed. However the general feedback from teachers was that these workshops had indeed proved interesting, entertaining and useful, and that the historical content of these had especially benefitted the children in terms of their wider understanding and knowledge of the Viking world.

Negotiations with this group proved frustrating at times during the lead in to the event, much of which was handled by Nicola Halcrow (SIC). Difficulties were experienced in negotiating and rationalising fees and also re obtaining suitable marketing information regarding the group. All problems were however satisfactorily overcome prior to the event.

Attendances:

Opening Ceremony – 50 approx
 Bells Brae Primary School – 80
 Tingwall Primary School – 23
 Whalsay Junior High School – 29
 Sandwick Junior High School – 117
 Town Hall concert – 83
 Viking Feast – 60

Marianne Maans – Medieval music from Scandinavia 18th – 20th June.

Marianne was very professional in terms of musicianship, performance experience and communication – engaging well with her audiences.

She carried out four very effective schools workshops in Aith, Sandwick, Lerwick and Brae, with the feedback from these proving very positive indeed. For her particular workshops we concentrated on music classes (fiddle and singing), rather than more general pupils, and this focus seems to have generated best results in this particular context.

She also performed at the opening ceremony, the Town Hall concert (to very positive acclaim) at the Viking feast and also delivered a workshop for all age groups in Islesburgh Community Centre.

No organisational problems experienced.

Attendances:

Opening Ceremony – 50 approx

Town Hall Concert – 83

Viking Feast – 60

Brae High School Workshop 22

Anderson High School Workshop 22

Aith Junior High School Workshop 21

Sandwick Junior High Workshop 6

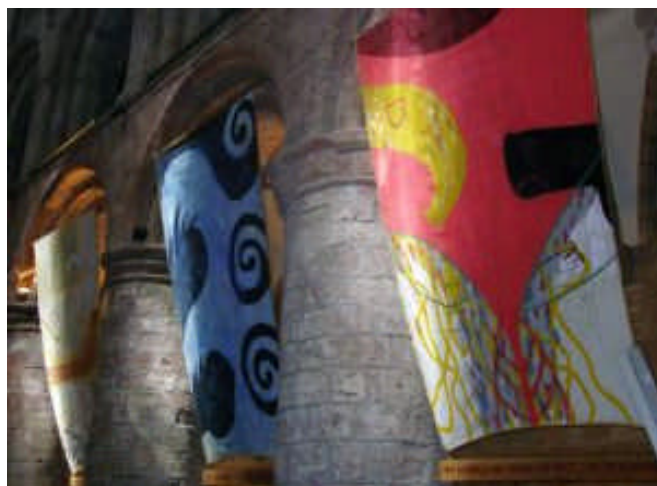
Others pupils in attendance at these workshops came from Scalloway (4) Whalsay (5) Mossbank (4) and Olnafirth (6)

Sails In St Magnus Exhibition – Promoted by Shetland Amenity Trust

This exhibition formed one of the centre-pieces of the opening ceremony and the Foy as a whole.

Appropriate live music in the form of the St Magnus Church Male Voice Choir was provided to compliment the exhibition at the opening ceremony.

The 'Sails' proved to be a highly popular and high quality attraction throughout the whole Foy, attracting a large number of visitors and soliciting very positive feedback.



Two of the original artists, Dave Jackson and Erlend Brown, visited Shetland to 'hang' the exhibition and while in Shetland they also offered guided tours of the attraction.

The Sails were a challenging exhibition to manage but everything in this regard was handled effectively by Shetland Amenity Trust.

Attendances: Not known, but could be linked to overall museum and archive visitor numbers for that time given that the larger percentage of visitors to the facility would presumably have visited the exhibition as well.

Viking Feast – Promoted by Shetland Amenity Trust – 19th June

This event proved to be very popular with around 60 people attending, many of them entering into the spirit of the evening by coming suitably attired in Viking related costumes.

The Walhalla Vikings proved to be an imposing addition to the throng (complete with large bear-skin rug), passing around friendship drinking horns which also added to the overall atmosphere of the event.

The food served was inevitably basic, but of good quality and well appreciated, and there was appropriate entertainment from Davy Cooper, Elma Johnson and the Viking musicians.

The evening was rounded off by the Walhalla Vikings staging a mock skirmish outside the hall, complete with fire-eating to add effect in the gathering darkness.

Again all organisational challenges were effectively managed by the promoter.

Another of the highlights of the Foy in general.



Journey of Earl Rognvald – Promoted by Shetland Arts – 24th / 25th June.

The tale of Earl Rognvald of Orkney effectively delivered via words and music by Bob Pegg and Tom Muir in an initiative promoted by Shetland Arts.

Another well received and well attended event, with performances at the Lerwick Museum and Archives (89 attendees) and Unst (40 attendees).

The duo also delivered a schools workshop in Unst while in Shetland (attendees 20)

This was another key / core event which fitted in well with the overall theme of the Foy. Very positive feedback was received from those attending both performances.



Again all the organisational planning and delivery of this event was effectively handled by Shetland Arts.

Visit of M/S Nybakk – 20th – 27th June.

A visit by a Norwegian fishing vessel from the 1960's era, now a floating museum.

The vessel moored at Albert Wharf in Lerwick and was open to the public on a daily basis. As an additional attraction the crew served the fish dish 'Baccola' to visitors - levying a small fee for this 'service'.

Initial difficulties were experienced re ensuring that the provision of food onboard the vessel met with SIC Environmental Health requirements and legislation, but these difficulties were effectively overcome prior to the vessels arrival.



An invitation only reception for VIP guests was also held on the vessel during the visit.

Significant numbers of people visited the vessel during her stay in Lerwick, but actual attendances are unknown.

No serious difficulties were experienced in relation to this visit. Communication with the Norwegian organisers of the trip was excellent throughout.

Note: The ex fishing vessel 'Haugefisk' (also Norwegian) also visited Lerwick during the period of the Foy and was also open to the general public. Due to the fact she did not form part of the official events programme I have no information on the success or otherwise of this particular visit.

Saga Talks – Professor Gisli Sigurdsson – 22nd and 23rd June.

Professor Sigurdsson from Iceland is a highly regarded academic specialising in Norse history.

The content of these illustrated talks were the Norse Saga's and their relevance to Scotland and Shetland - and here again feedback from the public was very positive.

Again these were two very well attended Viking talks – one in Unst (42 attendees) and the second in the Shetland Museum and Archives, Lerwick (91 attendees).

No difficulties whatsoever were experienced re the organisation of this event, with Professor Sigurdsson proving helpful and supportive throughout the lead-in process.

Place Names Talk – Eileen Brooke-Freeman – Promoted by Shetland Amenity Trust – 25th June.

Eileen is the project co-ordinator for Shetland Amenity Trust's place names project.

Another well attended event / talk in the Shetland Museum and Archives (approx 90 attendees) that attracted excellent public feedback. The content of this talk was the place names of Shetland and in particular their connections to the Norse world and language.

This talk was additionally connected content wise to Lerwick based walks provided by local historian Douglas Sinclair throughout the duration of the Foy. This approach helped provide an additional dimension of interest to the both the talk and the walks.

Town Hall Concert – Neil Georgeson & David Worswick – Promoted by Shetland Arts – 21st June

A classical / contemporary recital in Lerwick Town Hall by two outstanding young musicians – Shetlander Neil Georgeson (piano) and David Worswick (violin)

Neil's concerts are always as dynamic as they are popular and this event proved to be no exception. Public feedback was, as always, resoundingly enthusiastic.

The concert sold out in advance with 168 people attending.

All arrangements were carried out very effectively by Shetland Arts.

Secrets of the Ancients – Film –24th and 25th June - Promoted by Shetland Film Club.

This film relates to the efforts to transport (pull) a long-ship across Mavis Grind in order to prove that this might have been possible in Viking times, thereby negating the need for them to travel round the north of Shetland to reach the Atlantic from the North Sea.

The film was shown in both Sandness and Scalloway to fairly low audience numbers, perhaps due to the fact it had already been screened on national TV.

Problems were experienced in Sandness with the power supply, but thanks to the efforts of Shetland Film Club, and in particular their perseverance, the showing was ultimately completed.

Shetland Film Club undertook all the management arrangements for this event.

Hnefatafl Workshops – Shetland Museum and Archives – 22nd June

Workshops centered around the playability and rules of the ancient game of Hnefatafl – a Viking board game.

The workshops were delivered by Peter and Janet Kelly from Fetlar who have helped resurrect the game, subsequently holding the ‘world championships’ on the island earlier this year.

Although well promoted as part of the Johnsmas Foy the turn out for the actual workshops was disappointingly low. Most of those registering interest were simply individuals who happened to be passing through the museum at the time, rather than ones specifically signing up for the workshops themselves.

However some level of interest was generated via this route, especially among tourists visiting the museum, together with a handful of local players who did participate during the day.

Attendance approx 20 across all three workshops (36 places each)

No particular problems were experienced during the arranging of this event.

Fetlar Foy – Promoted by the Fetlar Foy Committee – 20th June

The Fetlar Foy committee had been offered a small financial grant from the SIC Economic Development Unit toward promoting a Viking ‘content’ at this year’s Foy on the island.

However repeated attempts to get them to fully quantify what this would constitute in order to make an associated application for the promised grant aid failed to solicit an effective response.

The co-ordinator ultimately gave up seeking to achieve an effective outcome so (to the best of my knowledge) this element of the Johnsmas Foy did not take place as planned.

Mavis Grind Foy – Promoted by the Mavis Grind Foy Committee – 28th June

A similar difficulty to that experienced when dealing with the Fetlar Foy occurred with this Foy too.

With only two weeks to go before the event the NMF committee had still not fully decided what their Viking ‘content’ would be in order that they could move forward and make a grant application to the SIC Economic Development Unit to support this.

Again repeated attempts failed to fully clarify the position. However it is believed that a replica galley and a Jarl Squad from the North Mainland did indeed participate in the Foy and that the NMF committee eventually made an application for a small support grant in this respect.

Shetland Flag Day – 21st June

This element of the Foy was promoted almost exclusively by the SIC Economic Development Unit, so the actual outcomes are largely unknown to myself.

However a relatively successful photo competition was promoted alongside the flag-day and although entries were perhaps low in number the quality of those that were received was of a reasonably high standard.

A winner and two runners up were chosen from these entries and they were presented with their prizes at the Shetland Museum and Archives, where the winning entries were also on public display.



Jazz Brunch – Shetland Museum – 21st June

This proved to be a very popular event in 2008 and again proved likewise this year.

Young schools-based jazz group Norman & the Folding deckchairs performed in the upstairs foyer area of the Shetland Museum and Archives, attracting a significant number of visitors.

No problems were experienced arranging this element of the Foy.

Attendance approx 60.



Islesburgh Photographic Exhibition – Promoted by Islesburgh Photographic Club.

The long established Islesburgh Photographic Club held their annual Johnsmas Exhibition during this year's Foy.

For this year's exhibition they adopted a 'Viking Shetland' theme, turning out a very high quality exhibition of around 30 separate and very diverse images.

Although actual visitor numbers are unknown, mainly due to the normal level of general public access to the building, it is expected a high number of individuals would have had access to and viewed this display.

No problems were experienced arranging this element of the Foy.

General Events

In addition to those core events detailed in this report, a number of ancillary / associated events or initiatives took place during the 2009 Johnsmas Foy. These were not the direct responsibility of the coordinator but did come under that remit to generally ensure their effective marketing and delivery as an integral part of the Johnsmas Foy programme. These included:

- The Viking book exhibitions in the Lerwick library and Shetland Times Bookshop
- Ranger guided walks around Shetland courtesy of Shetland Amenity Trust.
- Lerwick historical walks with Douglas Sinclair.
- Shetland Half Marathon
- Afternoon sails on the MFV 'Swan' courtesy of the Swan Trust
- Viking Galley Workshop courtesy of the Shetland Museum and Archives (10 attendees)
- Up Helly Aa Exhibition courtesy of the Lerwick Up Helly Aa committee.
- Viking Trail leaflet courtesy of Shetland Amenity Trust
- Johnsmas Cup Yoal Race
- Lerwick Summer Carnival

No specific details of the above including audience attendances are to hand, although it is hereby confirmed that all took place in association with the Johnsmas Foy 2009

Flavour of Shetland

I have not provided an over-view of this event due to the fact it was organised directly by the SIC Economic Development Unit. It clearly was an outstanding success however and for many is viewed as a highlight of Shetland's summer social activities.

Cancelled Events

A number of events initially planned as part of the Foy programme did not take place this year. These included:

- Viking Film Night – 'The Raven Flies' and Noggin the Nog
- Viking Unst Trail
- Sixareen Trips Around Lerwick Harbour
- Alting Debate
- Evening Sails on the Dim Riv
- Service for Lost Fishermen
- Scandinavian Food Week
- Boat Building and Repair in the Shetland Museum and Archives
- Shetland Rugby Seven
- Parade of Boats
- Shetland Youth Jazz concert

Coordinator - Work Interface with Promoters

The programme coordination for the 2009 Johnsmas Foy proved to be a challenging but generally straightforward process with no major difficulties experienced. Any difficulties that were experienced are detailed earlier in this report and are not unusual in terms of this type of event where so many elements come into play more or less simultaneously.

Support from, and partnership working with, both the lead team from the SIC Economic Development Unit and additional promoters such as Shetland Arts and Shetland Amenity Trust proved to be a very positive working experience, with again few if any significant problems experienced in this respect.

Co-operation and support in general from all parties (over and above those detailed above) proved to be largely very acceptable and ultimately a positive one in terms of outcomes.

In terms of positive marketing of the event it would perhaps have been advantageous to have the website and hard copy programme available at an earlier juncture, but this is hopefully an issue that can be considered and improved upon for future events.

As mentioned earlier there remains a public identity 'conflict' between the wider Johnsmas Foy programme and the Flavour of Shetland event that may also merit further consideration in future.

Conclusions

The 2009 Johnsmas Foy can generally be viewed as being a much appreciated success, with most events reasonably or indeed very well attended, especially given that so much cultural activity was promoted over a relatively short period of time, the larger percentage of which of course took place in Lerwick.

The results and findings set out in brief terms in this report hopefully highlight some of these successes and help shed the promotion of future events of this nature in a positive light.

Inevitably there are also some negative issues to consider, including perhaps particular events that did not work so well in terms of audience attendance. However, the underlying reasons for any failure to attract a greater attendance at a specific event are often unclear or unproven, and given a different set of circumstances such events may work differently or better next time around.

Marketing issues such as programme production timing, the website launch timing and the ongoing public perception of what actually constitutes the Johnsmas Foy are also worthy of further consideration in future.

An official and high profile 'programme launch' earlier in the year, supported by the website at least, may be an effective 'tool' for further raising the profile and identity of this particular event. This approach could also have meaningful and positive impact outwith Shetland in terms of attracting additional visitors to the event.

However it is clear that the Johnsmas Foy remains a much valued, appreciated and well supported programme of local events.

David Gardner
Programme Coordinator
Johnsmas Foy 2009

23rd November 2009

Atlantic Edge Music Services

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Researching and Investigating the Johnsmas Foy Brief

Prepared on:
08 January 2010

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1.0 **Background**

- 1.1 Shetland is host to many events and festivals across a number of different themes on annual basis. It is also regularly involved in hosting larger, one-off events.
- 1.2 These range from events and festivals which attract international visitors and media coverage to smaller events which are local or regional but are of significance to the local community and attract local interest and visitors. These are developed, coordinated, managed and funded in a number of different ways.
- 1.3 Shetland is being increasingly recognised and has the potential to be celebrated as one of the most creative and cultural island communities in the world. Our ambitions are reflected in our [Shetland Cultural Strategy](#) which recognises our cultures, traditions and creativity. Our [Economic Development Policy Statement](#) which reflects our policies and priorities for a achieving future success for the community. [Shetland.Org](#) is our Shetland portal website.
- 1.4 Major events staged include the internationally renowned [Shetland Folk Festival](#), [Wordplay](#) and [Screenplay](#) (our book and film festivals), [Fiddle Frenzy](#), [The Johnsmas Foy](#), [Flavour of Shetland](#), [Shetland Food Festival](#) and [Up-Helly-Aa](#). Looking ahead: 2010 marks 30 years of the Shetland Folk Festival, it is the year Shetland invites all those with a Shetland connection back for our 'Hamefarin', an event which takes place every 25 years; in 2011 Shetland's capital, Lerwick, is host to [The Tall Ships Races](#) for the second time and the year that will see [Mareel](#), Shetland's new £12.1m music cinema and education venue open; and in 2012 Shetland is planning a major project [A Hansel of Light](#) - a celebration of the arrival of the Olympics to the UK.
- 1.5 The Johnsmas Foy has been held on 5 occasions as an annual mid-summer celebratory event across Shetland since 2005. It is funded and coordinated by Shetland Islands Council's Economic Development Unit and a variety of Foy events are managed by a cross section of agencies and other Council departments. During 2010 and 2011 the event will not take place due to other commitments held by the Council. As a result, combined with a desire of the Johnsmas Foy Steering Group, it is felt that this presents an opportunity to investigate, assess and analyse the event in detail to inform future development options.
- 1.6 [Shetland Islands Council](#) now invites Tenders from individuals or companies interested in researching the Johnsmas Foy in order to guide the future direction of The Johnsmas Foy as an event. This will require close partnership working with the Johnsmas Foy Steering Group, local agencies and other event organisers in Shetland.
- 1.7 It is expected that the work involved in this will be challenging and thus interested parties should have considerable experience of delivering consultancy projects involving strategic research work with an events background.

2.0 Project Aim and Objectives

2.1 The strategic aims of the project are:

- Investigate the Johnsmas Foy from an economic and social perspective and consider its viability as an ongoing event
- To provide a strategic framework for the possible future development of The Johnsmas Foy
- To identify a sound financial and personnel resource framework for the possible coordination and development of The Johnsmas Foy considering best methods of delivery and potential lead organisations and/ or partnerships
- Identify the links between the Johnsmas Foy and other events and festivals held in Shetland.

2.2 The objectives of the project are to:

- Address areas of strengths and weakness in connection with how the event is funded, organised, planned, promoted and executed
- Identify and highlight areas of opportunity for adding value to the event
- Clearly define the financial and personnel resources required to improve the organisation and execution the Johnsmas Foy and its delivery mechanisms.

3.0 Research Scope

3.1 The research work should take into account:

- Analysis of the origins, date, nature and rationale of the Johnsmas Foy as it has been held since 2005
- A review of the mechanism for currently managing, promoting, organising and funding the event to date
- Detailed consideration of the potential for the festival into the future, how it may be developed and how it should be managed, promoted, organised and funded
- Existing local and national development policies notably the EventScotland 'A Perfect Stage' strategy and the current ongoing Shetland Events and Festivals Strategy research project.

4.0 Use of the Report

4.1 The report will form the basis of a presentation which will be made to the local authority, community planning partners through the Shetland Cultural Strategy Partnership and others which will be used to determine the best course of action for the future of the Johnsmas Foy as an event.

5.0 Work Outputs

5.1 The following outputs are expected:

- Conduct interviews with people and organisations as relevant, and in particular the Johnsmas Foy Committee and carry out research to a high standard
- Specify and cost the measures that need to be undertaken to carry out the research and development of a draft strategic document
- Regular liaison with staff at Shetland Islands Council and other bodies to discuss specific detail in the development phase of the project.

6.0 Skills Required

6.1 The following skills are required for the project:

- Track record of developing projects of a strategic nature preferably within a cultural events field
- A good understanding of events and festivals in the UK and a wide variety of contacts and networks
- An understanding of strategic business planning
- The ability to gather primary and secondary data, collate relevant information and present in an easy to read format.

7.0 Timing Requirements

7.1 The project will be conducted over the period 11th January 2010 through to preparation of a draft strategy for completion by 31st March 2010. The following milestones will apply to the project:

- | | |
|--|--|
| ▪ 21 st January – 11 th February | Discussion and consultation with interested parties |
| ▪ 12 th February | Receipt of submissions |
| ▪ 13 th -17 th February | Submissions scored and successful party contracted |
| ▪ 18 th February | Project commences, arrangements tbc |
| ▪ 16 th April | Draft report presented |
| ▪ 30 th April | Comments received and report finalised |
| ▪ 10 th June | Presentation to Shetland Islands Council Development Committee |

7.2 Should you be interested, a written (hard copy or electronic) proposal to undertake this project should be submitted to reach Shetland Islands Council's Economic Development Unit by Wednesday 28th January 2010 by 1700hrs.

7.3 You will be informed of the outcome of your proposal on 1st February 2010.

8.0 Resources Available

8.1 An indicative budget has been established amounting to £5,000 inclusive of expenses, but excluding VAT.

8.2 Should you believe the project will exceed this amount, you are requested to provide details of the costs to undertake the project according to the brief, as well as suggesting a revised specification which could be achieved within the available budget.

8.3 Support will be provided regards provision of specific event information for the purposes of background. Support will also be available in arranging and scheduling interviews and through provision of meeting space to conduct some of these.

9.0 Project method

9.1 Your proposal should clearly define:

- The approach and method to be employed
- The method by which the project team will report on progress
- How check back analysis of work-in-progress will be carried out
- A timetable highlighting the key stages of progress
- A breakdown of costs including day rates of each member of the study team and associated expenses as well as total professional fees
- The profiles of individual members of the team, their roles and previous, relevant experience.

10.0 Criteria for Assessment of Proposals

10.1 Proposals will be principally assessed on their direct application to the aim and objectives of this study. You are therefore requested to gain a good understanding of the brief.

10.2 Proposals will be assessed thus:

- 50% on content, understanding and relevance to the aim and objectives of the project
- 25% on cost and
- 25% on quality, experience and track record of previous projects.

10.3 Suggestions for the inclusion of innovative aspects or additional, relevant, research areas to those outlined in the brief document will be considered.

11.0 Contact Details

11.1 Requests for further information in connection with this brief should be directed to:

Neil Henderson – Principal Officer Marketing, Shetland Islands Council
Telephone: 01595 744 960

Johnsma Foy Expenditure (RRD5038) 2008/09 and 2009/10

Code	Description	Budget 2008/09 £	Actual 2008/09 £	Budget 2009/10 £	Actual to date 2009/10 £
Expenditure					
RRD50381050	Hire/Rent Prop	0	677	1000	1103
RRD50381200	Equipment Purch	0	0	700	468
RRD50381222	Consumables	500	155	0	702
RRD50381360	Miscellaneous	500	456	2000	911
RRD50381361	Cont/hired/svs	0	0	13500	15665
RRD50381470	Travel Costs	500	6376	7000	3824
RRD50381486	Trans Hird&Cont	30000	30903	8800	895
RRD50381500	Printing	0	0	7000	6583
RRD50381505	Advertising	16000	14614	12000	2928
RRD50381662	Subsistence	500	3312	3000	1713
RRD50381760	External Consultant	0	225	0	0
RRD50382402	Grnt O/Oth Bod	2000	2000	2000	0
Total Expenditure (Excluding Internal Recharges)		50000	58718	57000	34792
Income					
RRD50384230	Misc Income	0	-4435	0	-2754
Total Income		0	-4435	0	-2754
Total Net Expend Excl Internal Recharges)		50000	54283	57000	32037



REPORT

To: Development Committee

21 January 2010

From: Head of Business Development

DV008-F **Delegated Assistance Schemes and Delegated Authorities**

1.0 Introduction

- 1.1 This report has been prepared so that the Development Committee can reconsider and amend the Council's package of delegated schemes and delegated authorities that exist in the Economic Development Unit. In particular, the Committee is asked to include a delegated scheme for loans to purchase whitefish quota. This scheme was operated previously with delegated authority from the Shetland Development Trust.

2.0 Links to Corporate Plan

- 2.1 The more effective decision making enabled by delegating the approval of smaller amounts of assistance to service level helps to achieve the Sustainable Economy Action Area of the Corporate Plan. Without delegated authority the Development Committee would have to take all the decisions and would have a lot less time to concentrate on more strategic issues such as policy making.

3.0 Risk Management

- 3.1 As this report concerns the clarification of the decision making process relating to assistance awarded by the Council to third parties, it seeks to ensure that proper procedures are in place to award such assistance. A particular risk is that the delegated authority may be misused in the process. However, this risk is mitigated by regular reporting of the assistance awarded to the Committee and then communicating these details to the media.

4.0 Background

- 4.1 Procedures to award assistance under delegated process have existed in the Council since the early 1980's. This particular Committee discussed the arrangements that are now in place on 5 June 2008 (Min. Ref. 14/08/) and it is now time to check that the Committee still agrees with the schemes and levels of delegated authority.
- 4.2 A list of all the delegated grant schemes that are in place is given in appendix one. This list includes a summary of the awards of grant made in 2008/09 and up to the beginning of January in the 2009/10 financial year. More details of these awards were/are given regularly to the Committee in the public activity reports.
- 4.3 With regard to the Whitefish Quota Loan Scheme, a delegated authority previously existed from the Shetland Development Trust to the General Manager of the Trust so that these loans could be awarded without the delay of waiting for decision taking at Trust meetings. Opportunities to purchase additional whitefish quota arise occasionally and need to be followed up quickly if there is to be any chance of securing these important assets. Quick decision taking on the financial support package for purchasing additional quota is therefore essential. Now that the operation of the Trust rests with the Council it is considered appropriate for the Council to consider its own delegated authority to the Head of Economic Development. Details of the Whitefish Quota Loan Scheme are provided in appendix two.
- 4.4 In addition to the delegated schemes there is a Discretionary Delegated Authority that rests with the Head of Economic Development, in consultation with the Chairperson of the Development Committee (or the Vice Chairperson if the Chairperson is not available), to award sums of grant up to a ceiling level of £25,000. Further Discretionary Delegated Authorities also rest with the Head of Business Development and the Financial Controller for grants under a ceiling of £5,000. All decisions taken under delegated authority must comply with the policies listed in the Council's Economic Policy Statement 2007-2011 (Development Committee Min. Ref. 02/08)

5.0 The Objectives of the Whitefish Quota Loan Scheme

- 5.1 The objective of the Whitefish Quota Loan Scheme is, through commercial investment, to build up the levels of quota held by fishing businesses in Shetland in an attempt to improve the net worth of these businesses so that they can be more resilient to changing economic circumstances. In time ownership of higher levels of quota should also improve the profitability of the local whitefish fleet with benefits to ancillary trades as well. As the loans are fully secured on the purchased quota, any default will lead to quota ending up in Council ownership. Such quota could then be sold by the Council or added to the existing quota owned by the Council.

- 5.2 For example, over a period of ten years, assuming that £2,000,000 is invested in quota, then the annual catching from this would be worth around £500,000. This would result in a full induced annual benefit in the Shetland economy of £665,000 and 15 jobs. As the loans are repaid the businesses will strengthen their balance sheets with any defaulted loans ending up with the quota in the Council's ownership.

6.0 Proposals

- 6.1 It is proposed that the system of delegated schemes and delegated authorities is confirmed, as detailed in appendices one and three of this report.
- 6.2 It is further proposed that the Whitefish Quota Loan Scheme is adopted as it is explained in paragraphs 4.3, Section 5 and appendix two of this report.

7.0 Financial Implications

- 7.1 There are no direct financial implications arising from this report. The delegated schemes and delegated authorities will be administered using existing reserve fund budgets, as adjusted in the annual budgetary exercise. So far in this financial year only one loan of £157,500 has been approved for quota purchase and has been coded to RRD 22002701, Quota Licence Development and Equity. For the 2010/11 budgets the format for loans still has to be worked out and is likely that there will be a single loan code covering all types of loans. This detail, together with the sum of the loans budget, will also be finalised at the end of the annual budgetary exercise.

8.0 Policy and Delegated Authority

- 8.1 As the content of this report relates to so many economic development schemes and processes it is appropriate to say that it has been prepared under the main aim of the Council's Economic Development Policy Statement, "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 Economic Development Policy Statement was approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).
- 8.2 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 contents of this report is covered by existing policy, the Development Committee does have delegated authority to make a decision.

9.0 Conclusion

9.1 While all assistance awarded under delegated schemes and delegated authority is reported regularly to the Committee, it is still appropriate for the Committee to have an opportunity to consider the general situation of awarding assistance to third parties under delegation and to confirm, or otherwise, that it wishes this system to continue. Undertaking economic development work without a system of delegated authority would be a cumbersome process and therefore the system should be continued.

10.0 Recommendations

10.1 I recommend that the Development Committee:

- a) Continues the delegated schemes and delegated authorities detailed in appendices one and three attached to this report; and,
- b) Approves the Whitefish Quota Loan Scheme, specified in appendix two, paragraph 4.3 and Section 5 of this report, as a delegated scheme.

Our Ref: KLM/DI
Date: 13 January 2010

Report No: DV008-F

**Shetland Islands Council
Economic Development Unit
Delegated Schemes**

Economic Research Assistance Scheme

The aim of the Economic Research Assistance Scheme is to assist in economic research at the initial stages of impact of new processes or products to be added or introduced into Shetland. It also considers the potential for new business opportunities in Shetland. The assistance rate is 50% for applications from third parties.

Eligibility

The proposal must be for a business to operate in Shetland and should contain one or more of the following elements:

- Diversification or expansion of products, especially those destined for export from Shetland.
- Innovation and new ideas in a Shetland context.
- Application of new or existing technology to assist the efficiency of Shetland businesses.
- Proposals which will enhance the environment or lessen industrial impact.
- A new business opportunity that has the potential for establishment in Shetland.
- Where there is the potential for inward investment providing business location is in Shetland.
- Where a process can lead to import substitution thereby improving the balance of the Shetland economy.

2008/09 Approvals – 10 projects were awarded £109,662

2009/10 Approvals (so far) – 8 projects have been awarded £58,750

Agricultural Shows Scheme

Financial assistance is available to Agricultural Societies/Associations in Shetland towards the cost of the construction of premises and the provision of equipment, all for the purposes of their annual shows. Eligible expenditure can be assisted at a rate of 25% up to a maximum project cost of £5,000.

There have been no approvals either in 2008/09 or in the current financial year.

Agricultural Contractors Scheme

Grant assistance is available under this scheme to assist agricultural contractors in the purchase of agricultural machinery and equipment. The grant will only be available to agricultural contractors based in and operating within Shetland. Agricultural machinery and equipment new to the contracting business will be eligible for grant. Second hand machinery and equipment may be considered for assistance. Such machinery must be inspected or certified as fully serviceable to last a period of five years by an independent engineer. All eligible projects may receive total Council grant assistance of 25%. Grant assisted machinery and equipment must be used solely for agricultural contracting purposes. The 25% grant is limited to a maximum of £15,000 per business per financial year (April – March).

2008/09 Approvals – 4 projects were awarded £34,286

2009/10 Approvals (so far) – project has been awarded £4,700

The Shetland Rural Development Scheme (SRDS)

This scheme provides assistance towards improving the infrastructure of small to medium scale agricultural businesses operating in Shetland when assistance is not available under the Scottish Governments Crofting Counties Agricultural Grants Scheme (CCAGS).

The value of grant assistance paid under the scheme was £29,940 in 2008/09 and so far £43,983 in 2009/10. Each year ten businesses received assistance towards projects which included fencing, building improvements, potato harvesting equipment and ditching.

The Shetland Agricultural Business Scheme (SABS)

This scheme aims to promote and encourage agricultural development throughout Shetland. Assistance is available to individual agricultural businesses towards five projects: lime application, fertiliser application, arable crops, rearing heifers and bull improvement.

The scheme is operated in compliance with the European Commission de minimis aid regulation and has a ceiling of 7,500 euros per eligible business during any three-year rolling period.

In 2008/09 the total value of grant paid under the scheme was £93,183 with 177 businesses receiving assistance and in 2009/10 a total of £104,868 has been paid to 156 businesses

Fish Factory Improvement Scheme

It is important to understand that Fish Factory Improvement Scheme funding is only available to projects that have been awarded European Fisheries Fund (EFF) assistance. Evidence of a successful EFF application must be provided before Council funding can be claimed.

Grants are available under this Scheme to improve fish factories based in Shetland.

New processing machinery and equipment and also the construction, improvement or extension of fish factories may be eligible for grant.

In essence the Scheme is in abeyance at present until the Council attains European Commission approval to register and operate a scheme that would be of more benefit to the fish processing industry. The process of registering such a scheme will begin once the current state aid investigations relating to fisheries have been concluded. All EFF applications are currently match funded using Discretionary Delegated Authority, which is less confusing to applicants

Marketing Development Programme

The Marketing Development Programme is designed to assist businesses that are developing commercial products and services to benefit the Shetland economy. Assistance is targeted towards projects where there is a clear risk and benefit involved such as a promotional campaign for a new product launch, promoting products in new markets, developing e-commerce capabilities for the first time, paying for bespoke or published market research or undertaking a formal, structured market development investigation. Grant is paid at the rate of up to 50% of the actual eligible expenditure, subject to a maximum allocation of £10,000/year per applicant in each Council financial year, which runs from 1 April to 31 March. A higher award may be considered in exceptional circumstances. To qualify for assistance, marketing project costs must exceed £1,000. This does not apply to new business start projects.

2008/09 Approvals – 38 projects were awarded £103,787

2009/10 (so far) - 31 projects have been awarded £156,086.50

Rural Shop Improvement Scheme

Under this Scheme, grants are available to improve rural shops in Shetland. Assistance is only available towards the cost of capital projects. Grocer/general merchant shops and/or post offices and filling stations with a range of stock acceptable to the Council are eligible to receive assistance. Assistance to post offices and filling stations will only be provided on the basis of established need.

Eligible Improvements include:

- Shelving
- Refrigerated displays, refrigerated counters and deep freezers
- Tills, scales and similar equipment
- Shop vans
- Fuel pumps and accessories
- Floor coverings
- Other minor internal and external improvements

2008/09 approvals – 18 projects were awarded £88,288

2009/10 approvals (So far) – 12 projects have been awarded £49,101

Shetland ISA Recovery Scheme

The Shetland ISA Recovery Scheme has been introduced to stimulate research and Development in Shetland's salmon farming industry impacted by the outbreak of Infectious Salmon Anemia (ISA) in 2009. It exists to provide part of the Member State contribution for applicants under the EFF Aquaculture Scheme (ISA Support).

Eligibility

Only companies operating in the ISA Zone or who can prove a significant impact from the ISA Restriction may apply.

Eligible projects:-

- Collective actions
- Pilot projects
- Promotional and development of new markets
- Promotional campaigns
- Innovation and new ideas in a Shetland context.
- Application of new or existing technology to assist the efficiency of Shetland businesses.
- Proposals which will enhance the environment or lessen industrial impact.

Limit of grants are 8% of approved costs, either from Council funds or shared with other bodies. Any higher levels of assistance sought, either in terms of percentage or amount, would be subject to submission to Development Committee for consideration. Grants will only be awarded as a member state contribution towards EFF funded projects.

The scheme will operate until 2012. All applications must be submitted by 30 July 2009.

There have been no awards of grant under this scheme so far.

Tourism Financial Assistance Scheme

Financial assistance is available towards:-

- (a) The significant permanent improvement of and upgrading and equipping of facilities for visitors in existing accommodation and establishments. This includes establishments seeking to achieve a higher classification or grading award under the VisitScotland Star Grading Scheme.
- (b) The extension of existing accommodation establishments in order to provide significantly upgraded facilities and / or additional accommodation for tourists. This includes establishments seeking to achieve a higher grading under the VisitScotland Star Grading Scheme.
- (c) The provision of premises in order to provide quality new serviced accommodation for receiving visitors. This will include the construction and equipping of new premises or the alteration, improvement and upgrading of existing buildings in order to provide this accommodation.
- (d) The construction, renovation, alteration and equipping of premises to form restaurant, cafe and coffee shop facilities for tourists.
- (e) The construction, renovation, alteration and equipping of premises to form craft, souvenir and other retail premises for tourists.
- (f) The provision of new high quality venues, activities and services tailored to meet specific tourism markets, particularly where they encourage visitors to experience Shetland's unique selling features such its natural, built and cultural heritage, products or produce.

The Scheme will operate through the provision of up to 30% grant funding up to a maximum of £45,000.

2008/09 Approvals – 3 projects were awarded £36,225

2009/10 Approvals (so far) – One project has been awarded £14,250

Shetland Islands Council Economic Development Unit

Whitefish Quota Loan Scheme Guidelines for Applicants

General

The Whitefish Quota Loan Scheme involves the consideration of loans to fishing business engaged in whitefish for the purchase of whitefish quota. It aims to improve the value of these businesses and make them more resilient to the short term fluctuations in catches and price that prevail in the industry. Beyond the impact on individual businesses, the scheme seeks to achieve economic development policies that will strengthen the fishing industry and related ancillary activities in Shetland.

Definition

In the context of this scheme, a “business” means a fishing partnership or fishing company that exists to fish for whitefish and is based in Shetland.

The Measure

Based on fully commercial objectives, the scheme will consider applications for loans of up to 75% of the cost of whitefish quota, under a ceiling level of £200,000. It is essential that the remaining funding must be derived directly from the business and/or its shareholders.

Eligibility

Applications for loans are invited from businesses with whitefish vessels registered and operating from Shetland, that can comply with all of the conditions of this scheme.

Delegated Authority

The Head of Economic Development has delegated authority from Shetland Islands Council to approve loans to businesses under the conditions of the Scheme.

Security

The Council will secure lending against the quota. The quota, once purchased will be ring fenced and held outside any existing securities involving secured creditors owed by the business. This will be done by the use of an Assignment and/or Deed of Release whereby any secured creditor must agree to the Council holding full security over the quota for the period of the loan. Once the loan is repaid in full the quota will fall under any existing Floating Charges and increase the value of assets of the company and security for any existing secured creditor.

Assessment

Loans will only be made to partnerships/companies that can demonstrate viability through the production of acceptable projections and historic data on the leasing of quota. Loans will only be approved where the partnership/company can demonstrate a direct benefit to a named fishing vessel to which the quota is attached. The quota must be held with the SFPO pool.

Repayment Options

Each loan will be repaid to the Council over a maximum period of 10 years. Shorter term loans will be offered where the partnership/company can demonstrate its ability to meet loan repayments similar to the cost of leasing costs for quota being historically hired by the partnership/company.

The borrower will pay back interest and capital during the period of the loan.

Conditions

All loans approved will be consistent with Council policy and all conditions in the Deed of Conditions, where appropriate, will apply to each case. In addition the following guidelines have been identified as necessary for a loan approval:

- Applicant must provide evidence that all other secured creditors have given approval for the Council to hold full security over the quota to be purchased outwith any existing Floating Charge or any other security arrangement.
- Should the applicant wish to sell the quota during the period of the loan they must seek prior authorisation from the Council.
- The purchase price of the quota must be independently verified that it is in line with the current market value.
- Each applicant must agree to supply accounts annually for the period of the loan.
- The quota must be purchased through a local fishing agent.
- Applicants must submit written evidence of their partnership agreement or incorporation.
- Applicants must provide satisfactory written evidence that the quota will be held within the Shetland Fish Producers Organisation (SFPO).
- Applicants must provide evidence of the minimum 25% of the quota cost from existing business funds or from funds being introduced into the business by the applicants.

Interest Rate

The interest rate applied to each loan will be in accordance with the current interest rate policy as approved by the Shetland Development Trust on 17 July 2003 (Min Ref 62/03), and updated on 26 February 2007 (Minute Ref 07/07). The interest rate applied will be above the European Reference Rate. Each loan will be approved at a fixed rate of interest according to SDT interest rate policy at the time the loan is granted.

Contact Details

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Discretionary Delegated Authority

Economic Development Projects

The purpose of the Discretionary Delegated Authority Scheme (DDAS) is to provide funding for projects that will help the Council to achieve policies and targets set in the Council's Economic Development Policy Statement 2007- 2011. Such projects will lie outside the scope of other existing Economic Development schemes. Assistance approved will be under a ceiling of £25,000. Requests for larger sums will be referred to the Development Committee for a decision.

2008/09 Approvals – 86 projects were awarded £597,742

2009/10 Approvals (so far) – 66 projects have been awarded £534,976



REPORT

To: Development Committee

21 January 2010

From: Head of Business Development

Report No: DV007-F
Shetland Hamefarin 2010 – Progress Report

1.0 Introduction

- 1.1 This report has been prepared to inform the Development Committee of the progress being made to organise the 50th anniversary Shetland Hamefarin, between 14 and 26 June 2010. Details of all the events that are planned are contained in the report. Recommendations are made to increase the budget for the Hamefarin and to run Flavour of Shetland as an independent event within the celebrations.

2.0 Links to Corporate Priorities

- 2.1 The Corporate Plan includes a policy relating to events which states that we will “Develop, support and improve events, in and beyond Shetland, that build Shetland’s reputation and reinforce confidence in the community and organise Shetland Hamefarin 2010”

3.0 Risk Assessment

- 3.1 Identifiable risks associated with this project are:
- One of reputation for the Council and the community of Shetland if the Hamefarin turns out to be less than the expectations of the 500 visitors; and,
 - Unexpected costs that may arise from the complexity of the arrangements

4.0 Background

- 4.1 Shetland has always placed a high value on keeping in touch with people who have emigrated from the isles and their descendants. We also try to maintain ties with many people who have arrived here to work for periods over the years. The first Hamefarin was organised in 1960, following an exodus of people in the 1950s and at a time when

Shetland's future prospects looked to be poor. Links and legacies from the 1960 event are still evident 50 years later and these have been reinforced by a silver anniversary in 1985 and a more limited millennium event. There have also been two return events organised in New Zealand, where over 50,000 people can trace a family link back to Shetland. The events give returning people an opportunity to investigate their family history, to enjoy the culture and heritage of Shetland and to experience the progress that has been made in Shetland over the last 50 years.

4.2 Shetland Hamefarin 2010 was devised in 2006, with the Council taking a central role in organising the event through the Economic Development Unit. This was agreed by the Executive Committee on 5 December 2006 [Min. Ref. 51/06]. Since that time a non-executive committee involving the people and organisations identified in Appendix I has been busy organising the event under the chairmanship of the Convener. Shetland Hamefarin 2010 seeks to build on the model of previous hamefarin festivals and has the following aims:-

- To provide an opportunity for people with Shetland connections to return and re-establish links with relatives and friends;
- To promote the modern culture, heritage and vibrant communities of Shetland to people who have not visited Shetland before;
- To ensure that all Hamefarers leave Shetland with a favourable impression of the islands, can act as ambassadors for Shetland and become customers for Shetland produce;
- To enable people to trace their Shetland family roots; and,
- To send a message that all people with Shetland connections are welcome to return at any time.

4.3 The current schedule of events is shown in Appendix two and progress on activities is detailed below:

- Transport and Accommodation – Northlink Ferries have offered to retain 210 berths for specific evenings in June. Discussions are underway with Flybe/Loganair to anticipate any pressure on flights to and from Shetland at the time. Peter Leask and Sons are acting as an agent for visitors seeking accommodation.
- Local Area Coach Trips – 8 local trips are being planned during the holiday fortnight and there have been two workshops with various history groups to organise these, with a third planned a few weeks prior to the Hamefarin. It is difficult to finalise the detail of these trips until more precise numbers are known. This will only become clearer by April after the first tickets have been sold.
- Website – The preparation of the Hamefarin website, Shetlandhamefarin.com linked to email communication has enabled easier contact to be made with prospective hamefarers. Our online survey has revealed that around 500 people are very interested in travelling to Shetland for the event. It also showed that the main activity that hamefarers are interested in is Up-Helly- Aa.

- Hamefarin Club – A Hamefarin Club is being organised in Islesburgh Community Centre to run for the whole duration of the Hamefarin. This will be the information hub for the event and will host numerous small cultural and heritage related activities on a daily basis for people who have less interest in the bus trips.
- Shetland Museum and Archives – A full programme of activity involving a Hamefarin exhibition and a series of lectures relating to Shetland and Hamefarin topics.
- Clickimin Leisure Complex – The centre will be hired for the bigger events such as the opening ceremony, the concert, the dance and the final celebration.
- Concert – This is being organised by the Shetland Folk Festival Society and takes the form of a tribute to the late Dr Tom Anderson, celebrating the best of Shetland music. The concert is at an advanced stage of organisation.
- Dancing – The Hamefarin dance is being organised by the Shetland Fiddle and Accordion Society and is also well advanced in its preparation.
- Final Celebration – Again the Folk Festival is organising the activities inside Clickimin while the Lerwick Up-Helly-Aa Committee is organising a full Viking parade and galley burning as a finale.
- Hamefarin Books – A first draft of the emigrants book has been written by Laughton Johnson and work is also at an advanced stage on a book/cd of Shetland dialect being prepared by Shetland For Wards and EDU staff.
- Hamefarin Quilt – So many squares have been made that a second quilt is almost an inevitability!
- Worship – Lerwick Church of Scotland and the Methodist Church are organising services for the Hamefarers and the Methodist Church is organising its own exhibition for the Hamefarin.
- Sport – Work is underway to link the Hamefarin with the Junior Inter County, which takes place in the middle of the Hamefarin. There are thought to be a number of prospective hamefarers who competed for Shetland in the Junior Inter County and may wish to support Shetland while they are here. In addition, the Shetland Simmer Dim Half Marathon will take place at this time.
- Promotional Material – A tendering exercise has been completed for the promotional materials and this work has been awarded to a combined tender from Shetland Litho and TayCad Ltd.

- Ticketing – Tickets for the Hamefarin events are to be sold beginning in February/March using the new Shetland Box Office, however should the online facility not be operational by then an alternative system will be need to be used.
- Newsletters – Quarterly newsletters have been sent to the prospective hamefarers and those who have shown interest in the event and these newsletters will now be issued monthly until the event. There are currently 700+ names on the electronic database.

5.0 Proposals

- 5.1 Now that planning is well underway for Shetland Hamefarin 2010, the cost of running the event is much clearer than the initial estimates given more than a year ago. A revised budget needs to be considered if the Hamefarin is to be delivered to the standard that has been offered and is now expected. In my last Hamefarin report to this Committee on 2 October 2008 I estimated that the net cost of Hamefarin 2010 would be £74,685. The revised net cost, detailed in Appendix III of this report is now calculated to be £111,990. As can be seen most of the additional expenditure has come about due to under estimations in the previous report relating to the Viking Parade, Promotional Activities and Drama. It is therefore proposed that the Development Committee agrees to increase the budget for the Hamefarin by £37,305 which can be met by virements from Shetland Promotional Costs RRD5031 to the new Hamefarin 2010 budget RRD5043.
- 5.2 From the outset of preparing for the Hamefarin in 2010 it has been planned to include the Flavour of Shetland event to showcase Shetland's food, music, crafts and culture in the middle part of the fortnight. The Flavour of Shetland event can also act as a meeting place where Hamefarers can meet people of old acquaintance. Members will recall report DV-097 presented to this Committee on 1 October 2009 [Min Ref 93/09] evaluating the success of the 2009 event. It is therefore proposed that Flavour of Shetland takes place during Shetland Hamefarin 2010.

6.0 Financial Implications

6.1 Spend to date

Since the initial approval in 2006 to hold the Hamefarin spending has amounted to £24,457 - £6,787 in the current financial year and £17,670 in previous years. A virement of £6,786 will be made from Shetland Promotional Costs RRD5031 to Hamefarin 2010 RRD5043 to cover spend to date in 2009/10 as no specific budget had been set up.

6.2 Remaining Spend

The remaining net costs of £87,533 will occur in the remainder of this financial year and in 2010/11. It is estimated that a further £16,394 will be spent in the current financial year which will be met by another virement from Shetland Promotional Costs RRD5031 to Hamefarin

2010 RRD5043. The remaining £71,139 to be incurred in 2010/11 will be met from Hamefarin 2010 RRD5043 subject to revenue estimates being approved and a virement of £21,139 from RRD5031.

- 6.3 It is important to understand that the full cost of the organising the Hamefarin also includes the time spent on the project by Council staff, which is not included in the budgets presented in this report.

6.4 Flavour of Shetland

The budget for Flavour of Shetland is included in the 2010/11 revenue estimates at £69,580, excluding internal recharges, and is coded to RRD5039. This figure is not included at Appendix III as it is an independent event.

7.0 Policy and Delegated Authority

- 7.1 This report has been prepared under Economic Development Policy number 25, "Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride", which includes events and specifically refers to Shetland Hamefarin 2010. The policy was approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).

- 7.2 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 Projected Visitor Spend

These figures are based on the 2006 Visitor Survey averages (relating to all types of holidaymakers) with annual inflation of 2% added to provide estimated figures for 2010. It can be expected that a visitor will spend £204.90 travelling between the Mainland and Shetland and will spend £315 while they are in Shetland. In 2006 a tourist on average stayed 5.8 evenings so therefore spent £54.31/day. The Hamefarers will stay for 14 evenings and are therefore estimated to spend £760.34 while they are here in addition to the average transport cost of £204.90. This comes to £965.24. So, 400 Hamefarers would spend in the region of £386,096 and 500 would spend roughly £482, 620. While perhaps as many as 50% of hamefarers will stay with relatives and friends, it is also known that staying with relatives leads to higher spend on other goods and services. For example if all 500 Hamefarers stayed with

relatives then the spend would be estimated at £512,950. Therefore we can expect Hamefarers will spend between £386,096 and £512,950 in Shetland this summer.

9.0 Conclusion

- 9.1 We are now entering the intensive period of work in the organising of the Shetland Hamefarin 2010 and more time will have to be spent on the event as the date approaches. It is extremely important that Shetland Hamefarin 2010 lives up to its billing as a major event in Shetland's history so that it acts as a catalyst for engaging with Shetland diaspora for generations to come and leaves the legacy that the 1960 event did.

10.0 Recommendation

10.1 I recommend that the Committee:-

- (a) Notes the progress being made to organise Shetland Hamefarin 2010;
- (b) Approves the additional budget for the event detailed in paragraph 5 together with the virements shown in paragraph 6; and,
- (c) Agrees that Flavour of Shetland takes place as an independent event during Shetland Hamefarin 2010.

Our Ref: DI/RF1139
Date: 14 January 2010

Report No: DV007-F

**Shetland Hamefarin 2010
List of Committee Members**

Sandy Cluness, Shetland Islands Council – Chair
Rick Nickerson, Shetland Islands Council
Douglas Irvine, Shetland Islands Council
Tommy Coutts, Shetland Islands Council
Nicola Halcrow, Shetland Islands Council
Elizabeth Angus, Shetland Family History Society
Douglas Sinclair, Shetland Family History Society
Carol Christianson, Shetland Museum and Archives
Ian Tait, Shetland Museum and Archives
Kirsty Clark, Shetland Museum and Archives
Stephen Mouat, Lerwick Up Helly Aa Committee
Mhari Pottinger, Shetland Folk Festival Society
Maurice Mullay
David Nicol, NB Communication
Representative, VisitShetland
Representative, Shetland Heritage Association
Representative, Shetland Arts

Appendix II

Shetland Hamefarin 2010 Schedule of Events (at January 2010)

Date	Event / Activity
Monday 14 June	Welcome to Shetland function – Clickimin Leisure Complex (afternoon) Shetland Emigrants book launch – Shetland Museum and Archives (evening)
Tuesday 15 June	Local Area Coach Trip (North Isles) Introduction to the Archives – Shetland Museum and Archives (afternoon)
Wednesday 16 June	Local Trip (Westside) Lecture on Crofting Life – Shetland Museum and Archives (afternoon) Tammy Anderson Tribute Concert – Clickimin Leisure Complex (evening)
Thursday 17 June	Local Area Coach Trip (North Mainland) Flavour of Shetland – Victoria Pier, Lerwick Methodist Church, Lerwick – Exhibition (6pm) Lecture on Emigration – Shetland Museum and Archives (evening)
Friday 18 June	Local Area Coach Trip (Whalsay and Skerries) Flavour of Shetland Methodist Church, Lerwick – Exhibition (10am-8pm) Lecture on Shetland Textiles – Shetland Museum and Archives (evening)
Saturday 19 June	Flavour of Shetland Methodist Church, Lerwick – Exhibition (10am-8pm) Shetland Field Studies Group – Guided Walk (Bressay) Mid Summer Carnival – Lerwick
Sunday 20 June	Flavour of Shetland Lecture on Brochs – Shetland Museum and Archives (afternoon) Shetland Field Studies Group – Guided Walk (Weisdale) Methodist Church, Lerwick – Exhibition (2pm-5pm) Methodist Church, Lerwick – Songs of Praise (6pm)
Monday 21 June	Local Area Coach Trip (Lerwick) Methodist Church, Lerwick – Exhibition (10am-5pm) Introduction to the Archives – Shetland Museum and Archives (afternoon) Lecture on Crofting Life – Shetland Museum and Archives (evening)
Tuesday 22 June	Local Area Coach Trip (South Mainland)
Wednesday 23 June	Local Area Coach Trip (Nesting and Vidlin) Lecture on Shetland Literature – Shetland Museum and Archives (afternoon)
Thursday 24 June	Local Area Coach Trip (Scalloway, Burra and Tingwall) Lerwick Boating Club – open evening
Friday 25 June	Lecture on Clearances – Shetland Museum and Archives (afternoon) Hamefarin Dance – Clickimin Leisure Complex
Saturday 26 June	Final Fling (inc Up Helly Aa parade) – Clickimin Leisure Complex



REPORT

To: **Development Committee**

21 January 2010

From: **Head of Economic Development**

**Report No: DV010-F
Mareel, Cinema & Music Venue
Sounding Board Feedback Report #8.**

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 Risk Management

- 3.1 This is an information report so there are no risks associated with the recommendations.

4.0 Background

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

- 4.2 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

4.3 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.”

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

4.5 The Sounding Board last met on 13 January 2010.

5.0 Activity/Progress

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

5.1.1 Project Funding

Shetland Arts have secured £12.112m of funding for the project as detailed below:

Confirmed Funding	£000s	
Shetland Islands Council	5,190	
Scottish Arts Council Capital Lottery Fund	2,120	
HIE	965	
Shetland Islands Council	965	
European Structural Funds	2,822	
Gannochy Trust	50	
	12,112	

5.1.2 Project Budget Summary

The project budget position is attached in appendix 1.

A total of £137,799 of the £311,700 construction contingency has been allocated to additional works. The increase in contingency spend is mainly attributed to additional brickwork reinforcement, additional reinforcement to upper floor slabs, and additional costs in relation to reinstatement of coastal wall.

The sounding board has requested that the project team identify opportunities to mitigate the current spend against contingency

5.1.3 Project Update

Sounding Board Report dated 11 December 2009, provided by Shetland Arts Development Agency is attached in appendix 2.

The main contractor is continuing to work towards the project milestone target of having the building wind and watertight by 3rd May 2010, and project completion on time.

In response to questions raised at the Development Committee on 19 November 2009 regarding marketing spend of £2,141, the project team noted that the marketing budget includes standard capitalised marketing expenditure such as costs of adverts for stakeholder meetings, some site signage, functions related to the build process, site banners and construction interpretation material.

6.0 Proposal

- 6.1 I propose that the Committee notes the work being done by the Sounding Board.

7.0 Financial Implications

- 7.1 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.

8.0 Policy and Delegated Authority

- 8.1 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.”

8.2 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

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

8.4 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.

9.0 Conclusions

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

10.0 Recommendations

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

Our Ref: NRJG/KLM/RF1221
Date: 18 January 2010

Report No: DV010-F

Appendix 1

MAREEL PROJECT – BUDGET STATEMENT 11th DECEMBER, 2009

BUDGET SUMMARY	Budget Post Contract	Proposed Post Contract to Date	Actual Post Contract to Date	Underspend/ overspend	Remaining Post Contract Balance	Notes/Comments
Construction	9,704,438	2,025,800	1,357,689	668,111	8,346,749	No overall underspend
Construction contingency	300,000	50,000	124,335	-74,335	175,665	Rock, piling, grnd beams
Reinstate Bond	39,000	39,000	39,000	0	0	
Project Management	50,000	20,600	18,500	2,100	31,500	
Lead Consultants	275,186	67,082	55,443	11,639	219,743	Monthly Fee
Quantity Surveyors	79,650	25,650	13,500	12,150	66,150	Quarterly fee
Cinema Consultant	1,500	1,500	553	947	947	
Specialist						
Consultants/Venues	19,750	19,750	23,192	-3,442	-3,442	Future months
Site Investigation	0	0	0	0	0	
Site Supervision	46,000	14,000	0	14,000	46,000	Fees pending
Art Consultant/ Lighting	80,000	0	0	0	80,000	
Land Purchase	275,000	275,000	0	275,000	275,000	
Other Client costs	2,000	2,000	1,135	865	865	
Statutory Consents	0	0	0	0	0	
Marketing	9,500	3,000	2,141	859	7,359	
SADA Project Officer	13,500	4,000	1,206	2,794	12,294	
Client Contingency	50,000	0	0	0	50,000	
	10,945,524	2,547,382	1,636,694	910,688		

SHETLAND ARTS DEVELOPMENT AGENCY

CINEMA and MUSIC VENUE, LERWICK, SHETLAND

SOUNDING BOARD REPORT – 11th December, 2009

A Site Progress meeting was held on 24th November and a Project Team meeting was held on the 25th November, 2009.

Installation of Ground Beams and underground ducts is complete. Installation of the ground floor slab is approximately 90% complete and blockwork has commenced in two areas. Concrete columns are now being poured. Floor reinforcing materials will arrive this week and the first floor slab concrete will commence immediately in the New Year. Scaffolding has been erected in three areas of the site. Additional site meetings were held on the 13th and 17th November with the Structural Engineer and the Mechanical and Electrical Services team. Audio/Visual Installation package has been sent to tenderers with a return date of the 14th December. Discussions are ongoing between DITT and a prospective Sub Contractor for the complete external envelope. Out of sequence working has continued to affect the programme and DITT estimates that they are currently 8 weeks behind programme. DITT are continuing to work to the deadline of having the building wind and watertight by the 3rd May, 2010. The projected contract completion date is on time and within contract with an estimated opening early 2011.

The financial status of the project is within budget.