

**Special Development Committee****08 March 2013****EU Regional Aid Guidelines 2014-20****Report Number: DV003-F****Report Presented by
European Project Manager****Economic Development
Development Services Department****1.0 Summary**

1.1 The purpose of this report is to:

- (a) highlight the European Commission's proposals for new Regional Aid Guidelines for the period 2014-20. The proposals, if adopted in their current format, would have severe implications for Shetland, specifically the level of public financial support available to businesses;
- (b) outline action taken by Shetland Islands Council to achieve the best outcome for Shetland; and
- (c) seek Development Committee approval of a written submission to the European Commission.

2.0 Decision Required

2.1 That the Development Committee RESOLVE to:

- (a) endorse the Council's lobbying actions with respect to the proposed Regional Aid Guidelines for 2014-20, and support the Council's objective of achieving Assisted Area status for Shetland; and
- (b) approve a written submission to the European Commission consultation on the draft Regional Aid Guidelines for 2014-20 as attached at Appendix 1.

3.0 Detail

3.1 Background

Under the Treaty of the European Union, the European Commission may consider certain types of state aid as compatible with the internal market in order to promote economic development of certain disadvantaged areas within the EU. This kind of state aid is known as Regional Aid.

- 3.2 The Regional Aid Guidelines define 'assisted areas' and detail the geographic coverage and intervention rates for public financial support for business investment. The guidelines do not impact on other types of aid, such as *de minimis* aid, R&D and innovation aid, or training aid, which do not have geographic variation and are subject to separate state aid rules. Nor do they apply in the agriculture, fisheries and transport sectors which are governed by separate state aid rules.

3.3 Current Situation

The Highlands & Islands NUTS2¹ area – which includes the whole of Shetland – is currently designated as an assisted area with 'c' status. This status permits public support for business development at maximum intervention rates of 40/30/20% for small, medium, and large enterprises respectively.

- 3.4 Outside of assisted area status, small and medium-sized enterprises are still eligible for support under the General Block Exemption Regulation (GBER) at levels of 20% and 10% respectively. It is expected that the levels of support available under the GBER will remain unchanged from 2014.

3.5 European Commission Proposals

New Regional Aid Guidelines are due to come into effect on 1 January 2014 and will include a revised regional aid map and detail the limits on public financial support for business investment.

- 3.6 The European Commission is consulting on the draft guidelines until 11 March 2013. State aid matters fall within the exclusive competence of the European Commission as part of their remit of preventing distortions of trade and unfair competition. The revision of the guidelines is part of the State Aid Modernisation Strategy agreed in May 2012, and in line with a Commission focus of concentrating the geographical scope of regional aid.

¹ NUTS (Nomenclature of Units for Territorial Statistics) boundaries are used for reporting of regional and local statistics to Eurostat and those statistics are used to inform regional policy. H&I's is a NUTS2 region; Shetland is a NUTS3 region.

- 3.7 The proposals, if adopted in their current format, would have a significant and detrimental impact on business development support provided by public agencies at a time when the economic situation demands greater flexibility to address economic difficulties. There are three strands to the Commission's proposals as follows:

(1) Defining the Regional Aid Map

The proposed method for selecting pre-defined² 'c' areas means that only parts of the H&I's will qualify automatically by virtue of population density <12.5 inhabitants per sq km³. Except for Shetland, the remaining areas may qualify for non-pre-defined status⁴. As a result of high GDP per capita and low unemployment⁵, Shetland would be unlikely to qualify for assisted area status, however there could be a possibility that the outer isles, with less than 5,000 inhabitants, would. This proposed change to the regional aid map would put Shetland in the same bracket as other non-eligible areas of West Lothian, city of Aberdeen, Aberdeenshire, and city of Edinburgh.

(2) Aid to Large Enterprises

The Commission is proposing that aid to large enterprises⁶ will only be allowed in 'a' areas (ie those areas with a GDP <75% of the EU average), none of which will be in the H&I's, or Scotland. The rationale being that such investments are distortive and should only be allowed in the poorest parts of Europe.

(3) Aid to SMEs

It is proposed that aid to SMEs in 'c' areas is limited to maximum levels of 30/20% respectively which is a significant reduction on current levels (see paragraph 3.3 above). Again the Commission's rationale is to limit the distortive effects of state aid.

² Pre-defined 'c' areas are those automatically designated at European level, based on a) being a NUTS2 'a' region in 2011-13 and having a GDP <90% of the EU average; or b) being a NUTS3 region with a population density below 12.5 inhabitants per sq km.

³ Those areas would be: Caithness & Sutherland and Ross & Cromarty, Western Isles and Lochaber, Skye & Lochalsh, Arran & Cumbrae, and Argyll & Bute.

⁴ To be eligible for non pre-defined status, areas (either contiguous areas of at least 100,000 inhabitants in a NUTS2 or 3 region or a NUTS3 region with population below 100,000) must have a GDP per capita below the EU average or an unemployment rate above 115% of the UK average. Non pre-defined areas are determined at Member State level, ie UK Government.

⁵ GDP data for 2008-10 will be used but is not yet available, however 2007-09 data shows Shetland's GDP at 106% of the EU average, and an unemployment rate of 85% of the UK average 2009-11.

⁶ Defined as those with more than 250 employees or turnover in excess of €50m per annum, or balance sheet total of more than €43m. These limits relate to the business rather than to location.

3.8 Implications of European Commission Proposals

Within the H&I's region, the greatest impact of these proposals would be on Shetland with exclusion from the regional aid map and limits of public financial support to businesses restricted to that permissible under the General Block Exemption Regulation, as outlined at paragraph 3.4 above.

3.9 In Shetland, higher than average GDP masks issues of distance to markets, development costs, and a narrow and fragile economic base. These issues can be addressed through public support, given sufficient regional aid powers. Our population density of 15 persons per square kilometre is very low at a Scottish level, and does not alter economic development challenges.

3.10 The prospect of Shetland being treated differently from other parts of the H&I's region is very concerning, and how this may set a precedent for how future state aid regulations in other sectors, and indeed, funding allocations, may be applied.

3.11 Desired Outcome

The best outcome to enable Shetland to be included on the regional aid map would be for the guidelines to set population density at a NUTS2 (Highlands & Islands) level⁷. This would give automatic designation of assisted area status for the whole of the H&I's region, including the whole of Shetland.

3.12 Making the Case for Changes to the Commission Proposals

The Commission's proposals are clearly very concerning to the Council as a body which provides public support for business investment. Over the past decades, financial support provided by the Council, HIE, and other public sector agencies has been instrumental in supporting business development in Shetland and helping to address the economic challenges caused by factors such as peripherality, geography, and sparse population.

3.13 The use of GDP as a tool to determine eligibility does not take account of geographic handicaps of remote, peripheral and sparsely populated regions, and their economic development challenges. Businesses in Shetland face additional costs such as fuel poverty, very high construction costs and the Council believe that factors such as these should be taken into account.

3.14 In the context of reducing EU funds to Member States, it is important that domestic resources can be used to support local economic activity and fill some of the gaps that can no longer be addressed by EU funding, while accepting that levels of support need to be proportionate. Regional aid should be used to aid business growth, particularly in fragile areas where there are often limited alternative employment opportunities.

⁷ H&I'S population density is currently 11.1 inhabitants/sq km so would be within the EU threshold of 12.5.

- 3.15 It is understood that the principal means of influencing Commission thinking is through the UK Government. The Council, along with HIE, is ensuring that officials and politicians at Scottish, UK and European levels have a full understanding of the potential impact of these proposals on our power to support and address business development.
- 3.16 The Council has alerted the following and made written representation asking for their support:
- Katrine Feldinger, Scottish Government – lead official with responsibility for regional aid
 - David Francis, Department for Business, Innovation & Skills – lead official within UK Government
 - Vince Cable MP – Secretary of State for Business, Innovation & Skills
 - Tavish Scott MSP, and Alistair Carmichael MP
 - H&I's List MSPs
 - All 6 Scottish MEPs – though it should be noted that the European Parliament has no co-decision power in the field of competition policy which is the Commission's exclusive competence, however it may be helpful to keep George Lyon MEP updated in his role as Vice-Chair of the EU Budget Committee
 - COSLA
 - Conference of Peripheral Maritime Regions (CPMR)
- 3.17 Council representatives also met with Tavish Scott MSP and Alistair Carmichael MP on 19 February.
- 3.18 The Council will also make a formal submission to the European Commission's consultation on the draft guidelines, based on the letter which has already been sent to those listed in paragraph 3.16 above (Appendix 1).
- 3.19 The matter will also be highlighted by Council Members at the H&I's Convention taking place in March.
- 3.20 Position to Date
- The Scottish and UK Governments are supportive of the position of basing eligibility of low density populations at NUTS2 level and have put forward this argument to the European Commission. It is understood that some other Member States have also requested this.
- 3.21 There is a recognition within UK Government of the impacts the current proposals, if adopted, would have on Shetland, and consideration is being given to alternative options should NUTS2 criteria not be applied.
- 3.22 There is a need to consider what other indicators we could put forward to the UK Government to accurately reflect the development challenges across Shetland should the argument for automatic designation under NUTS2 fail.

- 3.23 Although the Council, HIE, the Scottish and UK Governments are exerting pressure on the Commission to modify its proposals, it is possible that the current proposals could be adopted in full. Therefore consideration needs to be given as to how we might support business investment and development in Shetland if this were the case.
- 3.24 The current regional aid map and existing guidelines may need to be extended for 6 months if no agreement is reached before 1 January 2014.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – This report has strong links to the Council's Corporate Plan under the 'Wealthier' section as follows:

"Strengthening the Economy: Businesses will be supported to overcome barriers to growth thereby improving profitability and longer-term performance".

- 4.2 Community/Stakeholder Issues – The inability of public sector bodies, such as the Council, to provide adequate levels of financial support for business investment in Shetland will greatly impact on the local community and economy. Without assisted area status, it is likely that levels of support available to small and medium-sized enterprises in Shetland will be capped at 10 and 20% respectively.

- 4.3 Policy And/Or Delegated Authority – This report meets one of the main aims of the Economic Development Policy Statement (Development Committee Minute Reference 02/08, SIC Minute Reference 55/08), namely *"Encourage enterprise and sustainable growth"*. The following Policy Areas are also relevant:

Policy Area No 21: *"Encourage new activities not presently located in Shetland"*

Policy Area No 22: *"Encourage the expansion and development of new manufacturing and businesses providing new services"*

Policy Area No 26: *"Support community enterprises engaged in economic activities"*

In accordance with Section 2.3.1 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.

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

4.4 Risk Management – One of the main risks of not challenging the proposed amendment to the Regional Aid proposals is that other restrictions in European funding for Shetland could follow. The structural funds, fisheries, agriculture and other funds may impose similar restrictions to the detriment of development in Shetland.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial – There are no direct financial implications to the Council arising from this report. Should the proposed changes to the Regional Aid Guidelines go ahead, it will be businesses with expansion plans or new start-ups that will feel the impact.

4.8 Legal – The Council would be in breach of state aid regulations if we provide financial support to businesses outwith EU regulations.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 This report sets out the European Commission's proposals for Regional Aid Guidelines for 2014-20. The Guidelines, if adopted in their current format, would severely curtail the level of public financial support the Council, and other public agencies, is able to offer for business development support in Shetland.

5.2 The Council is making strong representation to the Scottish and UK Governments and the European Commission to ensure we have adequate powers to address development needs in Shetland.

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26 February 2013

List of Appendices

Copy of letter to be sent to the European Commission

Background documents:

Link to the European Commission's consultation on the draft Regional Aid guidelines for 2014-20

http://ec.europa.eu/competition/consultations/2013_regional_aid_guidelines/index_en.html

END

European Commission
Directorate-General for Competition
Ref.: HT.3127 Public consultation regional aid
State aid Registry
1049 Bruxelles/Brussel
BELGIQUE/BELGIE

Dear Sirs

Proposed Guidelines for Regional Aid 2014-20

I am writing on behalf of Shetland Islands Council to express our deep concern regarding the proposed Regional Aid Guidelines for 2014-20. The proposals in their current format would exclude the Shetland Islands from the Regional Aid map and as a consequence severely curtail the levels of public financial support for business investment. The proposal for determining eligible areas is wrong for a number of reasons, which I detail below.

The calculation of GDP per capita is a very blunt instrument at NUTS3 level, particularly in smaller defined areas, such as Shetland. Our GDP figures are skewed by a small number of very large commercial operations that are owned by external, often multinational, interests. The Sullom Voe Oil Terminal, over 90% of our aquaculture industry and substantial parts of our fish processing and retail sectors are owned outside Shetland resulting in substantial leakages of capital from the local economy. The indigenous commercial base is made up solely of SMEs, with 83% of local organisations defined as micro-sized, working in a trading environment where thresholds are based on a population of only 23,000, 200 miles away from UK Mainland markets, and considerably further from other Member States and their trading centres. As an illustration of the economic realities faced by local residents and businesses, building costs are 40 to 50% higher in Shetland than in comparison to the UK Mainland, and diesel fuel can cost more than 10p more per litre for a driver in Shetland compared to a driver in Aberdeen. The economy may be relatively prosperous, but it is overwhelmingly reliant on fisheries, oil production and public services, which account for 50% of GRDP and are historically fragile, vulnerable to external influences such as fluctuating international commodity prices, changes to EU governance and, in the case of public services, deep and widespread spending cutbacks. In the 2014-20 period public sector cuts are set to be severe, and Shetland Islands Council is currently in the process of cutting our budget by 35%, with a consequent loss of 300 to 500 jobs and significant knock-on impacts to the local economy.

Like GDP, low unemployment in Shetland masks the whole employment picture. Part-time employment, with many workers making their living from one, two or more part-time jobs, is a large part of the local labour market. Shetland also experiences high levels of under-employment, particularly at a time when local graduates cannot

find suitable employment in the UK and beyond at a time of recession. During the period 2014-20 the loss of jobs from the Council will impact on the unemployment rate. Another contributory factor will be the completion of the construction of the large gas plant being built by Total. This project will be completed in the early part of 2015 by which time around 200 local people will be working on site. In fact the Shetland Job Centre states that the Total project is the main factor in keeping unemployment low at present, as public services continue to shed jobs. Unfortunately, Shetland's unemployment rate is expected to rise between 2014 and 2020.

Shetland's population density of 15 persons per square kilometre is very low by European standards and does not alter economic development challenges such as development costs and distance to markets. Around half of Shetland's population live in relatively large settlements, with the other half living in remoter parts of the Shetland Mainland and on the other 15 inhabited islands. Even in the larger settlements there exists pockets of deprivation, with low income families and higher levels of unemployment, while geographic factors mean that access to essential services, such as public transport, education and health services is often extremely difficult. Wealth is not evenly dispersed throughout Shetland and this has a detrimental impact on the development of businesses in the more remoter parts of the islands.

Over the past decades, Shetland Islands Council, along with Highlands & Islands Enterprise and other public sector agencies, has been able to support business development in Shetland to address some of the pressures described above. We are proud of our record of economic development achievement in the remotest part of the UK. But the economy here changes with external pressures and opportunities just as in other parts of the Highlands & Islands of Scotland. There is no substantial difference between the social and economic difficulties faced by Shetland and those faced by other parts of the Highland and Islands NUTS2 region; Shetland is certainly not as prosperous as the city of Inverness, which may qualify comfortably under the new proposals. At a time when access to commercial capital is very restricted the development of SMEs in Shetland must be encouraged through fair levels of public support to help address economic development challenges.

We believe a fair solution to better reflect the economic realities of Shetland, and the Highlands and Islands region as a whole, would be to have regional aid designation based on population density at a NUTS2 level.

In conclusion, there is a stark contrast between Shetland and the other unfortunate cities and places in Scotland that may not qualify for Assisted Area status. For example, Edinburgh and Aberdeen are large cities with hinterlands that support economic prosperity and growth. Shetland is the remotest part of the United Kingdom and is one of the remotest places in the whole European Union. We do not have a hinterland to draw resources from, we are at least 200 miles from our nearest markets, dependent on sea ferries and airlinks for lifeline services and to develop our trade.

The Regional Aid proposals in their current format will exclude the Shetland Islands from the regional aid map and will have a detrimental impact on business development support in Shetland at a time when the economic situation demands greater flexibility from public agencies in addressing economic difficulties. It is essential that public agencies have the powers to continue to address economic disparities through business investment.

Shetland Islands Council therefore urges that the Regional Aid Guidelines for 2014-20 apply population density at a NUTS2 level.

Yours faithfully

Gary Robinson
Political Leader, Shetland Islands Council

**Special Development Committee****08 March 2013****Shetland Amenity Trust
Architectural Heritage Programme 2013/14**

Report No: DV005-F

**Report Presented by
Project Manager****Economic Development
Development Services Department****1.0 Summary**

- 1.1 The purpose of this report is to update the Development Committee on the current position regarding the funding of the Shetland Amenity Trust's Architectural Heritage Programme.

2.0 Decision Required

- 2.1 That the Development Committee RESOLVE to approve the proposed reduced core funding grant of £170,000 for the Shetland Amenity Trust's Architectural Heritage Programme for the coming 2013/14 financial year, and note the context of a phased reduction and then removal of this grant in the subsequent years.

3.0 Detail

- 3.1 Shetland Charitable Trust (SCT) provided core funding for the Architectural Heritage Programme until 2005/06, when it was transferred to the Council as part of a range of transfers that followed a joint review of services. The Council and SCT undertook that review following a fall in the value of SCT's investments that meant its then current spending commitments would diminish SCT's reserves, contrary to the Trust's policy.
- 3.2 The programme funding was subsequently transferred from the Council's Capital Programme to the Infrastructure Committee, with funds latterly being drawn from the Reserve Fund. In 2009/10 £285,600 of core funding was awarded by Infrastructure Committee to the Architectural Heritage Programme. In 2010/11 the Development Committee took over responsibility and budget for the programme and provided a reduced grant of £250,000; in 2011/12 the Development Committee provided a reduced grant of £245,000; and in 2012/13 the Development Committee provided a further reduced grant of £225,000.

- 3.3 Shetland Amenity Trust (SAT) established the following strategic objectives for the Architectural Heritage Programme:
- Protection and restoration of Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public
 - Encourage the use of traditional building methods and materials
- 3.4 The Programme has been involved in the creation of local museums, the development of heritage accommodation and has brought back into use a wide range of historic buildings ranging from modest properties now in use as camping bōds through to lighthouses. The workforce undertakes contractual work for others as well as carrying out maintenance on properties for which SAT is responsible.
- 3.5 The economic benefits of the Programme are identified in Table 1 below:

Measurable benefits	Details
Jobs maintained	19
Turnover generated	Forecast for 2013-14 : £860,600 (including proposed grant funding)
Wages generated	£450,000
Total impact on economy	$£450,000 * 1.530 = £688,500$ (multiplier from Regional Accounts 2003)

- 3.6 The Architectural Heritage Service/Project Plan for 2013/14 is attached in Appendix 1.
- 3.7 The Shetland Amenity Trust have applied for grant funding of £170,000 against the costs of the Architectural Heritage Programme as identified in Table 2 below:

Item or activity	Amount
Salaries & Wages	£450,000
Construction Overheads	£40,000
Health & Safety Management System	£12,000
Planned Maintenance - offices/workshops	£110,000
Project Development	£25,000
Construction costs	£200,000
Vehicle maintenance	£23,000
Total	<u>£860,000</u>
Funder	Amount
Shetland Amenity Trust	£690,000
Shetland Islands Council	£170,000

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – This Programme supports two aims of the Corporate Plan, namely, an environment that is conserved and enhanced and a unique cultural identity and spirit that is celebrated and promoted. As the effects of this Programme are tangible, the significance of the support is large. The Programme will also assist in the achievement of the other two aims - namely a prosperous, competitive and diverse economy and a vibrant and inclusive society.

4.1.1 Individual projects within the programme will also help to deliver a range of Shetland-wide strategies, including:

- The Shetland Structure Plan
- Shetland Local Plan
- Shetland Cultural Strategy and Action Plan
- Economic Development Unit Policy Statement
- A Heritage Plan for Shetland

4.2 Community /Stakeholder Issues – This Programme provides input to a wide variety of projects throughout Shetland, and these projects have community / stakeholder involvement in their own rights, e.g. Sumburgh Head lighthouse.

4.3 Policy And/Or Delegated Authority – – This report has been prepared with regard to the pledges contained in the Council's Economic Development Policy Statement. The Policy Statement was approved by the Development Committee on 24 April 2008 [Min Ref: 02/08] and by the Council on 14 May 2008 [Min Ref: 55/08].

In accordance with section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

4.4 Risk Management – In providing core funding for the Architectural Heritage team at the SAT there is a risk that projects bid for by the SAT could have an element of double funding or provide SAT with an unfair advantage when bidding against other private sector businesses for project work. This risk can be mitigated by monitoring of the attached grant conditions (see Appendix 3).

4.4.1 Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on reserves.

4.5 Equalities, Health And Human Rights – none.

4.6 Environmental – none.

Resources

- 4.7 Financial – SAT have requested a core funding grant of £170,000 for the 2013/14 Architectural Heritage Programme. This reduced grant funding of £170,000 has been included in the Economic Development Service discretionary grants budget for 2013/14, which was approved by the Council on 20 February 2013.

4.7.1 The grant of £170,000 represents a reduction of 25% of the grant approved in the past financial year. This is part of a phased withdrawal of the Architectural Heritage Programme grant funding by the Council. Shetland Amenity Trust will apply for a final Architectural Heritage Programme grant of £85,000 for the financial year 2014/15, and will not apply for any Architectural Heritage Programme grant assistance in 2015/16. Discussions have taken place with SAT management team who believe that they can accommodate these phased reductions in core funding, albeit with some inevitable reduction in the scale and scope of the activity undertaken. There is no external funding available for this activity. This phased reduction aims to assist the Council in keeping reserves at £125million and move toward a position of financial sustainability.

4.8 Legal – none.

4.9 Human Resources – none.

4.10 Assets And Property – none.

5.0 Conclusions

- 5.1 SAT's Architectural Heritage projects in general and historically have wide community support and the importance of the contribution to local communities is recognised throughout Shetland and beyond. The Architectural Heritage Programme retains a body of expertise and knowledge in restoration techniques which has proven invaluable in the restoration of many of Shetland's historic buildings and monuments (listed in Appendix 2), contributing towards heritage tourism product development; a very important element in the promotion of Shetland as a place to visit and to live.

For further information please contact:

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26 February 2013

List of Appendices

- 1 Shetland Amenity trust Architectural Heritage 2013/14 Service / project plan
- 2 Register of works undertaken
- 3 Proposed conditions of grant

Background documents: None.

END

SHETLAND AMENITY TRUST

ARCHITECTURAL HERITAGE

2013/14 SERVICE/PROJECT PLAN

Architectural Heritage 2013/14

Strategic Objectives:

- Protection and restoration of Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public.
- Encourage the use of traditional building methods and materials.

Key Targets 2013 - 14	Success Criteria	Progress/Comment
Health and Safety <ul style="list-style-type: none"> • Ensure the provision of a Safety Management System (SMS) for Shetland Amenity Trust (SAT) • Provide suitable advice on Health and Safety issues to all staff. • Check that SMS is being complied with • Ensure that Health and Safety risks with the Architectural Heritage (AH) section are identified, communicated and managed. 	<ul style="list-style-type: none"> • An adequate and fit for purpose SMS in place • Staff are informed of legislation • An adequate audit system is in place • AH workforce is provided with sufficient information, risk assessments, COSHH assessments, PPE, Welfare facilities, tools and equipment to enable them to work safely. 	
Training <ul style="list-style-type: none"> • Ensure competence of AH staff. 	<ul style="list-style-type: none"> • Training plan in place and training provided. 	<p>Training plan in place.</p> <p>Historic Scotland provided a 3 day 'Working with Lead' training course at our Staney Hill Workshop in April. This was attended by local contractors.</p> <p>Additional Master classes on conservation of historic buildings are provided by Historic Scotland over the winter. These master classes are in the evenings, are free and open to all.</p>
Heritage Works <ul style="list-style-type: none"> • Promote the conservation of buildings and materials. • Undertake heritage building repairs 	<ul style="list-style-type: none"> • Assist the public and other Shetland contractors to understand and apply conservation techniques. • Maintain a store of sufficient materials for use in maintaining and restoring buildings • Undertake repair works to arrest deterioration and possible collapse of structures at: Gloup 	

Key Targets 2013 - 14	Success Criteria	Progress/Comment
	<p>Memorial and Girlsta Limekiln.</p> <ul style="list-style-type: none"> • Seek funding to implement findings of Fethaland Haaf Fishing Station conservation study • Assist the SIC to develop a suitable conservation strategy to conserve the Town Hall windows. Identify potential funding bodies and prepare grant applications. • Maintain SAT's portfolio of properties. • Provide maintenance support to Shetland Arts and the RNLI. 	
<p>Scheduled Monuments Fethaland</p> <p>Girlsta Limekiln</p>	<ul style="list-style-type: none"> • Continue to seek funding to undertake conservation works. • 2011 survey highlighted additional works Continue to seek additional funding for identified works and undertake repairs. 	
<p>Sumburgh Lighthouse</p> <ul style="list-style-type: none"> • Lead the day to day development of the project 	<ul style="list-style-type: none"> • Project manage the project to completion in c May 2014. Provide Clerk of Works. 	
<p>Hamars Unst</p> <ul style="list-style-type: none"> • Develop a conservation plan 	<ul style="list-style-type: none"> • Appoint Architect and develop plan 	
<p>Projects</p> <ul style="list-style-type: none"> • Brough Lodge • Fit out the Viking Longhouse in Unst • Maintain the ruin at Voe House in Wall's. • Progress land acquisition and seek funds to erect store building to re-house Museum boats; to save on rental costs. • Meal Road bridge, Brig o Waa's • Windmill, Havra • Repairs to Halligarth in Unst for National Trust for Scotland. 	<ul style="list-style-type: none"> • Complete identified Brough Lodge works by end March 2013 and emergent works, subject to funding by June 2013. • Project manage the delivery of a new store at Staneyhill. • Progress other works to satisfaction of clients. 	
<p>Volunteers</p> <ul style="list-style-type: none"> • Support work of local conservation volunteers 	<ul style="list-style-type: none"> • Provide seed funding and identify works 	

App 2

**Property at Risk
Register of Works Undertaken
1984 to 2009**

Appendix 2

	name of property	Address	Work Done	Date	Architect	Buildings at Risk Register Was	Now	Grant Aid	Comment
Offices / Workshops									
1	Garthspool Offices	Garthspool, Lerwick, ZE1 0NY	Restored and converted former Ice Factory to contemporary Office Accommodation.	2001					
2	Staney Hill Workshop	Staney Hill Industrial Estate, Lerwick, Shetland, ZE1 0EL	New Build Workshop	1998					
3	Recycling Unit	Staney Hill Industrial Estate, Lerwick, Shetland, ZE1 0EL	New Build Re-cycling Workshop	2002					
4	Horticulture Unit	Staney Hill Industrial Estate, Lerwick, Shetland, ZE1 0EL	New Build Horticulture Centre	2006					
5	Glass Recycling centre	Enviroglass, Industrial Estate, Cunningsburgh, Shetland, ZE2 9HB	Purchase of established business. Recycling glass and making concrete pavers.						
6	Haroldswick Workshop	Haroldswick, Unst, Shetland, ZE2 9ED	Convert pre-fib units to workshop	2000					
7	Colvister site accommodation	Colvister Quarry, Yell, Shetland, ZE2 9DQ	Recycling centre for vehicle parts	2005					
Camping Bods									
8	Betty Mouats	Scatness, Virkie, Shetland, ZE3 9JS	Restoration of historic building	1995					
9	Sail Loft (Voe)	Voe, Shetland, ZE2 9PX	Restoration of historic building	1991					
10	Johnny Notions	Eshaness, Shetland, ZE2 9RS	Restoration of historic building	1992					
11	Voe House Waas	Walls, Shetland, ZE2 9PB	Restoration of historic building	1997					
12	Skeld Shop	Skeld, Wester Skeld, Shetland, ZE2 9NL	Restoration of historic building	2004					
13	Aithbank	Fetlar, Shetland, ZE2 9DJ	Restoration of historic building	2004					
14	Windhouse Lodge	Yell, Shetland, ZE2 9BJ	Restoration of historic building	1994					
15	Nesbister	Whiteness, Shetland, ZE2 9LJ	Restoration of historic building	1991					
16	Grieves House	Symbister, Whalsay, Shetland, ZE2 9AE	Restoration of historic building	1991					
Museums & Historic Buildings									
17	Quendale Water Mill & Visitor Centre	Quendale, Dunrossness, Shetland, ZE2 9JD	Restoration of historic building	1992	R Gibson Architects				
18	Croft House Museum	Boddam, Dunrossness, Shetland, ZE2 9JQ	Restoration of historic building						
19	Sumburgh Lighthouse Self Catering Acc'n	Sumburgh, Virkie, Shetland, ZE2 9JN	Repairs of historic building	acquired 2002					
20	Sumburgh Lighthouse building	Sumburgh, Virkie, Shetland, ZE2 9JN	Essential Repairs of historic building	acquired 2003					
21	Scatness Visitor Centre	Old Scatness, Virkie, Shetland, ZE2 9JW	Provision of new visitor centre at Old Scatness Broch	2002					
22	Shetland Museum & Archives	Hays Dock, Lerwick, Shetland, ZE1 0WP	Multi award winning new building on waterfront adjacent to historic Hays Dock.	2006					
23	Hays Dock and Sail Loft	Hays Dock, Lerwick, Shetland, ZE1 0WP	Restoration of historic building	2006	Grove-Raines Architects	yes	no	HLF £250k HS £450k	
24	Museum Store	Staney Hill Industrial Estate, Lerwick, Shetland, ZE1 0QW	New Build Store						
25	Bod of Gremista	Lerwick, Shetland, ZE1 0PT	Restoration of historic building						
26	Tangwick Haa Museum	Eshaness, Shetland, ZE2 9RS	Restoration of historic building	1986 and 1990				HIDB, SIC	
27	Eshaness Lighthouse (including self catering Acc'n)	Eshaness, Shetland, ZE2 9RS	Essential repairs to historic building	bought 2005					
28	Bressay Lighthouse Self Catering Acc'n	Bressay, Shetland, ZE2 9ER	Restoration of historic building	2002					
29	Bressay Lighthouse Buildings	Bressay, Shetland, ZE2 9ER	Part Restoration of historic building. Works ongoing.	bought 1995					
30	Scalloway Museum	Main Street, Scalloway, Shetland, ZE1 0TR	Restoration of historic building	1985					
31	Unst Heritage Centre	Haroldswick, Unst, Shetland, ZE2 9ED	Provision of visitor centre in former school building	2001					£75,000 budget
32	Hamars	Haroldswick, Unst, Shetland, ZE2 9EQ	Ruin scheduled to be restored in 2010 2011			yes			
33	Unst Boathaven	Haroldswick, Unst, Shetland, ZE2 9EQ	Provision of facility to showcase Shetland boats	1992					

**Property at Risk
Register of Works Undertaken
1984 to 2009**

	name of property	Address	Work Done	Date	Architect	Buildings at Risk Register Was	Now	Grant Aid	Comment
Other Projects									
34	Scalloway Facelift		Landscaping work in historic village including Gibblestone House and Old Haa gardens	1984					
35	Noss Pony Pond	Island of Noss	Restoration of derelict stud farm building and provision of an interpretive centre	1984				£30,000	
36	Scalloway Castle	Scalloway	Interpretive display	1986				HIDB	
37	Bod o Gremista	Lerwick	New Car Park	1987				HIDB	
38	Weisdale Mill	Weisdale	Arts Centre	1989 and					
39	Midden Court Phase 1	Whalsay	Refurbishment of Historic Building for use by the Local History Society	2006					
40	East House Duncanslett	Burra Isle	Refurbishment of Historic Building for use by the Local History Society	2006		yes			
41	Bridge at Herra	Unst	Rebuild wooden bridge	1993					
42	Huxter Water Mills	Sandness	Restoration	1994					
43	Papil Kirk	Burra Isle	Roof repairs	1994					
44	Hunters Tower	Lunna	Restoration	1994					
45	Wooden Cattle grid	Skaw Unst	Restoration	1994					
46	Limekiln	Girista	Stabilised	2001					
47	Hagdale Horse Mill	Unst	Restoration and provide interpretation of former chromate crushing mill	2007					
48	Chancel Arch	Sand	Consolidation of ruin	1990					
49	Uyea Haa	Uyea, Shetland	Consolidation of ruin	2003		Yes			
Current Projects									
50	Belmont House	Uyeasound, Unst, Shetland, ZE2 9DW	Ongoing restoration of Georgian House	2006 to 2010	Grove-Raines Architects	Yes	Can be removed	Historic Scotland, SIC + others	Awarded Goergian society award for best restoration. Scottish Lime centre provided advice on materials.
51	Knab Wall	Temporary Portakabin, Breiwick Road, Lerwick, Shetland, ZE1 0AX	Due to concerns with stability of adjacent cliff, took down and rebuilt 100 year old wall using traditional methods and materials.	2009	SIC				
52	Hermaness Shore Station	Muckle Flugga Shore Station, Haroldswick, Unst, Shetland. ZE2 9EQ	Replaced roof on ex Northern Lighthouse Board building	2009	R Gibson Architects			SIC	
53	St Magnus Church	Lerwick	Replacing stonework around doors and windows.	2009	Grove-Raines Architects			SIC	
54	Lystina House	Lerwick	Replacing stonework around doors and windows.	2009 / 10	SIC			SIC Capital programme.	
55	Huxter Mills	Wall, Shetland	Re-build roofs and thatch 3 nr mills.	2009 / 10				SAT	
56	Fort Charlotte	Lerwick	Feasibility Study	2009 / 10	Grove-Raines Architects				
57	Brough Lodge	Fetlar	Restoration to wind and water tight	2009 / 10	Grove-Raines Architects	yes		Historic Scotland, SIC + others	
58	Leagarth House	Fetlar	Restoration of Dr Cheyne's house.	2009 / 11	Grove-Raines Architects				
59	Stenness Bod	Eshaness	Consolidation of ruin	2009					
60	Town Hall	Lerwick	Repair front steps	2008	SIC				
61	Old Haa	Houses, Burra Isle	Require to re-build collapsed wall	2010	SIC				
62	Fethaland	Northmavine	Consolidation of ruined Haaf Fishing bods	2010 +	Grove-Raines Architects	yes			
63	Sand Haa Gate Piers	Sand	Rebuild gate posts	2009		yes			
64	Park Hall	Bixter	Renovate building	2011 +		yes			
65	Buness House	Unst	Consolidation of ruined Pier	2008		yes			
66	Voe House Ruin	Walls	Restoration for use as a Textile Museum	2006 to ?					Approvals in place, awaiting funding
67	Sumburgh Head	Sumburgh Lighthouse and Bird Reserve	Restoration of the historic buildings to provide: Educational facilities; Interpretation; Offices and Self Catering Accommodation	2008 to 2013				HLF; Historic Scotland; SIC; others.	Project at RIBA stage E. Awaiting funding.
68	Store at pier to Noss	Bressay	Renovation of historic building, new stone slate roof; existing cement render removed and re-rendered with lime mortar; etc.						
	Buness House and Pier	Unst	Stabilise Pier. Advise on aspects of building condition.			yes			
Monuments maintained									
69	White Wife	Yell							
70	Gloup Memorial	Yell							
71	Hagdale Horse Mill	Unst							
72	Girista Lime Kiln	Girista							

**Property at Risk
Register of Works Undertaken
1984 to 2009**

name of property	Address	Work Done	Date	Architect	Buildings at Risk Register Was Now	Grant Aid	Comment
Properties Grant Aided by Shetland Amenity Trust							
NB. These properties are either: 'listed' by Secretary of State or within a designated Conservation area or of local architectural or historic interest.							
1984							
73	St Margaret's Church	Sandness	Stained glass window		yes	£5,000	
74	Bod o Gremista	Lerwick	Electricity supply			£363	
75	St Magnus Church	Lerwick	Decorative lead rainwater hoppers			£278	
76	Meal Kirk	Burra Isle	exterior cleaning			£500	
77	Scalloway Youth Centre	Scalloway	Exterior painting			£500	
78	Sandsayre Pier Trust		Emergency repairs			£1,500	
79	Aithsvoe Pier Trust	Aith	Contribution to new pier and interpretive board			£7,650	
80	Tingwall Agricultural Museum	Tingwall	New stairway and emergency lighting.			£3,330	
1985							
81	CreekHaven	Scalloway	Renovation			£809	
82	Bod o Gremista	Lerwick	Install sewage system			£3,172	
83	Scalloway Hall	Scalloway	Re-slate clock tower			£2,350	
84	King Harald Street	Lerwick	Replacement of Victorian conservatory			£3,768	
85	Booth	Hillswick	Repairs			£4,000	
86	Burravoe Church	Yell	Replace floor			£1,000	
87	Bird Observatory	Fair Isle	Improvements			£6,330	
1986							
88	North Haa	West Sandwick, Yell	renovation and repairs			£3,750	
89	Bigton Church	Bigton	renovation and repairs			£2,250	
90	Lime Kiln	Noss	renovation			£5,000	
91	Grand Hotel	Lerwick	renovation of façade			£1,500	
92	St Magnus Bay Hotel	Hillswick	renovation			£2,500	
93	St Columba's Church	Lerwick	renovation			£20,000	
94	St Margaret's Church	Burravoe Yell	Replace floor and repair Belfry			£1,000	
95	Church of Scotland	Mid Yell	renovation			£3,844	
1987							
96	Conochies	Commercial St, Lerwick	renovation			£3,000	
97	St Magnus Bay Hotel	Hillswick	renovation			£3,000	
98	55 King Harald St	Lerwick	renovation			£2,000	
99	Harbour view, Symbister	Whalsay	renovation			£3,000	
100	2 Hill Lane	Lerwick	renovation			£360	
101	Scalloway Public Hall	Scalloway	renovation			£6,350	
102	Bayhall House	Walls	renovation			£2,762	
103	St Clair Court	Scalloway	renovation			£2,000	
104	Greigs Pier	Lerwick	renovation			£2,050	
105	78 St Olaf St	Lerwick	renovation			£813	
106	Tweed Mill	Voe	renovation			£2,000	
107	Malcomson & Co	Lerwick	renovation			£1,863	
108	111 Commercial St	Lerwick	renovation			£1,214	
109	Gardiesting	Mid Yell	renovation			£2,000	
110	80/82 Commercial St	Lerwick	renovation			£3,000	
111	57 King Harald St	Lerwick	renovation			£960	
112	St Colman's Church	Burravoe, Yell	renovation			£570	
113	Busta House Jetty	Brae	renovation			£1,000	
114	Bona Vista	Scalloway	renovation			£2,000	
115	6 Prince Alfred St	Lerwick	renovation			£1,350	
1988							
116	Whalsay Café	Whalsay	renovation			£3,000	
117	Reawick House	Reawick	renovation			£3,000	
118	St Olaf Church	Lerwick	renovation			£984	
119	NorthRoe Methodist Church	North Roe	renovation			£743	
120	Church of Scotland	Burra Isle	renovation			£1,753	
121	Gibblestone House	Scalloway	renovation			£7,500	
122	Albert Buildings	Lerwick	renovation			£4,500	
123	Skerries Kirk	Skerries	renovation			£875	
124	Scalloway Public Hall	Scalloway	renovation			£2,000	
125	The Auld Haa	Fair Isle	renovation			£3,207	
1989							
126	66 St Olaf St	Lerwick	renovation			£200	
127	Vaila House		renovation			£1,147	
128	9 Hill Lane	Lerwick	renovation			£172	
129	Scalloway Hall		renovation			£3,000	
130	55 King Harald St	Lerwick	renovation			£146	
131	Baxter Chapel	Foula	renovation			£600	
132	Lifeline Mission	West Yell	renovation			£2,506	
133	Skerries Kirk		renovation			£3,000	
134	North Haa, Westsandwick	Yell	renovation			£2,079	
135	12 law lane	Lerwick	renovation			£475	
136	2 Mounthouly St	Lerwick	renovation			£3,000	
137	Anderson Institute	Lerwick	Repair Clock			£2,094	
138	Congregational Church	Lerwick	renovation			£3,307	
139	68 St Olaf St	Lerwick	renovation			£660	
140	Church of Scotland	Mid Yell	renovation			£300	
141	Scalloway Fire Festival Building		renovation			£2,500	
142	Public Hall	Lunnasting	renovation			£1,500	
143	St Margaret's Church	Lerwick	renovation			£4,394	

**Property at Risk
Register of Works Undertaken
1984 to 2009**

name of property	Address	Work Done	Date	Architect	Buildings at Risk Register Was	Now	Grant Aid	Comment
Properties Grant Aided by Shetland Amenity Trust								
1990								
144	76 King Harald St	Lerwick	renovation				£1,378	
145	66 St Olaf St	Lerwick	renovation				£172	
146	Methodist Manse	Lerwick	renovation				£1,286	
147	Skerryholm Croft House	Fair Isle	renovation				£3,000	
148	11 Hill Lane	Lerwick	renovation				£245	
149	65 King Harald St	Lerwick	renovation				£290	
150	Blöburn	Foula	renovation				£30	
151	61 King Harald St	Lerwick	renovation				£2,000	
152	108 Commercial St	Lerwick	renovation				£2,297	
153	7 Mounthouly St	Lerwick	renovation				£943	
1991								
154	Old Manse	Lerwick	renovation				£2,092	
155	1 Market St	Lerwick	renovation				£747	
156	3 Market St	Lerwick	renovation				£747	
157	The Taing	Reawick	renovation				£3,000	
158	St Olaf Church	Lerwick	renovation				£2,600	
159	Kennaby Croft	Fair Isle	renovation				£3,000	
160	Shetland Times Ltd, Commercial St	Lerwick	renovation				£3,000	
161	Gardie House	Bressay	renovation				£3,000	
162	St Magnus Church	Lerwick	renovation				£2,491	
163	Duncanslett	Burra	renovation				£2,700	
164	6 Mounthouly St	Lerwick	renovation				£2,820	
1992								
165	Toll Booth Clock	Bolts, Lerwick	renovation				£1,514	
166	Methodist Church	Lerwick	renovation				£3,000	
167	Fetlar Interpretive Centre	Fetlar	renovation				£1,757	
168	Tangwick Haa	Eshaness	renovation				£1,750	
169	St Magnus Church, Burravoe	Yell	renovation				£2,578	
170	Old Haa Trust		renovation				£1,417	
171	Buness House	Unst	renovation				£3,000	
172	The Haa, Gloup	Unst	renovation				£3,000	
173	5 Garthspool	Lerwick	renovation				£1,000	
174	10 Ronald St	Lerwick	renovation				£1,000	
175	Kergord Hatchery	Kergord	renovation				£4,500	
176	Unst Boathaven	Unst	renovation				£9,000	
1993								
177	Quendale Mill	Dunrossness	renovation				£9,265	
178	Agricultural Museum	Tingwall	renovation				£4,827	
179	Interpretive Centre	Fetlar	renovation				£1,612	
1994								
180	Old Scatness Broch	Dunrossness	excavation				£7,582	
1995								
181	Voe House	Walls	renovation				£2,000	
182	Anderson High School	Lerwick	renovation				£2,350	
183	Burrastow House	Walls	renovation				£2,000	
1996								
184	Belmont House	Unst	Restoration		yes		£5,000	
185	Buness House	Unst	Repairs		yes		£2,000	
1997								
186	Church of Scotland	Weisdale	repairs				£3,066	
187	St Ringans Church	Lerwick	Restoration and conversion to Library				£10,000	
1999								
188	Brough Lodge	Fetlar	repairs		yes		£1,078	
189	Midden Court	Whalsay	restore west wing				£33,500	
190	Methodist Chapel	Vidlin	repairs				£600	
2000								
191	St Magnus Church	Lerwick	repairs				£1,452	
192	Gardie House	Bressay	repairs				£733	
2001								
193	Parish Church	Unst	repairs				£2,000	
2004								
194	Belmont House	Unst	restoration		yes		£16,000	
195	Sand House	Sand	repairs		yes		£5,000	
2006								
196	Belmont House	Unst	restoration		yes		£60,000	
197	Brough Lodge	Fetlar	repairs		yes		£5,000	

**Shetland Amenity Trust (Grantee)
Architectural Heritage Programme**

Proposed Grant Conditions

- a) This grant is made towards the running costs of the Architectural Heritage Programme run by the Grantee in line with Appendix 1 (2013/14 Service/Project Plan)
- b) The grant will be paid by single bank transfer upon receipt of the Council's grant offer letter duly signed by authorised representatives of the Grantee; such grant offer letter to be issued near the beginning of the period specified in the offer.
- c) The Grantee undertakes to spend the grant, and any interest earned thereon, solely in the interest of Shetland and its inhabitants for the grant purpose specified at (a) above.
- d) The grant is offered to fund the Trust's work on Architectural Heritage for 2013/14 and will be allocated towards the cost of maintaining and improving built heritage assets, such as listed buildings, utilising traditional building methods and materials, conserving and recycling valuable or scarce materials and artefacts where practicable.
- e) The Grantee undertakes to monitor the application of the grant by means of monthly financial management reports to meetings of its management board, such reports to be provided to the Council's Head of Economic Development or nominee.
- f) The Grantee will provide access to Officers of the Council, Internal Audit and External Audit to its operational and financial records upon receipt of written request for the purpose of following the trail of public money from the Council through the Grantee.
- g) The Grantee will provide to the Council evidence that the Grantee is pricing all projects which are supported by the council with full cost recovery such that the Grantee is not afforded any unfair advantage over the private sector when bidding for work, and that the Council is not double funding the Grantee.
- h) The Grantee maintains appropriate insurance cover, in amounts not less than £5,000,000 for Public Liability and £10,000,000 for Employer's Liability.
- i) The Grantee will provide, within six months of the end of the period for which the grant was given, audited accounts showing how the grant was applied and what surplus remains (if any). In particular the accounts should show that support was used in accordance with these conditions.
- j) Any unused monies at the end of the period funded be repayable to the Council unless further approval for its use has been sought and given.
- k) If the grant conditions are breached, the grant may be repayable, in whole or in part, at the sole discretion of the Council.

**Special Development Committee****08 March 2013****Support for Shetland Shellfish Management Organisation (SSMO) – Financial Year 2013/14**

Report No: DV009-F

**Report Presented by
Project Manager****Economic Development
Development Services Department****1.0 Summary**

- 1.1 This report asks the Development Committee to approve a maximum budget of £48,000 to support the development of the Shetland Shellfish Management Organisation, a partnership organisation with an interest in the sustained future of Shetland's shellfish fisheries.

2.0 Decision Required

- 2.1 That the Development Committee RESOLVE to approve a maximum budget of £48,000 to support the SSMO for the financial year 2013/14.
- 2.2 That the Development Committee RESOLVE to give the Executive Manager - Economic Development, or his nominee, authority to identify the best service delivery method for SSMO to award the approved funds.

3.0 Background to SSMO

- 3.1 SSMO is legally constituted as a company limited by guarantee and is run by a Board of Directors nominated by the partner organisations.
- 3.2 SSMO is granted the legal right to be responsible for the management and administration of the Regulated Fisheries Order (also known as a "Regulating Order" (RO)). The RO covers the management of the commercial fisheries around Shetland for lobsters, crabs, scallops, queens, whelks, razorshells, cockles, mussels and oysters.

3.3 SSMO's main objectives are:

- to manage and regulate the fisheries for shellfish within Shetland's six mile limit, through the issuing of licences and the implementation of regulations and other measures, to ensure the long-term sustainability of these fisheries;
- to promote the recovery of shellfish stocks through stock enhancement and other management measures; and
- to promote the environmental sustainability of Shetland's shellfish.

3.4 The work of SSMO in the past 13 years has set the foundations for collaborative management of the inshore waters as well as the development of a protocol and benchmark for data collection and analysis.

3.5 Shetland has a large, diverse and modern fishing industry, which is of prime importance to its economy. In 2011, shellfish landings totalled 1,948 tonnes. The value of landing was over £4.6 million. The benefit to the Shetland economy is significantly more, estimated in March 2012 to be £7m.

3.6 SSMO is entering a key phase in terms of the long-term sustainable management of the Shetland inshore fishery. In addition to the day to day tasks related to the management and development of the RO and stock assessments, they aim to develop projects in the management of quality and marketing of produce.

3.7 SSMO gained Marine Stewardship Council (MSC) Accreditation for king scallop, velvet crab and brown crab in March 2012. This is the first of its kind globally and is a mark of the sustainable and well-managed fisheries in Shetland.

3.8 In January 2013, SSMO successfully gained a renewal of the RO for a period of 15 years. This results in the management of the inshore shellfish fishery being in local hands, maintaining a more targeted management regime and access to high quality local science from the North Atlantic Fisheries College. SSMO would be able to apply restrictions to the fishing activity and effort in a way that is not possible in the absence of a localised inshore management regime.

4.0 The Future of SSMO

4.1 In February 2012, SSMO commissioned a review of the Organisation to ensure it was fit for purpose to meet the challenges of the industry. The review highlighted a number of recommendations to ensure more effective management, continuity and control.

4.2 In January 2013, the Manager of SSMO left Shetland to take on a new post on the mainland. This post has been vacant since.

- 4.3 The vacancy has presented an opportunity for SSMO to take time to consider its future structure and method of delivery. The issues to be reflected include the recommendation from the review, how SSMO fits within the Shetland fisheries management system, the challenges of maintaining MSC accreditation and the development of the industry. The SIC Economic Development Service is involved in the appraisal of these options.

5.0 Proposal for Funding SSMO in 2013/14

- 5.1 The Council has supported SSMO in the past by providing core funding to the Organisation to ensure that it could employ a Manager given the importance of the sector to the economy of Shetland, particularly in rural areas and the SIC policy to support the RO. This funding, combined with licence fees, also allowed the Organisation to lever in sums of money so that it could achieve such things as the MSC accreditation for Shetland's shellfish.
- 5.2 For the financial year 2012/13 the Development Committee approved grant support of £60,000 [Min Ref 06/12] given the additional administration required to apply for the renewal of the RO.
- 5.3 Following negotiations with SSMO it is proposed that a maximum budget of £48,000 be approved for the financial year 2013/14. However, given the necessity to evaluate the options available, it is important to give SSMO some confidence around the provision of funding before the exact use of funds can be confirmed.
- 5.4 Therefore it is suggested that the finer detail of how this budget be used be delegated to the Executive Manager - Economic Development, or his nominee. This would ensure that the Council achieves best value for Council funds and a secure the future for SSMO. The Economic Development Service is involved in this options appraisal.
- 5.5 It is important that the following outcomes be achieved by the provision of funding:
- a stable environment for the industry to operate;
 - secure links with the NAFC Marine Centre be achieved regarding the future of stock assessment and the requirements of ensuring the MSC accreditation is maintained in the future;
 - the development of transparent policy and strategy development for the sector;
 - maintain Shetland's position at the very forefront of the development of practical inshore fisheries management measures within Scotland;
 - maintain a robust structure capable of developing improved market recognition , particularly in relation to the MSC accreditation;
 - access to external funding for future project development;
 - maintenance of the competitive advantage achieved by the shellfish fisheries through the RO and MSC accreditation;

- development of a business model showing the initiatives to be undertaken to ensure sustainability and growth where achievable.
- better links with the management of Shetland's inshore fisheries; and
- the fulfilment of the recommendation of the SSMO review.

5.6 Following a report from the Head of Business Development to Committee on 18 November 2010 [Min. Ref: 70/10], it was agreed that the economic benefits of funding from the Council be more clearly defined. The benefits from this proposal shall be clearly defined when the allocation of funding is agreed, and reported to Committee.

6.0 Implications

Strategic

- 6.1 Delivery On Corporate Priorities – The activities of SSMO help to achieve outcomes for the Sustainable Economy section of the Corporate Plan 2010-12. In particular, under the wealthier outcomes: “encourage sustainable fisheries by Shetland vessels under the terms of the Common Fisheries Policy” and “encourage firms operating in Shetland to develop stricter environmental criteria”.
- 6.2 Community /Stakeholder Issues – SSMO will continue to work with key partners such as the NAFC Marine Centre, Shetland Islands Council, national bodies and government leaders in inshore shellfish fisheries management. This will ensure that through good resource management long-term environmental, economic and social sustainability is achieved. In the renewing of the Regulating Order the Scottish Government saw the management of the fishery by SSMO as widely considered to be effective and successful.
- 6.3 Policy And/Or Delegated Authority – This report is in line with Economic Development Policies number 1 “Rebuild confidence in the fish catching industry, number 2 “Enhance Shetland’s reputation as a high quality producer of fish and fish products” and number 27 “Enable individuals to achieve their full economic potential”. The Economic Development Policy Statement was approved by the Development Committee on 24 April 2008 (Minute Reference: 02/08) and by the Council on 14 May 2008 (Minute Reference: 55/08).

SSMO acts as a key partner in the delivery of “Successful and Sustainable – A Strategy for Shetland Seafood 2009-2013” and should deliver specific activities to fulfil the outcome of the document, which was adopted by the Council on 11 June 2009 (Minute Reference 57/09), specifically outcomes:

1. Sustainable and appropriate management of seafood resources
2. Knowledge of the Shetland industry
3. Promote best practices
4. Research and development
7. Knowledge transfer between producers and the market
9. Efficient and effective operational techniques

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, in addition to appropriate budget provision.

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

- 6.4 Risk Management – This report concerns the recommendation to approve a commitment of grant funding to SSMO for the financial year 2013/14. A potential risk is that the Council does not achieve best value from providing core funding to SSMO. Giving delegated authority to the Executive Manager - Economic Development, or his nominee, to ensure the funds are allocated in an appropriate manner, mitigates this risk.

What has been achieved by SSMO in recent years is highly commendable, especially by an Organisation directly employing only one person. It must be recognised the importance of NAFC Marine Centre in these achievements also. Therefore, there is a huge risk of this work being lost if additional grant support is not being provided to enhance the work of SSMO and secure links cannot be achieved with NAFC Marine Centre for the future.

Should a grant of less than the recommended level be approved, this could significantly impact on the ability of SSMO to achieve the work required to be met by the Organisation, especially the maintenance of the RO and MSC accreditation. This would subsequently lead to a detrimental impact on the shellfish sector economy as well as the social aspects of Shetland's rural communities as many families rely on the income achieved through fishing either on a full or part time basis.

Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on reserves. Therefore it is important to appreciate that this funding has been deemed as a priority within the Economic Development budgets and is subject to a planned funding reduction for this and coming years.

- 6.5 Equalities, Health And Human Rights – None.

- 6.6 Environmental – This project supports the recovery of shellfish stocks through stock enhancement and other management measures. It will promote the environmental, social and economic sustainability of Shetland's shellfish fisheries.

Resources

- 6.7 Financial – The proposed maximum grant of £48,000 will be paid from the Economic Development budgets for 2013/14. The total projected income, including grant, is approximately £82,000.

Under the Local Government in Scotland Act 2003, the Council has a duty to make arrangements which secure Best Value. Best value is continuous improvement in the performance of the authority's functions taking into account efficiency, effectiveness, economy and equal opportunities.

There are no alternative funding sources available for the core funding of SSMO. SSMO does have income from licences fees, £300 per annum per licence, however, this funding is not sufficient to fully support the costs required to deliver the science, resources, database management, staffing, office costs, consultation fees, etc. required to run SSMO. The funding by the SIC is necessary to ensure stability within SSMO and allow external funding to be sought for additional projects.

It is essential to the delivery of SSMO and to meet the requirement of regulators to ensure that there is a fixed funding source to ensure management of the RO and MSC accreditation. Without core funding support, SSMO cannot meet these requirements.

6.8 Legal – None.

6.9 Human Resources – None.

6.10 Assets and Property – None.

7.0 Conclusions

7.1 This report concerns maximum grant of £48,000 for SSMO for the financial year 2013/14. The exact use of these funds is yet to be fully agreed because the funding requires to be in place before formal agreements can be decided. Therefore it is recommended that delegated authority be given to the Executive Manager, or his nominee, to use the most appropriate use of these funds to deliver the outcomes in paragraph 5.5.

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Date: 27 February 2013

List of Appendices

None.

Background documents:

24 April 2008, [DV012](#), Shetland Economic Development Policy Statement 2007 – 2011, Decision: [Minute Reference 02/08](#)

18 November 2010, [DV068](#), Investment in Economic Development Projects – Defining Benefits, Decision: [Minute Reference 70/10](#)

Shetland Islands Council 14 May 2008, Decision: Minute Reference 55/08

11 June 2009, [DV056](#), Successful and Sustainable – A Strategy for Shetland Seafood 2009-2013, Decision: [Minute Reference 57/09](#)

**Special Development Committee****08 March 2013****Shetland Development Trust Surpluses – COPE Ltd****Report No DV006-F****Report Presented by
Executive Manager – Economic
Development****Economic Development
Development Services Department****1.0 Summary**

- 1.1 The purpose of this report is to update the Development Committee on the current position regarding the funding of COPE Ltd.

2.0 Decisions Required

- 2.1 That the Development Committee RESOLVE to approve the proposed distribution of £100,000 from the 2011/12 Shetland Development Trust surplus, to COPE Ltd during the financial year 2013/14.

3.0 Detail

- 3.1 COPE Ltd is a registered charity that provides employment and training opportunities for individuals that really need them. COPE Ltd currently employs 42 people, 8 of whom have disabilities. In addition Cope Ltd provide participant work placements for up to 50 people with disabilities who assist in the enterprise activities as well as gaining important work skills for themselves. Enterprises operated by COPE Ltd include: Shetland Soap Company; COPE Catering; COPE Pet Supplies; Karibuni; COPE Trees & Shrubs; Shetland Scrapstore. The provision of funds from Shetland Development Trust surplus will allow Cope Ltd to continue providing work placements and training through their business enterprises.

- 3.2 The proposed funding breakdown of COPE Ltd for 2013/14 is as follows:

• COPE Ltd	£511,463
• Community Care Services (SIC)	£102,600
• Shetland Charitable Trust (SCT)	£154,967
• Shetland Development Trust	£200,000

Shetland Development Trust's contribution of £200,000 towards the funding of COPE Ltd can be achieved by Shetland Development Trust providing a surplus distribution of £100,000 and COPE Ltd claiming tax relief directly from HMRC.

- 3.3 In the previous financial year 2012/13 COPE Ltd saw a reduction of 10% in their core funding from SIC Community Care, Infrastructure Services and Shetland Development Trust.
- 3.4 Members should note that the proposed 2013/14 funding from Shetland Charitable Trust is again a standstill budget, whilst the funding from Community Care is reduced by 10% and Shetland Development Trust surplus by 22.8%. COPE Ltd will not receive funding from Infrastructure Services in 2013/14. In total this is a reduction of £122,600 of external funding on the previous year.
- 3.5 If COPE Ltd cannot secure ongoing funding they will no longer be able to provide the same level of employment and work placements to people with disabilities. This could impact on the statutory services Shetland Islands Council is required to provide for up to 50 individuals with disabilities.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – continues to assist the aim of achieving Sustainable Economy, by supporting enterprise and sustainable economic growth and projects of community enterprise.
- 4.2 Community /Stakeholder Issues – Council officers continue to work closely with COPE Ltd staff to achieve the best value community outcome.
- 4.3 Policy And/Or Delegated Authority – In accordance with section 2.3.1 of the Council's scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

The Council's role as sole Trustee of the Shetland Development Trust is deemed to fall within the performance of its development Function.

- 4.4 Risk Management – the report sets out a proposal to reduce funding contribution to COPE Ltd by 22.8%. This report also highlights financial pressures that will be faced by COPE Ltd. There is a risk that with fewer resources COPE will have to reduce service delivery and this could potentially impact on Council Services.
- 4.5 Equalities, Health And Human Rights – COPE Ltd caters for a number of vulnerable people. It is a welcoming and inclusive organisation that provides a range of opportunities and services for people with additional support needs and other issues.

- 4.6 Environmental – COPE Ltd delivers a recycling service via its scrap store project that restores large volumes of furniture and other items for reuse in the community.

Resources

- 4.7 Financial – It is proposed that a distribution of £100,000 be allocated from Shetland Development Trust 2011/12 surplus. However, the surplus sum must be awarded unconditionally to ensure the recipient can claim tax relief on the distribution. The distribution will therefore be subject to a tax relief and be worth £200,000 to COPE Ltd. This represents a 22.8% reduction in the equivalent funding, which COPE Ltd received from disbursement of Shetland Development Trust surplus in 2012/13.

A total of £80,000 has been budgeted under 'Contingencies and Cost Pressures' in 2013/14 council budget to fund COPE for 6 months to enable alternative arrangements to be put in place.

- 4.8 Legal – None.
- 4.9 Human Resources - None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 COPE Ltd continues to operate a number of business enterprises that deliver important services in the community by employing and supporting people with additional support needs.

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**Special Development Committee****08 March 2013****Funding Request for Shetland Fisheries Training Centre Trust (NAFC Marine Centre)****Report Number: DV004-F****Presented by
Project Manager****Economic Development
Development Services Department****1.0 Summary**

- 1.1 This report concerns a funding application from the Shetland Fisheries Training Centre Trust (SFTCT), a charitable trust which operates the NAFC Marine Centre. The application consists of a total request of £1,379,369 towards its running costs during the financial year 2013/14.

2.0 Decision Required

- 2.1 That the Development Committee RESOLVE to provide a grant of £218,810 to the SFTCT for the financial year 2013/14. The compliance of policy delivery, terms and condition will be delegated to the Executive Manager Economic Development, or his nominee, but will include all the activities defined in the offer letter and management agreement attached as Appendix 1.
- 2.2 That the Development Committee RESOLVE to approve the distribution of £580,280, from the Shetland Development Trust surplus, to the SFTCT during the financial year 2013/14.

3.0 Background to NAFC Marine Centre

- 3.1 The Shetland Islands Council established the NAFC Fisheries College (NAFC) in 1992 as part of its strategy to support Shetland's seafood industries, including fish catching, aquaculture and fish processing.
- 3.2 The development of the College reflected the importance of the seafood industry to Shetland's economy, and their growing need for a well trained and qualified workforce. Since it opened the range of training and other activities undertaken by the NAFC has expanded dramatically in response to the needs of industry. An active research

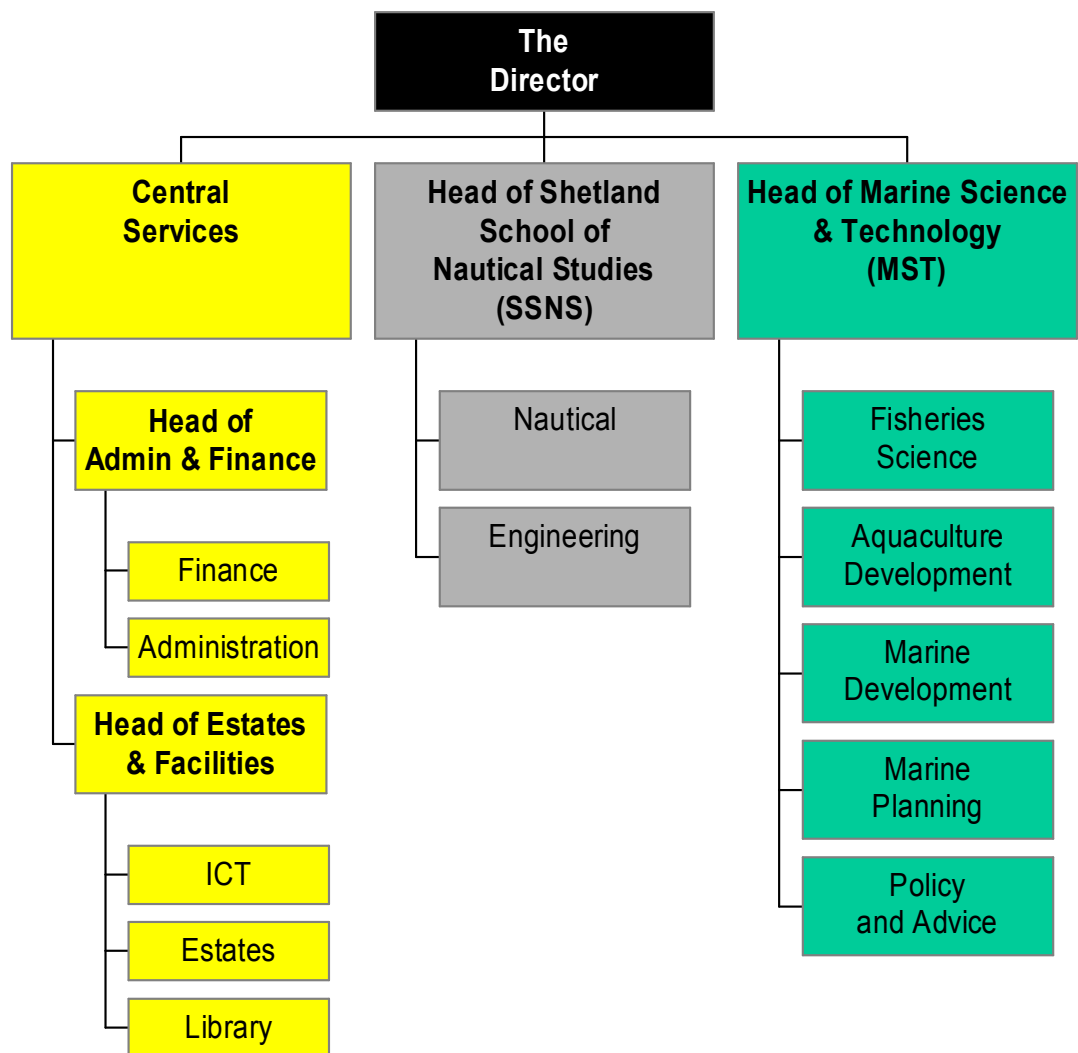
and development programme has also been developed focussing on projects that will bring benefit to the local maritime economy.

- 3.3 The NAFC has also taken on a range of functions for the Shetland Islands Council, including the provision of advice and guidance on fisheries and aquaculture issues.
- 3.4 The growing range of College activities, and the numbers of students being taught, resulted in a significant expansion of College facilities, starting with the addition of a marine hatchery in 1999. This was followed by the construction of Port Arthur House in 2000, which provides self-catering en suite accommodation for students and visitors. Finally, the John Goodlad Centre was built in 2001 to provide office space, laboratories and classrooms, as well as a modern library facility.
- 3.5 2004 saw the launch of the Merchant Navy Office Cadet Programme and, in early 2005, the college's former Nautical and Engineering Department was renamed Shetland School of Nautical Studies (SSNS) to better reflect the range of training provided.
- 3.6 In September 2005 the NAFC became the NAFC Marine Centre as it was thought that the name better reflected the increasing range and scope of the work being undertaken. Although training and education remain important, they now only account for about one third of the centre's activity; being balanced by an increasing amount of industry driven applied research, development, innovation, knowledge exchange and other activities.
- 3.7 The SFTCT manages the NAFC Marine Centre. A Board of Trustees to which the Director of the NAFC Marine Centre reports, manages the Trust. The objects for which the Trust was established are:-
 - 3.7.1 "To promote the development of Shetland fishing industry, including fish catching, fish processing, fish farming, marine engineering, navigation, seamanship, research and all related and ancillary activities providing formal and informal education and training in all or any such aspects of the Shetland fishing industry and in particular to maintain a Shetland Fisheries Training Centre".
- 3.8 Training has continued to be a part of the NAFC activities with the introduction of a "Skills at Work" Engineering pilot project in 2007, which was then developed into a two-year course for Secondary 3 and 4 pupils. An active research and development programme has been development over the years with highlights including:
 - development and testing of a marine spatial plan
 - the collection of fisheries and biological data in conjunction with the Scottish Industry/Science Partnership
 - industry research into a wide range of fisheries
 - the introduction of the RSPCA approved fish welfare course
 - supporting the Shetland Shellfish Management Organisation (SSMO), in particular the award of MSC accreditation for the king scallop, velvet crab and brown crab.

- 3.9 Since 1998, the NAFC Marine Centre has been an academic partner in, what was then, the UHI Millennium Institute. In February 2011, UHI was awarded university title making it Scotland's newest university. UHI comprises thirteen colleges, specialist institutions and research centres spread across the Highlands and Islands of Scotland. It uses technologies to link together students and staff in order to bring access to higher education to dispersed communities.

4.0 The NAFC Marine Centre Structure

- 4.1 The NAFC Marine Centre is structured as follows:



4.1.1 Central Services

Central Services covers the administration & finance, estates & facilities and Director functions. This covers the management of all accommodation and core functions you would expect to find in an establishment such as NAFC Marine Centre.

4.1.2 Shetland School of Nautical Studies (SSNS)

SSNS has a highly qualified professional staff with experience across a range of disciplines afloat and ashore, utilising state of the art simulation equipment, engineering workshops and training vessels. They offer a range of courses at all levels and to all relevant national and international standards applicable.

The School prides itself on its professionalism and the ability to respond in a flexible and timely manner to requests for training from individuals and employers; they will always attempt to deliver additional courses where possible, or develop new courses to customer specifications.

The Nautical Studies Department courses and training are aimed predominantly at providing the necessary qualifications to fulfil constantly changing legal requirements of the merchant navy, fishing and aquaculture industries. General seamanship, boat handling skills and sea survival training are also provided. Substantial use is made of the Full Mission Bridge Simulator during related training.

The Engineering section runs courses and training for the maritime sector. Shifts in legislative requirements means the industry is in a constant state of change. The college provides courses for the full range of engineering certificates required by fishing vessel engineers as well as a number of courses for the Merchant Navy. Qualified engineers are now sought after by industry and the demand for their skills is on the increase - especially regarding any new legislation.

The Merchant Navy is a vital national industry operating a wide range of ships on Worldwide and European trade routes, carrying cargos and people, and undertaking a variety of other operations e.g. in support of the offshore oil and gas industry. Wider maritime industries include shore-based occupations for which seagoing officer qualifications and experience are often required. Well qualified and professional seafarers are needed, for these reasons the Shetland School of Nautical Studies also offers Cadet Training Programmes and which have developed both a national and international reputation for the quality and standard of this provision.

The qualification structure is progressive and all aspiring officers must first attain an Officer of the Watch (OOW) Certificate of Competency. A key route to attain this certificate is to follow a Cadet programme based on SQA Higher National Certificate (HNC). These programmes must be approved by the Maritime and Coastguard Agency and the Merchant Navy Training Board.

4.1.3 Marine Science and Technology (MST)

Activity within the MST is divided into five sections: Fisheries Science, Aquaculture Development, Marine Planning, Policy and Advice, and Marine Development. It conducts applied research, consultancy and provides bespoke training and advice to marine-based industries and other stakeholders. The overall aim is to add positively to the viability of industry sectors, train and educate people of all ages and backgrounds and promote local economic development.

- **The Fisheries Science Section** conducts research and development projects that contribute to the assessment, management and sustainable harvest of commercially important finfish and shellfish species. It provides scientific and fisheries management advice, and was instrumental in obtaining Shetland Marine Stewardship Accreditations for local crab and scallop stocks in 2012 and influencing quota allocation decisions in Europe. In addition, the scientific and research papers are used to influence the North Sea Regional Advisory Council and at a Scottish Government, UK Government and European Commission level. This becomes even more important to the fisheries sector following the proposed regionalisation of fisheries.
- **The Aquaculture Development Section** aims to assist the activities of both production and support companies, engaging with stakeholders in research projects, consultancy and training provision that incorporate product quality, fish welfare and the environment.
- **The Marine Development Section** is engaged in activities that relate to the collection and evaluation of data from numerous sources with relevance to existing, and proposed, development in the waters around Shetland. Although established only 2 years ago, the section has completed assignments for many clients including the SIC and Pelamis Wave Energy.
- **The Marine Planning Section** has developed and continues to maintain and evolve the Shetland Marine Spatial Plan. The Plan is acknowledged widely as an international exemplar for the future of marine management.
- **The Policy and Advice Section** analyses emerging policies and legislation. It provides rapid, clear and easily understood summaries about potential impacts on Shetland for local interest groups and political leaders. Technical expertise is provided to many local groups, trade associations and industry.

- 4.2 In the past the SFTCT has also been involved with a number of trading companies i.e. Shetland Fisheries Centre Ltd, Shetland Seafood Quality Control Ltd. (SSQC) and the Shetland Fisheries Training Association (SFTA). However, all of these controlling relationships will

end going into financial year 2013/14. The most recent of these being the relationship with the SFTA, following SFTCT perceiving a potential implication to the Trust's charitable status if a controlling relationship continued. The SSQC continues to be located in the NAFC Marine Centre, but the only relationship is a recharge for its utilities.

5.0 Previous SIC/SDT Funding

- 5.1 The following table shows the previous funding provided by SIC Economic Development or Shetland Development Trust (SDT) surplus to deliver a range of services for the local fisheries industry, including training, monitoring, advice, research and development:

2010/11	2011/12	2012/13
£1,883,387	£1,780,953	£1,729,369*

* included a net SDT surplus distribution of £1,000,000

- 5.2 The following table shows the SFTCT income and expenditure as a percentage of the total revenue

	2010/11*	2011/12*	2012/13**
<u>Income</u>			
SIC Econ. Dev. Grant/SDT	54%	52%	53%
Other Funders	9%	10%	13%
Project Income	17%	14%	9%
Student Fees	10%	11%	14%
Port Arthur House	2%	3%	3%
Other Income	8%	10%	8%
<u>Expenditure</u>			
Salary & Other Costs	62%	63%	64%
Maintenance & Services	16%	15%	15%
Professional Fees	6%	6%	5%
Equipment & Materials	7%	5%	6%
Depreciation	9%	11%	11%

* 2010/11 and 2011/12 figures are from SFTCT Trustees Report and Consolidation Statement of Accounts

** 2012/13 figures are projected as it is not yet the financial year-end

- 5.3 The Council also meets the operating lease, maintenance and insurance charges for the NAFC Marine Centre. The budgeted cost for 2013/14 is as follows:

Planned, Emergency and Statutory Maintenance	£ 56,028
Insurance	£ 70,248
Lease Costs (payable to SLAP)	<u>£340,136</u>
	£466,412

However, it is argued that 100% of this sum should not be attributed to the cost of the NAFC Marine Centre as SSQC is also located within the buildings, and therefore should be attributed a pro-rata share of these associated charges.

6.0 Funding Request for 2013/14

- 6.1 An application has been made to the Council by the SFTCT for a total of £1,379,369 towards the running costs of the NAFC Marine Centre for the financial year 2013/14. The application states that the funding is required to meet the main object of the Trust (see Paragraph 3.7.1).
- 6.2 The NAFC Marine Centre's forecasted income and expenditure (excluding depreciation) for 2013/14 is as follows:

INCOME

Funding Council Grant	£484,138
Tuition fees & educational contracts	£472,769
Research grants and contracts	£216,413
Other Income	
- Residences	£97,775
- Consultancy	£97,250
- Management & Services Fees	£22,000
- Other Income	£142,088
Investment Income	£6,100
Shetland Islands Council/SDT	£1,379,369
	<u>£2,917,902</u>

EXPENDITURE

Staff Costs	£2,170,909
Boats	£14,650
Books and journals	£10,100
Equipment and materials	£132,070
Marketing	£37,470
Other	£79,474
Premises expenses	£342,036
Professional and financial	£103,467
Travel	£25,326
Interest and other finance costs	£2,400
	<u>£2,917,902</u>

- 6.3 To understand how the SIC/SDT funding would be used, the applicant was asked to provide a breakdown of the above income and expenditure apportioned between the areas described in paragraph 4.1. The financial breakdown is shown as Appendix 2.
- 6.4 In summary, £494,119 will go to Central Services, which is then apportioned £169,853 to SSNS and £324,266 to MST. £149,256 covers the direct costs of SSNS and £735,994 towards the direct costs of MST. Therefore 36% of the funding requested will cover the overheads of the NAFC Marine Centre, 11% the direct costs of SSNS and 53% the direct costs of MST.

- 6.5 For comparison with the table in paragraph 5.2, the following table shows the forecasted SFTCT income and expenditure as a percentage of the total revenue for the financial year 2013/14:

	2013/14
<u>Income</u>	
SIC Econ. Dev. Grant/SDT	47%
Other Funders	17%
Project Income	11%
Student Fees	16%
Port Arthur House	3%
Other Income	6%
<u>Expenditure</u>	
Salary & Other Costs	66%
Maintenance & Services	15%
Professional Fees	4%
Equipment & Materials	4%
Depreciation	11%

- 6.6 The table in 6.5 shows how the NAFC Marine Centre are trying to move away from the majority of their funding coming from the SIC/SDT with a further reduction of 6% between 2012/13 and 2013/14. However, the Other Funders figure includes £176,000 from the Scottish Funding Council (SFC), which has historically been paid directly to the Shetland College rather than being paid attributed to the NAFC Marine Centre. For 2013/14 this has been credited directly as income to the NAFC Marine Centre. This college funding is based around a formula, which allocates a grant to a college in return for an agreed amount of teaching activity in which the unit of resource is a SUM ("Student Unit of Measurement").
- 6.7 The NAFC Marine Centre staff have worked hard to reduce costs. But given that staff costs account for approx. 66% of its expenditure, it could be said that any further significant savings can only be made following a large restructuring exercise to reduce the overheads or by significantly increasing its income.

7.0 Review of Tertiary Education

- 7.1 At the Council meeting on 5 December 2012, Minute Reference 104/12, it was resolved to approve a review of further and higher education in Shetland.
- 7.2 The scope of the review was discussed with the Board of the NAFC Marine Centre on 31 January 2013 and considered by the Shetland College Board on 7 February 2013. The NAFC Marine Centre Board requested that the scope of the review be extended to cover research and knowledge transfer activities, i.e. the activities of the MST section of the NAFC Marine Centre.
- 7.3 The first phase of this review is to be completed by 31 March 2013. It is hoped by that time a comprehensive set of options for delivery of tertiary education in Shetland, against a background of increasingly limited Council resources, will be provided.

8.0 Implications

Strategic

8.1 Delivery On Corporate Priorities – The activities of the NAFC Marine Centre help to achieve outcomes from the Sustainable Economy section of the Corporate Plan. In particular under:

The Wealthier outcomes to:

- work with the aquaculture sector to investigate new ways to organise site management and different types of production
- assist in the development of two marine renewables projects
- develop offshore renewables capacity (equipment, infrastructure and skills)
- encourage sustainable fisheries by Shetland vessels under the terms of the Common Fisheries Policy
- encourage firms operating in Shetland to develop strict environmental criteria, in order to ensure Shetland's renowned environment is retained
- assist four businesses with research and development projects, including maximising opportunities with higher education bodies

The Smarter outcomes to:

- provide young people with the skills and competencies necessary to match economic needs by increasing the level of vocational pathway opportunities between schools and colleges
- assist in re-skilling people to meet the current and future needs of the economy, by:
 - establishing the needs of the businesses and commercial sector
 - ensuring there are opportunities to up skill the workforce (around employability and vocational skills) through providing vocational training, short course and access to national programmes, such as Modern Apprenticeships;
 - improving employability skills in response to Shetland's changing need

- 8.2 Community /Stakeholder Issues – One of the pledges in the Economic Development Statement is to support NAFC Marine Centre through core funding arrangements and continually review its structure and activities to ensure full relevance to the needs of the Shetland community and economy.

The prime reason the NAFC Marine Centre exists is to support the future sustainability of our coastal communities. The maritime industry is incredibly important to Shetland, particularly the seafood sector which is alone worth £309m to the local economy. The provision of proposed SIC/SDT funding in this report represents a little more than 2/5 of 1% of the value of the seafood sector in Shetland.

It is essential to the sustainability of the seafood sector, fish catching - worth £71m, fish processing - worth £83m and aquaculture - worth £155m, that local industry has the necessary infrastructure to ensure it has the information, support and skills to be maintained or developed in the future. All elements that the SIC funds within the NAFC Marine Centre, whether it relate to the small allocation to tertiary education, or larger funding of vocational training, research, development or knowledge transfer, are important to the Shetland economy.

Whilst important the NAFC Marine Centre not only supports the seafood sector, it has a valuable and important role in other sectors in such functions as development, consultancy, planning, policy and advice.

If the services of the NAFC Marine Centre were to diminish to an unsustainable level then much of the work for which it is widely recognised, for example, the recent Centre of Excellence award, MSC accreditation support, Marine Spatial Plan, would be lost and if not impossible, would be difficult to regain or recreate.

- 8.3 Policy And/Or Delegated Authority – Support to the NAFC Marine Centre fits with the following policy statements and pledges in the Economic Development Policy Statement approved by the Development Committee on 24 April 2008 (Minute Reference: 02/08) and by the Council on 14 May 2008 (Minute Reference: 55/08):
2. Enhance Shetland's reputation as a higher quality producer of fish and fish products
 3. Encourage sustainable growth in Shetland's aquaculture industry
 18. Support research and development projects in renewable energy across the isles, in homes, businesses and community organisations
 21. Encourage new activities not presently located in Shetland
 27. Enable individuals to achieve their full economic potential

The NAFC Marine Centre acts as a key partner in the delivery of “Successful and Sustainable – A Strategy for Shetland Seafood 2009-2013” and should deliver specific activities to fulfil the outcome of the document, which was adopted by the Council on 11 June 2009 (Minute Reference 57/09), specifically outcomes:

1. Sustainable and appropriate management of seafood resources
2. Knowledge of the Shetland industry
3. Promote best practices
4. Research and development
7. Knowledge transfer between producers and the market
9. Efficient and effective operational techniques
11. Routes into the industry for young people
12. Personal and workforce development
13. Business management skills

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council’s Scheme of Administration and Delegations, in addition to appropriate budget provision.

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

The Council’s role as sole Trustee of the Shetland Development Trust is deemed to fall within the performance of its development function and as such, has authority to approve distribution of surplus funds.

- 8.4 Risk Management – Under the Local Government in Scotland Act 2003, the Council has a duty to make arrangements, which secure Best Value. Best Value is a continuous improvement in the performance of the authority’s functions taking into account efficiency, effectiveness, economy and equal opportunities. This report concerns grant funding of the NAFC Marine Centre, the potential risk being that best value for the services being provided by the applicant is not achieved.

Therefore this funding should be approved, subject to the outcome of the Review of Tertiary Education, so that any potential for savings, accounting for better value, can be implemented on completion of the review.

However, it is essential that the Review captures the views and requirements of all stakeholders, whilst not pre-empting the result of the Review before an open investigation is held. There is a risk that the Review of Tertiary Education becomes too narrow and does not appreciate the range of elements which the NAFC Marine Centre deliver outwith tertiary education (in excess of two thirds of its function). These include the areas which Economic Development see as having considerable value to the local economy, and in particular meeting the vocational training and research needs of industry.

In the meantime, to ensure that the funding provided meets the policies of the Shetland Islands Council its use will be monitored against its delivery of all the policies outlined in 8.1 and 8.3. The defined actions of how these policies will be delivered should be delegated to the Executive Manager Economic Development, or his nominee, but will include all the activities defined in the Management Agreement, attached to Appendix 1.

The funding will be issued in four equal instalments to ensure control on spend and the implementation of savings should they be identified.

This application covers funding for both grant and surplus and should be considered together, whilst being aware that should either type of funding not be approved at the proposed level there will be a significant effect on the ability to deliver the level and breadth of current services. The outcome would likely be substantial job losses through compulsory redundancy and an inability to complete current research projects. The training services to underpin the local marine, maritime and engineering sectors would become unsustainable.

Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on reserves.

8.5 Equalities, Health And Human Rights – None.

8.6 Environmental – The ongoing data collection and marine mapping programme of the NAFC Marine Centre underpins the Marine Spatial Plan and significantly informs the key decisions taken by such bodies as SSMO in relation to managing, and potentially voluntarily closing, inshore fishing areas. The research work of NAFC Marine Centre informs government and European policy on such things as fisheries stocks and associated total allowable catch limits. This ensures that stocks are maintained and fished sustainably without damage to the environment.

Resources

8.7 Financial – The proposed funding to the NAFC Marine Centre will be a mix of revenue grant and surplus funding.

- It is proposed that a grant of £218,810 be paid from the Economic Development budget.
- A distribution of £580,280 is proposed from the Shetland Development Trust surplus. The surplus sum must be awarded unconditionally to ensure the recipient can claim tax relief on the distribution. The distribution will be worth £1,160,560 to the NAFC Marine Centre. By using surplus funding the SIC can make a significant revenue saving. However, when planning for the future funding of the NAFC Marine Centre cognisance must be given to the fact that the activity of the SDT, and subsequent surplus, will considerably reduce in the coming years.

The total proposed funding is £1,379,369, which represents a £350,000 saving or 20% budget cut on the funding provided by both SIC/SDT during the financial year 2012/13. However, in terms of funding directly from SIC budgets the proposals represents a saving of 70%, or £510,559. It is proposed that this be the first stage of budget reduction direct from SIC budgets as further efficiencies require to be found in future years. It is proposed that the grant funding from the SIC budgets reduce to zero within three years.

8.8 Legal – None.

8.9 Human Resources – The proposed funding to the NAFC Marine Centre will help to maintain 48 full-time and 3 part-time posts. This generates a net wage value of £1,660,000 p.a. Should the funding not be approved at the level proposed there would be a direct impact on the job and wage figures.

8.10 Assets And Property – The SIC have a lease agreement with SLAP for the NAFC Marine Centre buildings, which consist of the main college building, the accommodation block and the John Goodlad Centre. As detailed in paragraph 5.3, this lease payment is £340,136 and is paid from an Assets and Properties budget. SLAP have identified that the level of lease payment is subject to a rent review. The SIC also pays the insurance costs and the planned, emergency and statutory maintenance costs.

9.0 Outputs and Impacts

9.1 Following a report from the Head of Business Development to Committee on 18 November 2010 (Minute Reference 70/10), it was agreed that the economic benefits of grant funding from the Council be more clearly defined when considering applications for funding.

- 9.2 The following is a table of the defined benefits achieved through the provision of the funding package within this report i.e. grant and surplus distribution:

Benefits and Impacts

Output	Target
No. of core jobs maintained FTE	48
No. of project jobs maintained FTE	3
Total Jobs Impacts	79*
Net Wages generated	£1,660,000
No. of students enrolled	675
No. of students enrolled FTE	145
Student retention rate	95%
Student success rate	95%
Range of courses provided for industry	45
No. of new courses developed for industry	3
No. of active research and consultancy projects	9
No. of collaborative funding partners for active research and consultancy projects	5
No. of briefing noted produced for industry	5
Amount of levered in finance	£278,700

* using type II employment multiplier

Non Measurable Benefits

Impact on Shetland Brand	The detailed work carried out by the Marine Sciences Department will continue to underpin the MSC accreditation of inshore shellfisheries. The Scottish Government have approached the NAFC Marine Centre to share and disseminate our approach to this across the sector.
Environmental Improvements	The ongoing data collection and marine mapping programme of NAFC Marine Centre underpins both the Marine Spatial Plan and also key decisions by bodies such as SSMO in relation to managing, and potentially voluntarily closing inshore fishing areas.
Skills Development	The NAFC will be enrolling over 650 students over the year and will develop a number of new, industry specific training programmes including the new Modern Apprenticeship in Sea Fishing.

10.0 Conclusions

- 10.1 The SFTCT operates the NAFC Marine Centre and in doing so provides a vital facility for the provision of activities such as tertiary education, vocational training, research and development, and knowledge transfer, for both indigenous and emerging sectors of Shetland's economy. It is essential to ensure that it is strengthened by making sure it can deliver aspects of the SIC policy such as the Corporate Plan, Economic Development Statement and Seafood Strategy. Therefore justifying the level of funding support defined in this report.
- 10.2 However, to ensure that the SIC is receiving best value any potential savings following the current Review of Tertiary Education should be implemented as soon as possible and subsequently this funding package amended accordingly, whilst recognising that the majority of the NAFC Marine Centre activity is not tertiary education.

For further information please contact:

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Position: Project Manager
Tel: 01595 744967
Email: sheila.keith@shetland.gov.uk
Date: 18 February 2013

List of Appendices

Appendix 1 – Offer Letter

Appendix 2 - Income & Expenditure Forecast - 2013/14

Background documents:

Shetland Islands Council, 5 December 2012 - Chair's Report (Item 4)

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=3694>

24 April 2008, Shetland Economic Development Policy Statement (Item 1)

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=2440>

Shetland Islands Council 14 May 2008, Decision: Minute Reference 55/08 (Item h)

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=2301>

11 June 2009, Successful and Sustainable – A Strategy for Shetland Seafood 2009-2013 (Item 10)

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=2660>

18 November 2010, Investment in Economic Development Projects – Defining Benefits (Item 4)

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=2863>



Shetland Islands Council

Executive Manager: Douglas Irvine
Director: Neil Grant

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

Draft

Our Ref: SK/RF339/496/3487
 Your Ref:

Date

Dear Sir

NAFC Marine Centre Grant Funding for 2013/14

On behalf of Shetland Islands Council ("the Council"), I am pleased to offer Shetland Fisheries Training Centre Trust ("the Trust") grant assistance of £218,810 (Two Hundred and Eighteen Thousand, Eight Hundred and Ten Pounds) for the provision of services, during the year 2013/14, subject to the following conditions:

1. The Trust will, as part of the offer of grant, provide, on behalf of the Council, or its nominee, the fisheries and marine resource activities as set out in the attached Management Agreement – dated (to be inserted later).
2. The Trust will, as part of the offer of grant, fulfil the terms of the contract with the Council, or its nominee, for the provision of services and management of NAFC Marine Centre.
3. The grant will be paid to the Trust in four equal instalments, April 2013, July 2013, October 2013, and January 2014.
4. The Trust will supply the Council, or its nominee, with quarterly income and expenditure accounts within 21 days of the end of each quarter and will, by 31 December 2013, submit income and expenditure projections for the remainder of the year to 31 March 2014 and for the period 01 April 2014 to 31 March 2015.
5. The Trust will, by 31 August 2014, provide a statement of the income and expenditure of Shetland Fisheries Training Centre Trust, showing clearly the funding obtained from external sources and the running costs for the financial year 2013/14. If there is any surplus this will be deducted from any future grant awarded by the Council.

6. The Trust will undertake to amend its objects, as necessary, to fulfil the activities required by the Council, or its nominee. If any amendment of the objects affects the charitable status of the Trust, the Council will amend the Management Agreement and subsequently reduce this offer of grant accordingly.
7. The Trust will make every effort to obtain external funding, which might further reduce sums presently sought from the Council.
8. The Trust will, by 30 June 2014, provide a report on the delivery of the activities fulfilled by the NAFC Marine Centre as per the Management Agreement and defined economic benefits provided at the time of application.
9. The Trust will supply a copy of its professionally audited accounts within nine months of the end of the financial year 2013/14.
10. The Trust will maintain and operate its premises, machinery and equipment in such a way as to conform, to the satisfaction of the Council, or its nominee, with current Health and Safety legislation, Food Hygiene legislation and other relevant trading legislation.
11. The Trust will comply with the conditions of the Management Agreement it has with the Council, or its nominee, and will continue to operate The NAFC Marine Centre as Agent of the Council, or its nominee, under the terms of the said Management Agreement.
12. The Trust will supply on request any additional information the Council, or its nominee, may require monitoring the conditions under which the grant is made.
- 13. In the event of a breach of the foregoing conditions, the Council, or its nominee, may, at its sole discretion, require repayment of all or part of the grant, and may also disqualify the Trust from receiving any other grant or loan in terms of the Schemes operated by the Council, or its nominee.**
14. Grant recipients must inform the Council, or its nominee, of any changes in circumstances affecting the grant conditions, in particular if the Trust gives up the business/work for which grant assistance was given.

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

In addition, to the aforementioned grant the sum of £580,280 (Five Hundred and Eighty Thousands, Two Hundred and Eighty Pounds) will be provided from Shetland Development Trust surplus funding.

This offer of grant is valid only until 31 March 2014. If, by that date, the grant has not been claimed or paid or if, by that date, an extension has not been requested and given, this offer of grant lapses. If grant were still sought at that time, a fresh application would be required.

A spare copy of this letter is enclosed for your retention.

Yours faithfully

Executive Manager - Economic Development

Enc

We,..... and being
two authorised signatories of the Shetland Fisheries Training Centre Trust, accept the
offer of grant on the conditions specified in the offer letter (to be inserted later).

Signed:.....Date.....

Signed:.....Date.....

MANAGEMENT AGREEMENT – For Financial Year 2013/14

This Agreement is between Shetland Islands Council (“the Council”) and the Shetland Fisheries Training Centre Trust (“the Trust”) with regard to the provision of financial assistance to provide a range of services, as defined below.

This Agreement covers the period 01 April 2013 to 31 March 2014 unless otherwise stated.

The Trust agrees to continue to strengthen its contribution to the communities of Shetland by:

- Offering a flexible approach to training and education for people and businesses
- Promoting and supporting the development of fisheries, aquaculture, nautical, engineering & related industries both nationally and internationally
- Encouraging innovation for better, cost-effective, strategies to conserve energy, reduce waste and provide better value for money
- Forging partnerships with schools, Universities, other research & training providers and others (including local and national governments, non-governmental organisations, funders, etc) to meet their needs in the most effective way
- Maintaining commitment to provision of high quality service delivery by monitoring performance regularly and reviewing opportunities for improvement
- Encouraging social inclusion, ensuring that services, training and education are available to all and that we are fair, courteous, consistent and accountable
- Recognising the value of their staff, their professionalism, knowledge, skills and judgement and provide opportunities for their continuous development

In return for the provision of funding the Trust will provide the following:

- nautical, engineering, fisheries and aquaculture training and education for Shetland.
- supply engineering training for Shetland
- work closely with schools and local communities to ensure that young people are aware of the career opportunities available in engineering and in the maritime industries.
- a proactive approach to assessing and delivering the training requirements by the fish catching, seafood processing and aquaculture industry.
- remain an academic partner in the UHI Millennium Institute and work in partnership with Shetland College building up the provision of higher education in Shetland, especially at the post-graduate taught and research degree levels.
- run an efficient and cost effective Merchant Navy Cadet programme.
- provide high-quality research on Shetland’s fisheries and marine environment, with the intention of contributing to the sustainability of Shetland’s marine resources and improving knowledge and understanding of the local marine environment.
- Provide all required shellfish research and stock assessments for the Shetland Shellfish Management Organisation, an association of local fishermen which manages shellfish stocks in the waters around Shetland, and continue to support the award of the MSC accreditation for brown crab, velvet crab and scallops. This includes the maintenance of fisheries logbook information for inshore sector.

- work with, and support, Shetland Shellfish Management Organisation (SSMO) towards maintaining their Marine Stewardship Council Accreditation.
- assist SSMO with the Regulated Fishery Order (also known as a 'Regulating Order') to manage the commercial fisheries for lobsters, crabs, scallops, queens, whelks, razorshells, cockles, mussels and oysters within the area between the low water mark and the six-mile limit around Shetland. Amongst other things, the Order gives the SSMO powers to impose restrictions and regulations, to issue licences, and to impose tolls.
- deliver crucial training, educational courses and Continuing Professional Development for the fishing, aquaculture and ferry services of Shetland through the list of approved courses identified below.
- run the marine hatchery & sea site trials unit for use in research and training.
- delivery of the National Progression Award & Scottish Vocational Training in Aquaculture.
- outreach work to schools and other external bodies
- research on biology and stock health of marine fishes and shellfish of commercial importance
- maintain and operate vessels for ongoing research and training purposes
- provide advice, information and assistance on fisheries and marine environmental issues to the SIC, Shetland Fishermen's Association (SFA), Shetland Fish Producers Organisation (SFPO), SSMO and SHOAL
- correspondence with State agencies (including responses to consultation) and other regulatory bodies in relation to fisheries, aquaculture, marine planning, policy and environment
- short research projects of direct areas of immediate concern (e.g. cod survey 2009)
- monitor national and European fisheries and marine environmental policy developments and circulate information as appropriate
- collection, collation and analysis of local fisheries landings statistics; preparation and circulation of summary reports to key parties
- preparation and circulation to all interested parties (including councillors and industry representatives) of 'briefing notes' on fisheries and marine environmental issues
- data collection for national fisheries monitoring programme (for shellfish, pelagic and whitefish species)
- provide 'short courses' (e.g. Seafish type) to industry in seafood sector
- provide advice and project development services to local industries
- preparation and submission of externally funded research proposals that are of direct relevance to Shetland and wider Scotland
- provide knowledge transfer and innovation expertise to industry

- provide responses to consultations to the Scottish and UK Governments' proposed Bills
- provide information or assistance on a range of issues including local fish landings statistics, marine policy developments, and other issues as instructed by Council officials
- provide an active aquaculture research programme along with industry

In return for accepting the grant offer, reference SK/RF339/496/2757 the Trust agrees to provide services to fulfil the following actions outlined in the Council's Corporate Plan, Economic Development Policy Statement and the Shetland Seafood Strategy.

Corporate Plan, specifically the following actions:

- work with the aquaculture sector to investigate new ways of organising site management and different types of production
- assist in the development of two marine renewable projects
- development of offshore renewables capacity (equipment, infrastructure and skills)
- encourage sustainable fisheries by Shetland vessels under the terms of the Common Fisheries Policy
- encourage firms operating in Shetland to develop strict environmental criteria, in order to ensure Shetland's renowned environment is retained
- assist at least four businesses with research and development projects, including maximising opportunities with higher education bodies
- provide young people with the skills and competencies necessary to match economic needs by increasing the level of vocational pathway opportunities between schools and colleges
- assist in re-skilling people to meet the current and future needs of the economy by:
 - establishing the needs of the business and commercial sector;
 - ensuring there are appropriate opportunities to up-skill the workforce in Shetland through providing vocational training, short courses and access to national programmes
 - improving employability and vocational skills in response to Shetland's changing economic and community needs;

Economic Development Policy Statement (approved by the Development Committee on 24 April 2008 (02/08) and by the Council on 14 May 2008 (55/08), specifically the following actions:

Statement No. 2 - Enhance Shetland reputation as a higher quality producer of fish and fish products

Statement No. 3 - Encourage sustainable growth in Shetland's aquaculture industry:

Specifically, to support 4 projects aimed at improving the aquaculture industry to be versatile, profitable and efficient; and to support industry to gain a better understanding of optimum growing conditions in the aquaculture sector

Statement No.18 - Support research and development projects in renewable energy across the isles, in homes, businesses and community organisations

Specifically to be involved and support 2 renewable energy projects in the marine environment and work with the marine renewables group to investigate opportunities that exist in this area

Statement No. 21 - Encourage new activities not presently located in Shetland:

Statement No. 27 - Enable individuals to achieve their full economic potential

Strategy for Shetland Seafood (as adopted by the Council on 11 June 2009, minute reference 57/09), specifically outcomes:

1. Sustainable and appropriate management of seafood resources
2. Knowledge of the Shetland industry
3. Promote best practice
4. Research & Development
7. Knowledge Transfer between producers and the market
9. Efficient and effective operational techniques
11. Routes into the industry for young people
12. Personal and workforce development
13. Business management skills

The funding will enable the delivery of the following courses:

The list of approved courses delivered by The NAFC Marine Centre to the local fishing, aquaculture and maritime industries which are fully or partially funded by the SIC core funding allocation:

2-day Engine Room Watchkeeping
5-day Bridge Watchkeeping
ARPA
Bivalve Purification Courses
Care of the Catch
Class 1 (FV) to OOW Unlimited (conversion)
Class 1 Engineering (FV) Distance Learning preparation
Class 1 Engineering Officer (FV)
Class 1 Engineering Officer (FV) Eng Knowledge
Class 1 Engineering Officer (FV) Eng Science
Class 2 Engineering Officer (FV)
Deck Officer (FV) Class 1
Deck Officer (FV) Class 2
Deck Officer Written Examination Revision
Distance Learning Workshop Skills
Distance Learning Workshop Skills Electrical tasks
Efficient Deck Hand
Electronic Navigation Systems (FV)
Engineering Science 1 & 2
EOOW Written Examination preparation
Fish Welfare
Fishermans Safety Awareness
GMDSS LRC
GMDSS SRC
HNC Engineering Systems

Introduction to Fishing
Level 2 and 3 vocational qualifications in Aquaculture
MA in Engineering Fabrication & Welding
Master <500GT Near Coast Vessel STCW95 Reg 2/3
Master 3000GT Revision
MCA Diesel Engine
MCA Oral Preparation – outreach
Modern Apprenticeship Engineering
Modern Apprenticeship in Aquaculture
Modern Apprenticeship in Sea Fishing
Modern Apprenticeship SVQ Level 3
NARAST (Management)
NARAST (Operational)
National Progression Award in Aquaculture
National Progression Award Maritime Skills Course
NC Engineering
Net Mending and Construction
OOW Deck <500GT Near Coastal Vessel STCW95 Reg 2/3
Oral examination preparation
PDA in Aquaculture
Personal Safety & Social Responsibility
Personal Survival Techniques
RYA Advanced Powerboat
RYA Day Skipper
RYA Powerboat Level 2
RYA Radar
RYA Yachtmaster Coastal Skipper/Yachtmaster Offshore Skipper
RYA Yachtmaster Ocean
Safety Officer Course
Safety Training Course
Seal management
Seal Management
Signals
Skills for Work Engineering Skills Course
Skipper Full to OOW Unlimited (conversion)
Small Diesel Engine
Stability Awareness (Intermediate)
STCW '95 Second Engineer <3000 KW
SVQ Level 2 Engineering Manufacturing
SVQ Level 3 Engineering Maintenance
VHF Upgrade to SRC
Workboat Skipper Part I and Part II
Workboat Stability

By signing this Agreement the Trust understands that if for any reason it cannot fulfil the activities contained herein, it should be reported to the Executive Manager Economic Development, or his nominee, in early course and may result in the funding for 2013/14 being limited. Any such changes will be reported to the Council's Development Committee, or equivalent.

We hereby agree to fulfil the activities detailed above and agree to be monitored on our delivery and understand that any departure from the delivery of these activities may result in reduced funding for 2013/14 and in the future:

We, and being two authorised signatories of the Shetland Fisheries Training Centre Trust, accept the above Management Agreement.

Signed: Date

Signed: Date

For and on behalf of the Shetland Islands Council by
Authorised Signatory.

Signed: Date

NAFC Marine Centre

Income & Expenditure Forecast - 2013/14

Central Services costs allocated by section

	Central Services	SSNS	MST	2013/14 Total
	£	£	£	£
INCOME				
Funding Council Grants		423,138	61,000	484,138
Tuition fees & educational contracts		423,019	49,750	472,769
Research grants & contracts			216,413	216,413
Other Income				
SIC/SDT Core Funding				-
Residences	97,775			97,775
Consultancy			97,250	97,250
Management & Services Fees	22,000			22,000
Other Income	55,350	57,000	29,738	142,088
Total Other Income	175,125	57,000	126,988	359,113
Investment Income	6,100			6,100
Total Income	181,225	903,157	454,151	1,538,533
EXPENDITURE				
Staff costs	617,274	666,983	886,652	2,170,909
Other operating expenses				
Boats			14,650	14,650
Books & Journals	-35,509	8,924	36,685	10,100
Equipment & Materials	-24,946	69,758	87,258	132,070
Marketing	30,000		7,470	37,470
Other	16,800	58,000	4,674	79,474
Premises Expenses	36,550	222,848	82,638	342,036
Professional & Financial Fees	23,700	22,700	57,067	103,467
Travel	9,075	3,200	13,051	25,326
Total Other operating expenses	55,670	385,430	303,493	744,593
Interest and other finance costs	2,400			2,400
Central Service Overhead Allocation to SSNS and MST	-494,119	169,853	324,266	0
Total Expenditure	181,225	1,222,266	1,514,411	2,917,902
SIC/SDT core grant funding requirement/allocation	0	-319,109	-1,060,260	-1,379,369