

**Development Committee****14 August 2013****Economic Development Policy Statement 2013-2017**

Report No: DV025-F

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

- 1.1 The purpose of this report is to present to the Committee a final draft Economic Development Policy Statement 2013-2017, attached as Appendix I.

2.0 Decision Required

- 2.1 That the Development Committee RECOMMEND that the Executive Committee RECOMMEND that the Council RESOLVE to adopt the Economic Development Policy Statement 2013-2017.

3.0 Detail

- 3.1 The Economic Development Policy Statement 2013-2017 was produced following work by the Council's Economic Policy Working Group and Economic Development staff to develop a set of policy actions to guide the work of the Economic Development Service for the period of the current Council, and in the context of Council budget cuts in general and cuts to service budgets specifically. This document will replace the previous policy statement covering the period 2007-2011.
- 3.2 The attached Policy Statement presents the overall aims and objectives of the Economic Development Service for the period 2013-2017, and details specific actions, measures and outcomes, including timescales, through which the Service will seek to realise these objectives.

- 3.3 The Policy Statement is placed in a national context through links to the Scottish Government Economic Strategy and the Single Outcome Agreement, and is locally contextualised through links to the Council's Corporate Plan, relevant local authority plans and local industry strategies. The document also details the link from the Policy Statement to the Development Directorate Plan and the Economic Development Service Plan.
- 3.4 The document also provides details on how future review and monitoring of the Policy Statement will be carried out and key principles and guidelines by which the Service will operate.

4.0 Consultation and Amendments

- 4.1 The Development Committee resolved to adopt the draft Economic Development Policy Statement as a consultation document on 29 May 2013 [Min. Ref.: 23/13].
- 4.2 The draft statement was subsequently submitted for consultation to a range of industry representatives, umbrella groups for community organisations, local trusts, other Council departments and other public sector partners. Comments received were evaluated and incorporated into the final policy statement where appropriate. A list of consultees is attached as Appendix II.
- 4.3 As part of the consultation process the draft Policy Statement was submitted for Strategic Environmental Assessment pre-screening on 05 June 2013. Correspondence from SEA Gateway stated that if no correspondence was received from Consultation Authorities within 10 working days then it could be assumed that no concerns had been raised. No comments on the pre-screening submission have been received from the Consultation Authorities.
- 4.4 Since the draft statement was adopted for approval at the Development Committee of 29 May 2013, the statement has undergone revision by Economic Development staff to address areas where events have overtaken draft policies (such as the decision on 2014-2020 Regional Aid status) or where draft outcomes and measures required refinement.
- 4.5 The most significant amendments to the previous policies and measures include:
 - 4.5.1 Removal of reference to specific assistance schemes, until such time as specific economic development assistance measures are drafted, appropriate budgets are allocated and delegated authority is sought from the Development Committee. References to specific schemes have been removed from policy actions 2.2 and 5.2.
 - 4.5.2 Update of 4.7 to reflect changes to Regional Aid status as of 2014-2020, the requirement for full understanding of the implications to be adequately understood and communicated, and the necessity of lobbying to ensure the unique circumstances of island areas are reflected in EU policy development.

- 4.5.3 Update of 1.3 to include up-to-date delivery targets for NAFC Marine Centre.
- 4.5.4 Minor amendments and additions have been made to policy actions 1.5, 3.1 and 4.6 to ensure complementarity with the relevant actions under the Shetland Partnership Single Outcome Agreement 2013.

5.0 Implications

Strategic

- 5.1 Delivery On Corporate Priorities – This document will establish Corporate Priorities with regard to economic development and establish a policy framework for the period of the current Council.
- 5.2 Community /Stakeholder Issues – Consultation with local industry representatives, community organisations and other relevant public sector and local authority representatives has been carried out and feedback incorporated into the final draft.
- 5.3 Policy And/Or Delegated Authority – The Policy Statement will provide a policy framework by which the Economic Development Service will operate for the period of the current Council, and so will be establishing rather than addressing Council policy.

In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has the remit to implement decisions within its remit. The Executive Committee is responsible for advising the Council regarding the development of its strategic objectives, policies and priorities. The introduction of new, or the variation of existing policies or strategies which form part of the Council's Policy Framework requires a decision of the Council.

- 5.4 Risk Management – This document will establish a policy framework for the Economic Development Service and thus provide guidance for how the Service will operate for the period of the current Council. Without a defined policy direction the Council risks presenting an inconsistent message to local industry and the wider public on how economic development issues are addressed in a time of reducing budgets. Adopting a policy statement allows the Council to present clear guidance on these issues.
- 5.5 Equalities, Health And Human Rights – None.
- 5.6 Environmental – In order to comply with national public policy on the implementation of new schemes, strategies and policies put forward by public agencies, the draft Economic Development Policy Statement was submitted for Strategic Environmental Assessment pre-screening on 05 June 2013. Correspondence from SEA Gateway stated that if no correspondence was received from Consultation Authorities within 10 working days then it could be assumed that no concerns had been raised. No comments were received from Consultation Authorities in the period.

Resources

- 5.7 Financial– There are no direct financial implications arising from adopting this Policy Statement. Upon adoption, the Policy Statement will provide guidance for how budgets within the Economic Development Service will be apportioned to best achieve the aims and objectives described.
- 5.8 Legal – None.
- 5.9 Human Resources – None.
- 5.10 Assets And Property – None.

6.0 Conclusions

- 6.1 This report recommends that the attached policy statement be adopted as a formal policy framework for the Economic Development Service.

For further information please contact:

Thomas Coutts, Business Development Project Manager

01595 744 902

thomas.coutts@sic.shetland.gov.uk

23 July 2013

List of Appendices

Appendix I – Economic Development Policy Statement 2013-2017

Appendix II – Consultee List

END

Shetland Islands Council



Economic Development Policy Statement 2013-2017

DRAFT

Contents

	Page
1 – Introduction	1
<u>Links to Local and National Strategies</u>	
2 – Scottish Government’s Economic Strategy	2
3 – Single Outcome Agreement	4
4 – SIC Corporate Plan	6
5 – Directorate and Service Plans	7
6 – Local Strategic Engagement	8
<u>Economic Development Policy Statement</u>	
7 – Aims and Objectives	11
8 – Actions, Measures, Outcomes and Timescales	12
<u>Guidance and Monitoring</u>	
9 – Review and Monitoring Procedure	19
10 – Operating Principles and Guidelines	20

1.0 Introduction

- 1.1 This document forms an integral part of Shetland Islands Council's Corporate Plan, which covers the period 2013 to 2017. The Economic Development Policy Statement will act as the policy framework for the work of the Council's Development Committee and the Economic Development Service. It is expected that policies will be added, amended or deleted in the course of the Council's work so the Economic Development Policy Statement will be updated regularly by the Development Committee to reflect these changes.
- 1.3 An effort is made to link the Council's economic development work to other local and national strategies. Foremost among these is the Scottish Government's Economic Strategy, which is discussed in more detail below, but this document also links to the objectives and actions of the Single Outcome Agreement. The policies detailed within are informed and driven by the Council's Corporate Plan, and in turn inform the Economic Development Service Plan.
- 1.4 The next few years will be a crucial time for Shetland's economy. Although local economic conditions are currently more favourable than elsewhere in the United Kingdom, manifested in low unemployment, high rates of economic activity and an increasing population, the effects of the global economic downturn are evident, notably in the continuing contraction of public services and evidence of reduced demand in certain sectors. Nevertheless, local industrial sectors continue to perform strongly, most notably the combined fisheries sectors (aquaculture, processing and catching), which contribute around one-third of Shetland's total economic output; the TOTAL gas plant development will have a significant impact on local businesses and services, as well as the local labour market, for years to come, and developments in oil and gas, renewable energy and decommissioning offer important opportunities. The integration of next-generation broadband will bring economic and social benefits, as well as a demonstration of innovative methods of infrastructure delivery and the implementation/development of new technology.
- 1.5 The promotion of Shetland as a forward-looking place to invest in, as a desirable community to live and work in, and as a place with a reputation for high quality goods and services will continue to be a touchstone for economic development. The development of promotional initiatives and proactive marketing is key to this, as is the continued tailoring of local services to market needs. Through the Business Gateway the service will seek to strengthen the local private and social sector through skills development, business planning and ensuring enterprising activities are efficiently targeting their key markets.
- 1.6 The rest of the document details the key operating principles of the Economic Development Policy Statement, the aims, objectives and targets which the service will seek to deliver over the period of the current Council, and how this links to wider national and local strategies.

2.0 Links to Scottish Government Economic Strategy

- 2.1 Published in 2011, the Scottish Government Economic Strategy advances the Purpose of the Scottish Government, which is:

“...to make Scotland a more successful country, with opportunities for all to flourish, through increasing sustainable economic growth¹.”

- 2.2 To realise this Purpose, the Government Economic Strategy focuses on accelerating economic recovery in the context of challenging global economic conditions, with a range of measures to tackle unemployment and promote employability.

- 2.3 The focus of the Government Economic Strategy is on six Strategic Priorities² to drive sustainable economic growth, detailed below:

Supportive Business Environment

“Our ability to promote prosperity and jobs depends on the performance of our businesses - both large and small....[our] approach will focus our efforts on growth companies, growth markets and growth sectors.”

Transition to a Low Carbon Economy

“...to reflect the excellent opportunity we have to secure investment and jobs from this growing sector and ensure that the benefits of this transformational change are shared across the economy and our communities.”

Learning, Skills and Well-being

“[A] skilled, educated and creative workforce is essential to creating a more competitive and resilient economy. And in the face of the ongoing effects of the recession, it is vital that we develop the skills and employability of Scotland's workforce, and reduce the number of people who are out of work or underemployed - particularly amongst our young people.”

Infrastructure Development and Place

“[We] will harness the strength and quality of Scotland's cities, towns and rural areas and promote the digital economy. Our focus on place is also about improving the overall quality of life in our neighbourhoods.”

Effective Government

“[This] is fundamental to the successful implementation of the Government Economic Strategy, as it is only by the actions of the public sector being fully coordinated and aligned can we maximise Scotland's potential. Central to this will be nurturing and developing the talents and creativity of all our public servants.”

¹ Scottish Government, *The Government Economic Strategy* (13 September 2011), p.8

² Scottish Government, *The Government Economic Strategy* (13 September 2011), p.8-10

Equity

“As well as being a desirable outcome and characteristic of growth, Equity - social, regional, and inter-generational - is also a key driver of growth and jobs. Only by ensuring that everyone has an opportunity to succeed will we fully maximise the nation's potential.”

- 2.4 Delivery of the Purpose and the Strategic Priorities is supported by five Strategic Objectives³, carried over from the 2007 Government Economic Strategy and detailed below:

Wealthier and Fairer - Enable businesses and people across Scotland to increase their wealth and to ensure that more people share fairly in that wealth.

Smarter - Expand opportunities for all Scots to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.

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

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

Greener - Improve Scotland's natural and built environment and the sustainable use and enjoyment of it and facilitate the transition to a low carbon economy.

- 2.5 The policies and approach detailed in this document are consistent with the purpose, priorities and objectives of the Government Economic Strategy and will contribute to the delivery of sustainable economic growth locally and nationally.

³ Scottish Government, *The Government Economic Strategy* (13 September 2011), p.21

3.0 Links to Single Outcome Agreement

“Effective community planning arrangements will be at the core of public service reform. They will drive the pace of service integration, increase the focus on prevention and secure continuous improvement in public service delivery, in order to achieve better outcomes for communities. Community planning and SOAs will provide the foundation for effective partnership working within which wider reform initiatives, such as the integration of health and adult social care and the establishment of single police and fire services, will happen.”

(Scottish Government/COSLA Statement of Ambition, 15 March 2012)

3.1 Previously the mechanism by which the Scottish Government monitored annual progress on national indicators by public services at local authority level, the Single Outcome Agreement (SOA) has undergone a change of focus. The main priority of the SOA is now to demonstrate how an “integrated approach” i.e. partnership working, between local public agencies delivers significant local outcomes, and how these contribute to National Outcomes.

3.2 Under the new approach, SOAs will⁴:

- Use an evidence based approach, underpinned by disaggregated data, to drive improvement in meeting the differing needs of local populations;
- Include clear performance commitments that will lead to demonstrable improvements in people’s lives;
- Focus upon reducing outcome gaps within populations and between areas – and promote early intervention and preventative approaches in reducing outcome inequalities; and
- Identify priorities for interventions and include plans for prevention, integration and improvement to promote better partnership working and more effective use of resources.

3.3 Community Planning Partnerships (CPPs) are the key monitoring body under which local SOAs sit, and the National Group has agreed that CPPs should have a common focus on key priorities where the aim should be to achieve transformational, not incremental, performance improvement through integrated working. These key priorities are⁵:

- Economic recovery and employment;
- Early years;
- Safer and stronger communities, and reducing offending;
- Health inequalities and physical activity; and
- Outcomes for older people.

⁴ Scottish Government, *Single Outcome Agreements – Guidance to Community Planning Partnerships* (December 2012), p.2

⁵ Scottish Government, *Single Outcome Agreements – Guidance to Community Planning Partnerships* (December 2012), p.3

3.4 The purpose, strategic objectives and local indicators of the Shetland Partnership SOA are detailed in the Shetland Partnership Performance Framework.

3.5 In the Shetland Partnership Single Outcome Agreement 2013, economic development, under the 'Wealthier and Fairer' National Outcome, is specifically addressed by the following Local Outcome:

“Shetland has sustainable economic growth with good employment opportunities and our people have the skills to match, good places to stay and the transport people and businesses need.”

Under this Local Outcome, the SOA contains the following local objectives:

- a more diverse business base;
 - more resilient and sustainable communities and community enterprises across Shetland;
 - sustain high rates of employment.
- 3.6 These objectives, and the engagement of the Economic Development Service with relevant local agency partnerships which report to the Community Planning Partnership, particularly the Economic Development Partnership and the Skills, Learning and Employability Partnership, are addressed by the policies detailed in this document.
- 3.7 Progress on achieving the above local objectives will be measured by the following local indicators:
- Economic growth
 - Businesses start-up rate (per 1,000 population)
 - Employment rate
 - Proportion on out-of-work benefits (JSA or equivalent)
 - Average (median) earnings
 - Skill profile of the population (% of 16 - 64 qualified at NVQ1 level or above)
 - Skill profile of the population (% of 16 - 64 qualified at NVQ4 level or above)
 - Proportion of school leavers in positive destinations
 - Youth out-of-work claimant count (16-24)
 - CO2 Emissions per capita (tonnes)

Baseline figures and targets for years 1, 3 and 10 of the SOA are included the SOA document.

4.0 Links to SIC Corporate Plan

- 4.1 This Policy Statement addresses the following priority of the Shetland Islands Council Corporate Plan 2013-2017:

“Helping build a healthy economy and strong communities.

We know we can't take direct action the way we used to, but we will work with businesses and communities to help the Shetland economy to be as strong as possible, to expand wherever possible and to encourage existing and new businesses in all parts of Shetland.”

- 4.2 The Policy Statement contains action and measures which address the following priority actions detailed in the Corporate Plan:

“This year we will:

- create and put into practice a Renewable Energy Development Plan 2013-2020 which will look to find a balance between inward investment in the area and local community projects and define Shetland's proposition as a test site for renewable-energy projects;
- develop a plan to attract people to Shetland to live, work, study and invest;
- run a campaign to promote the business and community benefits of high-speed broadband;
- work in partnership with communities to identify barriers to employment and development (such as childcare issues, transport and so on) and develop long-term, creative solutions;
- continue to work with communities to identify projects which could be successful, achieve the highest possible return from community assets, strengthen communities and create jobs in remote areas;
- identify skill and trade shortages and develop action plans to support unemployed people and people whose work does not make full use of their skills and abilities get training in these areas with a specific focus on women and young people; and

By the end of this plan we will have:

- a wider business base, and a closer partnership with both traditional and emerging sectors;
- high-speed broadband available to 84% of the Shetland population;
- maintained Shetland's overall high rates of employment;
- more resilient and long-lasting communities and community enterprises across Shetland; and
- maintained working-age population levels throughout Shetland.”

5.0 Links to Development Directorate Plan and Economic Development Service Action Plan

Development Directorate Plan

- 5.1 The Development Directorate was formed as a result of the Council organisation and management restructure which took place in 2011. It comprises the functions of community planning and development, economic development, housing, planning, transport planning and further and higher education.
- 5.2 The Development Directorate Plan provides an annual overview of the Directorate's objectives, achievements to date, key performance indicators and risk analysis.
- 5.3 Included in the Directorate Plan are individual Service Action Plans. These encompass activities, outcomes, objectives, actions, targets and resources as well as performance indicators for each service.

Economic Development Service Action Plan

- 5.4 The Economic Development Service Action Plan details the activities, objectives and targets of the service over the coming year, and the resources required to achieve this. It also identifies priority action areas and headline indicators to measure progress.
- 5.5 The Service Action Plan is taken forward in line with the policy aims, objectives and actions which are detailed in this document. There is a clear reporting line from the Policy Statement to the Action Plan.
- 5.6 Each annual Service Action Plan will contain a set of priority activities to direct resources and a set of headline indicators to measure progress. These priority activities and headline indicators are consistent with the actions and measures detailed in this Policy Statement, and will reflect key service area milestones for the year in question.

6.0 Local Strategic Engagement

6.1 The following section lists the public sector plans and sectoral strategies through which the Economic Development Service engages with local industry and works in partnership with industry representatives, other public sector agencies and the social and voluntary sector where appropriate to implement economic development priorities.

6.2 This section is in two parts. The first part details local government plans and strategies which may inform or are informed by aspects of the Economic Development Policy Statement, which impact on local economic activity and which are driven primarily by the corporate priorities of the Council and Scottish Government priorities and legislation. The second part comprises strategies and plans which are designed to guide service engagement with specific aspects of the local economy or guide the delivery of a specific funding stream. These plans and strategies are driven by industry and local need.

6.3 Local Government Plans and Strategies

Shetland Community Plan

[To Be Added]

Shetland Local Development Plan

“The Shetland Islands Local Development Plan...sets out a Vision and Spatial Strategy for the development of land in the Shetland Islands over the next 10-20 years. The Council’s Planning Service will use the land use planning policies contained in the Plan for determining applications submitted under the Planning (Scotland) Acts.”

Shetland’s Local Housing Strategy 2011-2016

“Work in partnership to enable everyone in Shetland to have access to...[a] choice of affordable housing options across all tenures that are warm and safe, energy efficient and in keeping with the Shetland environment, of good quality and in good repair, able to meet demand and the particular needs of households in inclusive and vibrant communities.”

Shetland Transport Strategy

“The vision of ZetTrans is...to develop an effective, efficient, safe and reliable transport system for Shetland. The transport system will comprise an integrated network of accessible, and affordable internal, inter-island and external links, which will contribute to the development of a safe, healthy, vibrant and inclusive society; a diverse, successful and self-sufficient economy, and enhanced environmental quality.”

6.4 Sectoral and Industrial Plans and Strategies

Successful and Sustainable: A Strategy for Shetland Seafood 2009-2013

“To achieve a competitive advantage we must enhance our own and our visitors’ appreciation and recognition of our seafood products, add value to the product before it leaves Shetland and retain an identity with the product after it leaves our shores. This demands continuous learning about the needs and demands of the market place to ensure appropriate product and market development.”

The Shetland Marketing Strategy

“We must do justice to Shetland’s strengths and keep our promises to our target customers...This depends on our actions in delivering excellent products and providing great experiences.”

The 2011-2014 Shetland Tourism Plan

“Our location away from major population areas means that we will continue to be quite an expensive destination to reach. This alone means that we have to work harder than other places in the UK to attract visitors and convince them that their visit will be worth the money in everything from service quality to things to see and do.”

A Strategy for Sustainable Shetland Agriculture 2012-2016

“The vision set out in the brief for the strategy is, ‘to promote and enhance a diverse, competitive and sustainable agricultural industry in Shetland’. This means the industry not only needs to become more viable and sustainable it also has to become more diverse.”

Renewable Energy Development in Shetland: Strategy and Action Plan

“The partners in this strategy believe that the opportunities for renewable energy development in Shetland offer our community a rare opportunity to reduce our fragility [and] can secure significant community and environmental benefits in addition to the economic benefits which could be created.”

Shetland Skills and Learning Strategy

“This strategy...identifies areas where service providers (such as schools, colleges and training providers) can work differently, to better meet the needs of individuals, employers and communities...[and] sets out how individuals and employers might better express and plan what skills and learning they need to put in place to meet current and future skills needs.”

On the Cusp...Shetland's Cultural Strategy 2009-2013

“Culture...largely defines the identity of a place and its people and it promotes personal growth and community cohesion. A vibrant and distinctive culture is also a hugely important economic asset.”

Shetland LEADER Business Plan 2007-2013

“[The] LEADER Business Plan was produced to fit within the generic Rural Development Strategy for Shetland... to be adopted by the main agencies and the Community Planning Board...It should be read in conjunction with the Rural Development Strategy for Shetland. It also fits under the Scottish Rural Development Strategy and is complementary to other actions in rural development in Shetland.”

European Fisheries Fund Axis IV

“EFF Axis 4 aims to provide support for the sustainable development of fisheries areas and is available to Fisheries Local Action Groups (FLAGs) who represent the fisheries area in which they are based, and who implement an Axis 4 local development strategy for their area. The aim of Axis 4 is to increase the capacity of local fishing communities and business networks to build knowledge and skills, innovate and co-operate in order to tackle local fisheries development objectives.”

Shetland Islands Council Economic Development Policy Statement 2013-2017

“Enabling our communities to develop their potential.”

Aim

To improve the economic well-being of Shetland by promoting an environment in which newer industries develop alongside thriving traditional industries.

Objectives

1. Link skills and knowledge development to economic need
2. Develop the economic health of local communities and a more diverse business base, through encouraging innovation and sustainable growth
3. Encourage research and adoption of enabling technologies and infrastructure
4. Develop local control and management of resources
5. Improve the reputation of Shetland as an attractive place to live, work, study, visit and invest.

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
1.1	Through the Business Gateway encourage new business start-ups and improve existing businesses	<p>Provide information, advice and guidance to those starting new businesses in Shetland</p> <p>Provide business planning advice to those looking to develop existing local businesses</p> <p>Develop business skills among the local community through advice and training</p> <p>Through monitoring and evaluation, refine Business Gateway to be more effective for local businesses and social enterprises</p>	<ul style="list-style-type: none"> • Provide support to 20 new start-ups through the Business Gateway • Provide advice to 20 existing businesses or social enterprises looking to expand or develop • Support 100 clients through the Business Gateway • Provide 100 clients with access to Business Gateway training courses • Produce annual report on Business Gateway incorporating client feedback and service review 	<p>Annual</p> <p>Annual</p> <p>Annual</p> <p>Annual</p> <p>Annual</p>
1.2	Provide up-to-date monitoring of the Shetland economy through survey and research work	Develop, undertake and report on survey work carried out which deliver detailed and up-to-date information on the Shetland economy	<ul style="list-style-type: none"> • Complete the Shetland Employment Survey • Complete the Shetland Visitor Survey 2012/13 • Complete Shetland In Statistics 	<p>2014/2017</p> <p>2013</p> <p>Annual</p>

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
1.3	Provide a high quality marine research and training facility	Support NAFC through core funding arrangements and periodically review the structure and targets to ensure service delivery meets industry needs.	<ul style="list-style-type: none"> • 9 research and development projects with commercial applications undertaken • 5 briefing notes produced for local industry and the Council on current issues facing the sector • 650 enrolled students • 45 training courses delivered • 50 jobs maintained 	Annual
1.4	Improve economic knowledge sharing with the commercial sector in Shetland	Set up a network of engagement with local industry	<ul style="list-style-type: none"> • Bring scarcer public support measures into line with new economic development opportunities • Identify two research projects with commercial potential • Encourage the commercial sector in Shetland towards integrated working along the lines of a Chamber of Commerce • Establish a working register of Shetland trades, products and services to supply large-scale developments. 	2014 Annual 2016 2013

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
1.5	Develop a greater understanding of skills gaps and shortages in the Shetland labour market, and assess the future skills requirements of local industry	<p>Devise a system for businesses to register needs for specific skills</p> <p>Assess the capacity in Shetland to provide the workforce training & skills development required by Shetland industry</p> <p>Contribute to completion and implementation of Shetland Skills and Learning Strategy and Action Plan</p>	<ul style="list-style-type: none"> • Reduce the skills deficit by 30% by 2017 (baseline to be established by Shetland Employment Survey) • Completed strategy and action plan 	<p>2017</p> <p>2013</p>
2.1	Encourage sustainable growth in the local economy through support for business development and social enterprises.	<p>Support 14 projects in target sectors (tourism, creative industries, manufacturing, food & drink) which deliver on one or more of the following key economic outcomes:</p> <ul style="list-style-type: none"> • Improved product quality • Import substitution • New market development • Improved productivity • Improved service delivery • Introduce new or improved manufacturing processes • Introduce new business activity to Shetland • Improve and/or develop marketing and promotional strategies outside Shetland <p>Provide new and manage existing commercial investments which support economic development objectives.</p>	<ul style="list-style-type: none"> • 4 food & drink-related projects supported, inc. seafood and agriculture-related projects • 3 projects supported which improve visitor services and facilities • 4 projects supported in the creative sector • 3 projects supported which introduce new business activity to Shetland • Identify best mechanism for future commercial investment and holding structure for existing investment portfolio (including Quota) • Manage and regularly report on the existing portfolio of 80+ commercial investments 	<p>Annual</p> <p>2014</p> <p>Annual</p>

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
2.2	Support communities and individuals to engage in economic activity and/or reduce the effects of peripherality and disadvantage	Support economic activity in local communities through the improvement of services and providing assistance for local development projects.	<ul style="list-style-type: none"> Support community groups and local businesses to generate economic activity in local communities and/or to mitigate against effects of disadvantage through developing local facilities and services Improve access to employment opportunities in local communities 	Annual
3.1	Provide high speed Digital Broadband in Shetland	<p>Review effectiveness of Shetland Telecoms project prior to preparation of new Action Plan and ensure complementarity with BDUK project.</p> <p>Achieve full integration of superfast cable.</p> <p>Establish an operational point-of-presence and one next generation project</p> <p>Develop campaign to promote benefits of high-speed broadband to communities businesses and households</p>	<ul style="list-style-type: none"> Infrastructure and operational plans approved High-speed broadband service available in South and Central Shetland Mainland. Pilot 'Next Gen' project completed Promotional campaign developed and implemented 	<p>2013</p> <p>2017</p> <p>2013</p> <p>December 2014</p>
3.2	Support research and development projects which encourage innovation and growth in the private sector	Provide support to research and development projects which will introduce new methods of production, improve productivity or quality, or introduce new processes to the local private sector	<ul style="list-style-type: none"> 2 industry-led research and development projects supported 	Annual

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
4.1	Contribute to local policies on renewable energy development	<p>Develop and implement Renewable Energy Action Plan 2014-2020 to guide activity and investment</p> <p>Develop Community Benefit Policy for local renewable energy development</p>	<ul style="list-style-type: none"> • Approved Action Plan in place • Approved Policy in place 	<p>2014</p> <p>2013</p>
4.2	Support research and development projects in renewable energy across the isles, in homes, businesses and community organisations	<p>Support 6 community-scale renewable energy projects through commercial investment and grant assistance</p> <p>Develop projects which utilise increased renewable energy connections to the local grid through the NINES project</p> <p>Reduce dependence on imported fossil fuels through increasing local installed renewable energy capacity</p>	<ul style="list-style-type: none"> • 2 renewable energy projects in the marine environment supported • 4 terrestrial renewable energy projects supported • Increase local installed capacity of renewable energy 	<p>Annual</p> <p>Annual</p> <p>2015</p>
4.3	Maximise benefit to Shetland from Council participation in regional and EU networks.	Promote representation on relevant regional, national and European committees and take opportunities to engage and lobby on issues with bearing on the social and economic future of Shetland	<ul style="list-style-type: none"> • Continued engagement at officer and political level on national and EU networks. In particular: <ul style="list-style-type: none"> • Conference for Peripheral Maritime Regions • Convention of Scottish Local Authorities • Council of European Municipal Region Policy Committee • Highlands & Islands Convenors Group • Highlands & Islands European Partnership • Highlands and Islands European Partnership Board 	Ongoing

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
4.4	Support community and commercial projects through local delivery of regional, national and EU funding programmes	<p>Delivery of Shetland LEADER Programme 2007-2013 and European Fisheries Fund Axis IV</p> <p>Identify opportunities for local delivery of EU Structural Funds 2014-20</p> <p>Attract funding from regional, national and European programmes to support local development projects</p>	<ul style="list-style-type: none"> • Deliver £2.3m of LEADER support and £0.3m of Axis IV support as match funding for local development projects • Complete strategy and Business Plan for LEADER Programme 2014-20 • Range of measures/projects suitable for support under key Structural Fund themes • Investigate potential regional, national, and EU funding sources for relevant projects and develop applications 	<p>2013-2015</p> <p>2014</p> <p>Ongoing</p> <p>Ongoing</p>
4.5	Maintain and improve quality and sustainability management systems in key sectors through partnership arrangements with key delivery partners	<p>Seek approval of a state aid scheme for quality control measures</p> <p>Support the Shetland Regulating Order through the provision of funding to Shetland Shellfish Management Organisation via a Service Level Agreement</p>	<ul style="list-style-type: none"> • Gain state aid approved scheme and provide funding to a local delivery partner to achieve quality control measures • Ensure sustainability and management of inshore shellfish stocks 	<p>Annual</p> <p>Annual</p>
4.6	Maximise the benefit from local control of resources	Support lobbying efforts on management of local resources	<ul style="list-style-type: none"> • Provide information, as required, to enable lobbying to be carried out by Council representatives and other stakeholders 	Ongoing

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
4.7	Increase local benefit from developments in energy sector, and develop workforce and infrastructure for future developments	<p>Hold regular meetings with gas plant companies to develop local supply chain and discuss issues relating to local skills development.</p> <p>Research and communicate supply chain information relating to larger scale developments in Shetland</p> <p>Diversify Scalloway and Sullom Voe harbour areas to encourage further economic developments</p>	<ul style="list-style-type: none"> Up-to-date reports from gas plant project management on employment and recruitment issues Targeted business register created and maintained Business register to be communicated to interested parties engaged in industrial developments Contribute to master plans for Scalloway and Sullom Voe to introduce new business to the harbour areas and increase benefits from existing usage 	<p>Quarterly</p> <p>2013</p> <p>2014</p>
4.8	Engage with changes to EU Regional Aid guidelines 2014-2020	<p>Investigate local implications of changes to Regional Aid status</p> <p>Support lobbying efforts to secure/reinstate assisted area status for Shetland</p>	<ul style="list-style-type: none"> Ensure that all implications of loss of Regional Aid status as of 2014-20 are understood by local agencies and industry, changes to established procedures and policies are implemented and communications are made in a timely and thorough manner Provide information and guidance in support of lobbying efforts to ensure recognition of the unique status of island areas 	<p>2014</p> <p>Ongoing</p>

Obj. Ref.	Action	Measure	Outcome/Targets	Timescales
			in EU policy development and implementation	
5.1	Raise Shetland's external profile as a place to live, visit, work, study and do business.	Prepare tender and award Promote Shetland contract for promotional services	<ul style="list-style-type: none"> • Increase number of businesses and people visiting and relocating to Shetland • Increase positive national media coverage of Shetland • Increase local inward investment from businesses located outwith Shetland 	Ongoing
5.2	Improve services and information available to tourist visitors	Maintain and develop a cost effective local visitor information service throughout Shetland	<ul style="list-style-type: none"> • 12 Visitor Information Points in strategically selected rural locations • 9 rural visitor attractions open by appointment during April and October 	Annual
5.3	Increase the economic impact of the local creative sector through improved co-ordination between relevant agencies	In partnership with local stakeholders, prepare an action plan and strategy to develop the local arts and culture sector in the context of current economic conditions	<ul style="list-style-type: none"> • Shetland Arts and Culture Strategy and Action Plan, including key milestones and a clear implementation process 	Dec 2014

9.0 Review and Monitoring Procedure

- 9.1 This set of policies will be subject to annual review by the Economic Development Service and the Development Committee to monitor progress on approved outcomes and ensure that all measures, actions and outcomes are up-to-date, achievable and relevant in the context of the Council's economic priorities.
- 9.2 During review of the policy statement, it is expected that the Service will produce up-to-date information on achievement of outcomes, and that actions and measures which have been achieved and are not recurring will be updated or removed from the policy statement. Similarly, new actions or measures which arise from policy decisions from the Council may be added into the statement at this point.
- 9.3 The review procedure will be scheduled to take place in November of each year, and will be timetabled to conclude in February of the following year, after which the Service Action Plan will be drafted reflecting updates and revisions to the Policy Statement.

The following personnel will be involved in the review of the Policy Statement:

- Chair – Development Committee
- Vice Chair – Development Committee
- Director – Development Services
- Executive Manager – Economic Development
- Economic Development staff as deemed appropriate

Staff from other services may be consulted on this review process where this is deemed necessary and appropriate. The review will conclude with a seminar involving the members of the Development Committee, in addition to the above staff and elected members.

- 9.4 The first review of this Policy Statement will be scheduled to take place in November 2013.

10.0 Operating Principles and Guidelines

10.1 Social Inclusion

The Council is committed to upholding people's rights, to promoting social inclusion, to protecting the vulnerable and the disadvantaged and to ensuring that all citizens have equal opportunity to fulfil their potential. The Council aims to promote an inclusive society which values diversity and works to secure and protect the rights of all the people of Shetland by combating disadvantage, discrimination, risk, exploitation and abuse.

10.2 Sustainable Development

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

10.3 Evidence of Need

Council investment in economic development projects should lead to the creation or improvement of a process, service or product that could not have happened without the Council's assistance. Funds will only be awarded to projects that cannot proceed without assistance, and all applicants for financial assistance must be able to provide evidence of need for Council funds.

10.4 The Role of Development Agencies

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

10.5 Financial Duty of Care

The Council has a duty of care to the public purse in terms of maximising the productive use of public funds for economic development activity. In this regard the Council has a duty to thoroughly examine and make informed judgements on the viability of projects being considered, the need for public assistance, the probability of changes in the environment that projects will operate in and any potential negative impacts which may arise from the awarding of Council assistance, such as impacts on local competition.

10.6 State Aid Compliance

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

10.7 Promoting Independent Working

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

10.8 Transparency

The availability of services, eligibility for services and the process of applying for and approval of services will be made clear to all potential applicants. The details of all awards of financial assistance to applicants will be published in the local media.

Consultee List for Economic Development Policy Statement

Development Directorate

Community Planning & Development
Housing
Planning
Shetland College
Transport Planning

NAFC Marine Centre
Train Shetland

Shetland Amenity Trust
Shetland Arts Development Agency
Shetland Charitable Trust
Shetland Recreational Trust

Federation of Small Businesses
Shetland Business Network

Shetland Livestock Marketing Group
Scottish Crofting Foundation
National Farmers Union
Crofters Commission
Scottish Agricultural College
SGRPID

Shetland Aquaculture
Seafood Shetland
Shetland Fishermen's Association
Shetland Fish Producers' Organisation
Shetland Shellfish Management Organisation

Lerwick Port Authority

Shetland Childcare Partnership

Skills Development Scotland
Highlands and Islands Enterprise
Voluntary Action Shetland
JobCentre Plus

Association of Shetland Community Councils

Shetland Tourism Association
Visit Shetland

Living Lerwick