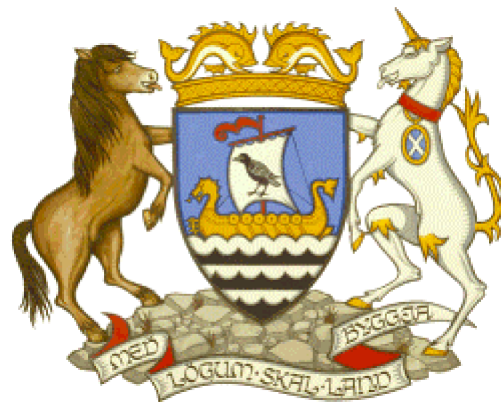


Shetland Islands Council Development Department



Annual Report 2000/2001

October 2001

SHETLAND ISLANDS COUNCIL

DEVELOPMENT DEPARTMENT

ANNUAL REPORT 2000/2001

This report is the seventh Annual Report on the work of the Shetland Islands Council's Development Department. The period covered is from 1 April 2000 to 31 March 2001.

The report describes the various activities of the Department in the context of a review of the Shetland economy over the same period.

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SHETLAND ISLANDS COUNCIL

DEVELOPMENT DEPARTMENT

ANNUAL REPORT 2000/2001

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Section One

The Shetland Economy in 2000/2001

1.1 The Scottish Economy

During 2000 the Scottish economy continued to expand with growth being led by the service sector. The Fraser of Allander Institute reported that the growth was 1.5% compared to 2.8% for the UK. There has been 5 years of continual growth in the national economy, whether Scottish or UK as a whole. Over that period the manufacturing sector has continued to be under pressure while the main growth area has been in services. Unemployment levels continued to fall nationally. The background provided by the national economy is a very strong determining factor for the local economy. This report is littered with examples of how external influences in the UK economy and beyond impact in Shetland. The effects can be beneficial, such as the upturn in Shetland's oil production as the world oil price recovered, or negative as the impact that the foot and mouth epidemic has had on agriculture.

1.2 Shetland General

While a number of Shetland's traditional sectors faced a year of hardship, the growth potential of the oil production sector became a salient feature of the economy during 2000-2001. The announcement of enhanced oil recovery from the Magnus field and of major refurbishment works at Sullom Voe Terminal bore testament to the continuing efforts of the oil industry and the Council to ensure that oil will remain an essential part of the local economy for many more years. This report also features a milestone leap in the annual turnover of the fisheries sector to over £200m for the first time but this figure has to be tempered by the continued poor fortunes of the whitefish sector, for many years the staple industry in these Islands. Large scale whitefish processing has all but disappeared and many of our vessels struggled to be economically viable in the adverse fishing conditions. Downturns were also experienced by knitwear and agriculture – the futures of agriculture taking a terrible twist when a promising start to 2001 was shattered by the outbreak of foot and mouth. On a brighter note, following several years of decline, the construction sector picked up during the year as more public sector capital works came on stream.

During the year the Council decided to review and restructure all of the investment functions run to assist local industry. The need to do this was necessitated by the heavy and increasing demands being placed on the Council for funding by local businesses. Changes were proposed to enable the Council to become more active in economic development matters rather than continuing solely in a supporting capacity. A greater emphasis is to be placed on encouraging specialisations within the Council and on promoting Shetland in an ever more competitive world.

1.2.1 Fisheries

Total fisheries output passed the £200m mark for the first time during 2000/2001. The massive growth was due to ever expanding salmon farming and Shetland Catch's operation. By contrast the whitefish sector experienced another traumatic year. Stocks recovered a bit on 1999/2000 but quotas were reduced and technical measures combined with closed areas further constrained catching efforts. A number of vessels were hard pressed to survive these constraints and fishermen continued to leave the industry for other shore based work. What has emerged is a vicious circle of vessels having to work harder to service debt thereby incurring higher fuel and repair costs leading to more debt. In the past 10 years Shetland's fully registered and licenced white fish vessels have reduced by 26%, a net loss of 14 boats. Recovering this situation will take a long time especially when short term indicators point to deterioration rather than recovery (the joint effort between the Council and the industry to seek reform of the Common Fisheries Policy is discussed later in this report).

In fish processing, while the whitefish sector continued to restructure as Whalsay Fish became part of Shetland Seafish and Ronas Fisheries was closed, Shetland Catch began a £6m expansion emphasising the high confidence in the pelagic sector. Plans to develop a salmon packing plant at Cullivoe were also announced during the year. The biggest change in salmon farming during the period occurred when Laschinger sold out its operations to a Norwegian/Shetland consortium of businesses. On a lesser but still significant scale EWOS bought Shetland Norse Fish Farms Ltd. Shetland Sea Trout's ambitious diversification project ended when the business went into receivership. As salmon farming continued its rapid expansion the debate on works licences and regulation heightened. A code of practice for Shetland's salmon farmers was launched in 2000.

Table 1
Fisheries Production

	£m 1998	£m 1999	£m 2000
Fish Catching	48.00	35.00	35.70
Fish Processing	57.00	78.00	90.50
Fish Farming	59.00	71.50	77.10
	164.00	184.50	203.30

Note that these totals do not include mussel farming production which has not been surveyed but is now estimated to have a turnover of £1m a year.

1.2.2 Agriculture

By value agricultural production was slightly down on 1999, the third year of poor results caused by external trading factors. There was some recovery in the value of sheep exports but this welcome upturn was obliterated by the Foot and Mouth outbreak that began in England in March 2001. Producers were left to reflect on the situation where, once more, external factors outwith their control have suppressed the sector.

Table 2
Agricultural Production

Shetland – Agricultural Output (Estimated Values)

	1999	2000
	£	£
Sheep Production		
(a) Exports	1,614,400	1,810,398
(b) Slaughtered (s'house)	62,340	112,530
(c) On croft slaughter (estimated)	360,000	372,000
(d) Wool	139,760	138,274
Sub-Total	2,176,500	2,433,202
Cattle Production		
(a) Exports	558,300	586,240
(b) Slaughtered	81,000	90,000
Sub-Total	639,300	676,240
Liquid Milk	1,581,053	1,289,724
Pig Production		
(a) Exports	90	6,000
(b) Slaughtered	36,450	42,000
Poultry Production	114,170	114,776
Ponies Exported	9,850	14,300
Other Livestock	160,560	177,076
Potato Production	471,640	453,600
Other Crops	303,600	283,200
TOTAL PRODUCTION	5,332,653	5,313,042
SOAEFD Assistance	54.8%	54.8%
(a) HLCA (sheep + cattle)	1,998,987	1,982,432
(b) SAP	3,345,855	2,429,570
(c) SCP	251,060	349,135
(d) ESA	862,452	1,670,901
Total Assistance	6,458,354	6,432,038
TOTAL OUTPUT	11,791,007	11,745,080

1.2.3 Oil

The imaginative Enhanced Oil Recovery Project, approved in August 2000 was a welcome boost to Sullom Voe Terminal and for Shetland's economy. Re-injecting gas into the Magnus field will extend the life of the field by at least 5 years and will help to secure the future of the terminal during that period. A later announcement to overhaul the gas plant in a £100m project signalled the oil industry's commitment to the terminal for many years to come. Following a number of years when few developments occurred it became clear that the terminal was making a significant effort to maximise its economic potential. Continuing talks to bring the Clair Field into production linked to the terminal were also part of the renewed positive outlook.

1.2.4 Tourism

Early fears of the poor tourist season in line with the rest of Scotland did not materialise but this was a year of mixed results for accommodation providers. While visitor numbers were well down on 1999, many smaller accommodation providers reported a prosperous season. Some hoteliers, on the other hand, experienced reduced demand. This reflects an apparent trend for tourists to be more independently minded with more using their own vehicles or hiring cars rather than travelling in coach parties. Visitors are also tending to look for better value for money accommodation hence the improved trade at guest houses, bed and breakfasts and self catering establishments. Approximately 47,000 visitors came to Shetland in 2000. 47% visited for business reasons, 34% were on holiday and 18% visited relatives. The visitor spend was estimated at £12 million. A further 9,941 passengers arrived on board cruise liners. Of the 61 liners visiting last year 40 came to Lerwick, 20 went to Fair Isle and 1 visited Scalloway. The number of visiting yachts was down on 1999 with 373 arriving in Lerwick carrying an estimated crew number of 1,119. In 1999 413 yachts visited. The major notable events during the season were the Millennium Show and the Unst Millennium Festival. There was also evidence that the Old Scatness dig is attracting larger numbers of visitors in its own right.

1.2.5 Knitwear

Producing constraints experienced by the larger knitwear producers led to a further fall in industry turnover during 2000. Turnover fell to £4.6m. While demand remains high there are ever increasing skilled and unskilled labour shortages caused by the inability of the industry to compete for workers against other sectors. By contrast, some of the smaller companies which are less dependent on labour continue to perform well.

1.3 Unst

A year of very intensive activity in Unst by all the agencies concerned following the RAF Saxa Vord drawdown announcement yielded important results to take the edge of the economic blow suffered by the island. The initial target, to create 50 full-time jobs in Unst during the period January 2000 – December 2001 is now regarded as achievable providing that all projects prove economically sustainable. A great deal of the regeneration effort has been promoted by the Unst Partnership, the main project being the Unst Animation Studio which has now completed its pilot stage and is actively seeking contracts. Assistance provided by the Council under the Unst Business Support Scheme is expected to help create and support 12 full-time and 15 part-time jobs. This, combined with the news that the RAF will continue to employ 100 staff in Unst rather than the 50 proposed, meant that the economic situation stabilised in Unst during the year but the threat of further RAF staff losses still remains.

1.4 Economic Performance

1.4.1 The turnover generated by some of the key and traditional sectors of the economy during 2000 is shown below. Table 3 does not purport to show the total value of the economy during 2000/2001. That would be much higher than the total for these sectors. For example, the various service sectors which were not surveyed for this report were worth £197 million in 1996. In the same year the construction sector had an estimated turnover of £76 million. The table does include the 3 main wealth generating sectors, being: Fisheries, Oil Production and, Local Government. During 2000/2001 the turnover of all 3 increased significantly. Fisheries was up by around £20m on the previous year, oil by £10.9m (largely because of the £6.7m gas plant overhaul) and the Council's turnover rose by £16.8m reflecting the increase in the capital works programme. These sectors stand in stark contrast to the more traditional sectors of agriculture, knitwear and tourism which have all struggled to make progress in recent years. Overall the combined turnover for 2000/2001 was £43.70m up on the previous year, good news for the broader Shetland economy. Despite the lull in some sectors, there was an upturn in economic confidence, particularly in the construction sector which picked up during the year.

Table 3
Comparison of some Key and Traditional Sectors

	1998	1999	2000
	£m	£m	£m
Oil Production	57.80	53.70	64.60
Fisheries	164.00	184.50	203.30
Agriculture	12.00	11.80	11.70
Knitwear	5.40	4.90	4.60
Tourism	12.80	14.40	12.00
Shetland Islands Council	103.50	112.60	129.40
	355.50	381.90	425.60

1.4.2 Unemployment

Table 4

Total Unemployment in Shetland in Financial Years 1999/2000 & 2000/2001

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1999/2000	363	390	362	372	336	304	279	277	321	390	357	369
2000/2001	443	422	419	401	349	306	269	255	273	266	246	234
Change	+80	+32	+57	+29	+13	+2	-10	-22	-48	-124	-111	-135

Source: Shetland Job Centre

The early part of the year saw monthly rises in unemployment when compared with the previous year. These rises were mainly due to job reductions in the fish processing sector. The Job Centre reported that vacancies continued to rise in all sectors from the summer onwards and the jobs market remained buoyant until March. By that time temporary jobs associated with works at Sullom Voe Terminal were becoming available as well. This resulted in some of the lowest unemployment figures ever recorded in Shetland.

1.4.3 Property

Shetland's property market has been in a period of slow decline since the mid 1990's and, while there were signs of an economic upturn in 2000/2001, the impact on the property market was minimal. Property, particularly houses, began to shift a little faster than in previous years but there was not a big difference in the prices being achieved. The rental values of offices and shops are dropping, noticeably in Lerwick. In the South Mainland the housing market stabilised but Unst is still in recession. 352 planning permissions were approved during the year, slightly up on the previous year, confirming the pick up in the construction sector. This number is still well down on the 1995/96 figure of 482.

1.5 **Economic Development Highlights**

This part of the report discusses the main issues and projects that were topical during the year. These are listed below:

- A growing debate on the Council's approach to investment in local industry culminated in a new framework being adopted in February 2001. This decision means that SLAP reverts to a concentration on property investment and leasing and the Development Trust is to be reconfigured to become the major investor in the economy via loan finance and equity. The Development Department is to strengthen its role on strategic economic issues and on strengthening Shetland's commercial ability to compete. More emphasis is to be placed on technical support and on marketing. This approach also enhances the involvement of the local colleges in improving the skills base of the economy.

- A major initiative was launched to influence the reform of the Common Fisheries Policy (CFP) in 2002. This campaign, called SHOAL, is a partnership between the Council and the Shetland Fishing Industry with objectives to:-
 - a) campaign for improvement to the CFP, especially with regard to the 2002 review;
 - b) promote regional management of fisheries through encouraging the formation of regional partnerships at all levels; and.
 - c) initiate and develop links with other fisheries regions which share similar aims and objectives.

In August 2000, SHOAL finished a document containing its proposals for the reform of the CFP. This document was launched at a seminar in Brussels in October 2000 and was followed up with briefing sessions to the Scottish Parliament and the All Parties Fisheries Group at Westminster. The campaign continued to gather momentum throughout the year.

- On 1st June 2000 the European Affairs service was transferred back into the Development Department following an absence of 7 years. This move was part of the Council's changes in the economic development service with the aim of re-establishing the necessary close links between economic development and the European Information dimension.
- In January 2001, Shetland Business Innovation Centre opened for business. The centre, based at Gremista Industrial estate in Lerwick is dedicated to the promotion and support of new business developments with the key aim to increase the supply of people with business skills in Shetland. A total of 7 accommodation units are available along with an in-house secretarial and IT support service, a reception area and a fully equipped conference facility.

The Centre was driven by development funding awarded by Shell UK and supplemented with funding from Shetland Leasing and Property, Shetland Enterprise and the European Regional Development Fund. The Centre is run by Shetland Business Innovation Centre Ltd., a company limited by guarantee and comprising Board representatives from Shetland Enterprise Company, Shetland College of Further Education, Shetland Development Trust, and the Shetland Fisheries Training Centre Trust

A full-time manager and administrative assistant are employed, with responsibility for the identification of business opportunities, liaising with persons wishing to pursue a business idea and for providing guidance, training, accommodation and support facilities to new businesses in their first two years of operation. The target business sectors are crafts, textiles, IT and seafood-related services.

A management group meets regularly to provide guidance to the manager and act as advisers to the board and comprises members of Development Department staff.

- A debate on the Council's insistence that all businesses in receipt of assistance should be members of their respective trade bodies concluded that this condition should be dropped. Businesses are now free to choose regarding trade body membership while still remaining eligible for assistance.
- The main projects discussed and approved by the Committee were: core funding of £150,000 a year for SIT; assistance for phase 3 of the Old Scatness Broch; working capital for the Laxfirth Slaughterhouse; and, the Tools for Enterprise project for the Unst Partnership.
- The Shetland Development Trust invested £3.8m in 38 projects (see page 31).
- SLAP invested £15.6m in 31 projects (see page 32).

1.6 The Role of the Department

The Development Department is a constituent part of Shetland Islands Council. The basic remit is to encourage and sustain the Shetland economy. To achieve this:

- policies and strategies are evolved
- assistance schemes are implemented
- services are provided to industry e.g. quality control
- trends in the economy are monitored
- 'lobbying' is carried out on behalf of Shetland

The activities of the Department are controlled by the Council's Development Committee, whose members are listed in Appendix 1. The usual procedure is that:-

- strategy/policy is recommended to Council by the Committee following discussion at the Economic Development Forum
- implementation is then undertaken by the Council or the Committee under delegated authority
- the Council can also further delegate authority to the Director of Development

Any changes in strategy/policy will follow the same steps.

1.7 Overall Strategy

The Development Department of Shetland Islands Council is continually reviewing all its policies and initiatives involved with developing the local economy. The aims and objectives are to tackle the issues in Shetland today and in the foreseeable future. This includes the priority given to rural areas and the outer islands, the need to identify new business opportunities and diversification within the existing economy and ongoing development and financial assistance for the existing industries in Shetland.

These include the seafood industry (fish catching, fish processing and aquaculture), agriculture, knitwear and tourism. Individual strategies have been developed to identify the specific aims and objectives for each industry and the best methods of achieving them. This is in addition to the overall aims and objectives identified for the development of the wider Shetland economy.

The identification and distribution of appropriate funding packages is fundamental for the local economy. In recent years the emphasis has moved away from grants to loans and a self sustaining Trust has been established which will make a significant contribution to the development of local industry. However there remains a role for grant based assistance in economic development and tailored packages aimed primarily at new or expanding small businesses continue to be devised.

Contributions can also be made by Shetland Leasing and Property Developments Ltd (SLAP), an investment subsidiary of the Council's Charitable Trust.

Objective 1 status, the highest level of European Community assistance, was awarded to the Highlands & Islands in 1994 and provided a significant addition to the economic development process. With the end of Objective 1 status on 31 December 1999 the area is now eligible for transitional funding until 2006.

Section 2 **Department Sector Activities 2000/2001**

2.1 **Agriculture 2000/2001** (see tables A1 and A2 in Section 3)

Laxfirth Slaughterhouse

Shetland Abattoir Co-operative Ltd, a new company formed by Shetland Mart Co-operative Ltd to operate the slaughterhouse at Laxfirth, received assistance with several projects including the purchase of a refrigerated van; travel costs associated with an inspection visit and report by a Food Industry Consultant on expansion of the slaughterhouse facilities; and, transport costs for the first consignment of lamb to a prospective market in Smithfield, London. The slaughterhouse is central to the development of value added markets for Shetland lamb and lamb products.

Mid Yell Slaughterhouse

The business trading as Shetland Pork which includes the Mid Yell Slaughterhouse was bought from the previous owner by a partnership with assistance from the Charitable Trust by way of an agricultural loan. This has maintained a low throughput slaughterhouse facility for both sheep and pigs in the northern isles and provided both full and part time employment.

Agricultural Marketing Officer

The Council, Shetland Enterprise and the agricultural industry funded the Agricultural Marketing Officer post, jointly, for a second year. Several marketing projects initiated by the Marketing Officer received assistance with the objective of raising awareness of and promoting Shetland products, in particular Shetland reared lamb. In conjunction with Shetland Abattoir Co-operative Ltd contacts have been made with prospective buyers of lamb that could lead to important outlets for the industry.

Finished Lamb Incentive Scheme

The Finished Lamb Incentive Scheme continued during 2000/2001 with a total of 4995 lambs receiving payments totalling £12,790. The eligible period for finishing lambs under the scheme was extended to include lambs slaughtered up to the end of May (previously end of April). The scheme is designed to encourage producers to finish more lambs in Shetland, which can then be slaughtered in Shetland in order to add value and extend market options for lamb.

Agricultural Contractors

Three agricultural contractors have received assistance with the purchase of agricultural machinery, mainly silage making equipment, through Development Department grants. In one case the assistance was provided to allow an existing business to continue under new ownership. Machinery costs are now prohibitive to many crofters and farmers and as a result they rely heavily on agricultural contractors to carry out operations such as grass conservation.

Animal Health Schemes

Assistance for the monitoring of Shetland sheep flocks was again provided to the Shetland Animal Health Trust in order to have Shetland flocks and all imported sheep tested for Enzootic Abortion and Maedi Visna to provide evidence to back up Shetlands high health, disease free status. All tests proved negative and Shetland remains free from these contagious diseases that are prevalent on mainland Britain where they cause considerable economic damage.

The Shetland Animal Health Trust also received assistance to continue the Bovine Viral Diarrhoea testing programme in cattle. Over the last few years the testing programme has identified suspect animals which have then been culled and a monitoring procedure has now been adopted, the aim being to test a proportion of all herds and all imported cattle in order to eradicate the disease from Shetland.

The Scrapie Tup Testing Scheme continued with assistance provided to encourage flock owners to test replacement tup lambs, bought-in tups and any remaining untested tups. Incidence of the disease continues to fall and with the back up provided by information recorded over the last 16 years by members participating in the Scrapie Control Scheme, which also receives Council funding, freedom from this disease will add to Shetlands high health status.

Efforts have continued to secure a by-law to protect the high health status of Shetland stock. The bye-law would serve to underpin the voluntary measures that exist at present whereby the two local veterinary practices are informed by P & O of all stock entering Shetland to enable them to inspect the stock on arrival in Shetland.

Agricultural Loan Schemes

During the 2000/2001 financial year 16 SICCT agricultural loans were approved totalling £778,400 of loan funds. The Agricultural Bridging Loan Scheme approved 15 loans totalling £66,065.

Reviews were carried out of both schemes in 2000 with reports suggesting some amendments presented to the SICCT. Since its inception in 1982 the Agricultural Loan Scheme was for a set ten-year loan period. At a meeting on 12 July 2000 the SICCT agreed that the period should be more flexible. It was agreed that the loan period could be extended to 15 years for full time farmers, however the ten year period would still apply to part time crofters with loans under £30,000. The ceilings for Bridging Loan assistance were raised at a meeting of the SICCT on 4 October 2000.

Millennium Events

Shetland Millennium Show - Assistance was provided to the organisers to host this one-off event to celebrate the millennium year. The show was mainly agricultural but incorporated other interests and provided the opportunity to advertise Shetland's qualities to a wide audience.

Shetland Sheep 2000 - An International Sheep Conference organised by the Shetland Sheep Breeders Group was held at the Clickimin Centre and attracted delegates from all over the world. Grant assistance was provided to cover coach transport costs for farm / croft visits by delegates during the Conference.

2.2 Fisheries (see tables A9 – A14 in Section 3)

2.2.1 Five delegated schemes were operated during 2000/2001. These are described below:

2.2.2 Fish Factory Improvement Scheme

In the financial year 2000/2001 the Development Department approved 9 grants totalling £175,998 towards various factory improvement projects which together cost £2,010,091.

The largest of the projects assisted was a grant of £30,000 to Shetland Norse Fish Farm Ltd towards the building of a new salmon processing factory in Cullivoe, Yell. The year also saw further investment in Cullivoe with grant approval to C & A Thomason Ltd for a new mussel depuration/packing facility.

The majority of applications received were from salmon processing companies for investment in new equipment. This reflects the decline in whitefish processing in Shetland as was emphasised by the closure of Ronas Fisheries in November 2000.

2.2.3 Fishing Vessel Shareholders Loan Scheme (Shetland Development Trust)

This Scheme was introduced in 1997 and provides loans to fishermen purchasing shares in whitefish vessels. The Scheme is effective in helping shareholders, particularly first time shareholders, to meet the high cost of share ownership. The maximum loan available under the Scheme was increased to £75,000 per shareholder in October 2000. Demand for loans in 2000/01 has reduced from 1999/2000 levels with 12 loans being approved totalling £675,000 (compared to 51 loans in 1999/2000), reflecting the difficult economic circumstances in the whitefish industry throughout the year. Nonetheless in the year the Scheme has resulted in the retention of 4 vessels and licences within the fleet and the acquisition of two new vessels and licences for Shetland, including one new build.

2.2.4 First Time Shareholders Grants

This Scheme is operated as part of the Fishing Vessel Shareholders Loan Scheme and provides grants of £5000 each to shareholders buying shares in fishing vessels for the first time. As with the Fishing Vessel Shareholders Loan Scheme demand decreased in 2000/01, reflecting the economic circumstances in the industry. A total of 9 grants (£45,000) were approved resulting in the retention of two vessels and licences within the fleet and the acquisition of 2 new vessels, including one new build.

2.2.5 Fishing Vessel Modernisation Scheme

The above Scheme provides 10% grants towards the cost of major improvements to fishing vessels, which grant is then used to trigger FIGF funding. The grant is normally only payable if FIGF funding is approved. However, in response to the current economic difficulties within the fleet the condition regarding FIGF funding was suspended temporarily so that assistance could be targeted to any major renewal or improvement work on vessels, not necessarily that which qualifies for FIGF assistance (although vessels are still encouraged to apply for FIGF assistance for qualifying projects). In 2000/01, assistance totalling £61,866 was awarded under the Scheme to 9 vessels.

2.2.6 Salmon Farming Loan Assistance Scheme (Shetland Development Trust)

This scheme was introduced in 2000 to provide salmon farming companies with loans of up to £250,000. The loans are provided for short-term working capital to ongrow fish to harvestable size. Demand for assistance was high with approval of 10 loans totalling £2,043,800.

2.2.7 Shellfish Growers Loan Assistance Scheme (Shetland Development Trust)

This new scheme was introduced in recognition of the huge potential for shellfish cultivation in Shetland waters. In response to the needs of this developing industry, the scheme offers loan assistance of up to £50,000 with repayment tailored to take the harvesting pattern into account. Three firms received approval for loans totalling £135,000.

2.3 Rural Shops (see Tables A8.1 and A8.2 in Section 3)

In 2000/2001 the Rural Shop Improvement Scheme continued to provide assistance to a diverse range of projects, improving shopping facilities in many country districts. Of particular note was the provision of autogas LPG dispensing facilities at Brae Stores, Mainlands in Dunrossness and J & K Anderson in Whiteness. These grants levered finance from a government grant scheme administered by Shetland Enterprise Company Ltd as well as a contribution from Rearo Supplies Ltd and the proprietors own funds.

2.4 Textiles (see Table A5 in Section 3)

There were only four approvals during the year under this budget category. Three of these were from existing producers under the Knitting Machine Grant section of the scheme. These were for modern, computer aided, knitting machines and associated equipment.

The fourth project was towards set up costs for a new talented designer, Babs Shirley, to enter the industry. This is particularly encouraging and it is hoped that her creative talents can be translated into a strong and growing business over the next few years.

2.5 Tourism (see Table 4 in Section 3)

2.5.1 Two projects were offered assistance during 2000/2001: Jonathan Wills, t/a Bressaboats, was approved a grant of £44,945 to replace his existing boat with a new purpose built vessel, Dunter III; and, Mr & Mrs Cluness, t/a St Ninian's Centre received £15,020 towards renovating and equipping the old craft shop in Bigton.

2.6 Economic Research Assistance Scheme (see Table A16 in Section 3)

The research projects assisted in 2000/2001 are listed below:

- 1 Eric Faulds Associates were commissioned to complete the groundwork for offshore decommissioning work prior to the Shetland Decommissioning Company being established.

Cost: £17,000	Contributors	SIC	£8,500
		SEC	£2,822
		LPA	£2,822
		SOES	£1,428
		SBS	£1,428

- 2 Sci Lang were approved assistance to design and develop learning materials in scientific and technical areas for people whose first language was not English.

Cost: £12,000	Contributors	SIC	£3,000
		SEC	£3,000
		Own Funds	£6,000

- 3 Macpherson Research were commissioned to undertake a detailed visitor survey for the North Isles. The information gained is to be used when considering tourism related projects in Yell, Unst and Fetlar. This project cost £4,900.

- 4 Highlands and Islands Hydrocarbon Action Group were approved £500 towards a survey costing £9,500 examining all options to solve or offset the rural fuel price differential.

- 5 Sci Lang were awarded £2,929 towards an £11,716 project aimed at marketing a foreign language software package. This grant was not claimed.

- 6 The Department commissioned the Association of British Credit Unions Ltd to investigate the potential for setting up a credit union in Shetland at a cost of £8,873.

- 7 The Department's graduate placement, part of the Council's new scheme, was aimed at improving craft design skills. The cost of accommodation in the Shetland Business Innovation Centre and of materials came to £3,300 in this financial year.

- 8 The growing costs of maintaining the existing Foula Electricity Scheme led to the Foula Electricity Trust deciding to consider a sub-sea electricity cable from the Shetland Mainland. Scottish and Southern Energy plc were commissioned to do a seabed survey at a cost of £35,000.

2.7 Community Economic Development

There is a growing awareness of the important role that communities can play in local economic regeneration. During 2000 an increasing number of communities became involved in producing local development plans.

The Development Department encourages communities to play a lead role in identifying the development issues that affect them, and offers support to groups involved in projects that will result in significant economic benefit to their communities.

Increasingly, this has involved working closely with other public agencies and community representatives, drawing on the support and technical expertise of all those involved in the delivery of services to the community and the people who are directly affected by those services.

The key factor is that community initiatives can demonstrate local support and commitment to an overall vision and that individual projects and actions are prioritised and developed with a view to improving the economic conditions in areas prioritised because of a particular disadvantage (eg loss of jobs, empty houses, decreasing island population etc).

Fetlar Museum Trust and the Ness 2000

Fetlar and the Ness received general assistance grants towards producing local development plans and identifying the resources and funding required to progress individual projects.

Both communities employed a co-ordinator, held community workshops and a conference produced comprehensive community development plans and have started to progress individual projects relevant to their local needs eg dial-a-ride, out of school care, IT training, access to learning, local marketing, tourism development etc.

Firth and Mossbank

Firth and Mossbank Enterprise received a research grant towards a feasibility study into establishing an Oil Interpretive Centre in the area and a general assistance grant towards co-ordinating the setting up and employment of staff to run a new family centre and Out of School Care Club, which have attracted nearly £200,000 funding from outside Shetland.

Skeld Waterfront Trust and Sandwick Social and Economic Development Company Ltd

Skeld and Sandwick received research grants to carry out feasibility studies into major local regeneration projects. Skeld's proposals include developing a boat museum and aquarium, providing a camping bod, craft outlet and café, constructing a breakwater and improving anchorage.

In Sandwick the community would like to repair the historic Sandayre Pier, restore a boatshed to provide a waiting room for visitors to Mousa, refurbish and extend the Visitor Centre at Hoswick, add a wireless museum and provide a room for the South Mainland Ranger.

Both projects have attracted considerable community support and are currently at the stage of identifying potential sources of external funding

Scalloway Waterfront Trust

Scalloway received a grant towards the architects and surveyor's fees involved in investigating the potential of 12 underused vacant and derelict buildings in Scalloway Waterfront ie to match the aspirations of the building owners with the needs of the community.

Area Tours and Newsletters

The Development Department arranged day trips to Scalloway, the Westside and Unst, the start of an ongoing programme of visits, allowing Councillors to see at first hand the range and diversity of development activity taking place in throughout Shetland. Itineraries were developed in close consultation with the community Council, business operators and local Councillors and offered an excellent opportunity for those involved in local economic development to discuss the issues that affect them directly with Councillors. Newsletters were generated after each trip to ensure that the information gathered was circulated to members who could not attend and the media etc.

Credit Union

The Development Committee commissioned a feasibility study to investigate the potential for setting up a Credit Union in Shetland ie to establish whether there is enough community interest in using the services of a credit union in Shetland and whether it would be able to support itself financially. The results will be available in October 2001.

Shetland Ranger Posts

A grant was approved by the Charitable Trust towards providing a Ranger service in the South Mainland and North Isles to enhance the visitor experience and work with the local community to develop sustainable heritage tourism initiatives.

Section Three

Details of Assistance Given

Table A Reserve Fund and Revenue Grants

A1	Agricultural Schemes
A2	Agricultural General Assistance
A3	Other General Assistance
A4	Tourism Financial Assistance Scheme
A5	Textile Factory Improvement Scheme
A6	Craft Product Scheme
A7	Unst Business Support Scheme
A8.1	Rural Shop Improvement Scheme
A8.2	Shetland Rural Shop Scheme
A9	Fish Factory Improvement Scheme
A10	First Time Shareholders Grant Scheme
A11	Second Hand Fishing Vessel Scheme
A12	Fishing Vessel Modernisation Scheme
A13	Fisheries General Assistance
A14	Fisheries Research
A15	North Atlantic Fisheries College
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Table B Business Enterprise Scheme

Table C Discretionary Delegated Authority

Table D Fisheries Diversification Scheme

Table E Marketing Development Programme

Table F Shetland Development Trust Loans

Table G Shetland Leasing and Property Developments Ltd - Investments

Table H Development Department Summary

Section Three

Reserve Fund and Revenue Grants 2000/2001

Table AA1 Agricultural Schemes

<u>Project</u>	<u>No of Approvals</u>	<u>SIC Grant</u>	<u>£</u>
Lime Grants	57	23,831	
Fertiliser Grants	338	121,701	
Green Dip Scheme	8	1,575	
SCFWAG Adviser*	-	12,573	#
Pony Breeders*	-	1,000	
Finished Lamb Incentive Scheme	54	16,715	
Agricultural Grant Scheme (Ineligible Crofters)	26	58,357	#
Mid Term Land Improvement Scheme	4	1,592	
Future Maintenance Grants	6	11,741	
Leatherjacket Control Scheme	6	992	
Artificial Insemination Scheme	3	3,909	
Potato, Vegetable & Horticultural Scheme	1	3,906	#
Bull Purchase Scheme	14	21,300	
Home Rearing/Dairy Heifers	10	12,570	
Shetland Cattle Scheme	-	12,000	
Beef Heifer Scheme	74	21,500	
Agricultural Show Scheme	0	-	
Agricultural Training*	-	9,670	#
SAC Adviser*	-	12,838	#
Livestock Health Scheme	3	56,100	

403,870

* Under Discretionary Delegated Authority

Some of this will be paid during 2001/02

A2 Agricultural General Assistance

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £
SAC*	Second Agricultural Adviser Post	25,677	12,838
D & R Contractors*	Agricultural Contracting Equipment	54,575	10,915
Shetland Abattoir Co-operative Ltd	Working Capital	50,000	50,000
Ellis Robertson*	Agricultural Contracting Equipment	52,000	10,375
Shetland Agricultural Show Society	Millennium Show	78,000	25,000
Shetland Sheep 2000*	International Shetland Sheep Conference	3,520	3,520
Scottish Crofters Union*	Administration Grant	3,500	3,500
Johnson & Hughson*	Agricultural Contracting Equipment	43,500	17,400
Shetland Flock Book Trust*	Prize-winning Sheep	1,680	1,680
Shetland Abattoir Co-operative Ltd*	Refrigerated Van	13,753	2,750
Shetland Mart Co-operative Ltd*	Upgrade of Computer System	7,675	1,535
Shetland Agricultural Association*	Educational Pack	2,465	1,233
Stephen Moar*	Completion Works to Dairy Building	10,700	10,700
Shetland Agricultural Show Society	Millennium Show	78,000	10,620
R & W Severn & R Palmer*	Purchase of Shetland Pork	80,625	25,000
Trondra Farm	Shetland Croft Project		1,030
David Murray*	Agricultural Contracting Equipment	140,000	20,750
Shetland Abattoir Co-operative Ltd*	Food Industry Consultant - Travel Costs	730	365
		£646,400	£209,211

* Under Discretionary Delegated Authority

A3 Other General Assistance

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £
Foula Electricity Trust*	Generator House	24,852	24,852
Shetland Arts Trust*	PA System	82,000	5,000
Unst Partnership*	Undergraduate Placements	4,000	1,500
A Taste of Unst (Baltasound JH School)*	Unst Recipe Book	1,579	250
Fair Isle Community Association*	Floating Pontoon	10,860	3,360
Foula Electricity Trust*	Access Road	19,704	19,704
Firth & Mossbank Tenants & Resid Ass	Interim Funding	25,130	6,300
Shetland Arts Trust*	Shetland Music Video	10,000	5,000
Fetlar Museum Trust*	Interim Funding	5,675	4,613
Foula Electricity Trust*	Diesel Generating Plant	24,205	24,205
Ness 2000*	Project Co-ordinator	3,433	2,933
Shetland Arts Trust*	Music Development Project	10,000	5,000
Ness 2000*	Extension to Project Co-ordinator	3,433	3,089
Shetland Careers Service Ltd*	Shell Technology Enterprise Prog.	14,850	3,250
Firth & Mossbank Enterprise*	Interim Funding	5,314	2,884
Andrew Halcrow General Merchant*	Purchase Shop Premises	13,000	10,000
		£258,035	£121,940

* Under Discretionary Delegated Authority

A4 Tourism Financial Assistance Scheme

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £
St Ninian's Centre	Craft Shop	75,098	15,020
Bressaboats	Dunter III	213,861	44,945
		288,959	59,965

A5 Textile Factory Improvement Scheme

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £
Barbara Mitchell	Computer and Accessories	2,852	1,426
Ruby Laurenson	Knitting Machine	1,728	864
Doreen Brown	Finishing Equipment	1,120	560
Babs Shirley	Knitwear Production & Design Equipment	4,446	2,223
		£10146	£5,073

A6 Craft Product Scheme

There is no Craft Product Scheme at present. It is part of the Business Enterprise Scheme.

A7 Unst Business Support Scheme

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £
Unst Partnership	Project Manager & Admin Assistant (3 months)	11,867	11,867
Unst Partnership	Project Manager & Admin Assistant (3 months)	11,867	11,867
Unst Partnership	Graduate Placement	18,000	8,000
M Peterson, Nornova	Knitwear Business	47,200	11,800
Unst Animation Studio Ltd	Animation Studio - Pilot Study	90,700	24,600
Unst Partnership	Tools for Enterprise Project	114,600	50,000
Unst Music Company	Recording Equipment & Computer Music Software	4,187	2,093
Balta Island Seafare Ltd	Automatic Feeding / Harvesting Barge	389,976	19,499
		688,397	139,726

A8.1 Rural Shop Improvement Scheme

<u>Name</u>	<u>Project</u>	<u>Total Cost</u> £	<u>SIC Grant</u> £
J & A Goudie	Shop Van	15,246	7,623
Midway Stores Ltd	Printing Scales	1,410	705
Skibhoull Stores	Display Chill	2,058	1,029
Stackhoull Stores	Double Insulated Freezer	380	190
Skerries Co-operative Society Ltd	Working Capital	5,000	5,000
Aywick Shop	Shop Van	9,526	4,763
Skibhoull Stores	Chest Freezer and Label Printing Scale	2,496	1,248
A Halcrow	Working Capital	5,000	5,000
R S Henderson	Display Deep Freeze	680	340
J & K Anderson	Vacuum Packer	5,240	2,620
The Checkout	Shop Van	8,040	4,020
R S Henderson	Shop Van	13,500	6,750
J & K Anderson	LPG Autogas Tank and Dispenser	5,552	2,776
Brae Stores	LPG Autogas Tank and Dispenser	4,964	2,482
Mainlands	LPG Autogas Tank and Dispenser	4,964	2,482
H Henderson	Preparation & Surface Dressing Shop Parking Area	5,108	2,554
Scalloway Meat Company	EPOS Equipment and Computer	9,950	5,000
Mail Shop, Bressay	Shop Van	8,221	4,110
Brae Garage	New Diesel/Petrol Pumps	15,410	7,705
J & A Goudie	Computer and Printer	1,064	532
Walls Shop	New Petrol Pumps	5,655	2,827
Bigton Stores	Shop Van	7,679	3,840
Brae Stores	Shelving System and Floor Covering	11,590	5,795
Walls Shop	New Freezer	340	170
Mark Robinson	Rates	414	414
Checkout	Rates	1,871	1,871
Scalloway Meat Company	Rates	3,963	3,963
		155,321	85,809

A8.2 Shetland Rural Shop Scheme

<u>Name</u>	<u>Project</u>	<u>Total Cost</u> £	<u>SIC Grant</u> £	<u>EU</u> £	<u>Shetland Enterprise</u> £	<u>Own Resources</u> £
R S Henderson	Extending/Fitting Out Shop	19,400	9,700	-	-	9,700
		£19,400	£9,700	£0	£0	£9,700

A9 Fish Factory Improvement Scheme

<u>Name</u>	<u>Project</u>	Total Cost	SIC Grant
		£	£
Shetland Fish Products	Flash Steam System	161,000	30,000
Hand-Made Fish Company	Canned Smoked Fish/Organic Salmon Products	41,964	20,982
Saga Seafoods	Baader Gutting Machine	134,050	25,000
Whalsay Fish Processors	Pin Bone Remover	27,000	5,400
Whalsay Fish Processors	Sauce Depositor	20,000	10,000
Demlane Ltd	Mussel Processing Factory Extension	153,000	20,000
McNabs Kippers	Factory Expansion	9,100	1,820
D Watt (Shetland) Ltd	Pin Boning Equipment & Ventilation System	33,023	6,605
Hydro Seafoods GSP Ltd	Vehicle Access Improvements	35,000	7,000
Shetland Norse Fish Farm Ltd	New Salmon Processing Factory	1,300,000	30,000
C & A Thomason	Packing Station and Depuration Plant	95,954	19,191
		2,010,091	175,998

A10 First Time Shareholders Grant Scheme

10 Grants x £5,000 = £50,000

A11 Second Hand Fishing Vessel Scheme

There is no Second Hand Fishing Vessel Scheme at present.

A12 Fishing Vessel Modernisation Scheme

<u>Name</u>	<u>Project</u>	Total Cost	SIC Grant
		£	£
mfv Zeneth	Re-engining	167,890	16,789
mfv Marantha	New Main Engine	112,000	11,200
mfv Brilliant	New Winch and Crane	13,000	1,300
mfv Harmony	Navigational Equipment	5,600	560
mfv Aspire	Construct Watertight Compartments	10,700	1,070
mfv Heatherbelle	New Powerblock	15,800	1,580
mfv Guiding Light	Hydraulic System, Winches, Autotrawl & Net Drums	214,000	21,400
mfv Auriga	Fish Handling and Hold Cooling Systems		
	Box Weigher and Net Drum	64,770	6,477
mfv Venturous	Fish Handling System	14,900	1,490
		618,660	61,866

A13 Fisheries General Assistance

Name	Project	Total Cost £	SIC Grant £
Shetland Fisheries Training Association*	SVQ Level IV training Programme	135,710	25,000
Shetland Seafood Auctions Co*	Interim Year Funding	38,698	9,675
Shetland Fisheries Training Association*	Maintenance Payment Scheme	13,230	13,230
Shetland Seafood Auctions Co*	Electronic Fish Weighing Equipment	220,000	11,000
Northmavine Shellfish*	Scallop and Oyster Farming Trials	10,150	2,500
Shetland Shellfish Growers Association*	Administration Grant	7,000	3,000
Demlane Ltd*	Mussel Farming Workboat	224,039	11,202
Shetland Seafood Auctions Co*	Administration Grant	27,582	6,896
Shetland Fishermen's Association*	Administration Grant	4,000	4,000
Shetland Fisheries Training Association*	Administration Grant	62,010	7,500
Shetland Fisheries Training Association*	Training Grant	44,000	16,000
Ivor Poleson	Shore Based Refrigeration System	4,500	2,250
mfv Donvale II	Electronic Fish Weighing Equipment	8,240	550
mfv Guiding Light	Electronic Fish Weighing Equipment	9,078	550
mfv Harmony	Electronic Fish Weighing Equipment	8,800	550
mfv Neptune	Electronic Fish Weighing Equipment	9,095	550
mfv Brighter Dawn	Electronic Fish Weighing Equipment	8,992	550
		835,124	115,003

A14 Fisheries Research

<u>Name</u>	<u>Projects</u>	Total Cost £	SIC Grant £
Shetland Fish Producers Organisation	Monkfish Trials#	76,340	30,536
Shetland Fish Producers Organisation	Waste Water Treatment#	87,790	35,116
		164,130	65,652

Over two years

A15 North Atlantic Fisheries College

	£
Running Costs	868,883
M/V "Moder Dy" Lease	26,359
Seabed Lease	19,477
SSQC Accreditation	19,750
College Maintenance	119,941
Legal Fees	1,894
	1,056,304

A16 Economic Research Assistance Scheme

<u>Name</u>	<u>Project</u>	Total Cost	SIC Grant
		£	£
Eric Faulds Associates Ltd	Offshore Decommissioning Consultancy	17,000	8,500
Sci-Lang	CD-ROM Learning Materials (Phase 1)	12,000	3,000
McPherson Research	North Isles Survey	4,900	4,900
Higlands & Islands Hydrocarban Action Grp	Fuel Price Research	9,500	500
Sci-Lang	CD-ROM Learning Materials (Phase 2)	11,716	2,929
Association of British Credit Unions Ltd	Feasibility Study in Credit Union in Shetland	8,873	8,873
SIC, Graduate Placement Scheme	Accommodation and Service Costs	3,300	3,300
Scottish & Southern Energy plc	Foula Sub-Sea Electricity Cable Survey	35,000	25,000
		102,289	57,002

A17 Business Advice

<u>Name</u>	<u>Project</u>	Total Cost	SIC Grant
		£	£
Shetland Arts Trust*	Cinema Feasibility Study	4,700	1,500
Anderson Lyall	L J Smith Ltd	5,000	5,000
		£9,700	£6,500

*Under discretionary delegated authority

A18 Offshore Decommissioning

<u>Name</u>	<u>Project</u>	Total Cost	SIC Grant
		£	£
Eric Faulds	Shetland Decommissioning Project	30,112	30,112
Shetland Decommissioning Company	Decommissioning Research	196,776	98,388
		226,888	128,500

Table B**Business Enterprise Scheme**

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £	EU £	Funding SEC £	Own/ Other £
Nicolson Plant	Salmon Tanker	61,500	15,375		-	46,125
Babs Shirley	Knitwear Production & Design Equipment	4,446	2,223		-	2,223
Barbara Ridland	Knitwear Production & Design Equipment	5,820	1,455		1,455	2,910
John Reid Sporrans	Sporran Manufacturing Equipment	13,229	3,307		2,600	7,322
Shetland Wool Carpeting Ltd	Tufting Gun	1,860	930		-	930
Joanna Hunter	Delivery/Collection Vehicle	6,000	3,000		-	3,000
		92,855	26,290	-	4,055	62,510

Table C**Discretionary Delegated Authority Assistance**

<u>Name</u>	<u>Project</u>	Total Cost £	SIC Grant £	Funding SEC £	Own/ Other £
Shetland Fisheries Training Association	SVQ Level IV training Programme	135,710	25,000	26,615	84,095
Shetland Seafood Auctions Co	Interim Year Funding	38,698	9,675	9,674	19,349
Shetland Fisheries Training Association	Maintenance Payment Scheme	13,230	13,230	-	-
SAC	Second Agricultural Adviser Post	25,677	12,838	6,419	6,420
D & R Contractors	Agricultural Contracting Equipment	54,575	10,915	10,915	32,745
Shetland College	Knitwear Quality Control	15,000	15,000	-	-
Pony Breeders of Shetland Association	Travel Costs	3,578	1,000	-	2,578
Foula Electricity Trust	Generator House	24,852	24,852	-	-
Shetland Agricultural Association	Scrapie Testing	40,000	10,000	-	30,000
SCFWAG Adviser	SCFWAG Adviser/EAGGF Post	54,626	12,573	1,700	40,353
Shetland Seafood Auctions Co	Electronic Fish Weighing Equipment	220,000	11,000	-	209,000
Shetland Arts Trust	Cinema Feasibility Study	4,700	1,500	-	3,200
Ellis Robertson	Agricultural Contracting Equipment	52,000	10,375	-	41,625
Shetland Craft	Craft Buying Habits Research	3,832	1,916	-	1,916
Shetland Arts Trust	PA System	82,000	5,000	5,000	72,000
Shetland Sheep 2000	International Shetland Sheep Conference	3,520	3,520	-	-
Scottish Crofters Union	Administration Grant	3,500	3,500	-	-
Northmavine Shellfish	Scallop and Oyster Farming Trials	10,150	2,500	2,500	5,150
Unst Partnership	Undergraduate Placements	4,000	1,500	1,500	1,000
A Taste of Unst (Baltasound JH School)	Unst Recipe Book	1,579	250	250	1,079
Johnson & Hughson	Agricultural Contracting Equipment	43,500	17,400	-	26,100
Fair Isle Community Association	Floating Pontoon	10,860	3,360	1,500	6,000
Shetland Flock Health Association	Scrapie Testing	26,250	23,800	-	2,450
Shetland Flock Book Trust	Prize-winning Sheep	1,680	1,680	-	-
Smyril Line	Summer Brochure	72,320	15,000	-	57,320
Foula Electricity Trust	Access Road	19,704	19,704	-	-
Firth & Mossbank Association	Oil Interpretive Centre - Plan/Feasibility	10,223	4,411	4,412	1,400

Cont'd - Discretionary Delegated Authority Assistance

Name	Project	Total Cost £	SIC Grant £	Funding SEC £	Own/ Other £
Firth & Mossbank Tenants & Residents Ass	Interim Funding	25,130	6,300	7,800	11,030
Shetland Agricultural Training Group Assoc	Agricultural Training	9,670	9,670	-	-
Shetland Arts Trust	Shetland Music Video	10,000	5,000	-	5,000
Shetland Abattoir Co-operative Ltd	Refrigerated Van	13,753	2,750	2,750	8,253
Shetland Mart Co-operative Ltd	Upgrade of Computer System	7,675	1,535	1,535	4,605
Fetlar Museum Trust	Interim Funding	5,675	4,613	-	1,062
Foula Electricity Trust	Diesel Generating Plant	24,205	24,205	-	-
Shetland Agricultural Association	Educational Pack	2,465	1,233	616	616
Sandwick Social & Economic Development	Feasibility Study	5,287	2,037	-	3,250
Scalloway Waterfront Trust	Feasibility Study	6,000	3,000	-	3,000
Ness 2000	Project Co-ordinator	3,433	2,933	-	500
Stephen Moar	Completion Works to Dairy Building	10,700	10,700	-	-
R & W Severn & R Palmer	Purchase of Shetland Pork	80,625	25,000	-	55,625
Shetland Shellfish Growers Association	Administration Grant	7,000	3,000	-	4,000
Shetland Arts Trust	Australian Market Investigation	2,490	1,245	-	1,290
Demlane Ltd	Mussel Farming Workboat	224,039	11,202	-	212,837
David Murray	Agricultural Contracting Equipment	140,000	20,750	21,100	98,150
Shetland Abattoir Co-operative Ltd	Food Industry Consultant - Travel Costs	730	365	-	365
Shetland Arts Trust	Music Development Project	10,000	5,000	5,000	-
Shetland Amenity Trust	Viking Unst Bid Co-ordinator	12,760	4,254	4,253	4,253
Ivor Poleson	Shore Based Refrigeration System	4,500	2,250	-	2,250
Ness 2000	Extension to Project Co-ordinator	3,433	3,089	-	344
Shetland Careers Service Ltd	Shell Technology Enterprise Programme	14,850	3,250	-	11,600
Firth & Mossbank Enterprise	Interim Funding	5,314	2,884	-	2,430
Shetland Seafood Auctions Co	Electronic Auctioning	27,582	6,896	6,895	13,791
Shetland Fishermen's Association	Administration Grant	4,000	4,000	-	-
Shetland Fisheries Training Association	Administration Grant	62,010	7,500	1,394	53,116
Shetland Fisheries Training Association	Training Grant	44,000	16,000	28,000	-
Andrew Halcrow General Merchant	Purchase Shop Premises	13,000	10,000	-	3,000
		1,756,090	462,160	149,828	1,144,148

Table D

Fisheries Diversification Scheme

There were no approvals during 2000/01 under the Fisheries Diversification Scheme

Table E**Marketing Development Programme****Amounts Offered to Associations:-**

	Amount £
<u>Agriculture</u>	
Shetland Agricultural Association	5,708
Shetland Mart Co-operative	1,852
<u>Fisheries</u>	
Shetland Salmon Farmers' Association	58,216
Shetland Fish Processors' Association	44,644
<u>Knitwear</u>	
Shetland Knitwear Trades Association	45,058
<u>Tourism</u>	
Shetland Islands Tourism	148,962
	<u>£304,440</u>

Amounts Offered to Individuals

Activity	Amount £
Adverts	17,281
Brochures	54,345
Trade Fairs	29,850
Market Investigations	12,145
	<u>£113,621</u>

Other Projects		Amount £
Shetland College*	Knitwear Quality Control	15,000
Shetland Arts Trust*	Australian Market Investigations	1,245
Pony Breeders of Shetland*	Shetland Pony Information Booklet	3,890
Shetland Craft*	Promotional Brochure	10,000
Shetland Craft*	Flags and Banners	906
Smyril Line*	Summer Brochure	15,000
Shetland Animal Health Trust	Enzootic Abortion & Maedi Visna Monitoring Programme, BVD Testing	32,700
Highlands & Islands Trade & Export Prtship*	Operating Plan Contribution	800
Fife Regional Council*	North Sea Cycle Route Contribution	917
Shetland Arts Trust*	Misic Development Project - Australian Market Investigation	1,245
Shetland Enterprise Co Ltd*	HIE MARKS 2 Marketing Adviser	17,000
		<u>98,703</u>

*Under Discretionary Delegated Authority

F Shetland Development Trust Loans

Borrower	Project	Amount Approved £
Karl Dalziel	Shareholders Loan	50,000
Stewart W Jamieson	Shareholders Loan	50,000
Ryan Dalziel	Shareholders Loan	50,000
James R Christie	Shareholders Loan	50,000
Roy E Huntley	Shareholders Loan	50,000
Laurence I Pearson	Shareholders Loan	50,000
Stephen Williamson	Shareholders Loan	50,000
Atlantic Shellfish Ltd	Salmon Farming Loan	200,000
Hoove Salmon Ltd	Salmon Farming Loan	87,000
North Atlantic Salmon Ltd	Salmon Farming Loan	211,500
Dury Salmon Ltd	Salmon Farming Loan	250,000
Johnson-Seawell Ltd	Salmon Farming Loan	250,000
Bressay Salmon Ltd	Salmon Farming Loan	156,300
Ocean Reaper	Salmon Farming Loan	126,000
Shetland Norse Fish Farm Ltd	Salmon Farming Loan	250,000
Shetland Abattoir Co-op Ltd	Agricultural Guarantee	100,000
J & A Sinclair	Agricultural Guarantee	68,250
North Isles Seafoods Ltd	Salmon Farming Loan	250,000
Selivoe Shellfish	Shellfish Growers Assistance Scheme	35,000
Hoganess Salmon Ltd	Salmon Farming Loan	213,000
Michael Tait	Shellfish Growers Assistance Scheme	50,000
John Wilson	Thomson Bros Salmon Ltd	50,000
Raymond Clark	Thomson Bros Salmon Ltd	50,000
Andrew Spence	Thomson Bros Salmon Ltd	50,000
Kevin Tulloch	Thomson Bros Salmon Ltd	50,000
Gareth Laurenson	Shareholders Loan	75,000
Peter Henry	Shellfish Growers Assistance Scheme	50,000
Ewan Anderson	Shareholders Loan	75,000
Willie Anderson	Shareholders Loan	75,000
Margaret Peterson t/a Nornova	Unst Business Support Scheme	23,600
Henderson and Manson	Agricultural Guarantee	45,000
Scord Salmon (Shetland) Ltd	Salmon Farming Loan Assistance Scheme	107,100
Shetland Seafood Auctions Ltd	Electronic Auctioning System	155,064
George Nicolson	Agricultural Guarantee	44,000
Dean Gilfillan	Agricultural Guarantee	35,000
A & J Jarmson	Agricultural Guarantee	30,000
Scord Salmon (Shetland) Ltd	Salmon Farming Equipment	230,000
David J Murray	Agricultural Guarantee	59,000
		3,800,814
<u>Surplus Income Fund:</u>		
Grants awarded to:		
Shetland Amenity Trust	Wildlife Ranger Posts	39,000
Scalloway Waterfront Trust	Renovation of the Booth, Scalloway	25,000
Shetland Amenity Trust	Phase 3, Old Scatness Broch	400,000
Shetland Amenity Trust	Sumburgh Head Lighthouse	35,000
NAFC	Various development projects	615,000
SCFWAG	Local Biodiversity Action Plan	20,000
North Yell Development Council	Industrial Estate, Cullivoe	96,000
		1,230,000

Table G

Shetland Leasing and Property Developments Ltd**Property**

	£	No
Agriculture	109,382	1
Oil related	3,338,054	1
Service	508,149	1
	<u>£3,955,585</u>	

Loans

Aquaculture	1,421,974	6
Fish catching	3,950,000	1
Fish processing	1,000,000	1
Service	150,000	1
Tourism	130,000	1
	<u>£6,651,974</u>	

Equity

IT	200,000	1
Power generation	400,000	1
	<u>£600,000</u>	

**SLAP (Trading)
Ltd****Hire Purchase**

Aquaculture	2,251,734	8
Knitwear	160,000	1
Manufacturing	181,930	2
Retail	23,700	1
Service	265,501	2
	<u>£2,882,865</u>	

Loans

Aquaculture	1,550,000	2
	<u>£1,550,000</u>	

TOTAL	<u>£15,640,424</u>	<u>31</u>
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Shetland Islands Council Development Committee Members 2001

Councillor	Address	Telephone
Loretta Hutchison (Chair)	Da Ankerhus, Mill Park, Hillhead, Symbister, Whalsay	(01806) 566762 (01806) 566763 [F]
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James C Irvine	20 Twageos Road, Lerwick	(01595) 693777 (01595) 696787 [F]
Peter Malcolmson	Skersound, Upper Sound, Lerwick	(01595) 693247
William H Manson	Mangaster, Sullom	(01806) 522338 [F]
Gordon G Mitchell	Thistles, Bigton	(01950) 422338 (01950) 422355 [F]
John P Nicolson	10 Giblestone Road, Scalloway	(01595) 880693 (01595) 880953 [F]
William A Ratter	Gaets A Voe, Ollaberry	(01806) 544295 [F]
James M Ritch	Flat 1, Muckle Flugga Shore Station, Unst	(01957) 711274 (01957) 711608 [F]
Frank A Robertson	Columbus, Selivoe, Bridge of Walls	(01595) 810283
William N Stove	1 Lovers Loan, Lerwick	(01595) 694612
William Tait [F] Also Fax Number	Bonavista, East Ireland, Bigton	(01950) 422243 [F]

Development Department Staff 2001

	Area Code (01595)
<u>Director</u>	Alvin Bashforth 74-4933
 <u>Development Division</u>	
Divisional Manager	Douglas Irvine..... 74-4932
Development Officers	Aaron Priest..... 74-4930
	Michael Peterson..... 74-4931
	Maurice Henderson 74-4938
	Neil Henderson..... 74-4960
Area Development Officer	Linda Coutts 74-4943
Agricultural Development Officer	Eddie Nicol 74-4951
Agricultural Development Assistant p/t	Elizabeth Simpson..... 74-4923
 <u>Fisheries Division</u>	
Divisional Manager	Jim Henry 74-4937
Fisheries Development Officers	Wendy Goudie..... 74-4956
	Mandy Kirkness 74-4935
	Marvin Smith..... 74-4928
 <u>Development Resources</u>	
Head of Development Resources	Alistair Cooper 74-4911
 <u>Administration Section</u>	
Administration Manager	June Jones 74-4955
Secretary/Administration Officer	Louise Adamson..... 74-4942
Administration Officers	Penelope Smith 74-4926
	Nicola Halcrow..... 74-4944
Clerical Assistant	Vacant 74-4950
Receptionist	Diane Watt..... 74-4940

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