

Community Led Local Development Funding Programme 2026/2027 Financial Year

Local Action Group Area	Shetland Islands
Local Action Group Email address/Website (if applicable)	Shetland Community-Led Local Development (CLLD) Programme 2025/26 – Shetland Islands Council
Role (Local Action Group Chair)	Fiona Stirling (Highlands and Islands Enterprise)
Local Action Group Chair Email Address & Phone number	fiona.stirling@hient.co.uk
Role (Vice Chair)	Ruth Henderson (Seafood Shetland)
Vice Chair Email Address & Phone Number	ruth@fishuk.net
Role (Community Led Local Development Coordinator)	Annette Priest
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1. Please summarise your proposed activity against your CLLD funding indicative allocation for 2026/2027 Financial Year.

The proposed activity in this Community Led Vision (CLV) document and Shetland's Community Led Local Development (CLLD) funding allocation of **£303,704.11** (inclusive of admin and animation costs) will build on learning and insight gained through involvement and evaluations of driving forward previous CLLD programmes from 2022/23-2025/26, along with the outputs of Shetland's involvement in the previous Rural Communities Test of Change Projects (RCTC) and LEADER programmes.

Building on our CLV for the previous programme, and prior conversations on climate change, we understand that our communities have a key role in the transition to becoming a climate resilient and low carbon place to live and work, and in transforming the economy to deliver net zero.

It is apparent that there is already knowledge and awareness on climate change across Shetland and this provides a solid platform for further engagement and CLLD activity on climate action, including with young people. However, our communities are also acutely aware of levels of fuel poverty and the cost of living in Shetland, with concerns regularly expressed about the costs of increased electrification, potentially negatively impacting on low-income families/households, particularly in the context of the escalating cost of living crisis.

The higher costs of living in Shetland, which can be up to 60% more expensive than the UK average, means that around half our households already do not earn enough to live well. Our communities are clearly concerned about any unintended consequences arising from the move away from fossil fuels.

In addition, the ability of local communities to address these concerns is often constrained by capacity challenges, particularly in more remote communities with small populations and limited services. This limits the ability of communities to generate economic activity and grow community wealth.

We are proposing that the focus of Shetland's CLLD activity continues with supporting delivery of projects that are in line with Scottish Government Priorities to help families and services through the cost of living crises (including eradicating child poverty) but also those which stimulate community-led action in relation to addressing the Climate Emergency - recognising that our communities have a key role to play in transforming the economy to deliver net zero.

In the Shetland context, we already know that poverty related data from sources such as the Scottish Index of Multiple Deprivation does not tell the whole story of experiences in island communities. We will therefore view projects through the lens of our high cost of living, rather than poverty alone.

Our CLV shares that of the [Shetland Partnership Plan](#) in that we want:

'Shetland to be a place where everyone can thrive; living well in strong, resilient communities; and where people and communities are able to plan and deliver solutions to future challenges'

The Shetland Partnership's Priorities are:

Place – Shetland is an attractive place to live, work, study and invest

Participation – People participate and influence decisions or services and use of resources

People – Individuals and families thrive and reach their full potential

Money – All households can afford to have a good standard of living

2. Outline the current or aspirational membership of your LAG, including your nominated Chair, Vice Chair, the expectations of LAG members and how they are qualified to deliver your Community Led Vision (CLV).

The membership of the LAG will continue as in previous years, where there was an open and transparent selection process of LAG members; Fiona Stirling, Highlands & Islands Enterprise will continue as Chair, with Ruth Henderson, Shetland Seafood continuing as Vice Chair. As is common in all small communities, every LAG member represents a multitude of community interests and time has already been invested to ensure that LAG membership reflects the skills and experience needed for the priorities identified in our CLV.

Our members are drawn from the private, public, voluntary and charitable sectors, with many involved with previous LEADER programmes as well as the CLLD programmes to date, and have a good knowledge of the Shetland community. Efforts have been made to ensure that representation by non-governmental partners forms a clear majority (i.e. not less than 51%) and that there is a 50/50 gender balance, where possible.

There will be no sub-groups within the LAG and no delegated authority to any other body or group. With the United Nations Convention of Human Rights of the child (UNCRC) incorporated into the legal framework in Scotland, we absolutely recognise the importance of seeking the views and input of young people. By working in partnership with Shetland's diverse youth sector, we will explore meaningful ways of ensuring youth representation and involvement in the work of the Shetland LAG.

New LAG members will be invited to join the existing LAG on the basis that the individuals and organisations they represent are able to provide a valuable perspective on development issues in Shetland, particularly where these pertain to the main CLLD objectives of sustainable economic development. This includes tackling poverty and the cost of living crises, the need to transform the economy to deliver net zero, and the creation of sustainable local services.

The following is a non-exhaustive list of the areas where LAG members will be expected to provide expertise, perspective and opinion:

- Economic development
- Community wealth building
- Community learning and development
- Climate change
- Vulnerable individuals and those experiencing poverty
- Young people
- Public administration
- National and European policies and programmes
- Natural heritage
- Built heritage
- Community safety and resilience
- Arts and culture
- Skills and training
- Local business and industry
- Maritime development
- Social enterprise

The broad membership of the LAG is intended as a catalyst for realising the purpose and priorities of CLLD, promoting the activities of the group and raising the awareness of CLLD in general. The following organisations are represented by members of the Shetland Islands LAG (with some members representing more than one body):

Public Sector

Highlands and Islands Enterprise (Chair)
NHS Shetland
Shetland Islands Council

Private, Voluntary and Charitable Sector

Seafood Shetland (Vice Chair)
COPE Limited
HIE Climate Hub
Hjaltland Housing Association
Living Lerwick Limited
Moving On Employment Project
Northmavine Community Development Company
SAC Consulting
Scalloway Community Development Company
Shetland Amenity Trust
Voluntary Action Shetland

3. Please describe your local partnership structure, including your chosen approach to either nominating or becoming a Lead Partner.

The LAG will continue as Lead Partner in the same way as successfully operated in the delivery of the CLLD Programme since 2022/23. The LAG will not be constituted and Shetland Islands Council ('the Council') will act as the Accountable Body (AB) for Shetland CLLD activity - responsible for all financial, legal and administrative matters arising from programme activity.

The Council performed the AB role for the Shetland LEADER Programmes in 2007-2013 and 2014-2020 and fulfilled a similar role for the RCTC project in 2021/22 as well as delivery of the CLLD programme from 2022/23-2025/26. It is intended that the Council will continue in this role, having the administrative capabilities to carry this out efficiently, subject to formal LAG approval.

The Council has financial management procedures in place including budget coding and setting, audit and monitoring and payment procedures which allow for the competent distribution of grant awards to external bodies along with internal procedures which allow comprehensive audit trails to ensure that disbursed funds are properly accounted for.

The Council also has experience in project management and policy development which will ensure that applicants are properly supported and that programme aims and objectives are properly understood and delivered upon.

The Council will employ one FTE member of staff who will act as the main contact point for CLLD functions. This staff member will provide a comprehensive support service for the

activities of the LAG, including financial and outcome reporting to the LAG and the Scottish Government, maintaining programme functions in line with technical guidance and overseeing project management functions. Other staff resources will be deployed to perform functions relating to processing payments and other administrative functions.

4. Please detail how your planned activity for this year will meet the overarching outcomes for the 2026/27 CLLD programme including detailed projected expenditure and specific deliverables/outcomes.

The LAG will be focused on project delivery, supporting activities that will contribute positively to local people and local priorities and helping rural communities to thrive through community-led initiatives. The LAG will be responsible for ensuring that all activities and funding decisions are good value for money, have measurable impacts, are inclusive and community led.

We know through ongoing community engagement that fuel poverty and the cost-of-living crises are key concerns. However, it is also evident that there is an impressive array of community-led activity in relation to recycling, sharing schemes and community food growing taking place throughout Shetland - projects which reduce Green House Gas (GHG) emissions but can also help address the high costs of living.

Whilst it is acknowledged that these small-scale projects won't necessarily turn the dial on overall carbon emissions or rates of poverty on their own, they clearly have wider benefits for communities in relation to recreational space, more active lifestyles, community participation and encouraging healthier eating and overall wellbeing. They can also provide an invaluable entry point for further discussions on net zero, with communities being taken on a journey to consider further actions that might be needed to radically reduce GHG emissions in their areas.

We understand that 60% of emissions reductions to meet net zero targets needs to come from societal change. Our communities therefore have a key role to play as part of that wider public engagement strategy and in the creation of sustainable communities.

The Shetland LAG was involved in a YLAG project with Orkney, Outer Hebrides, Cairngorms, Fife and Forth Valley and Lomond LAGs in 2022-23, but due to time restraints, Shetland was unable to take part in the final part of this project. However, the LAG is keen to encourage learning and knowledge exchange, recognising that by working in partnership, our rural groups and organisations can help deliver even greater positive change in their communities. This was put into practice in the 2023/24 programme with a project examining the [impact of future agricultural policy on islands communities](#) developed between Orkney, Shetland and Outer Hebrides LAGs, which attracted collaboration funding through CLLD. The LAG are keen to consider further cooperation projects, where possible, if they can help deliver on LAG priorities.

In many cases, it has also resulted in our communities becoming much more informed about people and families impacted by poverty and the high cost of living. As we are continuing to face the ever-escalating cost of living crises, it is vital that we continue to empower

communities to further tackle poverty, inequality and rural disadvantage with the local assets, services, and projects that they can develop and run. However, we also recognise that additional capacity building support may be required.

Shetland wishes to use its CLLD allocation to stimulate activity in Shetland's communities and drive further community action on climate change and tackling the high cost of living impacts, with a particular interest in community led projects that can:

- Help alleviate pressures caused by the high cost of living (especially projects that will have a lasting legacy)
- Help rebuild community capacity to drive forward community led development, including (re)mobilising volunteers
- Enhance the sustainability of community led rural services and facilities through developing activity which increases income or reduces overheads
- Increase localisation by reducing the need to travel, including the concept of 'living well locally'
- Support further community food growing, food larders, community fridges and minimising food waste
- Increase recycling, upcycling and reduce waste
- Grow the circular economy
- Support the growth of community led ecotourism projects and initiatives
- Support research/learning into reducing carbon emissions locally and/or knowledge transfer
- Incentivise learning/training to increase carbon literacy and climate solutions in our communities
- Support nature-based solutions to addressing climate change
- Demonstrate effective and meaningful cooperation which results in new ideas and methods being introduced
- Demonstrate a clear potential legacy beyond the life of the CLLD programme

We do not wish to duplicate funding available elsewhere, but Shetland's CLLD funding allocation could also potentially provide essential match funding for organisations accessing other support focused on reducing carbon emissions, addressing impacts caused by the high cost of living, or increasing capacity to generate community wealth building projects.

5. Please detail how your planned activity for this year will meet inclusion, equality and diversity in your local area.

The LAG recognises the need to support greater inclusion, equality and diversity in community-led local development, particularly with respect to the range of 'voices' informing community development and local capacity building.

While, for many, Shetland is a great place to live, we recognise that for others life in Shetland can feel hard, lonely and isolating. For those who were already experiencing multiple challenges in everyday life, we understand that the continued cost of living increases has exposed further inequalities.

Together with partners, we hope to work collaboratively to help overcome the most challenging issues facing our communities as we continue to support economic recovery and resilience.

Our LAG membership will continue to be made up of key individuals who can provide a valuable perspective on Shetland's rural development issues - particularly where these pertain to the main CLLD objectives of addressing poverty, net zero/the climate emergency and ongoing challenges of delivering and improving local services with reducing resources.

We anticipate that all projects supported will advance inclusion, equality and diversity and the LAG hopes to encourage applications from typically under-represented groups.

Inclusion, equality and diversity will ensure fair treatment and opportunity for all, and we adopt the aims to eradicate any prejudice and discrimination based on an individual or group of individual's protected characteristics.

We are aware that the Scottish Government is supporting the Poverty Alliance to work with LAGs to ensure all programmes help people in their communities supporting poverty, but we champion the need to view this through an appropriate rural and island lens.

In the Shetland context, we already know that national poverty or child poverty statistics from the Scottish Index of Multiple Deprivation do not tell the whole story – deprivation in rural communities can be well hidden, and it is difficult to gauge the effects and impacts from national data sources which cannot provide granular detail at sub-local level.

Research from the University of Loughborough and Highlands and Islands Enterprise regularly shows that the Minimum Income Standard for a decent living in remote islands is significantly higher than in urban areas. We, therefore, must always overlay rurality and cost of living (which we know is [20-60% more than the UK average](#)) to any statistics from national data sources and view projects through the lens of our high cost of living, rather than through poverty alone.

6. Please describe how your aspirations for this year will contribute to Scottish Governments top 4 priorities for delivery of the 2026/2027 Scottish Budget as below:

The LAG shares the Scottish Government's vision to create a wellbeing economy where the local economic system places the wellbeing of current and future generations at its core.

As set out in the previous section, Shetland wishes to use its CLLD allocation to stimulate activity in Shetland's rural communities and drive further community action on climate change and addressing the high cost of living.

Shetland's funding allocation for CLLD activity is limited and will support both capital and revenue projects. Projects prioritised for support will be those that can demonstrate longevity beyond the life of the 2026/27 programme. Principally this includes those which contribute to addressing the high cost of living (and associated poverty) those aiming to reduce GHG emissions and those seeking to create and develop sustainable services.

Accordingly, our focus for activity will aim to support sustainable projects which can be reflected within the following four priority areas:

- Helping families and services through the cost-of-living crises, including helping to address the drivers of child poverty
- Increasing community capacity to address rural challenges
- Transforming the economy to deliver net zero
- Creating sustainable local services

By focusing our CLLD activity on these areas it will allow the LAG to drive further community action on climate change – whilst recognising that climate change is much more than an environmental issue but rather the ultimate sustainable development issue.

The environment changes we face today arise from the accumulated results of two centuries of unsustainable development including unsustainable land use, lifestyles and consumption patterns. Shetland's communities must play their part in significantly reducing GHG emissions against a just transition, whilst we need to be mindful of unintended consequences.

We are very aware that low-income households can be most impacted by climate change but there are significant concerns about unintended consequences arising from the increased move away from fossil fuels and the overall cost of transition.

By stimulating community-led local development initiatives, we will also be continuing to support COVID-19 recovery and the stimulation of further communication and discussions on net zero. We are realistic in understanding that the type of projects supported may not turn the dial on overall carbon emissions or levels of poverty, but we value the wider benefits for communities in terms of supporting community participation and overall wellbeing.

For some communities, delivering projects through the CLLD programme could be the beginning of a journey around considering what further actions may be needed to radically reduce GHG emissions in their areas and in supporting rural communities to thrive while being more sustainable.

7. If applicable, please describe how your aspirations for this year will meet any other Scottish government's key priorities for the 2026/2027 Financial Year.

Our CLV recognises that peripherality is key to inclusive growth and needs to be central to policy and funding to tackle disadvantage.

The Scottish Government's National Strategy for Economic Transformation places a wellbeing economy, based on the principles of prosperity, equality, sustainability and resilience at the heart of its vision for the economy in 2032. We absolutely agree on the need for a greater emphasis on measures of inclusive growth that go 'beyond GDP'.

We hope that our CLV will encourage further inclusive growth, that is growth which combines improved wellbeing with greater equality, creates opportunities for all and distributes the benefits of increased prosperity fairly. Shetland's communities face many structural aspects of disadvantage, exacerbated further by Brexit and COVID-19 and yet despite the challenges, our local communities have continued to show resilience, developing community-led, collaborative approaches.

Our CLV will also advance the aims of community wealth building, by encouraging and supporting projects which redirect wealth back into the local economy, and place control and delivery benefits into the hands of local people. In particular, our CLV will promote the principles of making financial power work for local places, developing more extensive

community ownership of the economy, and increasing the socially productive use of land and property.

By supporting further community-led development, regeneration and climate action, this delivery programme will also promote inclusion and contribute towards poverty reduction, building on significant learning gained from the COVID-19 lockdown experience and the key insight that this provided in areas such as food supply and overall community resilience.

8. If applicable, please outline the project selection and decision-making process that your LAG will employ when allocating funding, including selection criteria, procedures for projects led by the LAG itself and what your process is for any delegated decision making.

The LAG will be focused on project delivery, and our project selection procedures will be non-discriminatory, transparent and will follow the same process of previous LEADER and CLLD programmes in ensuring adequate separation of responsibilities at each stage of the process.

Applicants will be required to discuss project proposals in the first instance with the CLLD Co-ordinator to assess suitability for the fund prior to receiving an application form.

Applicants will apply using an online form linked to Shetland Islands Council website, where applicants will also be able to upload any supporting documents for their application. A traditional paper copy application will be made available where required.

The timescale is for the LAG to meet in early May where discussions will take place on the roll-out and operation of the 2026/27 programme. The CLLD Coordinator will need sufficient time to fully assess applications in advance of meetings and LAG members will need sufficient time to review applications in advance of meetings.

The LAG is mindful of the need for all project costs to be committed by **30 October 2026**. All CLLD activity is to be completed no later than 31 March 2027, therefore, all funded projects will be given a final claim deadline of 26 February 2027. Final date for all claims/costs to be submitted to Scottish Government is 9 April 2027.

Decisions on applications, and any material changes to approved projects, will generally be made by consensus. However, where there is no consensus, the Chair will initiate a call for a vote. The decision will then be made by a simple majority. Any member of the LAG who has declared an interest in the project in question will not be eligible to vote.

The minute taker will record all LAG members present at meetings where decisions are made and will note all as being in support of a project where a unanimous approval is made.

When a vote is called, the minute taker will note those LAG members voting for, against, any abstentions and any declarations of interest. There will be no delegation from the LAG to any sub-group or sub-committee representing LAG interests. All decisions will be made by the LAG in its role as decision making body. The volume of project applications which will be received by the Shetland LAG is such that assessment by all LAG members is reasonable and achievable. This also means that all members can contribute to any debate around a project application, and that all different perspectives can be considered when assessing projects.

Shetland-based social enterprises, community development companies and constituted not for profit voluntary organisations will be eligible to apply.

Applications will not be considered from individuals, sole traders, organisations not located in Shetland, religious or political organisations, private businesses or public sector bodies.

Projects that will be prioritised for support will be those that contribute to the priorities of addressing the high cost of living, stimulating climate action or reducing greenhouse gas emissions, and improving community capacity to address rural challenges.

Projects that already have match funding to contribute, and can demonstrate a collaborative approach, will be looked upon more favourably.

Projects seeking grant funding of less than £3k will not be considered. We are not stipulating a maximum grant award but are mindful that this is a relatively small funding allocation, and we wish to support a range of CLLD projects throughout Shetland. Consideration will also be given to whether projects are more suited to other funding sources within and out with Shetland.

The LAG may consider larger funding bids for projects deemed 'shovel ready', which deliver against CLV priorities and for which no alternate funding source is available. CLLD funding may be used as 'last-brick-in-the-wall' funding as a part of a larger funding package.

Projects must be able to demonstrate that they can spend and draw down the grant in full by 26 February 2027.

Project funding for the 2026/27 programme is capital and revenue in nature and will support various project funding purposes including staffing, operational expenses, service delivery costs and administration. Costs for revenue expenditure will also include items such as furniture, equipment and machinery which cost less than £10k, materials and supplies which are consumed or distributed in the production rendering of services.

9. Please outline the appeals process you have in place as part of your project selection procedure.

Appeals may be made in writing to the AB, within one calendar month of a decision. All appeals must detail the decision being appealed against and the reason for the appeal, including supporting evidence where required.

An Officer from the Council's Economic Development Service, not involved with the original project assessment, will assess the appeal and provide information and observations to the Executive Manager – Economic Development, who will decide on the outcome of the appeal and will inform the appellant of the decision.

The AB will respond to appeals within 10 working days, which will be paused if further information is required from the appellant.

10. Please detail the process by which you will record conflicts of interest, and an assurance that all LAG meeting minutes will be stored electronically for future Audit purposes.

Prior to any competent business on the meeting agenda, LAG members will be asked to declare any interests in projects, personal or professional, which will be the subject of discussion and/or decision. LAG members must note all items for discussion and/or decision where they have an interest, and it will be expected that the LAG member will leave the discussion during the relevant agenda item or items.

If the Chair declares an interest in an agenda item, the Vice-chair will take responsibility for the meeting during discussion and/or decision-making. If both the Chair and Vice-chair declare an interest, the LAG must appoint a pro-tem chair from the remaining LAG members for the duration of the agenda item, ensuring at this point that all declarations of interest have been made.

The minute taker will record all declarations of interest and the agenda items which they pertain to. This will be recorded in the minutes for the LAG meeting.

The CLLD Coordinator will maintain a register of LAGs members' interests which will be refreshed prior to the commencement of the programme.

11. In as much detail as possible, please capture your projected expenditure and how you will allocate your budget against your proposed activity this year. If this is not currently known, please indicate when this information will be available.

The LAG will invite bids from eligible bodies for project funding from the Shetland Islands CLLD allocation. The allocation of funding for 2026/27 is **£303,704.11**. Spend will be dependent on bids received and LAG decisions on project applications. Activities supported will be prioritised based on fit with CLV objectives, value for money and sustainability.