

**RURAL DEVELOPMENT
STRATEGY
for
SHETLAND**

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1. Introduction

1.1 Geographical Area

The area to be covered by this strategy is the same as the Shetland Islands Council local authority administrative area and includes the whole of the Shetland Islands.

1.2 Context for Strategy

The Rural Development Strategy for Shetland (RDSS) has been produced as a fully integrated inclusive document after extensive consultation with all the relevant agencies, organisations, communities, and individuals in Shetland. It will be adopted by all the main agencies and the Community Planning Board (CPB). A list of those consulted is included in appendix 1.

Its main purpose will be to act as a strategic framework for all actions/programmes/funding initiatives, including the Leader programme 2007-2013. This should ensure there is close coordination and synergy between all the rural development/regeneration initiatives in order to help achieve the maximum impact for each initiative.

The main links and strategic context are summarised in the diagram 1.1 on page 3. The full names are spelt out in appendix 2. This provides an overview of the key links and how well the strategy is integrated into the local policy framework. Each of the initiatives will have to relate their actions to the strategic objectives of the RDSS as well as to the other initiatives where known. With regard to the LEADER programme this will be achieved through the Business Plan which will provide the detailed framework, organisation, management and budgets for the Actions under the LEADER initiative.

The LEADER initiative is targeted at rural areas. In the national context Shetland as a whole is a remote rural area therefore the programme covers the whole of Shetland. However within the whole area priority will be given to the remoter and more disadvantaged locations within the islands, having regard to the CPB analysis of the key indicators in their report - Sustaining Shetland, Sept 2007.

1.3 Vision

The Rural Development Strategy for Shetland fits within the overall vision for Shetland as a whole as contained in the Community Planning Board Framework Document "Together Shetland" and subsequent reports called the Shetland Resolution and Sustaining Shetland that have been agreed by all the main agencies. The vision statement is as follows:-

Our vision is to ensure the long term vitality and wellbeing of Shetland; a place where:

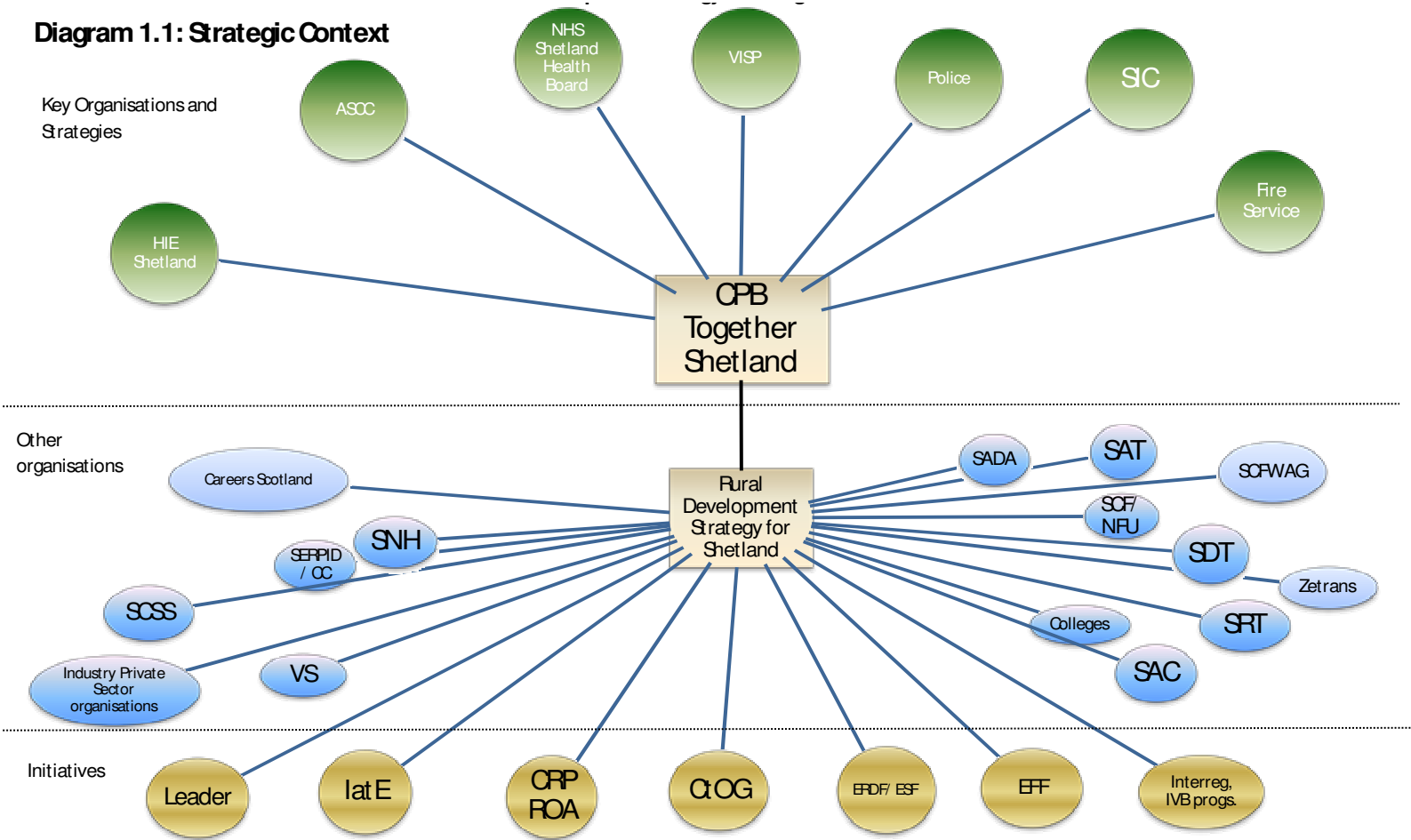
Rural Development Strategy for Shetland

*Our economy is prosperous, competitive and diverse;
Our society is vibrant, healthy and safe, and one in which everyone is able to
take part;
Our outstanding environment is conserved and enhanced; and
Our unique cultural identity and spirit is celebrated and promoted.*

This has subsequently been reinforced by the approval of the Shetland Resolution which expands and develops this statement.

Rural Development Strategy for Shetland

Diagram 1.1: Strategic Context



See Appendix 2 for description of acronyms

1.4 Policy Context

1.4.1 EU Context: Agriculture and Rural Development policies have come closer together in the new round of EU programmes 2007-2013 within the framework of the EAFRD (European Agricultural Fund for Rural Development) and Rural Development Regulation (RDR). The regulation contains 4 axes which are:-

1. Improving the Competitiveness of Agriculture and Forestry. Specific measures include:- restructuring and improving agricultural holdings, improving human potential, and improving the quality of agricultural products.

2. Improving the Environment and Countryside. Specific measures include:- sustainable use of agricultural land (ESAs), and designation of areas with handicaps (LFAs).

3. Quality of Life and Diversification of the Rural Economy. Specific measures include:- support for diversification, for basic services, for the conservation and upgrade of the rural heritage, and for training.

4. LEADER is an EU initiative which is now mainstreamed within the EAFRD regulation and is therefore complementary to the other rural development measures aimed primarily at the agricultural sector.

It is a requirement of all EU programmes to show the integration and links between them. In the case of the rural development funds the most important are the H&Is Convergence Programme 2007 - 2013, European Fisheries Fund Scottish Operational Programme, Interreg Programmes and other initiatives such as those for the environment and R&D. EU funding for the SRDP in the H&Is includes the transfer of some Convergence money to Leader. Diagram 1.2 on page 6 summarises this context.

1.4.2 UK/Scottish Context: The EU programmes are delivered through national plans and regional structures. In addition there are a number of national policy documents and strategies which a rural development strategy for Shetland should fit within and will help to achieve. The main ones include:-

- Forward Strategy for Scottish Agriculture 2006
- Rural Development Strategy/Programme for Scotland 2007-2013 (SRDS/SRDP) which is the responsibility of the newly structured Scottish Executive Rural Payments and Inspectorate Department (SERPID). The SRDP addresses 5 key outcomes or priorities:-
 - Improved business viability,
 - Enhanced biodiversity and landscape,
 - Improved water quality,
 - Tackling climate change,
 - Thriving rural communities.

Within the 4 axes of the RDR identified in paragraph 1.4.1 overleaf, the SRDP aims to deliver these outcomes through three key components or packages of measures:-

- Rural Development Contracts – combining social, environmental, and economic measures and is broken into three tiers/parts:-
 - Tier 1: Single Farm Payments and Cross Compliance (pillar 1 not in SRDP funds),
 - Tier 2: Land Management Contract Menu Scheme,
 - Tier 3: New component that integrates under a single mechanism several of the previous schemes e.g. ABDS, RSS, Natural Care, Organic Aid, Promotion and Marketing, Forestry grants.
- Less Favoured Area Support Scheme – compensates for permanent disadvantage,
- LEADER.

In addition there will be other “stand alone” schemes such as crofting grants and non-farm based processing and marketing grants. There are also ongoing commitments from the 2000-2006 programme that continue over the next programme period e.g. in agri environment and forestry measures.

- Framework for Economic Development,
- Smart Successful Scotland.

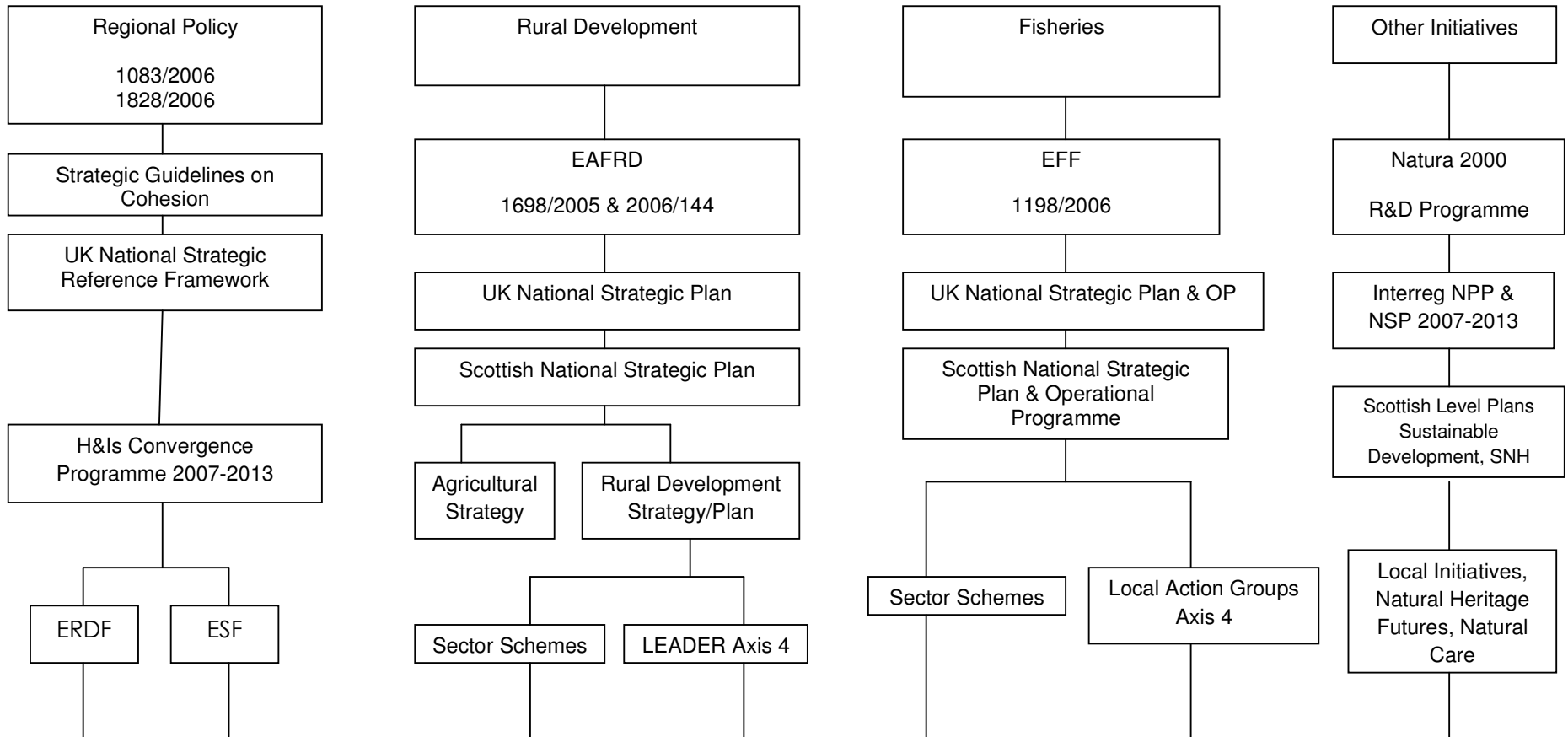
1.4.3 Regional Context: There are also policies developed at a regional level e.g. Highlands and Islands – HIE Smart Successful Scotland, and the Crofters Commission Corporate Plan for the crofting areas which includes Shetland. It is also planned that the SRDS will be delivered through Regional Programme Advisory Committees (RPACs) who will provide strategic and policy input to the process. Shetland falls within the Northern Isles RPAC.

1.4.4 Local Context: As indicated in 1.2 the vision for this strategy has been taken from the CPB strategy document - Together Shetland. In addition there are several other local strategies that have been taken account of in the production of this strategy. Several of the key ones include:-

- HIE Shetland Business Plan,
- SIC Corporate Plan (2004 – 2008),
- SIC Structure and Local Plan (2002),
- SNH Shetland Strategy – Natural Heritage Futures,
- Heritage Plan for Shetland (2006),
- Living Shetland – Biodiversity Action Plans (2004),
- Towards a Greener Shetland (underway 2007),
- Cultural Strategy (2004 – 2008).

A full list of documents consulted can be found in appendix 3.

Diagram 1.2: EU Policy Framework /Context and Complementarity with other Programmes



1.5 Key Principles and Themes

The key principles in the Together Shetland document have been adopted for the RDSS along with other appropriate principles. These include:-

- Work together – integration and partnership – a large number of bodies are working together as can be seen from diagram 1.1.
- Talk and listen to communities – consultation – all key sectors in the community are engaged in planning, management and delivery of the strategy. The consultation process is described in more detail in 5.2.
- Make sure actions provide value for money i.e. that outputs proportionate with inputs.
- Equal opportunities - all processes and projects will have to respect equal opportunities principles in all aspects. Women and young people have been highlighted as target groups by the Scottish Government for the LEADER programme.
- Sustainability – the strategy will make a positive contribution to sustainable development of the islands in environmental, economic and socio cultural terms. It will also follow the principles in the Scottish Sustainable Development Strategy 2005.
- Innovation – the strategy will be innovative both in relation to the organisation and management as well as the projects to be supported. Successful innovative initiatives from other areas will be embraced where appropriate.
- Long term impact – the projects to be supported will need to show potential long term impact and a lasting legacy.
- Cooperation and collaboration – this will be done at transregional and transnational levels as well as at a local level.

1.6 Impact of Previous and Ongoing Rural Development Actions

This section gives a brief review of recent and ongoing actions to tackle development issues and the results achieved. The main initiatives and funding streams include:- Leader+, Community Economic Development (CED), Regeneration Outcome Agreement (ROA), and Highlands and Islands Structural Funds including agricultural and fisheries schemes (EAGGF and FIFG), ESA, RSS, and previous SRDS.

1.6.1 Leader +

The Leader+ Programme which ran from 2000-2006 in partnership with Orkney Islands under the name the Northern Isles Partnership had the following theme;

“To enrich the socio-economic life of communities, reflecting the distinctive character of the islands, in an integrated programme, focusing on the opportunities presented by the use of new technologies and know-how”.

The original objectives for the Northern Isles Programme were set out as:

- (a) To promote and exploit opportunities presented by new technologies and know how, in the sphere of culture and heritage.
- (b) To encourage diversification and new opportunities, through support for pilot projects using ICT, new know-how and technology in micro businesses and community enterprises.
- (c) To promote innovative access to services and facilities through the use of ICT and new know-how in the remoter communities.
- (d) To encourage the development of creative industries in the Northern Isles.
- (e) To encourage the development of new local research skills and resources, as well as links between businesses and the local Colleges.
- (f) To support innovative approaches which reflect the potential value of the high quality natural resources and the environment of the islands.

A quality of life theme was later added which allowed a wider range of projects to become eligible for funding.

Target groups were identified as women and young people, including a significant proportion of the under-employed. Micro businesses were also targeted.

The total Leader+ allocation for the Northern Isles was £1,246,000. Within that, an allocation of £61,250 was top sliced by the Scottish Executive for Action 3, leaving £1,184,750 for the local Programme. This was anticipated as being matched by an equal amount of public and private funding, with 60% of this coming from the public sector. Excluding the Action 3 allowance, the actual funding for the Northern Isles Leader+ Programme was broken down as follows in the revised 2005 Business Plan:

	Leader+ £	Public/Private match £	Total £
Action 1			
Orkney	466,125	466,125	932,250
Shetland	466,125	466,125	932,250
Administration	136,500	136,500	273,000
Action 1 Total	1,068,750	1,068,750	2,137,500
Action 2	116,000	116,000	232,000
Overall Total	1,184,750	1,184,750	2,369,500

The following outputs were achieved for Shetland during the programme. 51 Action 1 projects and 10 action 2 projects were approved in Shetland.

Activities	Northern Isles Revised Targets 05	Shetland Projects
Cultural/heritage events/projects assisted	20	26
Projects focussing on identifying development potential of culture, traditions and language	10	16
No of ICT/new technologies projects assisted	30	22
No of promotional activities assisted	10	9
Community enterprise projects assisted	25	9
Micro businesses advised/assisted	40	25
Feasibility studies/market research	10	10
Community ICT projects assisted	20	14
No of community learning projects assisted	20	9
Development of local rural tourism products	5	17
No of clusters	1	0
No of training courses delivered	60	16
Pilots/research projects/acquisition of expertise	25	19
No of flexible innovative training projects	5	17
Heritage/environmental/interpretation projects	7	25
New heritage/environmental facilities	3	4

It should be noted that the number of approved projects in Shetland exceeded the overall Northern Isles targets for six of the activities. A list with details of all Leader+ projects approved during the life of the programme are included in appendix 4.

1.6.2 Community Economic Development

The CED programme for the Highlands and Islands was funded partly from the Highlands and Islands Structural Funds Programme for 2000-2006 and administered by HIE. HIE Shetland had a funding allocation to manage for projects in Shetland. The programme dovetailed with the Leader+ scheme. Applications were approved by the Leader LAG at the same time as Leader+ projects.

The strategic aim for the Shetland programme was “*to build the capacity of local communities, enabling the development of effective actions, designed to promote a sustainable social and economic future, which reflects the unique cultural and environment of these islands.*” The programme allocated total CED funds of £272,967 for phase 1 and £185,011 for phase 2.

There were 8 priority areas identified for Phase 1:

- Unst,
- Yell,
- Fetlar,
- Firth and Mossbank,
- Sandness (including Papa Stour),
- Dunrossness (including Fair Isle),
- Sandwick,
- Skeld.

The priority areas for phase 2 of the programme were:

- Northmavine,
- Whalsay and Skerries,
- Lerwick (old town centre),
- Foula,
- Burra Isle/Scalloway.

1.6.3 Highlands and Islands Structural Funds

The Highlands and Islands Special Transitional programme 2000-2006 provided ERDF, ESF and EAGGF funding in the region of £9 million for a range of infrastructure and training projects in Shetland.

Some examples of projects include:- Sumburgh Airport runway extension, Community Renewables project, Scatness Archaeological site, renewable energy skills training, industrial building for Lerwick Port Authority, Foula Community Electricity scheme, Papa Stour, Fetlar and West Burrafirth ferry terminal developments, PURE Hydrogen project, Women returners, Community learning, Hoswick interpretive centre.

1.6.4 Regeneration Outcome Agreement

This initiative is funded for three years, 2005 – 2008, under the Scottish Executive Regeneration Fund to bring improvements to Scotland's worst deprived areas. A major output has been the production of the Research into Deprivation and Social Exclusion in Shetland report. This has helped to focus and target support to groups and areas in most need. In addition funding has gone to support the two Initiative at the Edge areas; the North Isles Response Team established to tackle the problems of the closure of RAF Saxa Vord in Unst, and projects on anti social behaviour in Firth and Mossbank.

1.6.5 Initiative at the Edge

Shetland has two areas designated as latE areas. They are the Northern Isles of Unst, Yell, and Fetlar, and the northernmost part of the Mainland

called Northmavine. Project workers have been funded to encourage and help new initiatives in these areas. They were appointed at the end of 2004 and to date have implemented several local projects and initiatives. latE funding was allocated to the groups for three years. Now in the final year of latE funding the groups are concentrating on how to generate income to become self sustaining and continue the good work undertaken in the communities so far.

1.6.6 Environment and Heritage Schemes

A number of environment and heritage initiatives have been carried out over the last few years by several bodies such as:- SNH, RSPB, SAT, Historic Scotland, SIC as well as by local communities. These include:-

- Ranger services posts in different locations
- A programme of countryside access improvements e.g. footpaths, access to sites, car parking
- A programme of interpretive literature, signs, and boards
- Annual community clean up – Voar Redd Up
- Innovate recycling and waste recovery schemes e.g. glass recycling
- SNH management agreements and Natural Care
- Development of plans e.g. Heritage Plan, Archaeology Plan
- Development of new archaeology sites e.g. Scatness, Viking Unst
- Development of new museum and archives and local museums within a hub and spokes concept, in conjunction with local history groups

1.6.7 Agricultural Measures

Funding for agriculture has come through a number of programmes and schemes within the framework of the Common Agricultural Policy (CAP) and the Rural Development Regulation, and been important in helping to overcome the disadvantage of an island location with difficult environmental conditions. Measures have included Less Favoured Area Status, EAGGF investment in agricultural holdings (ABDS), processing and marketing, improving quality, Article 33 diversification measures, and Crofting Community Development Scheme. Additionally the Shetland Environmentally Sensitive Area Scheme provided support for good management practices. It was subsequently replaced by the Rural Stewardship Scheme. Other schemes included the Organic Aid scheme and Forestry Grant Scheme.

The Land Management Contract Menu Scheme was introduced during the last programme period and broadened the type of support available under the SRDP, e.g. to include animal health and welfare measures, as well as the agri environmental and development of rural areas, e.g, access. The LMCs will now be replaced by the RDCs in the new programme period. Shetland has received funds under these schemes in the last programme. There has been no detailed evaluation of the impact of these schemes at a Shetland level, though it has been suggested that the ESA scheme was successful in encouraging biodiversity and repairing some of the damage from previous

funding regimes. However there has been less favourable comments on its successor RSS. In addition Crofting Schemes have been available such as:-

- Crofting Communities Development Scheme,
- Crofting Building Grant and Lease Scheme,
- Crofting Counties Agric Grants Scheme,
- Crofting Entrants Scheme.

1.6.8 Fisheries Measures

Fisheries (including fish catching, processing, and aquaculture) is the most important sector in the Shetland economy therefore it is essential to ensure integration with the rural development measures. Support has been available during the last FIG Programme 2000-2006 through various targeted schemes. Support came to a range of businesses and infrastructure projects including innovative pilot and diversification projects. The total FIG funding amounted to around £6.5M over the period. Examples of projects included an electronic fish auction, investment in aquaculture, fishing vessel modernisation, processing and marketing and added value projects.

It will be important to ensure coordination with the new EFF programme and Axis 4 measures in particular. It is expected that Axis 4 of the Fisheries Fund will be targeted at fish dependent areas of which Shetland is clearly one.

1.6.9 Other Initiatives

There have been a number of other initiatives and support provided by HIE Shetland (e.g. business projects), HIECEC (e.g. support for community renewable projects), SIC (e.g. business projects and infrastructure), Scottish Executive (e.g. Scottish Rural Partnership Fund), and the National Lottery (Big, Heritage, Arts, Sports, and Communities).

1.6.10 Lessons Learned

The main lessons learned particularly in the case of Leader are that the fund was successful in:

- Building Capacity for the future with a focus on strengthening the skills and expertise of voluntary and not-for-profit organisations and people new to business.
- Attracting match funding and additionality.
- Undertaking groundwork for future development projects through studies, successful small-scale projects and pilot projects.
- Building and maintaining partnerships through the Local Action Group and Local Action Teams – although the disadvantages and constraints of operating a joint Programme between Orkney and Shetland may have outweighed the advantages.

Areas that could be improved on include:

- Setting detailed targets in a business plan prior to receiving applications is difficult and compromises the bottom up principle. This impact may be lessened for the LEADER 2007-2013 fund as an extensive consultation exercise, including workshops was undertaken with several potential applicants and views were put forward on areas LEADER could target.
- Indicative projects given in the original business plan did not accurately match actual projects. It may be more useful to identify themes and already determined priorities rather than indicative projects.
- LAG members should be more involved in assessing applications and their responsibilities should be clarified and presented to them.
- Staff resources need to be adequate to allow for hand holding during project implementation. Time also needs to be factored in at the end for chasing up spend.
- Business Plan targets should be adjusted as experience is gained. Targets should be challenging but achievable.
- Regarding CED, the FIFG element of the programme was the hardest to commit and approve despite Shetland's strong fishing background. Greater awareness of the funds amongst the fishing community and fisheries associates could have helped with this.

2. Description of Current Situation

2.1 Socio Economic Context

General: On the basis of the general economic indicators the Shetland economy has on the face of it been relatively stable over the last five years. In overall terms employment and industrial output has been growing and unemployment is relatively low at or below 2%. Activity rates rose during the 1980's, particularly for women, and remain relatively high for a rural area like Shetland.

However, beneath this overall healthy exterior there is an underlying fragility and there have been some significant changes in specific sectors. The fundamental basis for the fragility lies in the extreme peripheral high cost location of the islands, limited local resources, harsh environment, dependence on a narrow economic base and being at the mercy of external policy and market factors. The two key sectors of oil and fisheries have undergone significant restructuring and the Ministry of Defence closed its base in Unst in 2005 that resulted in a cumulative loss of 200 jobs and 400 people from the island.

The oil industry began to run down in the early 90's with employment at the oil terminal falling by 411 or 37% between 1991 and 1996. However there was an increase in employment after 1996 of 23% due to an increase in sub-contractors on short term contracts, whilst BP core employment continued to decline. It has remained steady at around 230 since 2004. The number of sub-contractors at the terminal has also remained steady at a level of around 250 since early 2005. The oil, marine, and air services have also experienced reduced activity levels. It is estimated that over 530 oil-related jobs were lost during the 1990's.

The salmon farming industry has just come through a difficult restructuring period partly due to external market forces, and a much reduced fish catching sector is operating under severe constraints worsened with the rises in fuel prices. The agricultural sector has also experienced changes due mainly to external funding changes and difficult market conditions. The value of sales is less than it was 10 years ago in real terms.

A further factor that caused difficulties in the 1990's was the cut backs in public expenditure which contributed towards the reduction in construction activity in the sector as a whole. This levelled out and there has been in more recent years an increasing demand for construction work that has been making it difficult more recently to get projects progressed within budget.

However over the last 5 years there have been some positive signs in the economy due mainly to a revival in the fortunes of the salmon sector, further growth in shellfish farming, growth in tourism, some new oil related business and even indications of growing confidence in parts of the fishing sector (though less so in pelagic). It is likely that the population decline has levelled off and growth in jobs is outstripping supply which means businesses are having to recruit from migrant workers, especially in tourism, construction, and fish processing sectors.

Table 2.1: Shetland Population by Age and Gender 1981 - 2005

Age Group	1981			1991			2001			2005		
	M	F	T	M	F	T	M	F	T	M	F	T
Children*	2748	2684	5432	2548	2377	4925	2631	2473	5104	2494	2385	4879
Working	7415	6276	13691	7579	6466	14045	6653	6093	12746	6615	6157	12772
60/65+**	1274	2371	3645	1232	2320	3552	1787	2351	4138	1952	2397	4349
TOTAL	11437	11331	22768	11359	11163	22522	11071	10917	21988	11061	10939	22000

* Children taken as up to 16 years of age.

** Includes Women and Men over 60 years of age.

Source: 1981, 1991 and 2001 figures from the relevant Census, 2005 figures – General Register Office mid year estimate.

Population: After a fall in population during the 1980's it stabilised to some extent in the 1990's, though the total in 2001 from the Census was 2.4% lower than in 1991. The percentage of working age population decreased by 4% between 1991 and 2005 while the proportion of older people changed from 16% of the population in 1991 to 20% in 2005. This points to an aging population. These figures need to be used with care due to slight definitional differences at the different dates. For example the fall in population from 1991 to 2001 is more to do with the inclusion of all students in 1991 and the exclusion of those away from home in 2001. Since 2001 the figures suggest a levelling off. This has been partly due to foreign migrant workers who now number several hundred.

Employment: The 1980's saw significant changes in some sectors, and after an initial fall in the early 80's after the end of the oil construction phase, there was overall growth by 1991. A subsequent survey in 1997 by the SIC's Development Department showed a continuing growth in employment despite adverse trends in some sectors. That overall growth trend continued through to 2003 on the basis of data from another SIC survey, particularly in part time and female employment.

Table 2.2: Trends in Employment by Sector 1983 - 2003

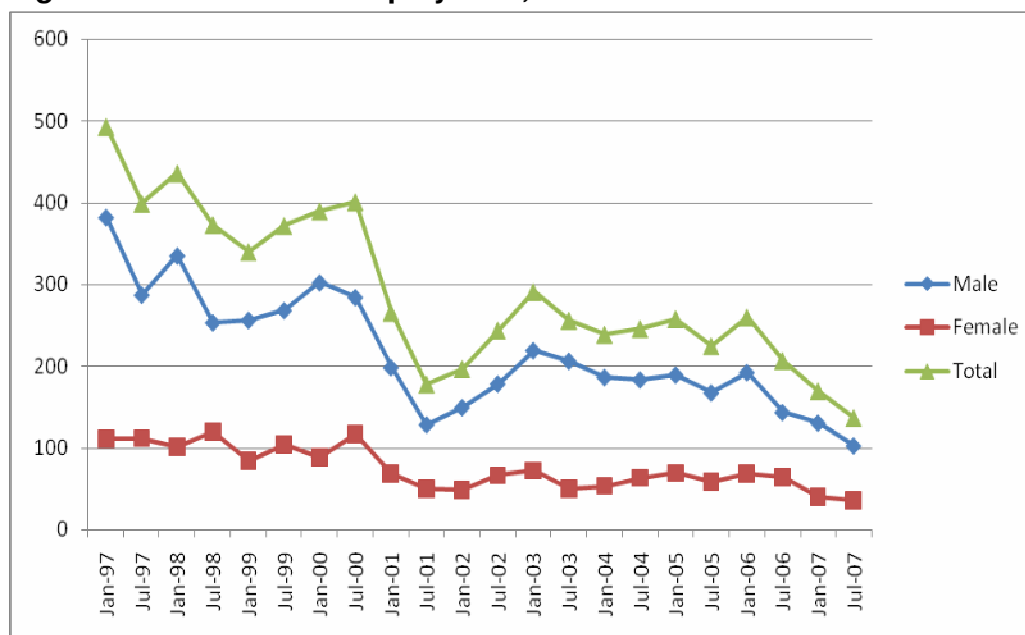
	Numbers				% of Total Employment			
	1983	1991	1997	2003	1983	1991	1997	2003
Primary	1,276	1,258	1,465	1,280	13	12	11	9
Manufacturing	923	1,121	1,322	1,105	9	10	8	8
Construction	763	817	946	928	7	8	7	7
Services	5,779	5,817	8,125	8,957	57	54	60	64
Self Employed	1,455	1,691	1,640	1,673	14	16	12	12
TOTAL	10,196	10,704	13,498	13,943	100	100	100	100

Source: Development Department, SIC

These figures also reveal the decline in the primary sector and growth in services. Employment in agriculture has been declining steadily as well as in textiles.

Unemployment: Unemployment in Shetland is lower than most other areas of the UK and has been this way for some time. In June 2006, unemployment stood at 1.8% in Shetland, while more recently in January 2007 it was only 1.3%. The unemployment that does exist is mainly males in the 20-24 year old age group. Unemployment has only once been above 300 since January 2001 and has remained between 200 and 260 for the last few years. In July 2007 it was down to 137.

Figure 2.1: Shetland Unemployment, 1997 – 2007



Source: NOMIS

Output and GVA: Output figures (table 2.3) in the traditional sectors over the last few years has been growing at a faster rate than inflation thus showing real growth in income generation in the economy, except for knitwear and agriculture.

The input/output study conducted in 2005 estimated the total value of output in Shetland to be £705M in 2003/4 compared with £528M in 1996/97. Out of this total £188.5M or 27% was attributable to fisheries and £61.6M or 9% to oil related industries (oil terminal plus oil marine services). This marks a significant change from the 1980's when oil activity was the main income generator with over 40% in 1988.

Table 2.3: Traditional Industry Output Values (£ m)

	1987/88	1990/91	1992	1999	2001	2003/4	2005/6
Fish Catching	17.8	16.7	20			35.9	50.7
Fish Processing	17.5	21	25	139.0*	223.9*	65.0	65.0
Salmon Farming	19.9	23.3	33			87.6	110.0
Agriculture	9.3	10	11	11.8	12.4	13.1	16.7
Knitwear	6.5	3.5	4	4.9	2.5	2.5	3.0
Tourism	8.1	10	10	14.4	12.75	10.2	12.0
TOTAL	79.1	84.5	103	170.1	251.55	215.0	257.4

Source: Development Department, SIC

Tourism includes only accommodation and catering sectors

The recently completed visitor survey undertaken in 2005/06 has revealed a significant growth in visitor numbers and spend over the last five years. The total visitors in 2006 were estimated to be over 104,000 and total spend was £16.43m. This compares with 66,484 visitors and £11.9m in spend in 2000 from the previous visitor survey and represents a 57% increase in numbers and an increased spend of 38%. Employment is likely to be around 400 though the latest figures from 2003 are likely to be underestimates.

Results from recent Community Planning Board analysis – Sustaining Shetland, HIE reports, and the study into Deprivation and Social Exclusion provides some useful data on the current trends. Some of the key changes and indicators include:-

Economic

- 75% of the 16-74 population in Shetland are economically active compared to 65% in Scotland in 2001.
- GDP declining due to decline in oil and restructuring of salmon farming.
- GVA per full time employee is lower in Shetland than in H&Is or Scotland. In manufacturing it is £25876 compared to £52963 in Scotland.
- Average wage in Shetland is falling according to Nomis figures.
- 35% of employment is in the public sector.
- Level of new business start up has been falling (Scottish Clearing Banks).
- 75% of employment is in the Central Mainland of Shetland.

Social

- 8.8% of Shetland population is income deprived (SIMD 2006).
- One of main issues is access and peoples inability to afford to run a car which restricts access to learning and employment, and participation in the community.
- The population is static to declining and becoming older e.g. the number of persons over 65 rose by 31% since 1991.

- Settlements around Lerwick are increasing in population, whilst the percentage of population resident in Lerwick remains fairly static compared to 1991.
- Rising house prices, the average in 2006 exceeded £100,000 for the first time.
- School attainment levels above the Scottish average.
- 23% of households fuel poor compared with 13% for Scotland.
- Crime rates in Shetland much lower per 10,000 population than Scotland (less than half).

Prospects over the next 5 Years: Some of the key difficulties facing the economy have already been identified earlier in this section. These need to be balanced by some of the opportunities and strengths the islands have such as:

- Marine resources (aquaculture and tourism);
- High quality environment (tourism);
- Under exploited local natural resources e.g. for renewable energy;
- Potential for adding value to local resource based products;
- Potential of new technology to overcome barriers e.g. fibre optic cable; and
- Potential for further oil related developments especially north and west of Shetland.

If these positive opportunities are built upon they could offset some of the more negative factors that on the face of it could lead to unemployment and/or out migration over the next few years.

Preliminary results from a study of labour demand in Shetland through to 2011 shows continuing overall growth in demand for jobs is most likely to be in the order of +4% or 400 to 500 new jobs than there are currently in 2006. These additional jobs are well spread throughout the economy though the main increases are expected in aquaculture, fish processing, construction, tourism and the public sector. However the population projections from the national GRO for 2011 suggest the overall population could fall by 400. These projections are largely based on assumptions of births and deaths with limited migration. They do not take account of economic circumstances, but they do point to a serious gap between supply and demand for labour and the need for in migration if the aspirations of the key sectors are to be realised and the Shetland economy is not held back. If more labour is attracted, and if growth is maintained in some of the sectors, then the economy could remain stable.

However as said at the beginning of this section there is an underlying fragility due to a number of factors that could cause a swing in the other direction, therefore efforts need to be maintained to address these factors and the problems of declining sectors such as agriculture and textiles, as well as supporting diversification into new sustainable employment.

In addition there are problems regarding the distribution of activity and the increasing centralisation in Lerwick. The result is the loss of people and jobs

in the remoter parts of Shetland and especially the outer islands where some communities are facing survival problems.

2.2 Environmental Context

The natural environment of Shetland includes the whole of its land and aquatic systems, both marine and freshwater, together with the surrounding air and sea. It provides the natural resources underpinning primary industries including soils and water, natural services such as waste storage, dispersion and processing, Shetland's biodiversity and landscape, and opportunities for education and for outdoor recreation and enjoyment.

Shetland is made up of 100 islands, 16 of which are inhabited, and is located at around 60°N some 140Km from the nearest large land mass – the Scottish mainland. The land area extends to 1468 sq Km and the islands stretch for over 100 miles from north to south. The islands are surrounded by the open sea and are therefore exposed to strong maritime influences. The climate is influenced by the Gulf Stream and is relatively mild, wet, and windy, and the landscape is notable for the absence of trees.

The islands' isolation and geographical location has given rise to a unique mix and range of flora and fauna, some of which are found nowhere else in the world, while others are found in abundance. The geology of the islands is remarkably diverse given the relatively small size of the islands and contributes to the dramatic scenery and coastline, and the diversity and range of habitats. Shetland is a land of moors and scattered crofting townships ringed by dramatic coastal scenery. The cliffs are famous for their vast "seabird cities", and the surrounding waters contain a great diversity of marine life.

On land the main habitats have been influenced very much by human activities. The natural scrub vegetation that once covered the islands has been largely eradicated by people and their animals over the last 7000 years. Today there are only a few relic patches of indigenous trees/scrub vegetation. Another strong influence has been the humid climate combined with poorly drained ground that resulted in the accumulation of peat deposits that cover a large part of the land. These deposits store a large amount of carbon.

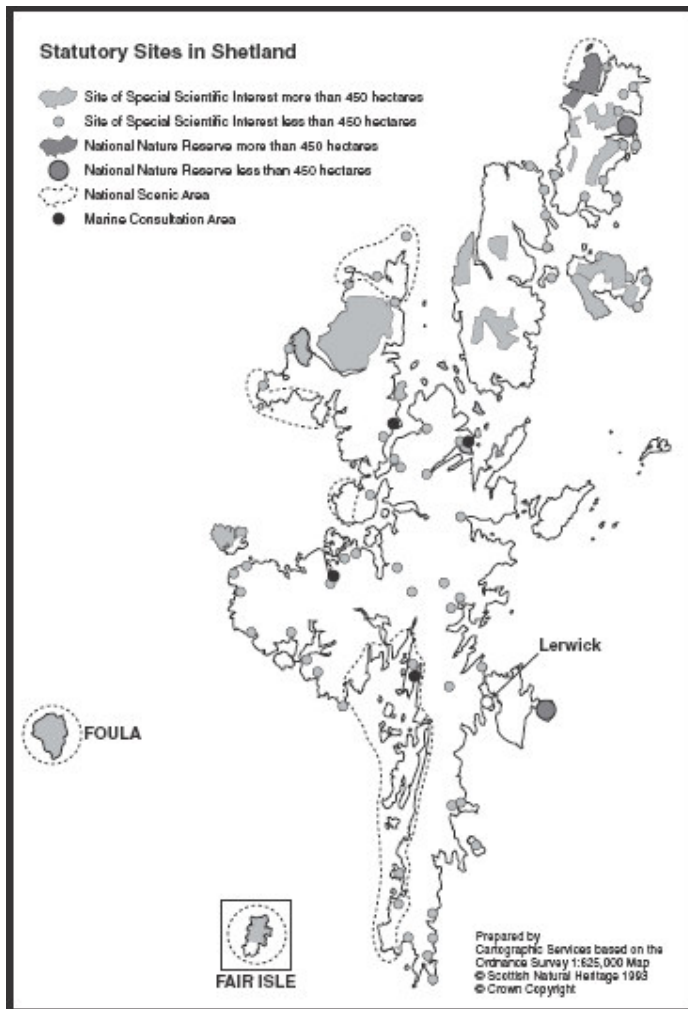
The main broad habitats types today include:-

- Moors and hills. These range from blanket bog, dry coastal moors and lichen heaths to herb rich heaths depending on exposure and the underlying geology. Arctic alpine habitat is found on Shetland's highest hill despite it only being 450m high due to the high latitude and exposure. The moors have provided grazing for sheep and peat for fuel.
- Freshwater. Lochs and burns are assets for fishing and water sports as well as providing vital water supplies and being vital for wildlife. They also add to the scenic beauty of the islands. On the whole these have been well looked after.

- Meadows and enclosed farmland. These include improved pastures for grazing and hay/silage and to a limited extent arable crops. They also provide important different habitats for flora and wildlife.
- Marshes. Shetland marshes are often rich in plant life and important nesting sites for birds. Boggy ground occurs in many places in valleys, close to streams and lochs, and on moorland.
- Sea. The seas around Shetland support diverse marine life and have provided an important source of food and income for the islanders as well as food for seals, otters, other sea mammals, and huge colonies of sea birds. Human influence on the sea's biodiversity is extensive but poorly understood.
- Coast. The coastline is long and varied and includes many habitats from towering cliffs to sandy beaches, sheltered voes (inlets), fragile salt marshes and dunes, rocky shores and shingle shores. Unlike most of Scotland Shetland has been slowly sinking since the large ice age and has a variety of unusual landforms such as coastal bars and sand tombolos.

The legacy of previous CAP regimes, which encouraged high stocking rates, and a focus on sheep-rearing, is a relatively impoverished and denuded landscape. Uplands, in-bye pastures and arable fields, freshwater marshes and coastal habitats have all been subject to heavy grazing, intensification or neglect. Recent changes in agricultural support and the availability of incentives for sustainable management have begun to reverse these changes but actual change is very limited and fragile. Furthermore recent changes risk land abandonment unless complemented by appropriate incentives to manage land for the public good.

The uniqueness, richness, and diversity of the environment has meant that many parts of the islands have been given special designations and legal protection so that important elements of the natural heritage are not lost. The map that follows identifies the main environmental designations. These include 81 Sites of Special Scientific Interest (SSSIs) making up 11.6% of the land area, 3 National Nature Reserves, 1 Ramsar site, 12 Special Protection Areas (SPAs) under the Birds Directive and Special Areas of Conservation (SACs) under Habitats Directive, and a National Scenic Area. Many of the SSSIs are subject to management agreements between land managers and SNH through Natural Care agreements which, along with RSS support for environmentally sensitive land management, will be incorporated into the 2007-2013 SRDP.



The Natural Futures Shetland document contains a vision for the environment and identifies what needs to be done to achieve sustainable natural heritage through 10 objectives and priority actions. These will be used to support and justify rural development actions under this strategy.

The final habitat is the human habitat that covers the built environment, the cultural, historic, and archaeological heritage. Given that Shetland has been inhabited for around 7000 years, and at several stages in the past the population was much higher than it is today, man has left his imprint at each stage. This can be seen in the remains of many houses, castles, and settlements scattered throughout the islands as well as the current settlement pattern and built heritage. There are 346 listed buildings and 369 ancient monuments. Historic Scotland maintain several outstanding sites in Shetland such as Jarshof, Mousa and Clickimin Brochs, Scalloway and Muness castles, Fort Charlotte, and Staneydale Temple. Other historic buildings have been restored and converted for other uses by Shetland Amenity Trust e.g. Jonny Notions house (camping böd), Voe House in Walls (böd and textile museum), lighthouses on Bressay, Eshaness, and now Sumburgh.

Shetland has a wealth of archaeological remains, some of which are being actively worked on and being developed as visitor attractions e.g. Old Scatness, Viking Unst, as well as Pictish and earlier sites.

The long and complex human history in Shetland has given rise to an extraordinary rich heritage, traditions, culture, and creativity. Shetland has been at a maritime crossroads with influences from many different parts of Europe, especially the Norse. This is reflected in the dialect, music, and arts and crafts. The Cultural Strategy developed by the SIC sets out a vision and themes for the development of cultural life in its broadest sense in Shetland, and will be used to guide actions under this strategy.

Human influence on Shetland's landscape has accelerated in recent generations as new designs and materials are imported to meet the need for housing and commercial development. Shetland's climate restricts the ability of developers to reduce the impact of buildings and there is an increasing awareness of the need to incorporate good design principles that build on Shetland's built and cultural heritage.

In an island environment waste management is critical given the small space, but can be difficult. The options for recycling and re-use may be limited by markets and transport costs. As a result unique and innovative solutions to problems are often required, such as the Waste to Energy plant and District Heating Scheme.

2.3 Environmental and Socio Economic Integration

Shetland's biodiversity and environment is unique in the British Isles and makes an extremely valuable contribution to both the quality of life and economic development in the islands. It provides the natural resources that underpins the primary industries as well as secondary economic activities (69% of the value and 27% of the employment in the Shetland economy). The fish catching, processing and aquaculture industries are particularly dependent on a clean pollution free pristine marine environment around the islands. The quality of the environment and landscape diversity is also a great attraction for visitors and inward investment and an asset for promotion and marketing. The value derives from the existing diversity of the flora and fauna and the way these are distributed to form characteristic habitats that contribute to Shetland's inspirational land and seascapes.

The extreme exposure of the islands and the high wind speeds has long been a problem for many activities and has limited what can be grown in the islands. This is recognised in the Less Favoured Area status that is intended to take account of the poor soils, northern location, and remoteness as well as the small size of holdings that are mainly in crofting tenure. Thus LFA support, and other strands of the CAP, have helped to maintain agricultural activity but not traditional agricultural landscapes. Whilst the severe exposure and high winds also contribute to high domestic fuel bills and fuel poverty rates, they are now being seen as an asset for renewable energy production from wind generators. Equally the strong tidal currents around the islands have potential for tidal power. At the moment Shetland is 93% dependent on oil and gas for

its energy production. The Shetland Renewable Energy Forum has developed a plan for developing renewable energy throughout Shetland and actions are being pursued from the large scale Viking Energy wind farm through to smaller scale wind farms via community initiatives and projects by individuals.

The unique cultural and historic heritage of the islands is also important for the tourist industry and is one of the main reasons why people visit Shetland. It should be clear therefore that there is a need for an integrated approach to any development on the islands so that the assets are not damaged, that their exploitation is carried out in a sustainable way with a reducing carbon footprint. This challenge is fully recognised in the CPB objectives and the Living Shetland Biodiversity Plans.

3. Key Drivers and SWOT Analysis

3.1 SWOT

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was undertaken during the consultation on the new LEADER programme and the results of this are summarised below.

Strengths

- Adaptable and enterprising workforce
- Effective local mechanisms to manage funds
- Good network of social, recreational, cultural, and health facilities with multifunctional uses e.g. new museum
- Growing number of social enterprises
- High quality of life
- High quality pollution free environment
- Attractiveness of the environment
- Range of indigenous resources including native livestock breeds
- Strong local identity and products

Weaknesses

- Centralisation in Lerwick and decline in remoter areas and islands
- Existence of social exclusion at community and household level
- External transport links, costly and unreliable at times
- Fragility of communities and employment
- Individualistic approach
- Overdependence on key sectors
- Lack of diversification within key sectors
- Lack of housing for local and incoming workers
- Skills gaps in most sectors
- Some barriers to diversify and change e.g. lack of awareness
- Poor rural infrastructure
- Lack of population and some skills
- Fragility of the landscape and biodiversity
- Outmigration especially young people

Opportunities

- Add value to legacy of previous rural development initiatives
- Development of creative industries
- FE/HE Research facilities and high level of educational attainment
- Housing affordable (compared to rest of Scotland and UK)
- Increased flexible working through jobs dispersal and new technology

- Increasing numbers of migrant workers due to being an attractive place to work
- Increase in population
- Local Procurement
- Multi use of facilities
- Social enterprises
- Market local distinctive natural products
- New technologies and new fibre optic cable to mainland Scotland
- Niche market tourism
- New markets for offal products e.g. sheepskins
- Small scale renewable energy potential
- Value added food and drink products
- Value added and diversification of marine products
- Environmental diversity and richness
- New transport links

Threats

- Ageing population and declining workforce
- Age structure of remote communities
- Centralisation of services
- Globalisation and increasing competition
- Global warming and climate change
- Increasing bureaucracy for voluntary groups
- Increasing legislation and regulation for businesses
- Increase in transport and fuel costs and lack of sustainability
- Lack of available workforce for some sectors e.g. semi and unskilled work such as fish processing
- Lack of skills required for regeneration
- Uncertain sustainability of agriculture and fisheries both environmentally, due to constraints, and financially
- Land abandonment
- Uncertainty/under funding of rural development
- Viability of some industries in rural areas

3.2 Drivers

From the analysis of the baseline and recent trends, and from the SWOT analysis, it is possible to identify the key drivers and new and emerging activities in the local economy. These include:-

- Tourism – based on the natural environment, environmental diversity, cultural heritage, outdoor activities, and niche markets.
- Aquaculture – production and especially value added products.
- Value added food and drink products - high value products based on local produce and recipes.
- Increasing demand for local food and local food production.
- New products from waste – in fisheries and agriculture.

- Renewable energy – micro, community levels as well as large scale for export.
- Higher and further education and research within UHI.
- Development of knowledge and information technology to take advantage of new fibre optic cable.
- Development of creative sector especially music and culture.
- Oil and gas related developments such as West Shetland and decommissioning.
- Desire and drive for quality and excellence and increasing standards.

3.3 Needs and Priorities

The Shetland economy has been experiencing a relatively buoyant period in recent years despite structural changes e.g. in fisheries and aquaculture, uncertainties and declines as a result of external policy changes e.g. CAP and CFP. The main needs and priorities are to address some of the weaknesses and threats that include:-

- One of the critical trends has been the increasing centralisation of activity and people in the main town of Lerwick, and the increasing difficulties facing the remoter communities due to out migration. This trend needs to be halted and reversed, hence the targeting of the outer isles.
- Increasing shortage of labour especially skilled, and the likelihood that the growth in labour demand will continue exceeding supply locally. There is a need for more workers, for in migration, and an increase in population.
- Lack of housing/accommodation for locals as well as incomers especially affordable and social housing.
- Cost and reliability of external transport and telecoms links and lack of an inter-connector to the mainland is constraining development.
- Uncertain sustainability of some sectors e.g. agriculture and fishing due to resource constraints and funding issues.
- A fundamental underlying factor that affects all economic and social activities and contributes to the extreme fragility of the islands is the physical isolation that adds significant costs to all economic activities making it difficult to compete, and increases social exclusion from the mainstream Scottish life.
- Need to maintain and enhance biodiversity and environmental quality.

There is a need to build on the strengths and opportunities in the economy and community such as:-

- Excellent cultural, social, recreational, health facilities,
- High quality and pollution free environment,
- Strong local identity and high quality products,
- Value added production,
- Adaptable and flexible workforce,
- Distinctive culture and heritage.

4. Strategic Aims and Objectives

The aims and objectives that are described below have been taken from the Community Planning Board Strategy documents, adapted and updated in the light of current and likely issues and the SWOT analysis arising out of the consultation.

4.1 Strategic Aim

The Aims for Shetland as described by the Community Planning Board are:-

Economic

- To maintain and improve the prosperity of Shetland, by making sure businesses, communities and individuals reach their full economic potential.

Social

- To make sure all individuals, groups and communities have equal access to and the opportunity to live in a healthy, safe, active and vibrant society.

Environmental

- To ensure that Shetland's environment remains of high quality, with its distinctive landscapes, habitats and species conserved and enhanced, and the community's environmental footprint reduced.

Cultural

- To make sure Shetland keeps its distinctive character and works for excellence in everything it does.

4.2 Strategic Objectives

Shetland's Priorities for rural development adapted from CPB documents are:-

Economic Strategic Objective – To promote Sustainable Economic Development by

1. Targeted marketing of Shetland, its environment, culture and products.
2. Making sure everyone is able to develop their skills in Shetland, which match jobs and opportunities.
3. Making sure there is sufficient labour to meet the needs of businesses and the economy as a whole.
4. Making sure all people and businesses in Shetland have access to the necessary infrastructure and services and are able to afford, in particular, efficient transport and telecommunication links.
5. Keeping and creating sustainable jobs and increasing the diversity of employment opportunities.
6. Developing the economy of rural areas, so that rural communities remain and/or become places where people can live and work with good employment prospects.

Social Strategic Objective – To provide appropriate support to People and Communities by

7. Making the health of the Shetland population better, especially for those with poorer than average health.
8. Making sure that everyone in Shetland, no matter what his or her needs, is treated in a fair way.
9. Making sure everyone is able to take part in all activity, if they choose.
10. Encouraging people to take part in their communities and groups.
11. Enabling people to make the most of themselves and their talents.
12. Making sure everyone is safe and is able to feel safe.
13. Encouraging and supporting Children and Young People to enjoy being young and to lead full, safe, healthy, active and responsible lives in their communities.
14. Supporting sustainable and affordable transport links for remoter communities.

Environmental Strategic Objective – To Look After Where We Live by

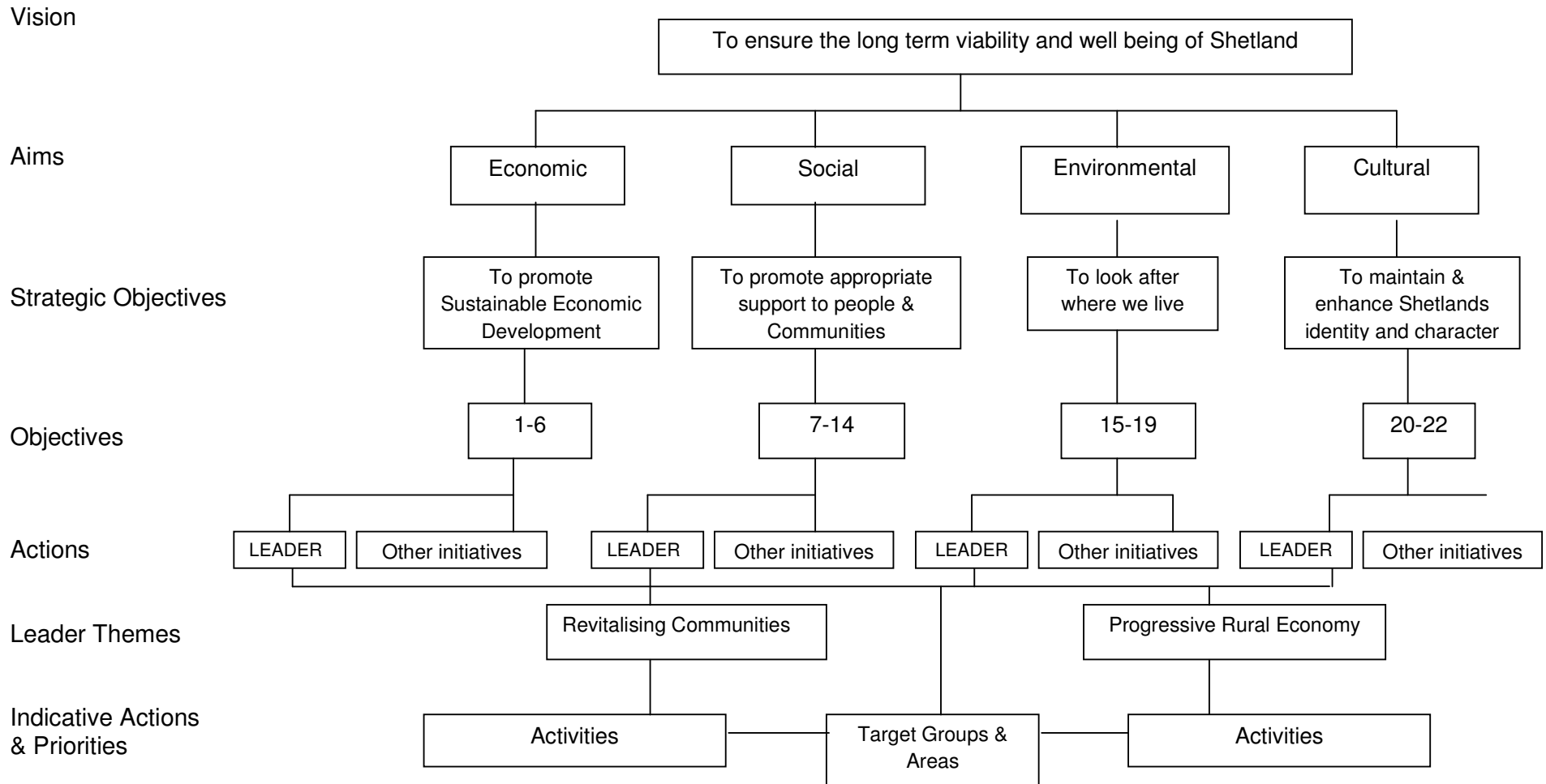
15. Protecting and enhancing Shetland's unique and distinctive landscape, especially its archaeology, buildings and natural and marine environment and heritage.
16. Protecting these unique resources by making sure they are used carefully, that the negative impact of activity is minimised and the efficient use of energy is ensured.
17. Ensuring people and businesses make as little waste as possible. Any waste should be reused, recycled or recovered before careful final disposal.
18. Protecting and enhance the numbers and diversity of plants and animals.
19. Protecting the provision of clean water and maintaining carbon sources to reduce emissions.

Cultural Strategic Objective – To maintain and enhance Shetland's Identity and Character by

20. Promoting, celebrating, contributing and supporting its diverse cultural traditions, heritage, creativity and activity.
21. Providing locally appropriate solutions to address national priorities, and
22. Setting excellent standards for services, lifestyle, outlook, products and people.

The diagram that follows provides an overview of the links between the strategic objectives, objectives, actions, and themes.

Diagram 4.1: Rural Development Strategy for Shetland



4.3 Innovation

A key priority will also be to develop innovation through new approaches, new opportunities, and support for pilot projects, feasibility studies, and encouraging higher risk ventures in order to find new ways and solutions to the problems facing rural communities. Projects funded under LEADER will have to show how they are innovative in approach as well the outcomes and targets they aim to achieve. The innovative nature of the Rural Development Strategy and its implementation is discussed in 4.6.

4.4 RPAC Priorities

The Northern Isles RPAC covering Orkney and Shetland have identified draft priorities which will assist with the implementation of the Rural Development Contracts under the SRDP. These priorities will be approved in November. The main prioritisation headings are:

- Priorities will contribute to improving the competitiveness of rural land based businesses by supporting restructuring and development through improved viability, competitiveness and innovation,
- Biodiversity priorities,
- Geodiversity priorities,
- Landscape priorities,
- Built & Cultural Heritage priorities,
- Water and Soils Priorities,
- Adaptations to Climate Change priorities,
- Public Access priorities,
- Diversification of Rural Enterprise priorities,
- Thriving Rural Communities priorities.

Once the rural priorities are agreed and approved, they can be included in future updates to this strategy.

4.5 Broad Indicative Actions/Priorities/Targets

During the consultation exercise undertaken in 2007, indicative actions as well as target groups were identified. A full list of indicative actions by sector is included in the Leader Business Plan that accompanies the strategy. The main areas identified for action are:-

- ⇒ Agriculture – farm diversification,
- ⇒ Creative Activities,
- ⇒ Employment,
- ⇒ Environment/Recycling,
- ⇒ Fisheries and Aquaculture,
- ⇒ New Technology and ICT,
- ⇒ Research and Development, Feasibility Studies,

- ⇒ Skills and Training,
- ⇒ Tourism, culture, heritage,
- ⇒ Renewables,
- ⇒ Business support.

The main target groups identified were:

- ⇒ Young People – aged up to 25,
- ⇒ Women – all age groups.

In addition the following target groups were suggested.

- ⇒ Micro businesses,
- ⇒ Social enterprises.

It is also suggested that the strategy should target certain areas on the basis of different needs, problems, and vulnerability. For example the Initiative at the Edge has identified the communities of Northmavine and the North Isles. In addition several other remoter areas, the outer islands, and specific communities are more vulnerable for different reasons and need some priority from the different funding initiatives. These will be defined more precisely within these initiatives and justified on the basis of monitoring data gathered for the Community Planning Board. It is also proposed to focus on the needs of the target groups in these locations.

A key priority will also be to develop innovation through new approaches, new opportunities, and support for pilot projects, feasibility studies, and encouraging higher risk ventures in order to find new ways and solutions to the problems facing rural communities.

4.6 Links between the Rural Development Strategy and Funding Initiatives

The diagram 4.1 on page 29 shows how the funding initiatives link to the strategy objectives and to each other. All the actions identified in each funding initiative will be linked to a strategy objective so that it is clear which each one is trying to achieve.

A range of initiatives and funding sources will be applied to ensuring the delivery of the strategy. These include:-

- Initiative at the Edge,
- Regeneration Outcome Agreement,
- Closing the Opportunity Gap,
- Structural Funds from H&Is Convergence Programme 2007 – 2013,
- European Fisheries Fund,
- LEADER 2007 -2013,
- Interreg IVB North Sea Programme, Northern Periphery Programme 2007 – 2013,

- Other National and Local Initiatives.

These funding sources are the subject of separate Action and Business Plans that should be read in conjunction with this strategy. This is the highly innovative part of the approach where the Rural Development Strategy, which is managed by the CPB, is common to all the initiatives thus ensuring joined up thinking and a coordinated approach.

All the actions under Leader will have to fit within the two themes chosen by the LAG. These have been selected on the basis of them being the best to tackle some of the main issues identified and being complementary to other funding streams, thus minimising any potential overlap and maximising synergy and value for money.

The themes chosen are:-

1. Revitalising Communities.

According to the guidelines eligible projects are those involving rural transport initiatives, providing new or developing community facilities, including energy and recycling, with particular emphasis on young people and other target groups introducing or developing childcare provision remote access IT provision; to training courses/materials. In addition, improving access to areas of high environmental amenity, innovative approaches to local rural services e.g. community shops or services, or adding value to Post Office or enhancing the range of services locally – co-ordinating service provision as well as integrating delivery could be eligible under this theme.

2. Progressive Rural Economy.

According to the guidelines eligible projects could include those that;

- Link businesses to supply chain through IT, provide new technology for small scale processing and packaging close to local produce, (thus adding value to local areas),
- Focus on youth and young entrepreneurs,
- Create links with research institutions to develop specialist products in a particular area (thus adding value). Home working projects could also be supported,
- Are on farm agricultural and diversification projects such as alternative crops, new processes or production, marketing, developing clean technology, more efficient technology, renewable energy, products from farm waste and particularly projects to complement the Rural Development Contracts measures,
- Are aimed at wider off farm non agricultural or forestry diversification, particularly rural micro enterprises aimed at employing women and young people e.g. craft workshops/outlets. They will encourage co-operation to create critical mass that provides economy of scale in production and marketing, e.g. small scale timber processing. All types of tourist activities,

whether for accommodation, trails, interpretation signs/leaflets, marketing and community economic projects would be eligible under this theme.

5. Strategy Management and Implementation

5.1 Management/Monitoring and Evaluation

The RDSS will be managed by the CPB. Regular reports on progress and issues will be presented to the Board by the secretariat based in the Shetland Islands Council along similar lines to what is done for the overall vision and strategy.

Actions taken under the different initiatives to help achieve the objectives will be reviewed and assessed against appropriate high level indicators. It is not proposed to evaluate the strategy in terms of detailed outcomes, outputs, and impacts. These will be dealt with in the individual initiatives action plans and business plans e.g. LEADER Business Plan.

5.2 Consultation

Consultation on the strategy has been undertaken over a period of months with all the key actors in rural development in the public, private and voluntary sectors. A schedule of this consultation is summarised below

Month	Action
March	Initial work started on new programme
	Attended LAG coordinators meeting in Glasgow
April	Initial meeting of core group
	Brainstorming workshop with all Leader LAG and CRP members
May	Wider workshop to consult more widely, over 70 invited and around 25 attended, SWOT analysis drawn up and indicative projects identified
	Face to face meetings with 8 other groups
	Local LAG meeting
June	Notes and minutes of workshops circulated to wider group with further opportunity for feedback by email, also further consultation of themes
July	Decision on themes and priorities
August	Initial expression of interest submitted by the deadline of 22 nd with the Shetland Islands Council as lead partner
Sept	Meetings with LAG to develop strategy and Business Plan
Oct	Meetings with LAG to develop strategy and Business Plan

In addition face to face meetings have been held with relevant personnel in several organisations.

As can be seen the consultation involved a number of different methodologies and techniques such as group meetings, one to one meetings, emails, brainstorming, SWOT analysis. A full list of those consulted is included in appendix 1.

5.3 Finance

The generic rural development strategy does not have finance attached to it. The total resources allocated will come from a number of different funding initiatives such as LEADER, Structural Funds, EAFRD, agric schemes, EFF schemes etc. The CPB secretariat will monitor the funds and initiatives agreed to support the strategy and ensure that action is being taken to address all the objectives. If it appears there are some objectives that are under resourced then the CPB will seek to attract funding for appropriate measures from the relevant agencies.

5.4 Delivery against Leader and Axis 4 priorities

This is developed further in the Business Plan for LEADER that accompanies this Strategy.

5.5 Implementation and Review

The CPB secretariat will take action to ensure all parts of the strategy are being implemented and review progress on an annual basis in line with the monitoring programme and progress reports on the overall vision and strategy for Shetland.

Appendix 1 List of Persons Consulted

List of Delegates Invited to Leader Workshop

Name	Organisation
Jem Arthur	HIE Shetland
Elizabeth Angus	Shetland Family History Society
Anne Anderson	Shetland Horticultural Society
Alan Blain	Shetland Amenity Trust
Bessie Barron	Shetland Islands Council
Andrew Blackadder	AB Associates Ltd
Jill Blackadder	Shetland Field Studies Group
Michael Blance	Bod Ayre Products
Ruth Brownlee	Artist
Bill Crook	Shetland Islands Council
Linda Coutts	Shetland Islands Council
Tommy Coutts	Shetland Islands Council
Steven Coutts	AB Associates Ltd
Polly Chapman	Communities Scotland
Allison Christie	Shetland Islands Council
Pat Christie	Northmavine IaTE
Michael Duncan	Shetland Islands Council
Jon Dunn	Shetland Islands Council
Margaret Dunne	Shetland Islands Council
Karen Eunson	Shetland College
Ronnie Eunson	Crofter
Margaret Farquhar	NFU
Carol Fullerton	Scalloway Museum
Graham Fraser	SAC
Gwilym Gibbons	Shetland Arts
Kate Gallant	SCSS
Pete Glanville	Shetland Organic Producers Group
Noelle Henderson	Shetland Islands Council
Ruth Henderson	Seafood Shetland
Vic Hawthorne	Shetland Islands Council
Rebecca Inkster	Glover Chalets
Douglas Irvine	Shetland Islands Council
Mary Isbister	Burland Croft
Anne Irvine	Tangwick Haa Museum
Anita Jamieson	Shetland Islands Council
Sylvia Jamieson	Shetland Islands Council
James Johnston	Shetland Recreational Trust
Janet Kelly	Fetlar Tourism Group

Rural Development Strategy for Shetland

Ian Kinniburgh	60 North Recycling
Norman Leask	SCF
Scott Lobban	Train Shetland
Kathleen McGrath	Consultant
John MacLellan	Support Training
Michelle Morris	North Isles Initiative at the Edge
Alec Miller	Consultant
Mr Martin	SEERAD
Rosie Mouat	North Shetland Training Group
Irene Mouat	Uyeasound Heritage Centre
David Murray	Fethaland Tours
Rick Nickerson	KIMO
Andrew Nisbet	North Isles Initiative at the Edge
Christina Nicolson	Braewick Café
Carol Philips	NAFC Marine Centre
Emma Perring	Shetland Islands Council
June Porter	Shetland Islands Council
Fiona Robertson	Hjaltland Housing Association
Diana Robertson	AB Associates Ltd
Donald Robertson	Quendale Water Mill & Visitor Centre
Elizabeth Robinson	Shetland Health Board
Mavis Ross	Cunningsburgh Agricultural Show
Fiona Stirling	HIE Shetland
Simon Smith	SNH
Robin Sandison	Hjaltland Housing Association
Maureen Stewart	Shetland Islands Council
David Sandison	Shetland Aquaculture
Deryk Shaw	Fair Isle Bird Observatory Trust
Douglas Sinclair	Shetland Heritage Association
Tom Smith	Bridge End Outdoor Centre
Alan Smiles	Shetland Stonecraft
Karl Simpson	SLMG
Jane Thomas	Crofters Commission
Julie Thomson	Shetland Islands Council
Roger Tait	Shetland Islands Council
John Tulloch	CycharTERS
John Uttley	SNH
Katrina Wiseman	HIE Shetland
Sue White	SCFWAG
David Wagstaff	Shetland Health Board
Suzanne Willshaw	Yell Crafts
Oliver Henry	Wool Growers of Shetland

Appendix 2 Abbreviations and Acronyms

Organisations and Abbreviations in Diagram 1.1	
ASCC	Association of Shetland Community Councils
CC	Crofters Commission
CPB	Community Planning Board
CRP	Community Regeneration Partnership
Colleges	Shetland College, North Atlantic College
EAGGF	European Agricultural Guidance and Guarantee Fund
CtOG	Closing the Opportunity Gap
EFF	European Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
HIE Shetland	Highlands and Islands Enterprise Shetland
IatE	Initiative at the Edge
NFU	National Farmers Union
NHS Shetland	National Health Service Shetland
Police	Northern Constabulary
RDSS	Rural Development Strategy for Shetland
ROA	Regeneration Outcome Agreement
SAC	Scottish Agricultural College
SADA	Shetland Arts Development Agency
SAT	Shetland Amenity Trust
SCF	Scottish Crofters Foundation
SCFWAG	Shetland Crofting Farming and Wildlife Advisory Group
SCSS	Shetland Council of Social Service
SERPID	Scottish Executive Rural Payments and Inspection Directorate
SDT	Shetland Development Trust
SIC	Shetland Islands Council
SNH	Scottish Natural Heritage
SRT	Shetland Recreational Trust
VISP	Voluntary and Independent Sector Partnership
VS	Visit Shetland
ZETRANS	Shetland Transport Partnership
Other Acronyms	
CED	Community Economic Development
ESA	Environmentally Sensitive Area
FIFG	Financial Instrument for Fisheries Guidance
H&Is	Highlands and Islands
LMC	Land Management Contract
NNR	National Nature Reserve
OP	Operational Programme
PMG	Programme Management Group
RDC	Rural Development Contract

Rural Development Strategy for Shetland

RDR	Rural Development Regulation
ROA	Regeneration Outcome Agreement
RSS	Rural Stewardship Scheme
SACs	Special Areas of Conservation
SPAs	Special Protection Areas
SRDP	Scottish Rural Development Programme
SSSI	Sites of Special Scientific Interest

Appendix 3 List of Policy Documents

Local Policy and Supporting Documents

- HIE Shetland :
- : Business Plan 2007-2010
 - : Smart Successful Scotland (HIE)
 - : CED Programme 2000-2006
 - : Leader+ Evaluation (2007)
 - : Leader 2007-2013 Consultation Report (2007)

Shetland Islands Council

- : Corporate Plan (2004 - 2008)
- : Structure Plan (2002)
- : Local Plan
- : Living Shetland Biodiversity Plan (2004)
- : An Agricultural Biodiversity Action Plan (2004)
- : Shetland 2012 – Economic Development Strategy (2003)
- : Economic Policies (2003 – 2007)
- : Cultural Strategy (2004– 2008)
- : Heritage Plan for Shetland (2006)
- : Vibrant Shetland (2005 – 2008)
- : Local Housing Strategy (2004 – 2009)
- : Childrens & Young Peoples Services Plan (2005 – 2008)
- : Community Safety Strategy (2005 – 2010)
- : Joint Health Improvement Plan (2005 – 2006)
- : Sustainable Development Implementation Plan (2006)

Shetland Development Trust

- : Seafood Strategy (2007)

Community Planning Board

- : Together Shetland (2006)

Rural Development Strategy for Shetland

Shetland Resolution (2006)

Sustaining Shetland (Sept 2007)

: Shetland Long Range Forecast (2006)

Towards a Greener Shetland (underway 2007)

Shetland Regeneration Partnership

: Regeneration Outcome Agreement (2005-2008)

: Annual Report (2006-07)

Scottish Natural Heritage

: Shetland Strategy – Natural Heritage Futures 2002

NHS : Annual Reports

Shetland Council of Social Service

: Development Plan

Shetland Amenity Trust

: Strategy and Plan (2007 – 2010)

Shetland Interpretative Plan 2001

Archaeology Alive – 10 year strategy 2006-2016

Visit Shetland: Shetland Tourism Plan (2006 – 2009)

Zetrans : Regional Transport Strategy – Consultation Draft (2006)

National and EU Documents

EU : Regulation 1698/2005 on support for rural development
by EAFRD

Rural Development Strategy for Shetland

- : Decision 2006/144/EC on Community Strategic Guidelines for rural development (programming period 2001-2013)
- : Regulation 378/2007 on voluntary modulation
- : Regulation 1198/2006 on European Fisheries Fund

- UK
 - : Strategic Reference Framework (2007)
 - : UK National Strategic Plan (2007)

- Scotland
 - : Highland and Islands ERDF&ESF Operational Programmes 2007 - 2013
 - : Rural Development Programme for Scotland 2007 –2013 (June 2007)
 - : The Strategic Plan February 2006
 - : Forward Strategy for Scottish Agriculture 2006
 - : Choosing Our Future – Scotland’s Sustainable Development Strategy 2005
 - : Biodiversity Strategy for Scotland
 - : Smart Successful Scotland
 - : Framework for Economic Development in Scotland
 - : Workforce Plus – An Employability Framework for Scotland
 - : Closing the Opportunity Gap
 - : Regeneration Policy Statement
 - : The NEET Strategy
 - : More Choices more Chances
 - : Lifelong Learning Strategy

Appendix 4 Approved Action 1 Projects under Leader+ 2000-2006

L+ No	Applicant	Description
2002		
SEL+001	Shetland Arts Trust Shetland Community Enterprise Network	Indigenous Crafts 3 year Programme
SEL+004		Mentoring Scheme
SEL+006	Shetland Enterprise	ICT Capital Fund
SEL+007	Shetland Enterprise	ICT Challenge Fund
2003		
SEL+011	Shetland Amenity Trust	ICT Heritage Development Worker
SEL+012	Shetland Islands Council	Purchase and Training for New GIS System
SEL+013	Shetland Islands Council	Video Training for Youth Workers
SEL+014	Telecroft 2000 Ltd	Rural Training & Development Prog 2003/04
SEL+015	Shetland Arts Trust	Shetland Schools Music Festival
SEL+016	Scalloway Junior High School	Scalloway Moving Image Web Project
SEL+017	Shetland Renewables Forum	Schools Community Renewable Energy
SEL+018	COPE Ltd	Shetland Composting Project
SEL+021	Shetland Islands Council	Establishing a Shetland Brand
SEL+022	COPE Ltd	Soft Drinks Feasibility Study
SEL+023	Cullivoe Primary School	Yell Tourist Brochure by Young People
2004		
SEL+025	Old Haa Trust	Website for Bobby Tulloch Transparencies
SEL+027	Serpentine Drama	Serpentine Drama Summer Tour
SEL+028	North Yell Development Council	North Yell Wind Farm Research Project
SEL+030	Tony Peaker	Equipment for Media Training in Schools
SEL+031	Shetland Enterprise	Knowledge, Information and Communication Sectoral Skills Survey
SEL+032	Shetland Enterprise	Food and Drink Sectoral Skills Survey

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SEL+034	Shetland Retailers Association	Smartcard Terminal Upgrade and New Web
SEL+035	Unst Partnership	North Isles Renewable Energy Partnership
SEL+039	SIC on behalf of Youth Bank	Youth Bank for Shetland Youth Voice
SEL+040	Fusion	Fusion: Shetland Sub-Group
SEL+041	Cope Ltd	Training for Soda Company
2005		
SEL+042	Orkney Tour Guides Association	Orkney and Shetland Tour Guides Networking
SEL+043	Shetland Organic Producers Group	Investigate New Markets for Wool from Organic Native Shetland Sheep
SEL+044	Unst Parthnership	Hydrogen Energy Centre Development and Promotion
SEL+045	Shetland Arts Trust	The Swan-Cutty Sark Tall Ships Race
SEL+046	Shetland Islands Council	Shetland Brand DVD, photography and storage system
SEL+048	Shetland Folk Society	Iver Entrancin Wis
SEL+049	Shetland Amenity Trust	Museum and Archives Branding
SEL+051	Shetland Amenity Trust	STEP development project for Geopark
SEL+055	Shetland Council of Social Service	Shetland Community Portal and Toolkit
SEL+056	Shetland Islands Council	VOLCO - Virtual Online Co-operative
SEL+057	Unst Heritage Trust	World War 2 & RAF Skaw
SEL+058	Shetland Amenity Trust	Museum and Archives Trowie Knowe
SEL+060	Shetland Amenity Trust	Museum and Archives - Public Art Project
2006		
SEL+061	Unst Partnership	pureShetland Eco-marathon
SEL+065	Shetland Food and Drink Group	PT Development Worker and 3 Dev projects
SEL+066	Shetland Amenity Trust	Interpretation of Shetlands Geodiversity Phase 1
SEL+069	Fusion Scotland	Setting up a Shetland Sub-group - remote networking
SEL+070	Global Yell Ltd	Maelstrom - celebration of lolcal textiles and music
SEL+071	Visit Shetland	Walking Event Celebration
SEL+072	RYA Scotland	Shetland Schools Sailing project
SEL+073	SCFWAG	Agri-art
SEL+074	Northmavine Development Company	Learning Journey

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SEL+075 KIMO

SEL+076 Shetland Arts Development Agency

Home Working Data
Shetland Digital Film Project