

Orkney's buoyant building industry confirmed the health of the local economy, which progressed steadily across most sectors in 2005-06. Unemployment remained below two per cent.

While the European Marine Energy Centre (EMEC) developed its test facilities and research activities, we took forward plans to ensure that developers using the centre can source services and goods locally. EMEC is profiled in more detail on page 26.

We worked with local tourism businesses to set up the Orkney Tourism Group, while a tourism conference helped determine a strategy and action plan to develop the industry and realise its growth potential.

Most of Orkney's remote islands now have community development trusts: community-run organisations that get local people involved in securing the future of their communities.

Much of our financial support went to the tourism and the food and drink sectors. Both continue to grow.

We welcomed the Scottish Executive's Air Discount Scheme, introduced in May 2006 to provide cheaper flights to the mainland; and the March 2006 announcement of a preferred bidder – Caledonian MacBrayne – to run lifeline ferry services to Orkney and Shetland.

To develop local skills we encouraged facilities that will enable more learning and training to take place in Orkney. One of our priorities was to provide financial help and training in project management to tackle skills gaps in community groups.

## 2005-06 highlights

Orkney Tourism Group established.

European Marine Energy Centre gains UK Accreditation Service recognition.

Funding approved for a blood treatment plant at Orkney Meat, saving money in shipment and waste costs.

Employability Orkney's supported employment project for people with support needs takes on three staff.

Development trusts are well established in most remote islands and enjoy a good working relationship with local public agencies.

An Orkney village at the Royal Bath and West Show 2005 promotes Orkney to a new target audience in the south west of England.

## Area profile



**Population:** 20,000

**Area:** 100,000 hectares

**Business start-ups:** 4.8 per 1,000 population in 2005

**Key sectors:** primary industries, construction, transport and communications

### 2005-06 targets and out-turns

	Target	Out-turn	Performance %	Target 2006-07
<b>Strengthening communities</b>				
New/enhanced community assets	20	15	75	25
Community groups with increased capacity	5	6	120	5
<b>Developing skills and learning</b>				
People supported to move towards and into sustainable work	175	178	102	127
Businesses supported to engage in developing the skills of those in work	40	43	108	40
<b>Growing businesses</b>				
New business starts	30	30	100	25
Business growth projects	25	14	56	20
<b>Making global connections</b>				
Private sector earnings index* (%)	108	94	87	109
Businesses engaging in international business development	5	4	80	10

\* This expresses wages in assisted projects relative to average wages in the local area. A value of over 100 indicates higher than average wages.

## Priorities for 2006-07

Develop EMEC as a centre of excellence and an integral part of the science cluster in Stromness.

Promote the concept of a container transshipment hub in Scapa Flow.

Establish an archaeological institute and a centre for Nordic studies at Orkney College UHI.

Encourage the public and private sectors to work together to deliver the new tourism strategy.

Develop Orkney the Brand, promoting Orkney as a great place to live and work.

Develop people's skills to contribute to the overall economy and meet the needs of local businesses and services.

Encourage local participation in Highland 2007.

## Case studies



### Scotrenewables (Wind Power) Limited

Rapid growth meant that Scotrenewables urgently needed more technical staff and a new home. OE funding of £17,800 helped the firm convert a garage into office premises for up to 12 staff.



### Orkney Skatepark Group

This purpose-built skate park gives young people a new recreational focus and a chance to take part in extreme sports. The £85,000 project received £20,000 from OE and the EU-funded Community Economic Development programme.



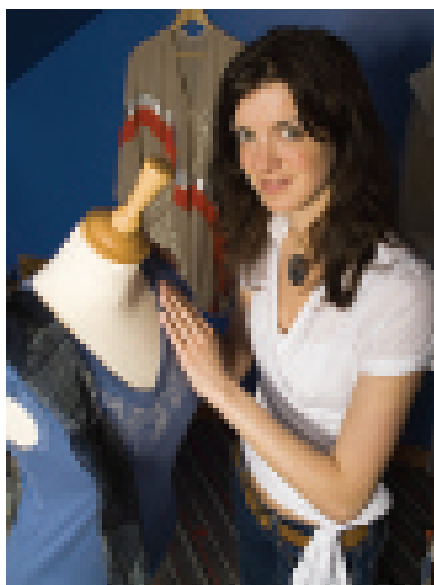
Edgar Balfour,  
chairman



Kenneth Grant,  
chief executive

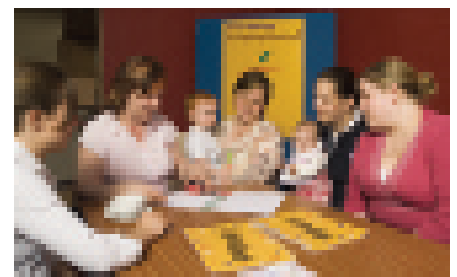
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### Kirsteen Stewart

An honours graduate in fashion design from Newcastle's Northumbria University, Kirsteen received an Orkney Enterprise development grant and business start-up allowance for her hand-printed textile and leather accessories business.



### Return to work

Support Training ran a training and confidence-building programme for new parents using £25,000 in OE and EU LEADER+ funding. The first 10 of the 20 participants benefiting from the six-month programme found part-time work or completed training that will help them back to work.