

Minutes of the fifteenth Local Economic Forum meeting held on Tuesday 9th March 2004 in the St. Catherine Suite (South) at the Shetland Hotel, Lerwick, Shetland.

Members Present:

Jimmy Smith, Federation of Small Businesses (in the Chair)

Ann Black (Shetland Enterprise Company)

Mike Robertson (4QL/FUSION)

Victor Sandison (Lerwick Port Authority)

Brian Isbister (Shetland Fish Producer's Organisation)

David Sandison (Shetland Salmon Farmer's Association)

Neil Grant (Shetland Development Trust)

Maggie Gemmill (Jobcentre Plus)

Gordon Dargie (Shetland College)

Lawrence Tulloch (Shetland Islands Tourism)

Executive Support:

Kay Smith (Train Shetland)

Douglas Irvine (SIC Development Department)

Robin Lingard (Kinnairdie Consulting)

John Smith (SIC Organisational Development)

Emma Perring (SIC Policy Unit)

(Minutes) Stuart Nickerson (Shetland Enterprise Company)

INTRODUCTION AND APOLOGIES FOR ABSENCE

The Chairman welcomed all present. Neil Grant and John Smith introduced themselves to the Forum.

Apologies had been received from: Ruth Henderson (Seafood Shetland), Drew Ratter (Councillor, SIC), Jacqui Watt (SIC Community Services Department), Robert Watt (BP), Jim Budge (Director, SEC), Frank Miller (Shetland Knitwear Trades' Association), Sandy Cluness (Convener, S.I.C.), Joe Irvine (University of the Highlands & Islands), Andy Carter (Careers Scotland), Janet Davidge (Shetland Retailer's Association), Alec Miller (Shetland Community Enterprise Network) and Cecil Eunson (Councillor, SIC).

MINUTES OF MEETING OF 28th OCTOBER 2003

The minutes of this meeting were approved.

MATTERS ARISING FROM THE MINUTES

3.1 Meeting with the Federation of Small Businesses (FSB) on 28th October 2003

It was reported that the presentation to the FSB on behalf of the Local Economic Forum (LEF) was well received, although attendance was low. Comparatively little was known about the work and purpose of the LEF in Shetland and the event helped to inform local businesses of the various activities the LEF was involved in. Businesses were particularly interested in the progress of the 'Shetland 2012' strategy and how the LEF was using it.

It was reported that Shetland Enterprise were hosting a networking lunch with local businesses in conjunction with the FSB on 19th March at the Shetland Business Innovation Centre. If the event was a success, Shetland Enterprise would consider holding similar events in rural areas.

4. REPORT ON VISIT BY AUDIT SCOTLAND – 19th January 2004

Audit Scotland visited Shetland to assess the progress of the LEF and met with Douglas Irvine, Ann Black, Robin Lingard and Jimmy Smith. The visit aimed to assess the activities of the LEF in terms of good practice and procedure. Audit Scotland was particularly interested in how public bodies worked in partnership to deliver economic development. A report was to be delivered to the Scottish Parliament committee on the findings of the visit.

LEF MEMBERSHIP

It was agreed to defer further discussion of LEF membership until the future relationship with the SIC Economic Development Forum had been resolved.

SKILLS & LEARNING SUB-GROUP

Robin Lingard reported three salient points from the LEF Skills and Learning Sub-group meeting held on the 8th March 2004.

6.1 The LEF Skills and Learning sub-group were proceeding with a series of sectoral skills surveys. Sectors to be surveyed this year were Hospitality/Tourism/Retail, Food & Drink and Knowledge and Information Technology (KIT). In the following year, the Learning, Manufacturing & Production and Community Enterprise sectors would be targeted as well as ancillary industries aligned to Construction.

The sectoral skills surveys would be conducted using the same methodology, ensuring that results were consistent and comparable. Results of the surveys would be available on the recently launched Community Planning Datashare Web-site. The timescale for the surveys is for the first tranche to be conducted in summer 2004, with the second tranche in 2005.

6.2 There was a perceived over-lap and duplication in the activities of the LEF Skills and Learning Sub-group and those of the Community Learning and Development Group (CLD). A paper had been written by Robin Lingard in consultation with the CLD and the main area of duplication was work in relation to the 'socially excluded' target group. The next meeting of the CLD and the LEF Skills group would coincide to reduce duplication.

6.3 Robin Lingard reported the increasing emphasis on creativity, entrepreneurship and innovation in schools. He also reported that a brochure of Higher Education and Research opportunities in Shetland was being devised by the Shetland colleges in conjunction with the University of the Highlands & Islands (UHI).

The proposed brochure aimed to target potential external students and attract them to study in Shetland, either at the North Atlantic Fisheries College or Shetland College. Shetland currently has the infrastructure and attitude to accommodate high quality learning and research. The venture would also have a positive effect on the local economy by attracting skills and people to Shetland.

The meeting heard that the newly appointed Head of Fisheries at the North Atlantic Fisheries College (NAFC), Peter Dryburgh, had been invited to provide representation of the NAFC on the LEF

LOCAL ECONOMIC STRATEGY

7.1 Progress Report on Action Plan for “Shetland 2012”

Douglas Irvine reported that the challenges facing the Shetland economy had intensified. The meeting heard that there had been a loss of highly-skilled jobs at Sullom Voe Terminal and the whitefish fleet had lost seven vessels. This loss would also have a significant impact on the on-shore ancillary sector associated with the fisheries industry.

The meeting heard updates on the following issues/sectors in Shetland:

Salmon-farming – The situation in the salmon-farming industry had been well documented in the media.

Tourism – An increase in tourist numbers had been observed and this positive trend was set to continue. Laurence Tulloch reported that one of the reasons for the healthy up-turn in Tourism figures in 2003 was an increased effort in marketing Shetland. He also reported that there was a shortfall in funding for servicing tourists when they arrived in Shetland, using the example of the lack of parking space for coaches at the Clickimin Broch.

Shetland Islands Council (SIC) – The SIC was facing staff cuts to bring the budget in to line.

Agriculture – The Agricultural sector had shown signs of stability.

The meeting heard that the SIC had conducted an employment survey in 2003 and the results would be available shortly. The unemployment figures in Shetland remain relatively low.

Progress on Shetland 2012:

The LEF Skills & Learning Sub-group had progressed actions relating to sectoral skills surveys, highlighted as a priority in “Shetland 2012”

The Shetland Marketing plan was making significant progress through the Shetland Branding exercise.

The SIC had recently devoted staff resources to the development of the renewable energy sector in Shetland.

Douglas Irvine stated that there had to be a greater emphasis on encouraging diversification projects and adding value to products.

Proposal for dovetailing SIC Economic Development Forum (EDF) and Local Economic Forum (LEF)

Douglas Irvine introduced a paper in which he set out proposals for reducing the overlap between the work and remits of the Shetland LEF and of the SIC Economic Development Forum (EDF).

The suggestion was that the LEF should become a sub-committee of the Shetland Community Planning Board, with the remit of developing and maintaining the economic objectives of the Community Plan, providing overall guidance on economic strategy (on behalf of “Shetland PLC”) and overseeing the implementation of “Shetland 2012”. It would retain the current

breadth of its membership and would continue to carry out tasks assigned to Local Economic Forums by the Scottish Executive. As now, it would be administered by Shetland Enterprise. It would meet formally twice a year, with the flexibility to organise additional meetings and information events on a less formal basis as required. The latter would be open to the wider business community. In addition, the reconstituted LEF could act in future as the “sponsor” of Shetland’s Partnership Action for Continuing Employment (PACE) group.

In parallel, it was suggested that the Council’s EDF should become a Policy Development Committee, with a remit to explore themed issues as a service to the wider Shetland economic development effort, rather than just to inform Council economic policy. It would normally meet on a monthly basis, with the aim of discussing and resolving particular issues, and its deliberations would be report both to the LEF and to the SIC Executive Committee. It would continue to be administered by the SIC. This Committee would be the logical “sponsor” for the various inter-agency task forces (e.g. for renewable energy and for broadband) which were set up to tackle specific economic or industrial issues.

In discussion, the LEF agreed that these proposals offered a practical way forward and that the next step should be for Douglas Irvine to seek SIC support for the concept.

Action – Douglas Irvine

Specific comments to be taken into account included –

The need for the Policy Development Committee also to have a link to the Community Planning Board, in addition to the indirect link via the reconstituted LEF.

The need to maintain and develop the work of the LEF Skills and Learning sub-group.

Through the reconstituted LEF this sub-group would be able to complement the advice given to the Community Planning Board by the Community Learning and Development Partnership.

The need to make the “Shetland 2012” strategy document relevant to private industry and members of the LEF. David Sandison suggested consulting businesses to identify how “Shetland 2012” could be taken forward to achieve success in the context of individual businesses. In the absence of a Chamber of Commerce it would be necessary to select a range of large businesses and SMEs across key sectors in order to conduct a pilot consultation.

The need to give a higher profile to innovation as a vital element in Shetland’s future economic development. Robin Lingard reported on a recent presentation by Dr. Mikel Landabaso of the EU Commission on “Innovation Policy Options in the Knowledge-based Economy”. The conditions for stimulating innovation in an economy included an innovation culture, business culture, quality of management, research and development, availability of support, a framework and network of support. To facilitate this, the public sector had to act as a ‘catalyst’, rather than a ‘leader’. The modern approach to inward investment was to attract people and skills to an area, as opposed to the traditional approach of attracting industry and infrastructure. The next round of EU structural funds would adopt this philosophy.

It was agreed that the LEF should make an immediate start on drawing industry into the process of updating “Shetland 2012”, by establishing a small sub-group. This would consist in the first instance of David Sandison, Mike Robertson, Laurence Tulloch, Neil Grant, Ann Black and Douglas Irvine. Since the LEF accepted the particular importance of innovation (and considered that conditions in Shetland were favourable to innovation development and entrepreneurship, with Shetland having the second highest Business Start-up rate in Scotland, together with a high level of educational attainment and a high percentage of graduates) this group might take the title of the Innovation Sub-group. In that case, the science and education sectors should be included in its consultation exercise.

(Action – Ann Black)

Robin Lingard was asked to work with Douglas Irvine and Ann Black to develop a diagrammatic presentation of the proposed new structures, for circulation with the minutes of the meeting.

(Action – Robin Lingard)

8. COMMUNICATIONS

Action: Press release on the new organisational structure of the LEF and on the proposed Skills surveys after minutes had been published on the LEF website. (Robin)

ANY OTHER BUSINESS

The LEF heard that organisations like the North Atlantic Fisheries College could be encouraged to promote entrepreneurial activity by commercialising new technology and developments.

Action: Joe Irvine (UHI) to give presentation on his role in commercialisation of research. (Joe Irvine)

Maggie Gemmill reported the latest unemployment figures to the meeting. The number of unemployed people was 237, compared to 285 in January 2003. There was a 2.5% unemployment rate for men, with 43 women registered as unemployed.

The meeting heard that the unemployment rate did not reflect the rate of people leaving Shetland to look for jobs.

DATE OF NEXT MEETING

23rd August 2004.