

RURAL DEVELOPMENT STRATEGY STEERING GROUP

Title:	Update on RDS Action Plan 2017-2018
Status:	Open
Report of:	Anne Wagner-Gras, FIDC Development Manager
Date of Meeting:	19 th September 2017

Appendix: Rural Business Capital Development Grant Scheme.

1. Summary

1.1 An update on the four key priority projects outlined within the Rural Development Strategy (RDS) Action Plan 2017-2018, as agreed by the RDS Steering Group.

2. Recommendations

- **The RDS Steering Group note the update provided on the four key projects agreed within the RDS Action Plan 2017-2018.**
- **Consider and agree the appended proposal for a revised business grant scheme.**

3. Background

- 3.1 The Falkland Islands' Rural Development Strategy (RDS) was approved in February 2012 and set out a comprehensive response to the development needs of Camp.
- 3.2 The strategy provided a route map for the development of Camp over a five-year period 2012-2017, identifying the policies required to achieve sustainable growth in Camp. Its four strategic objectives are as follows; i) to increase the value of economic activity in Camp by 20% by 2017, ii) to increase the economically active population in Camp by 5% by 2017, iii) to broaden the range of services available in Camp and iv) to manage, protect and conserve the natural environment in Camp.
- 3.3 It is explicitly stated that the RDS builds on the aims and objectives set out in the Islands Plan and in turn the Economic Development Strategy (EDS), and that the RDS must operate alongside the EDS and complement and reinforce its aims and objectives.
- 3.4 In order to achieve the RDS strategic objectives, the RDS Steering Group agreed on a 3-year Action Plan for 2014-2017 with a list of projects under 5 key priority areas, each of them having a specific aim, strategic fit, key milestones and a dedicated budget.
- 3.5 FIDC is the coordinating body for the delivery of the RDS Action Plan and works in close relationship with the RDS Steering Group that is ultimately responsible for the implementation of the Strategy.

- 3.6 The 2014-2017 Action Plan was completed at the end of the last financial year, and lessons learnt from its delivery were presented and discussed at the last Steering Group meeting in February 2017.
- 3.7 To ensure the RDS continues to support delivery of the border objectives expressed within the EDS, it has been agreed by the RDS Steering Group that work on the development of the next Rural Development Strategy would start once the review of the Economic Development Strategy has been completed by the Policy Unit.
- 3.8 In the intervening period and to ensure continued progress towards achieving the RDS key strategic objectives, whilst the new EDS is developed, a transitional Action Plan for 2017-2018 has been drafted. Focused on four key priority areas, plans were put in place to start work on these plans as soon as funding was confirmed.
- 3.9 On the 26th June 2017, FIDC received confirmation that a budget of £120,000 (as part of its overall subvention request) has been allocated to RDS delivery, and work is now underway.

4. Update on the RDS Transitional Action Plan 2017-2018

- 5.1 The table below shows the four priority projects outlined under the Action Plan for this financial year, along with the respective budget allocation. To demonstrate strategic fit, each project below is referenced back to the Key Priority Action (KPA) as identified under the original RDS.

Project	Key Priority Area	Budget 2017/18
Rural Business Development – Capital Costs Grant Scheme	1, 3 & 4	£60,000
Farm Business Training Programme	1 & 2	£15,000
Rural Energy Project – Follow-up Advice	5	£10,000
REZ/ Infrastructure Development	4 & 5	£35,000
Total		£120,000

- 5.2 Consistent with the aim to adopt a more strategic approach with grant funding, a revised business grant scheme has been designed to replace a range of existing ring-fenced schemes. The **Rural Business Capital Development Grant Scheme**, will help support the creation of new businesses and the growth and development of existing ones. **A proposal is appended to this paper.**
- 5.3 **Farm Business Training Programme** - it was agreed at the last Steering Group meeting that funding available under this project would be targeted towards improving the performance and viability of farm businesses.
- 5.4 The huge amount of work that has been done over the last few months by FIDC and partners, in particular the Department of Agriculture, as part of the Wool Innovation Project suggests there is real scope to improve the overall profitability of farms by improving returns from wool production. Specific short-term actions have been identified to add value to Falkland Islands Wool, and a Wool Innovation Programme has been put together.
- 5.5 As wool is by far the biggest income stream for Falkland Island farms, it is not surprising that the rural community regard this project as an absolute priority.

- 5.6 It is therefore suggested, the £15,000 allocated under the 2017-2018 RDS Action Plan is used as match-funding to provide an operational budget to implement the Wool Innovation Programme, and in particular the two actions specifically aimed at upskilling and empowering farmers with their production and selling decisions, i.e.: i) the establishment of a wool marketing reporting portal, and ii) the establishment of benchmarking hubs within Falkland Island wool growers. It is strongly believed this will lead to a better monitoring of farm business performance and a general upskilling of the farming community, which is a critical step towards improving profitability and sustainability.
- 5.7 **Rural Energy Project** - on the 15th May 2017, an agreement was signed between FIDC and the former Rural Energy Advisor to secure follow-up advice on the five on-going Rural Energy Partnership Development Projects, as well as technical advice on energy funding applications that will be received and processed by FIDC in this financial year.
- 5.8 Longer term options for securing energy advice for the local business community remains critical, and will need to be addressed as part of the review of the EDS/ RDS.
- 5.9 Under the RDS Action Plan 2014-2017, it was agreed that the creation of **Rural Enterprise Zones (REZ)** would be the focus for infrastructure development, which has been embedded in different projects and led to the creation of the Fox Bay REZ. It is therefore suggested to secure a budget to enable this work to continue. The future development of this, and potentially other REZs will need to be discussed/ addressed as part of the review of the EDS/RDS.
