

Title of Report: Rural Development Strategy Action Plan 2013-2014
Paper No: 190/13
Date: 9th of August 2013
Report of: Head of Policy

1.0 Purpose

- 1.1 This report presents the Rural Development Strategy (RDS) Action Plan 2013-2014 and recommends its adoption by Government.

2.0 Recommendations

- 2.1 This paper seeks Executive Council approval of the RDS Action Plan for 2013-2014.

3.0 Summary of Financial Implications

- 3.1 None

4.0 Background

- 4.1 The Rural Development Strategy was approved by Executive Council in February 2012 (paper number 45/12). The Rural Development Strategy Steering Group subsequently submitted a detailed and costed RDS Action Plan for 2012-2013 which was also approved. This paper represents the second of these annual action plans.
- 4.2 The Plan is based on the approved budget allocation of £313,000 (approved by Executive Council in July 2013) for 2013/14. A request has been submitted to Standing Finance Committee to carry-over underspend from the 2012/13 budget. If approved, this would enable greater resources to be directed to projects identified for 2013/14 and more activities to be undertaken.
- 4.3 The underspend of £124,000 was the result of a combination of factors including the savings made on the purchase of the Key Worker housing, the delays in recruiting a Key Worker and some projects such as the farmers market being progressed by other parties. In addition, some resourcing issues and an element of administrative burden caused some delay in project delivery. As a result some of these projects have been carried over.
- 4.4 Despite the underspend, good progress has been made against the RDS's strategic objectives. In the 8 months since its establishment the Capital Development Grant Scheme has supported the creation of three new businesses in Camp and the expansion of one further existing business. All of these businesses are non-agricultural and therefore contribute to the diversification as well as the growth of the Camp economy.
- 4.5 Progress was made on the Rural Enterprise Zone concept with the designation of Fox Bay East as the first zone. Following designation, the Key Worker post was developed, the key worker house acquired and a contractor was appointed to construct a new water source to relieve pressure of the existing water system and to support an increase in population as the zone develops.

4.6 Six settlements have made improvements to their water supplies thereby improving quality of life but also supporting business activities such as tourism accommodation and horticulture production (import substitution).

4.7 Other projects completed last year include the map of Camp which will stimulate growth of tourism in Camp; the construction of livestock pens in key locations to support growth in the agriculture industry and the establishment of the Fox Bay Community Group which undertakes small community projects to improve the settlement.

5.0 Action Plan

5.1 The RDS budget of £313,000 will be applied to the delivery of the 14 projects listed in the Action Plan.

5.2 If the roll-over of underspend from 2012/13 is approved it is proposed that these funds would be used to apply more resource to those projects identified, for example to increase the budget for the Capital Development Grant Scheme so that more new businesses can be supported.

5.3 In addition, the underspend would be used to fund the additional costs of a) the establishment of a Camp fire response team and b) funding of the RDS Coordinator post from its contract end in March to the financial year end.

6.0 Financial Implications

6.1 The RDS budget of £313,000 was approved by Executive Council in July 2013. Approval of the annual Action Plan is now required to allow these funds to be accessed and utilised.

6.2 The table below lists the Action Plan projects against this year's approved budget (column 3) and the budget position if the carry-over request is approved (column 4).

	Project	Approved budget 2013-2014 (£313,000)	Budget if carry- over is approved (£436,500)
1	Key Worker	40,000.00	40,000.00
2	Capital Development Fund- Business	48,000.00	60,000.00
3	REZ fiscal incentives	-	-
4	Training Scheme	8,000.00	15,000.00
5	Review of the coastal shipping contract	-	50,000.00
6	Livestock fencing and panels	2,000.00	2,000.00
7	Rural Enterprise Zone improvements	1,500.00	1,500.00
8	Improvements in access to water in Camp	38,000.00	38,000.00
9	Capital Development Fund-Housing	45,000.00	60,000.00
10	Water consultation	30,000.00	20,000.00
11	Tourism road signage	15,000.00	30,000.00
12	Power/renewable energy Phase 1 - consultancy	35,500.00	50,000.00
13	Power/renewable energy Phase 2 - establishment of new power scheme	50,000.00	50,000.00

14	RDS Coordinator post	-	10,000.00
15	Camp burning fire fighting first response team	-	10,000.00
		313,000	436,500

7.0 Legal Implications

7.1 None

8.0 Human Resources Implications

8.1 None

***CHECKLIST FOR FINAL SUBMISSION OF PAPERS TO GO TO
EXECUTIVE COUNCIL***

Tick for **YES** Cross for **NO**

Submitted By:

Paper Number: _____

- | | | |
|----|--|----------------------------------|
| 1. | Is this really an Executive Council Matter? | <input type="text" value="Yes"/> |
| 2. | Is this an Information Paper? | <input type="text" value="No"/> |
| 3. | Is this a paper for decision? If so, does it have clear recommendations or options? | <input type="text" value="Yes"/> |
| 4. | Have the following implications been fully considered: | <input type="text"/> |
| a) | <i>Financial</i> – Have the financial implications been agreed with Treasury (in the event there are none this must also be stated in the paper)? | <input type="text" value="Yes"/> |
| b) | <i>Legal</i> – Has the advice of the Attorney General been sought (in the event there are none this must also be stated in the paper)? | <input type="text" value="Yes"/> |
| c) | <i>Human Resources</i> – Have these implications been discussed with HR (in the event there are none this must also be stated in the paper)? | <input type="text" value="Yes"/> |
| d) | <i>Environmental</i> – any environmental implication – has the advice of the Environmental Planning Officer been sought? | <input type="text" value="N/A"/> |
| e) | <i>Planning</i> – has the advice of the Environmental Planning Officer been sought? | <input type="text" value="N/A"/> |
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| g) | <i>Land</i> – is the development of Crown Land involved – have you referred the matter to the Lands Committee? | <input type="text" value="N/A"/> |
| h) | The impact upon staffing and employment? | <input type="text" value="Yes"/> |
| i) | The availability of housing? | <input type="text" value="Yes"/> |
| 5. | Has this paper been before GMT or the relevant Committee/s? | <input type="text" value="N/A"/> |

September 13

Rural Development Strategy

Action Plan 2013-2014

Contents

INTRODUCTION

1. The Rural Development Strategy

- 1.1 The Rural Development Strategy (RDS) was approved by Executive Council (EXCo) in February 2012. ExCo subsequently agreed an Action Plan for the delivery of projects in 2012/13. The 2013/14 Action Plan has been produced to secure continued funding for projects and new initiatives crucial to the development of Camp.
- 1.2 The RDS contains four strategic objectives developed to achieve Government's vision for Camp. The strategic objectives are:
- To increase the value of economic activity in Camp by 20% by 2017
 - To increase the economically active population of Camp by 5% by 2017
 - To broaden the range of services available in Camp and to increase accessibility of both public and private services for Camp residents, so as to lead to an overall improvement in the quality of life in Camp
 - To manage, protect and conserve the natural environment

2. The Key Priorities

- 2.1 The strategic objectives will be achieved by acting upon the 5 Key Priorities identified in the Strategy.
- Key Priority Area 1 - **Business Growth and Development**: developing a more productive and dynamic business base in Camp
 - Key Priority Area 2 - **Workforce Development**: increasing the size of the Camp labour force and improving skills and training to provide a flexible, adaptive and highly skilled workforce.
 - Key Priority Area 3 – **Services**: improving access to services and expanding service provision to better serve the needs of the current population and to make Camp an attractive destination for new residents.
 - Key Priority Area 4 - **Infrastructure**: providing the infrastructure required to drive growth in the economy and improve the quality of life in Camp.
- Key Priority Area 5 – **Environment**: Managing, protecting and conserving the natural environment of Camp
- 2.2 The Key Priorities provide the framework for delivery with the Action Plan providing the detail. Both the Key Priorities and the detailed actions lead to the achievement of the Strategic Objectives.

2.3 The Key Priorities were identified following an intensive period of consultation held with and within the Camp community, with Government and with the rural and Stanley private sector. Importantly, the Key Priorities indicate that attention needs to be given in equal measure to the varying challenges facing Camp for example that jobs alone won't attract new businesses to Camp, that we also need to consider improving infrastructure and improving services.

2.4 These Key Priorities will guide the activities within the Action Plan. Whilst the Priorities are not expected to change, the Action Plan almost certainly will.

3. The guiding principles

The delivery of each annual Action Plan will be aligned to the 4 guiding principles contained with the Strategy. As such, joined-up working across the public sector and community engagement will be key elements in the way that the RDS is delivered. The guiding principles also require compatibility with the EDS and the adoption of "growth poles". The former has been achieved directly through the content of Strategy and the latter is addressed in the Action Plan albeit growth poles are called Rural Enterprise Zones in the Plan.

3.1 Rural Enterprise Zones (REZ) will be the focus of infrastructure development and fiscal incentives which aim to build critical mass and maximise positive benefit. The development of critical mass addresses many of the RDS's key objectives including depopulation, business development and diversification and quantity of, and access to, services. In 2012, Fox Bay East was designated as the location of the first REZ.

3.2 The tables beginning on page 4 titled *RDS Action Plan activities and budget* lists the projects that will be progressed in the 2013-2014 financial year.

4. Implementation

4.1 The Action Plan is managed by the RDS Steering Group (RDSSG) with financial administration and monitoring provided by FIDC. The RDS Coordinator is the principle resource applied to the management and development of projects.

4.2 The membership of the RDSSG includes the two Members of Legislative Assembly with the RDS portfolio, the Chief Executive of FIG, the General Manager of FIDC, the Head of Policy, the Senior Agricultural Advisor, the RDS Coordinator and two Camp representatives. The Terms of Reference of the RDSSG are as follows:

4.3 RDSSG Terms of Reference

- A. The RDSSG will have strong commitment to the achieving the RDS Vision.
- B. The RDSSG will be responsible for the production of an annual RDS Action Plan and will ensure alignment between the RDS strategy and the RDS Action Plan.
- C. The RDSSG will achieve the RDS strategic objectives through the delivery of the RDS Action Plan. The delivery of the Action Plan will reflect the RDS Priorities of Business, Workforce, Services, Infrastructure and Environment.
- D. The delivery of the RDS Action Plan will be aligned with the RDS's 4 guiding principles
 - Community engagement and ownership
 - Joined up working across the public sector
 - Positive and effective integration with the EDS
 - Growth Poles (REZs)
- E. The RDSSG will be responsible for recommending budgetary strategy and monitoring risks.
- F. The RDSSG will be responsible for submitting projects for draw down approval to either the Head of Policy or the Chief Executive.

- G. The RDSSG will be responsible for the annual review of the RDS and the delivery of an annual report.
- H. The RDS will be proactive and dynamic. The RDSSG will help to identify threats and/or hurdles to the delivery of the RDS under the Priority areas and contribute to problem solving.
- I. The RDSSG will provide a support structure for the RDS Coordinator in terms of problem solving and conflict resolution as and when required.

4.4 Executive Council, Standing Finance Committee, the Policy Unit and the Falkland Islands Development Corporation have a role in the management, approval and delivery of the strategy. The roles and responsibilities of each are outlined below:

a. Executive Council

- To ratify any changes to the RDS strategy
- To approve the RDS Action Plan
- To approve policy decisions arising from the RDS
- To encourage “joined up working “ across the public sector

b. Standing Finance Committee

- To approve draw down of RDS project funding over £20,000

c. The Policy Unit

- To present Policy decisions to Executive Council
- To measure government’s performance against the RDS Objectives
- To cascade RDS policy through FIG departments
- To apply for the annual RDS budget from FIG
- To approve draw down of project funding up to £20,000 (with or instead of the Chief Executive)

d. FIDC and FIDB

- To manage the financial administration of the administration and project budgets once they are drawn down from FIG
- To line manage the RDS Coordinator post
- To work with RDS Steering Group to produce an annual RDS Action Plan and present it to Executive Council for approval
- To monitor project and financial risks

THE RDS ACTION PLAN activities and budget 2013-2014

Key Priority Area 1: BUSINESS GROWTH AND DEVELOPMENT - developing a more productive and dynamic business base in Camp

	PROJECT	AIM	STRATEGIC FIT	BUDGET 2013-2011
1	Key Worker Scheme	To create one new sustainable business located in the Rural Enterprise Zone.	Increases the economically active population of Camp. Diversifies the economic base of Camp. Increases the range of services available in Camp. Addresses market failure.	£40,000
2	Capital Development Grant Scheme- BUSINESS	To stimulate the creation of new businesses and the expansion of existing businesses in Camp	Stimulates new business development increasing Camp GVA. Acts as a catalyst for business growth for existing businesses thereby increasing Camp GVA. Diversifies the economic base of Camp.	£48,000
3	Rural Enterprise Zones (REZ) fiscal incentives	To implement a suite of measures to attract new businesses to the Enterprise Zone.	Attracts new business and therefore new people to the REZ simultaneously increasing the population and increasing GVA. Acts as a catalyst for business growth thereby increasing Camp GVA. Stimulates new business development increasing Camp GVA. Through training initiatives and related measures productivity is increased and GVA is driven up.	£0

Key Priority Area 2: WORKFORCE DEVELOPMENT - increasing the size of the Camp labour force and improving skills and training to provide a flexible, adaptive and highly skilled labour force

	PROJECT	AIM	STRATEGIC FIT	BUDGET 2013-2014
4	Training Scheme	To improve skills and training in Camp.	Improves personal and professional skills which are major factors in growing a more entrepreneurial environment. Skills development improves business productivity and therefore business performance having a positive impact on GVA This training project supports RDS REZ fiscal incentives concepts. Leads to improved viability of businesses.	£8,000

Key Priority Area 3: SERVICES- improving access to services and expanding service provision to better serve the needs of the current population and to make Camp an attractive destination for new residents

	PROJECT	AIM	STRATEGIC FIT	BUDGET 2013-2014
5	Review of ferry and coastal shipping service	To ensure that the coastal shipping service makes a maximum contribution to meeting the strategic objectives of the RDS by facilitating economic activity.	Supports business growth contributing to GVA. Strengthens national infrastructure which in turn support business driving up GVA. Supports multiple sectors of the economy acting as a key enabler.	£0

Key Priority Area 4: INFRASTRUCTURE- providing the infrastructure required to drive growth in the economy and improve the quality of life in Camp

	PROJECT	AIM	STRATEGIC FIT	BUDGET 2013-2014
6	Livestock fencing	To create a holding area for livestock destined for the abattoir to provide more flexibility in the supply chain. To support the growth and development of the agriculture industry.	Supports FIMCo- a key opportunity for rural businesses. Encourages diversification of the agriculture sector. Supports growth of the sector increasing GVA. Drives up potential incomes, increasing GVA.	£2,000
7	Rural Enterprise Zone improvements	To make the selected REZ appealing and attractive to new residents and businesses.	Contributes to the establishment of REZ, a key element of the RDS. This community project helps galvanise the community into action, improves community cohesion and provides an opportunity for the community to have a role in the development of their community. The Fox Bay Community Development Group was established to engage in the development of the settlement.	£1,500
8	Developing Camp Water Systems Grant Scheme	The improvement of basic water supplies in Camp addressing both business and domestic requirements.	Improving water systems improves the quality of services and quality of life in Camp- a strategic objective. Improving water systems facilitates the growth of businesses such as horticulture (ISP) and the development of tourism accommodation thereby increasing GVA.	£38,000
9	Capital Development Grant Scheme- HOUSING	To provide support for the development of housing for employees/workers where housing can be shown to be a barrier to business growth.	Increases the economically active population of Camp. Facilitates business growth thereby increasing Camp GVA. Diversifies the economic base of Camp. Creates new infrastructure in Camp.	£45,000

10	Water consultation exercise	To use the skills of experienced hydrographers to identify long-term solutions to the water problems facing the Camp population particularly those in larger settlements.	This will enable informed decision-making about water projects which if implemented will: - Enable an increase in population - Improve basic utilities thereby improving quality of life This project also addresses a market failure- this experience and knowledge is not available locally.	£30,000
11	Tourism road signage	To design and install road signage indicating tourism destinations, tourism providers and tourism attractions	Facilitates a growth in tourism numbers, enabling business growth and contributing to increase in GVA. Makes Camp an easier place to navigate, increasing the opportunity for tourism spend- contributing to an increase in GVA. Contributes to national infrastructure. This project will be delivered in partnership with FITB. Collaboration is one of the guiding principles of the RDS.	£15,000

Key Priority Area 5: ENVIRONMENT- managing, protecting and conserving the natural environment of Camp.

	PROJECT	AIM	STRATEGIC FIT	BUDGET 2013-2014
12	Power/Renewable energy consultation	To inform thinking with regards to project 14, that is, the review and updating of the existing FIG renewable energy scheme. The outline plan is to review the various type of renewable energy equipment used in the Falklands, their costs, application and effectiveness. Recommendations for improvements, and/or alternatives and will be made on the basis of this information.	The production of power is an economic enabler allowing business to grow. Improves basic utilities in Camp which improves the quality of life. The protection, maintenance and enhancement of the natural environment are cross-cutting themes in the RDS.	£35,500
13	Revised FIG "24 Hour Power" scheme	To update the guidelines and eligibility of the current FIG renewable energy scheme based on the recommendations from RDS Project 12.	As above. Increased use of renewables in Camp reduces the reliance on fossil fuels. 24 hour power improves quality of life. Improved access to power enables business growth.	£50,000
	TOTAL BUDGET REQUIRED			£313,000

