

Executive Summary

Background

The Orkney Islands are made up of 70 islands, 18 of which are inhabited. In 2012 Orkney had a total population of 21,530. This equates to 22 people per square kilometre, against a Scottish average of 67 people.

The key income generating industry sectors in terms of output are agriculture, tourism and crafts, energy (oil and renewables) and fisheries. Both agriculture and fisheries are sectors at risk due to a range of factors including external policy changes. However there is potential for growth in tourism, marine renewables, oil and gas, creative industries, and the knowledge and technology sectors.

Past Programmes and Achievements

Orkney has a long established and active Local Action Group (LAG), comprising members from across all sectors of the rural economy and communities. Many of these representatives have been involved in previous LEADER Programmes and as such have built up considerable expertise. A number of the members joined more recently and are able to offer a fresh insight and new ideas.

The Orkney LAG members are proud of their achievements from the LEADER 2007-2013 Programme. The initial total LEADER budget was £2.11 million and this was topped up twice with all the funding committed. The Programme enabled 75 projects to be undertaken with an anticipated combined value of nearly £6 million.

This new Local Development Strategy (LDS) is to be more integrated and includes fisheries, although the finances and decision-making will remain within separate LEADER and Fisheries Local Action Groups.

Consultation

Extensive consultation was undertaken during the preparation of the LDS early in 2014. Community consultation was undertaken by sending out questionnaires to community groups and businesses. Public workshops were also held. A stakeholder consultation of relevant organisations (including in fisheries) was undertaken using face to face interviews as well as circulating a questionnaire. The consultation highlighted current issues, current strengths, weaknesses, opportunities and threat as well as indicative actions in rural development and fisheries.

The majority of respondents were keen for the Programme to cover as many groups and sectors within Orkney as possible, however, they were aware that with budget limitations LEADER/FLAG could only play a part in contributing to community economic development within Orkney. Due to the small populations and geographical areas within the islands and some parishes, it was felt that the new Programme should be as inclusive as possible and not prioritise specific areas or groups. Regardless of this, it does suggest focussing on particular sectors and linkages between them, as well as intergenerational activities.

SWOT Analysis

A Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis was developed following the consultation. It highlighted the high levels of community and voluntary participation in Orkney. Orkney is a much envied producer of many high quality goods ranging from meat and dairy products, fish and fish products whisky, ales, and confectionery, to jewellery and other craft items.

Orkney's renewable energy sector has gone from strength to strength in recent years. Although this is an emerging sector it has already achieved significant results. Orkney Renewable Energy Forum (OREF) actively pursues new opportunities. Opportunities also exist for Orkney to further develop renewable energy and its supply chain, expand cross sector working, extend its tourist season and improve customer service. Orkney would however benefit greatly from improved ICT access and connectivity throughout the islands.

Many of the weaknesses Orkney faces are due to its geography. Distance to and from markets is an issue, internal and external transport links can be limited, costly and subject to disruption. The current lack of spare grid capacity will hamper growth of the renewable energy sector. Orkney must take action against possible threats to its community, for example depopulation, outmigration of young people, volunteer fatigue due to increasing levels of bureaucracy and lack of funding available for business development. The relatively high cost of living, combined with low average wages and limited career opportunities, poses additional challenges. Thus there is a need to address these issues and build on the strengths and opportunities.

Aims and Objectives

The aim of the LDS will be:

To achieve an increase in sustainable employment and incomes, and in social cohesion and quality of life, and to conserve and enhance the high quality of the heritage and environment while maximising the benefits in economic, social and environmentally sustainable terms.

The overall aim will be delivered by giving strategic priority to supporting the following themes:

- Support small business and enterprise growth and farm diversification.
- Support for Orkney's tourism, cultural heritage, crafts, and food and drink sectors.
- Support for Orkney's community services and facilities.
- Support for Orkney's natural environment and development and Sustainable Energy.
- Support development of Orkney's fisheries Sector.

Actions

The LDS contains SMART objectives and an Action Plan summarising how it will enable the local economy and communities to become stronger and more resilient by supporting economic, social and environmental actions.

The LAG plans to be more proactive and to go out and help develop and initiate projects as well as considering other types of projects on a challenge fund basis. It may also mean a greater focus on employing project officers to drive forward the LAG agenda.

Conclusions

The LAG is proposing to continue with, and further improve, the delivery model that has been so successful under the last Programme and is confident it will be able to deliver a successful LEADER/FLAG 2014 – 2020 Programme.