

EXECUTIVE COUNCIL

PUBLIC

Title:	Rural Development Strategy Action Plan 2018-2021
Paper Number:	199/18
Date:	12 th December 2018
Responsible Director:	Managing Director, FIDC
Report Author:	Development Manager, FIDC
Portfolio Holder:	MLA Pollard
Reason for paper:	This paper is submitted to Executive Council: For policy decision
Publication:	Yes
Previous papers:	113/18 Rural Development Strategy 2018-23 45/12 Rural Development Strategy 204/12 Rural Development Strategy Action Plan and Budget 2013-2013
List of Documents:	Appendix A: Rural Development Strategy Action Plan 2018-21

1. Recommendations

1.1 Honourable Members are recommended to endorse:

(a) The Rural Development Strategy Action Plan as presented at Appendix A.

2. Additional Budgetary Implications

2.1 There are no additional budgetary implications arising directly from this paper.

3. Executive Summary

3.1 Based on the revised Economic Development Strategy (EDS), the lessons learnt from the delivery of the previous Rural Development Strategy (RDS), and the feedback received from the rural community, a new RDS strategy was approved by Executive Council earlier in the year in paper 113/18.

- 3.2 Building on the strategy an underlying Action Plan has now been developed for the next three years (2018-21). This Action Plan is the result of earlier consultation on the strategy and the input and oversight of the RDS Steering Group and the FIDC Board.
- 3.3 The Action Plan is presented here for Honourable Members information and endorsement. Work has already commenced on its implementation.

4. Background

- 4.1 At its June meeting, the FIDC Board agreed an updated RDS Strategy, which was subsequently endorsed by Executive Council in late July 2018. During August an Action Plan to underpin the strategy was drafted. This was adopted by the RDS Steering Group in September 2018 and is now being copied to Executive Council for their review and support.
- 4.2 The Action Plan (attached at Appendix A) looks to provide a number of practical items to be progressed over the next three years. This is limited to three years and not the full five-year term of the Strategy for two main reasons. Firstly to mitigate an action plan being agreed which no longer reflects requirements of the rural community. Secondly to allow for a forced review of both the budget and the direction of the action plan after a decent amount of time.
- 4.3 The role of Executive Council in relation to the RDS is to:

Executive Council

- To approve the RDS strategy and endorse the RDS Action Plan
- To approve policy decisions arising from the RDS
- To encourage “joined up working” across the public sector

- 4.4 The role of the FIDB in relation to the RDS is detailed in the Strategy itself and is copied below for reference:

Falkland Islands Development Corporation

- a) To work with RDS Steering Group to produce a periodic RDS Action Plan and present it to Executive Council for approval.
 - b) To manage the financial administration of the RDS funding approved by FIG annually.
 - c) To monitor project and financial risks.
 - d) To provide an annual summary of RDS achievements, which will form part of FIDC’s annual report and internal project reporting
- 4.5 Item (a) above will be completed by this paper (as the Board saw the action plan in November 2018). Item (b) will be managed in accordance with FIDC’s existing policies and procedures to ensure proper governance of public funds. Item (c) will be linked to this and will be covered by reporting on progress to both the FIDB and the RDS Steering Group on a regular basis. Item (d) will be captured as a normal part of the Annual Report process.

5. Overview of the Action Plan

- 5.1 The Action Plan is divided into five main sections. The first section (covering pages 1-4) provides background detail and the Terms of Reference for the RDS Steering Group. These pages have been tidied up a bit but do not contain any meaningful changes from what Executive Council have previously seen. The intention under the new Strategy and this Action Plan is very much to delegate guidance for the RDS to the Steering Group and the Terms of Reference look to reflect that.
- 5.2 Section 2 contains the actions proposed under Key Priority 1: Infrastructure. This section contains seven individual (but in places related) actions. The provisional budget allocation totals £250,000 over three years, reflecting well over a third of proposed expenditure. These actions look to either provide or encourage public and private investment in key infrastructure serving the Camp population. They are not listed in order of priority necessarily, as all actions will warrant attention at different points in time. Ultimately FIDC is not the delivery body for a number of these items, so it is more about promoting rural development and investment at the appropriate time with the appropriate people.
- 5.3 Section 3 contains the actions proposed under Key Priority 2: Business Growth & Development. This section contains 5 individual actions. Many of the items in this section are related to ongoing work in other areas (e.g. the wool innovation project or DoA schemes). Executive Council will note the ongoing commitment from FIDC to import substitution and horticulture development. Considerable time, effort and money has been expended in this area over the years with limited take-up. However, the Steering Group strongly believed that efforts should continue and that this signal needs to be continued to be sent.
- 5.4 Section 4 contains the actions proposed under Key Priority 3: Workforce Development. This section contains 4 individual actions. These items are generally a continuation of existing workstreams and therefore require only limited budget over the life of this action plan. The FIDC Development Manager has discussed very briefly with the FIG Workforce Development Officer how best to approach these issues and there are plans to ensure joint working where it makes sense.
- 5.5 Section 5 contains the actions proposed under Key Priority 4: Environment. This section contains 6 individual actions. This section grew slightly after discussion at the steering group, with actions 4 and 5 being added in at that point. Sustainable land management and resource usage is viewed as a core part of the RDS vision and these actions will help to support that vision in their own small way. The remainder relates to continuation of Executive Council-approved schemes in terms of renewable energy support.

6. Options and Reasons for Recommending Relevant Option

- 6.1 The recommended option is to approve the Rural Development Strategy Action Plan 2018-2021 with the purpose of enabling the RDS Steering Group to continue to implement the Action Plan in a timely fashion.

7. Next Steps

- 7.1 At its next meeting the FI Development Board will see a scheme of updated initiatives arising from this Action Plan (e.g. updated ToR for the grant schemes listed in the Action Plan).
- 7.2 Over recent weeks, in preparation for the action plan being put in place, meetings have been held with a range of key individuals to work items through. Work has already commenced on updating some schemes and also on more detailed business planning for a new Wool Warehouse (something viewed as a priority).
- 7.3 FIDC have also continued to administer support schemes created under the previous action plan – the approach has been adopted whereby applications will be considered under current criteria until the Board is formally asked to adopt any changes (only where they might be necessary) at its next meeting.

8. Resource Implications

8.1 Financial Implications

The RDS has £200,000 per annum allocated to over the term of this three-year Action Plan. The actions proposed within this document currently exceed that budget by £175,000 over the three year period. However, in a number of areas figures are indicative and are likely to be refined as the action is progressed. In addition, all RDS expenditure will be governed by existing FIDC policies and procedures (and expenditure limits). This means that the FIDC Board will see all expenditure and will have to approve relevant items above existing thresholds.

- 8.1.1 In addition, two key expenditure items budgeted at Fox Bay (£100k for renewable energy and £100k for accommodation development) will come to Executive Council in due course (early in 2019). These papers are likely to recommend separate public investment in these two initiatives, thereby removing them from the RDS budget.

8.2 Human Resource Implications

None.

8.3 Other Resource Implications

None.

9. Legal Implications

- 9.1 None.

10. Environmental & Sustainability Implications

- 10.1 One of the fundamental cornerstones of the Rural Development Strategy is the management and conservation of the natural environment, viewed as a key asset and resource for the future development and growth in Camp, encompassed under Strategic Objective 4: Manage and protect the natural environment. Specific actions are focused

in this area, particularly in terms of the expansion and development of renewable energy sources across the Camp.

11. Significant Risks

- 11.1 The delivery of the strategy will require joined up working across a number of different agencies. Without this collaborative approach, issues across the RDS agenda will become marginalised.
- 11.2 RDS Steering Group Members stressed that the capacity of the Falkland Islands Government to implement the key enabling policies and capital investment programmes identified as priorities under the Economic Development Strategy, in particular in the area of transport and communication, will underpin the ability to successfully deliver any programmes to further economic and business development in Camp.

12. Consultation

- 12.1 Extensive consultation has been carried out with stakeholders from East and West Falkland and the outer islands. The RDS Steering Group, and Falkland Islands Development Corporation Board have agreed the Action Plan.
- 12.2 Further consultation with key stakeholders and partners will be necessary to implement components of the Action Plan.

13. Communication

- 13.1 Subject to the approval of Executive Council, the Rural Development Strategy Steering Group will publicise the Action Plan and write to Government Heads of Service and key private sector companies highlighting their joint interest in seeing it delivered.



Rural Development Strategy

Action Plan & Budget 2018-2021



Introduction

The Rural Development Strategy 2018-2023 (RDS) was approved by Executive Council (ExCo) in July 2018. This 3-year action plan underpins that Strategy and looks to provide some meaningful actions to help drive the achievement of RDS strategic objectives. An action plan for the remaining two years of the strategy will be developed towards the end of this initial three year period based on progress to that point.

The development of the 2018-2021 Action Plan has incorporated:

- The experience and knowledge of RDS Steering Group members.
- The views expressed during the consultation on the update of the RDS, held during 2017/18.
- The input of the FIDB and other stakeholders.

Strategic Objectives

The RDS contains four clear strategic objectives which will help achieve the Falkland Islands Government's (FIG) vision for Camp. The Strategic Objectives are:

- a. **Strategic Objective 1:** Increase the value of farming (agricultural) activity in Camp by 20% by 2023.
- b. **Strategic Objective 2:** Further increase the economically active population in Camp by 5% by 2023.
- c. **Strategic Objective 3:** Increase capital investments in key enabling infrastructure and services to drive growth in the rural (agricultural) economy.
- d. **Strategic Objective 4:** To manage and protect the natural environment.

The Key Priority Areas

The strategic objectives will be achieved by acting upon the **4 Key Priorities** identified in the Strategy:

- **Key Priority Area 1** – Business Growth and Development; developing a more profitable and resilient business base in Camp.
- **Key Priority Area 2** – Workforce Development: sustainably growing the Camp labour force and steering younger people towards relevant business opportunities and careers in Camp.
- **Key Priority Area 3** – Infrastructure: providing the key enabling infrastructure to drive growth in the rural economy.
- **Key Priority Area 4** – Environment: Managing and protecting the natural environment of Camp.

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.

The Key Priorities were identified following an intensive period of consultation held with and within the Camp community, with FIG and with the rural and Stanley-based private sector. Importantly, the Key Priorities indicate that attention needs to be given to the varying challenges facing Camp to attract people and new businesses to invest and develop in Camp.

Implementation

The Action Plan is managed by the RDS Steering Group with financial administration and monitoring provided by FIDC. The FIDC Development Team is the principle resource available for the coordination and development of projects. ExCo, Budget Select Committee, the FIG Policy Unit and FIDC all have a role in the management, approval and delivery of the strategy. The roles and responsibilities of each are outlined as follows:

Executive Council

- To approve the RDS strategy and endorse the RDS Action Plan
- To approve policy decisions arising from the RDS
- To encourage “joined up working” across the public sector

Budget Select Committee

- To approve the annual budget for the RDS (via the FIDC Subvention Request)

Policy Unit

- To help measure FIG’s performance against the RDS Objectives
- To cascade RDS policy through FIG departments

Falkland Islands Development Corporation

- To manage the financial administration of the RDS funding approved by FIG annually
- To work with RDS Steering Group to produce a periodic RDS Action Plan and present it to Executive Council for approval
- To monitor project and financial risks
- To provide an annual summary of RDS achievements, which will form part of FIDC’s annual report and internal project reporting

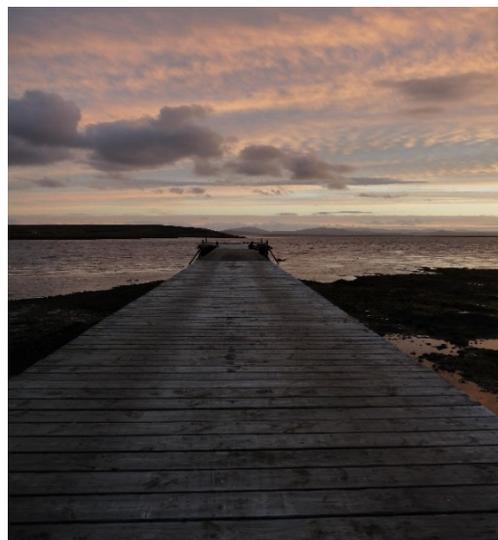
Budget

The agreed budget available for the delivery of the RDS Action Plan 2018-2021 is as follows:

- 2018/2019 - £200,000

The following provisional allocations have also been made in the FIG budget, though these will be reviewed annually:

- 2019/2020 - £200,000
- 2020/2021 - £200,000





Rural Development Strategy Steering Group Membership

The membership of the RDS Steering Group (RDSSG) includes the two Members of Legislative Assembly who hold the RDS portfolio, the Chief Executive of the Falkland Islands Government (FIG), the Managing Director of FIDC, the FIG Director of Policy, the FIG Senior Agricultural Advisor, the Chair of the Rural Business Association and up to four Camp representatives.

Terms of Reference

- The RDSSG will have strong commitment to the achieving the RDS Vision.
- 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.
- 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 Key Priority Areas of Business, Workforce, Infrastructure and Environment.
- The delivery of the RDS Action Plan will be aligned with 4 guiding principles:
 - I. Community engagement and ownership
 - II. Joined up working across the public sector
 - III. Positive and effective integration with the EDS
 - IV. Growth Poles
- The RDSSG will be responsible for recommending budget strategy to the FIDB and monitoring risks.
- The RDSSG will be responsible for submitting projects for draw down approval to the FIDC Board.
- The RDSSG will be responsible for the annual review of the RDS and the delivery of an annual report.
- 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 Key Priority Areas and contribute to problem solving.

Procedures

- The MLA with portfolio responsibility for the RDS will Chair the meeting (or their replacement if they are unavailable).
- The RDSSG will only be quorate when at least of half of its members are present.
- The RDSSG will aim for consensus based decision making. When an issue is voted upon a simple

majority of available members will be sufficient for it to pass. If deadlocked, the Chair shall have the deciding vote.

Rural Development Strategy Action Plan and Budget 2018-2021

Key Priority Area 1 – INFRASTRUCTURE DEVELOPMENT: providing the key enable infrastructure required to drive growth (within the framework of the National Infrastructure Plan).

	Project	Aim	Strategic Fit	Key Actions / Milestones	2018/19 Budget	2019/20 Budget	2020/21 Budget
1	Wool Storage	To ensure the safe and secure storage of Wool in line with approach decided within the innovation project	The proper, traceable and clean transport and storage of wool is a key part of the innovation strategy and ongoing business of farming	Consult with relevant parties and build a business case for a new warehouse. Then survey and select a site before looking to raise finance and construct.	£40,000	£10,000	£0
2	Coastal Shipping & Ferry Service	To maximise the private sector development and growth opportunities arising from the Coastal Shipping Service	The coastal shipping & ferry service is a key part of the rural economy. Maximising the opportunities arising from it in partnership will help to strengthen this key infrastructure. FIMCo are hoping to secure c. 65k livestock next year, unprecedented figures which will require cooperation and planning.	Work alongside FIG and Workboat Services, assist with making the case for expansion of this service when needed. Work with private sector providers to improve related facilities (e.g. Fuel, Toilets etc) at New Haven/Port Howard.	£20,000	£30,000	£0
3	Digital Connectivity	To lobby on behalf of the rural community for improved services	To partner with the RBA to ensure that Camp needs and viewpoints are fully represented in the Technology Working Group and to other relevant bodies	To work with FIG and Sure on what further improvements could potentially be made to Camp WiFi (Hotspots) and mobile coverage; to ensure that TV and Radio Coverage improves where needed.	£0	£25,000	£0
4	Fox Bay Village Development	To provide more housing, community and commercial space at Fox Bay Village	Continue scheme as part of one 'growth pole' on the West, especially due to public ownership of some areas facilitating investment	To develop housing, community and commercial space in Fox Bay Village in line with community consultation undertaken under previous strategy.	£0	£100,000	£0

5	Transport Links Policy	To ensure that transport policies facilitate growth in Camp	Work alongside FIG on ramps/jetties, road and airstrip policies to ensure they align with the goals of the RDS and needs of the rural community.	<p>Look to obtain greater clarity on transport policies and lobby on behalf of the rural sector in these key areas. Actively investigate different collection points for livestock to assist West and Outer Islands. Plan road maintenance in accordance with haulage demands.</p> <p>To support FIG in the development of an agreed approach to new road building in Camp that underpins continued economic growth.</p>	£0	£0	£0
6	Sustainable Housing Development	To ensure a sufficient quantity of housing is available in Camp to allow for growth targets to be met	Housing of sufficient quality and quantity is a core part of helping to increase the number of people living and working in Camp	<p>To work with FIG and private farms to ensure Camp housing development is a part of FIG housing strategy and that new houses are built in Camp.</p> <p>Look to work across the public and private sector to ensure affordable financing for house-building in Camp.</p> <p>Link this to work on tax incentives and see how house building may be incentivised.</p>	To be budgeted separately	To be budgeted separately	To be budgeted separately
7	Water Infrastructure	To ensure access to safe and secure water sources across Camp	Ensures core infrastructure meets needs of current and future residents of Camp	Provide a match-funding grant scheme to allow for advice on and the practical implementation of clean water schemes and infrastructure, building on previous survey work undertaken.	£0	£25,000	£0
TOTAL:					£60,000	£190,000	£0

Key Priority Area 2 - BUSINESS GROWTH AND DEVELOPMENT: developing a more profitable and resilient business base, prioritising the farming sector

	Project	Aim	Strategic Fit	Key Actions / Milestones	2018/19 Budget	2019/20 Budget	2020/21 Budget
1	Better understand and benchmark land utilisation	To sustainably maximise land availability and utilisation for agricultural purposes	Fits with goal of further strengthening the core farming sector, by looking to bring currently unproductive land back into agricultural use.	To work alongside the DoA on active benchmarking and measuring of grazed land, and supporting schemes to improve productivity.	£0	£10,000	£25,000
2	Wool Innovation*	To improve the value of FI Wool	Under the umbrella of FIDC's Innovation Programme, specific projects will be delivered to add value to local wool.	To be established via the Wool Innovation Manager at conclusion of current project.	Budgeted Elsewhere in FIDC	Budgeted Elsewhere in FIDC	£50,000
3	Capital Development Grant Scheme	To stimulate new and grow existing businesses	Increases Camp GVA by acting as a catalyst for investment and growth	Re-publicise scheme at least annually and ensure alignment with FITB and DoA Grant Schemes.	£50,000	£50,000	£50,000
4	Tax Policy	To best incentivise capital investment in Camp (particularly housing)	Can act as a catalyst for investment in Camp, therefore helping to drive Camp GVA improvement	Work alongside the CoC/RBA to ensure that rural tax issues are considered as part of the ongoing FIG-industry discussion. Promote existing tax reliefs.	£0	£0	£0
5	Horticulture Development & Import Substitution	To increase volumes of horticultural production and other areas which help displace imports	Increases Camp GVA by acting as a catalyst for investment and growth	To grow volumes of production via ongoing advice, financing and support.	£15,000	£25,000	£25,000
TOTAL:					£65,000	£85,000	£150,000

* Funding for the Wool Innovation Project is budgeted separately within FIDC for 2018/19 (standing at c. £125,000). The figure here is a place holder for continuation of the project after existing funding expires.

Key Priority Area 3 – WORKFORCE DEVELOPMENT: sustainably growing the Camp labour force and steering younger people towards Camp

	Project	Aim	Strategic Fit	Key Actions / Milestones	2018/19 Budget	2019/20 Budget	2020/21 Budget
1	Agricultural Apprenticeship Scheme	To increase the number of < 40s living and working in Camp	Underpins a strategic target of growing the population of younger people working in the agricultural sector	Provide support for Training Centre, DoA and FLH efforts to reinvigorate this scheme (potentially via travel and subsistence support in particular)	£0	£10,000	£10,000
2	Improve skill levels in Camp	To continuously improve the skill levels in the Camp population	Will increase the skill levels in Camp and look to improve access for that community to training schemes	Proactively publicise the CDS, FIDC and other relevant training schemes to Camp and continue to coordinate Camp-related training. Look at collectively bringing trainers in where that makes sense.	Budgeted Elsewhere FIG/FIDC	Budgeted Elsewhere FIG/FIDC	Budgeted Elsewhere FIG/FIDC
3	Maintain and improve business skill levels	To continue to improve business-related skills in Camp	Fits with the renewed focus on Agriculture as the core of Camp business	Continue with and expand/develop where necessary the 'Farm to Farm Business' training support, focusing on finance, planning, benchmarking, best practice etc.	Budgeted Elsewhere in FIDC	Budgeted Elsewhere in FIDC	Budgeted Elsewhere in FIDC
4	Proactive promotion of Camp life to overseas workers	To facilitate the recruitment of farm workers and look to protect this significant investment by Farms	Will help improve recruitment of overseas workers to Camp, thereby increasing the population.	To devise and implement a collective marketing scheme to raise awareness of employment opportunities across Camp to the overseas market. Also support and advise on contractual elements of overseas employment (e.g. Bonds etc).	£0	£10,000	£5,000
TOTAL:					£0	£20,000	£15,000

Key Priority Area 4 – ENVIRONMENT: managing and protecting the natural environment, includes recognizing and working across the issues of erosion, overgrazing and climate change.

Project	Aim	Strategic Fit	Key Actions / Milestones	2018/19 Budget	2019/20 Budget	2020/21 Budget
1 Renewable Energy Support	To ensure that renewable energy continues to be at the centre of the energy mix in Camp	Meets environmental as well as sustainability goals of RDS. Goal is to both increase capacity as well as look to provide cheaper energy over the longer-term.	To work with the renewable energy providers to ensure sustainability of services and support for systems used across Camp. For impartial, up-to-date expertise to be available to advise camp businesses on renewable energy issues.	£15,000	£15,000	£15,000
2 Renewable Energy Schemes	To leverage new or replacement investment in renewable energy systems	Meets environmental as well as sustainability goals of RDS	Continue with FIDC Rural Energy Grant Scheme to help leverage investment in both new and replacement renewable energy systems	Budgeted Elsewhere in FIDC	Budgeted Elsewhere in FIDC	Budgeted Elsewhere in FIDC
3 Renewable Energy at Fox Bay Village	To reduce the environmental footprint of this publicly managed site	Meets environmental as well as sustainability goals of RDS	Design and implement a renewable energy system at Fox Bay Village	£15,000	£70,000	£15,000
4 Sustainable Land Management	To reduce the impact of erosion, climate change and overgrazing on the agricultural industry	Meets both environmental and also economic development goals of the RDS	To work alongside the DoA on schemes which allow benchmarking and better understanding and management of such issues.	Budgeted Elsewhere in FIG/FIDC	Budgeted Elsewhere in FIG/FIDC	Budgeted Elsewhere in FIG/FIDC
5 Research & Innovation	To maximise the economic and scientific benefits arising to the Agricultural industry from the work of environmentalists/NGOs	Helps to meet both environmental understanding and also potentially economic development goals	To work alongside SAERI/FC and other relevant governmental and non-governmental bodies to ensure appropriate coordination of such environmental projects	£0	£0	£0

6	Waste Management Activities	To facilitate investment in and improvement of waste management practices	To be undertaken in alignment with the FIG Waste Management Strategy; particularly focus is likely to be on the safe and effective disposal of hazardous waste from Camp (e.g. batteries)	To agree an updated grant scheme based on the recently adopted FIG Waste Management Strategy	£15,000	£15,000	£15,000
TOTAL:					£45,000	£100,000	£45,000
Grand Total (all 4 Priorities):					£170,000	£395,000	£210,000



FALKLAND ISLANDS **Rural Development**

***Thank you for your interest in the Rural
Development Strategy***



Falkland Islands Development Corporation
Shackleton House, Stanley

Telephone: +500 27211 |
Email: development.manager@fidc.co.fk
Website: www.fidc.co.fk



Falkland Islands Government
Secretariat, Stanley

Telephone: +500 28421 | Email: policy@sec.gov.fk
Website: www.fig.gov.fk/policy