PURPOSE OF REPORT

To update Members on the Harris Tweed Industry Strategy and proposals for the Comhairle’s future support to the Harris Tweed sector.

COMPETENCE

1.1 There are no legal, financial, or other constraints to the recommendations being implemented.

SUMMARY

2.1 The Harris Tweed Industry Forum (HTF) is an industry led body, currently chaired by the Comhairle. It was originally formed in 2008 as the Harris Tweed Industry Liaison Group, following a time of significant changes in ownership within the industry - accompanied by new investment from both the public and private sector. The HTF comprises private and public sector partners whose aims are to: Collaborate to support and develop the industry; realise the potential for growth; and Plan ahead towards a shared vision for the future.

2.2 Industry restructuring and uncertainty, combined with external economic and market factors have resulted in a significant decline in production since 2008. However, output figures for 2010 indicate that this trend is now being reversed and the industry is confident regarding its future. The HTF has recognised that if Harris Tweed is to continue and grow, there needs to be a radical reassessment of the product, markets and positioning of the cloth, along with a collaborative approach to press coverage, skills and training and seasonality.

2.3 At its inception the group identified a number of key areas for priority activity, all of which have now been taken forward. Central to the work of the group has been the development of an industry strategy, articulating a shared vision for the future. This strategy has now been completed, and in addition to informing the ongoing work of the HTF, it also provides a framework as to how the Comhairle can continue to support the industry over the next three years.

RECOMMENDATIONS

3.1 It is recommended that the Comhairle agree to:

(a) note the work of the Harris Tweed Forum; and

(b) endorse the Harris Tweed Industry Strategy 2010-2012.

Contact Officer: Anne Murray, Economic Development Officer, Ext. 277
Appendix: Harris Tweed Industry Strategy 2010-2013, Action Plan
Background Papers: None
BACKGROUND

4.1 Harris Tweed is a premium and iconic brand, recognised globally as a unique fabric. It is the world's only commercially produced hand-woven tweed, and is protected by an Act of Parliament defining Harris Tweed as one which has been hand-woven by the islanders in their homes in the Outer Hebrides. Cloth must be made from pure virgin wool, with all dyeing, spinning and finishing processes undertaken in the islands.

4.2 The Harris Tweed Industry Forum (HTF) is an industry led body, bringing together industry and support agencies. Formed in early 2008, and chaired by the Comhairle, the Group works together to support and develop the industry. The aims of the Harris Tweed Industry Forum are to: Collaborate to support and develop the industry; Realise the potential for growth; and Plan ahead towards a shared vision for the future.

4.3 The HTF has recognised that if Harris Tweed is to continue and grow, there needs to be a radical reassessment of the product, markets and positioning of the cloth, along with a collaborative approach to shared issues of concern such as press coverage, skills and training and seasonality.

4.4 Central to the work of the group has been the development of an industry strategy, articulating a shared vision for the future. This strategy has now been completed, and in addition to informing the ongoing work of the HTF, it also provides a framework as to how the Comhairle can continue to support the industry over the next three years.

PARTNERSHIP APPROACH

5.1 The following are represented on the HTF:
- Comhairle nan Eilean Siar
- Harris Tweed Authority
- Harris Tweed Hebrides Ltd
- Harris Tweed Textiles Ltd
- Highlands & Islands Enterprise
- Harris Tweed Scotland
- Association of Harris Tweed Weavers
- Harris Tweed Artisans Co-operative

5.2 The group has also been attended by, and has regular contact with, representatives of the Scottish Government, Scottish Development International and Scottish Enterprise’s Textile Team. This partnership approach has already led to significant progress and continued public and private sector focus and investment will be required to achieve the aims of the strategy. This will require a continuation of the collaborative approach of the HTF, and continued positive engagement with Scottish and UK industry and support agencies.

OVERVIEW OF HARRIS TWEED INDUSTRY STRATEGY

6.1 Harris Tweed benefits from global recognition, and is a unique, protected product. The 'Orb' mark alone carries considerable weight among buyers, designers and consumers. Underpinning the strategy is an appreciation of the strengths of the product, and a confidence in the opportunities that exist for the sector to reposition itself and develop growth in premium markets. These include opportunities in relation to the authenticity and provenance of the brand and cloth, product diversification, and opportunities in emerging markets.

6.2 The vision of the strategy is to, "realise the potential of Harris Tweed as a world renowned brand, leading to sustainable growth in the industry and contributing to the economic well-being of the Outer Hebrides."
6.3 In order to realise the potential of Harris Tweed as a world renowned brand. The strategy proposes a focus in three distinct areas: in the marketplace: ensuring Harris Tweed is profiled, promoted and protected appropriately.

- within the industry: by ensuring world class product and service offering through optimising the operational functioning and service provision across the industry.
- throughout the wider community, achieving sustainable growth within the Outer Hebrides economy.

6.4 The strategy covers a three year period, from 2010 to 2013. Key activities have been developed and mapped against these strategic aims. Lead roles are identified, and measures of success outlined. The action plan is included at Appendix 1.

6.5 As opportunities emerge, and circumstances change, the industry will remain flexible in its response to these, seeking to work together for the benefit of the Harris Tweed brand and sector as a whole.

ACTIVITY TAKEN FORWARD BY HARRIS TWEED FORUM

7.1 The collaborative approach of the HTF has already resulted in significant progress, some of the key highlights of which have been:

- Private and public sector investment.
- Re-establishment of Harris Tweed Weavers Association to coordinate the views of the weaving community.
- £280k Harris Tweed Investment Fund established, with Comhairle and European funding secured to assist the industry with seasonality
- Private and public sector investment in a series of global promotional activities.
- Harris Tweed Artisans Group established, representing creative designer makers.
- £200k skills and training programme, funded through EU funding, Comhairle, HIE and Skills Development Scotland. This has led to the training of new weavers, management and production training for existing staff, accreditation to SVQ Level 2 for existing weavers, and putting in place a framework for future training activity.
- Economic Impact Assessment completed.
- £80k Consumer Research study into current perceptions and opportunities in the key growth markets of Russia, Japan and the US. This has also offered individual market opportunity sessions to each of the Harris Tweed producers and the Harris Tweed Authority.

CONCLUSION

8.1 The Comhairle’s commitment to the industry through the HTF has resulted in significant progress towards a new era for Harris Tweed and has allowed a clear vision for the industry to be shaped. All members of the HTF remain committed to working together to realise the economic potential of the industry over the coming period, and it is proposed that the Comhairle do this through continued engagement with and support to the forum, and to the new industry strategy which has been developed.
<table>
<thead>
<tr>
<th>Strategic Aim</th>
<th>Key Activities</th>
<th>Measure of Success</th>
<th>Lead Role</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realise the potential of Harris Tweed as a world renowned brand</td>
<td>Ensure clarity on the definition and interpretation of the act</td>
<td>Agreement on Future Developments secured</td>
<td>HTA</td>
<td>Harris Tweed Companies</td>
</tr>
<tr>
<td></td>
<td>Ensure Harris Tweed ‘Orb’ is actively protected</td>
<td>Resources secured and authenticity guaranteed</td>
<td>HTA</td>
<td>Harris Tweed Companies</td>
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<tr>
<td></td>
<td>Implement a coordinated approach to profiling Harris Tweed brand and industry via web, print and press coverage</td>
<td>Positive press, effective web presence, consistent branding</td>
<td>HTA</td>
<td>Harris Tweed Companies</td>
</tr>
<tr>
<td></td>
<td>Promote Harris Tweed in key global markets</td>
<td>Increase sales and awareness of Harris Tweed</td>
<td>Harris Tweed Companies</td>
<td>HTA</td>
</tr>
<tr>
<td></td>
<td>Develop Electronic traceability scheme throughout the supply chain to embed brand provenance</td>
<td>Scheme in place by 2011</td>
<td>HTA</td>
<td>Harris Tweed Companies</td>
</tr>
<tr>
<td></td>
<td>Assess and implement design and product innovations</td>
<td>20% increase in sales from new products Development of ‘eco’ credentials</td>
<td>Harris Tweed Companies</td>
<td>HTF</td>
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<td></td>
<td>Work with key stakeholders to ensure the continuation of support</td>
<td>Positive support from Scottish Government and key agencies</td>
<td>HTA</td>
<td>Harris Tweed Companies</td>
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<td></td>
<td>Implement productivity improvements in the mills including environmental efficiencies</td>
<td>Increase productivity in the industry by 20% in 3 years</td>
<td>Harris Tweed Companies</td>
<td>HIE/ SMAS</td>
</tr>
<tr>
<td></td>
<td>Increase the efficiency of distribution and delivery scheduling through the weaver supply chain</td>
<td>Increase efficiencies in the industry by 20% in 3 years</td>
<td>Harris Tweed Companies</td>
<td>Weavers Association</td>
</tr>
<tr>
<td></td>
<td>Improve the technical capabilities of handlooms to enhance capacity and design capability</td>
<td>Agree requirements and implement improvements by 2011</td>
<td>HTF</td>
<td></td>
</tr>
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<td></td>
<td>Undertake research into consumer demand and trends in the woollen textile sector</td>
<td>20% increase in sales from new products</td>
<td>Harris Tweed Companies</td>
<td>HIE/ CNES</td>
</tr>
<tr>
<td><strong>Achieve Sustainable Growth of the Harris Tweed sector in the Outer Hebrides</strong></td>
<td><strong>Develop product and process innovations</strong></td>
<td><strong>20% increase in sales from new products</strong></td>
<td><strong>Harris Tweed Companies</strong></td>
<td></td>
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</tr>
</tbody>
</table>
| **Develop design and customer service provision** | **20% increase in sales from new products**  
**Customer focused business culture** | **Harris Tweed Companies** |
| **Implement skills development and training delivery across the industry** | **Increase productivity/ efficiency, workforce development** | **CNES**  
**HTF/ UHI/ SDS** |
| **Encourage new entrants into the Industry** | **15% of the workforce newly entering the industry by 2012** | **Harris Tweed Companies** |
| **Communicate effectively across the supply chain** | **Cooperative ethos throughout the industry** | **Harris Tweed Companies**  
**HTA** |

**By embedding benefits throughout the wider community**

| **By communicating developments in the industry to community, stakeholders and press** | **Cooperative ethos throughout the industry** | **HTF** |
| **Effectively link Harris Tweed sector to tourism, cultural and Gaelic sector initiatives** | **Cooperative ethos throughout the industry** | **HIE/ CNES** |
| **Support the design/ artisan business community** | **Cooperative ethos throughout the industry** | **Small Producers**  
**HTF** |
| **Ensure sustainability of traditional lifestyle options in community** | **Active Weaving Community throughout Lewis and Harris** | **HTF**  
**Weavers Association** |
| **Support skills and learning opportunities affiliated to Harris Tweed sector** | **Provision and uptake of design, manufacture and business development skills** | **CNES/ HIE**  
**UHI** |