

MINUTE

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Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 5 March 2009 at 10am

Present:

J G Simpson	L F Baisley
A T J Cooper	A T Doull
B Fullerton	I J Hawkins
R S Henderson	J H Henry
W H Manson	C H J Miller
R C Nickerson	F A Robertson
C L Smith	J W G Wills

Apologies

L Angus	J Budge
A J Cluness	A G L Duncan
A J Hughson	G Robinson

In Attendance (Officers):

N Grant, Head of Economic Development
D Irvine, Head of Business Development
M Smith, Development Officer
M Henderson, Services and Technologies Officer
B Robb, Management Accountant
L Adamson, Committee Officer

Also:

N McDougall, Financial Controller - SDT
W Grant, Project Manager – SDT
I Napier, NAFC Marine Centre

Chairperson:

Mr J G Simpson, Chairperson of the Com, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

Dr J W G Wills declared an interest in Agenda item 7 as he had a business loan from the Shetland Development Trust (SDT), and he would take no part in the debate.

Mrs C H J Miller said that as she was not a Trustee of the SDT, she would leave the meeting after Item 6.

Dr Wills reported that as this was the first meeting of the Committee following the retirement of Mr Alastair Hamilton who had worked for the Council for over 30 years, he moved that the Committee record their appreciation of the services Alastair has undertaken for the Committee, the Council, and for Shetland. The Committee concurred.

Minutes

The minute of the meeting held on 22 January 2009, having been circulated, was confirmed on the motion of Mr A T J Cooper, seconded by Mr J G Simpson.

Members' Attendance at External Meetings

Mr A T J Cooper advised that he and representatives from HIE Shetland had recently met with local bankers and accountancy firms to discuss the current economic situation. He reported that the local banks had not been aware of any downturn in business loans or private loans, however the difficulty was when larger loans had to be considered by Head Office with Shetland being considered to be in the same situation of recess as is on the mainland. Mr Cooper advised that a piece of work was required to support the loan applications to Head Office to explain that Shetland's economy was still strong and buoyant. Mr Cooper added that regular meetings would be held to keep abreast of the situation.

Mr J G Simpson advised that Mr A J Cluness, T Scott, MSP, and himself had recently met with Mr J Mather, Minister for Enterprise, Energy and Tourism, and reported that Mr Mather was very supportive of Shetland's proposal to establish a Shetland Destination Marketing Organisation (DMO).

21/09

Broadband and Communications

The Committee noted a report by the Development Officer (Appendix 1).

In response to a question from Mr A T J Cooper, the Development Officer reported that within the next few months there should be significant progress on the Community Broadband pilot project to establish wireless broadband networks in Vidlin and Fetlar; negotiations would start with Thus and Faroese Telecom on ways to connect to the Faroese cable and discussions with HIE are planned to discuss a strategy for delivering high speed broadband to rural communities in the Highlands and Islands. The Development Officer added that the recently appointed Manager of HIE Shetland had been responsible for telecommunications in his previous post and therefore his input would be beneficial for Shetland.

Mr W H Manson referred to the proposal that the community broadband trial would run for 3 years, however he said that in that time the entire telecommunications and broadband infrastructure would be changing, and therefore it was important that any early results should be utilised and the information extended to other areas. Mr Manson referred to Section 9.2 of the report, "In Shetland we need to develop a strategic long term plan to ensure that we have telecoms infrastructure required for a healthy economy". He stated that the strategy should be produced as soon as possible, examining all the technologies and ways of financing projects. In response to a question, the Development Officer advised that the timescale for the strategy depends very much on the backhaul to the UK, and for meetings to be held with Faroese Telecom and Thus, however it was envisaged that the Strategy would be prepared during the next few months. In response to a question from Mr Manson that regular update reports are presented to Committee, the Head of Economic Development advised that officers were committed to report progress at every second cycle of meetings.

Mr R C Nickerson referred to the update on the local initiatives for broadband provision to rural communities in the UK, and said lessons could be learned from the small community in Cumbria had commenced preparatory work for a fibre optic network to service their area. Mr Nickerson asked for a report to be prepared to provide more detail on the Community Broadband Network. The Development Officer advised that he had contacted the project team in Cumbria, and they were willing to provide any help they can to Shetland.

Dr J W G Wills referred to a recent conference where it had been established that Shetland's economy depends very much on the same level of broadband as the rest of the UK, and he considered that Shetland should not wait for the three years for improving broadband infrastructure . Dr Wills proposed that the situation in Shetland should be highlighted to the MP and MSPs, and for a co-ordinated campaign by the Council, HIE and parliamentary representatives to get the level of service Shetland is entitled to, and that a further request be made to the Chairperson of HIE for Shetland's situation to be addressed.

Mrs B L Fullerton said that more concentrated effort should be made to lobby mobile phone companies to provide more masts to increase mobile phone coverage in Shetland. The Chairperson said that the requirement to improve Shetland's mobile phone coverage would be included in Dr Will's proposals for better broadband for Shetland.

Ms L F Baisley said that British Telecom had been reducing the number of call boxes, and this was particularly concerning for visitors to the North Isles when in the event of an emergency there was no mobile phone coverage.

In response to a question from Mr Cooper, the Development Officer advised that the pilot scheme at Vidlin and Fetlar was running at a speed of 2 Mbps. Technically the network could cope with a maximum speed of almost 100 Mbps, however it is the backhaul link to Lerwick that restricts the speed users are able to utilise. The backhaul is provided free for the pilot project, however if we want to increase the end user speed then additional bandwidth would be required between Lerwick and the network points in Vidlin and Fetlar.

22/09

Renewable Energy Update Report – November 2008 to February 2009

The Committee noted a report by the Services and Technologies Officer (Appendix 2).

Mr F A Robertson reported on the recent handover of the hydro scheme from the contractor to Foula Electricity Trust, which has provided a 24-hour supply of electricity to the island since November, with some surplus. He added that 90% of the funding had been from external bodies.

In response to a question from Mrs C H J Miller, the Head of Economic Development advised that he would ascertain whether the minutes from Industry Panel meetings should be included in the Committee section of the agenda, rather than under SDT matters.

Mrs Miller referred to Section 3.6 of the report, and stated that Marine Renewables Initiatives were the way forward for Shetland. She said that should Shetland get the interconnector via the wind farm, it would be logical to develop tidal and wave power. Mrs Miller proposed that a Policy should be developed to control and monitor developments and to actively assist companies. The Head of Economic Development said that the first piece of work was to build on the SSMI project to look the potential locations for marine renewable projects in Shetland and to market the projects. Mr Manson stated that the Policy should be developed within the next few years, and it was important to hold onto all elements of local control.

Mr R C Nickerson referred to Section 3.7 of the report, and requested a more detailed report on the Renewable Energy Transport project to include the carbon

footprint of transport in Shetland. Ms L Baisley said that she hoped that some of the smaller islands, for example Fetlar and Whalsay, could be used for the demonstration projects.

In response to a question from Mr A T J Cooper, the Services and Technologies Officer advised that Cradle to Cradle Islands (C2CI) was a 3 year project and was aimed to assist feasibility projects and smaller research projects. Mr Cooper stated that it was important that Shetland receives maximum funding from C2CI. In response to a suggestion from Mrs Miller that consideration be given to C2CI funding with match funding from the Council for universities to carry out research and development work for projects in Shetland, the Head of Economic Development advised that the NAFC was currently looking to engage with universities to carry out joint work with Orkney on the Marine Renewable Centre.

Mr Cooper explained of an issue with the wind turbines supplying heating to community halls with no approved means of measuring the energy. The Services and Technologies Officer advised that Renewable Energy Scotland were in discussion with OFGEM to install accredited meters, and this was being handled at quite a high level through Community Energy Scotland.

23/09

Update on European Activities

The Committee noted a report by the European Officer (Appendix 3).

In response to a question from Ms L Baisley regarding the anticipated announcement on the ERDF funding towards the berthing facility at Fetlar, Mr A T J Cooper advised that a decision had been taken in February, however it was still uncertain when the actual announcement would be made by the Scottish Government Minister.

24/09

SHOAL Update and Developments in Fisheries Management and Regulation in 2009 and their implications for the Shetland Fishing Fleet

The Committee noted a report by the European Officer/Dr I Napier of NAFC on behalf of SHOAL (Appendix 4).

The Chairperson stated that SHOAL would have a significant role this year in the lead up to the review of the Common Fisheries Policy (CFP). Mr R C Nickerson complimented the author on the excellent report and the understandable language that had been used. Mr Nickerson agreed that the next few years would be a difficult time with the review of the CFP and he offered his support in terms of negotiations.

Dr J W G Wills said he had been concerned to read the reports on the discarding of mackerel to the west of Shetland, and it was evident that some boats were using onboard grading equipment to select out the biggest fish, with a vast amount of fish being wasted. Dr I Napier advised that the details of how the ban on discarding marketable fish could be enforced and monitored remain unknown, and agreed that unless observers are onboard the vessels, it would be very difficult to regulate.

Dr Napier pointed out that the problem was not only with the European Commission who set the management framework, but also with the Scottish Government who are responsible for implementing the measures in detail. Many of the problems faced at the moment relate to the ways in which the rules are interpreted.

The Chairperson stated that it was important to put across what was best for Shetland to fit in with the Scottish Government, Defra and the European Government.

Dr Wills said it was essential that Shetland was part of the Public Inquiry, and suggested that the Fisheries Minister for Scotland and the Fisheries Minister in Westminster should be invited to Shetland.

Mrs B L Fullerton stated that the ludicrous rules agreed in Brussels had to be changed, as local boats would have to cut the number of crews, and boats would be going out of business.

Ms Baisley referred to Europe's proposal to monitor the catch from hobby and recreational fishermen. The Chairperson advised that SHOAL would be lobbying against this proposal.

The Chairperson expressed his appreciation on the work being done by Dr Napier to co-ordinate this complex subject, and thanked Dr Napier for attending the meeting.

25/09

Public Activity Report – January and February 2009

The Committee noted a report by the Head of Economic Development (Appendix 5).

In response to a request from Mr R C Nickerson, the Head of Business Development agreed to attend the next meeting of the Culture Strategy Group to provide an update on the Islands Year of Culture 2011 project.

In response to a question from Mrs I J Hawkins on the timescale for the Childcare Strategy in order to make progress with the Little Tykes nursery, the Head of Economic Development advised that the Strategy would be presented to Services Committee in May, and the economic development aspect would form part of the strategy. In response to a question from Mr W H Manson, the Head of Economic Development advised that the Childcare Strategy short-life working group comprised mainly of officers, with Member representation through Cllr Robinson as the Chairperson of the Childcare Partnership. Mr Manson asked that as Spokesperson for Education and Young People, he should be briefed on the content of the Strategy before it is presented to Committee.

Mrs B L Fullerton referred to Section 4.1 in the report, and said she was heartened by the number of recent new project enquiries considered at the New Projects Meeting, particularly in the current economic climate, and she hoped that this level of enquiries would continue.

In response to a questions from Mrs C H J Miller regarding the Drydock/Shiplift study brief and subsequent funding proposals, the Head of Economic Development advised that the research work would be undertaken in-house wherever possible, only utilising specialist advisers when there was a definite need, and any financial support for the project would depend on the outcome and benefits from the research. Mrs Miller suggested that the study should include vocational training for engineers and welders to support the economy.

26/09

An Update on LEADER and the Future Co-ordination of the Shetland Programme

The Committee considered a report by the Head of Business Development (Appendix 6).

Mr R C Nickerson said he had some concern with the proposed grade for the post of Programme Co-ordinator, possibly being somewhat on the low side to recruit a quality candidate. The Head of Business Development advised that the proposed grade was based on the grades used by other Councils, however should the recruitment option be agreed the job description was still to go through the Single Status process.

Mr A T J Cooper said it was important that the Co-ordinator was a dedicated individual, and although officers at the Economic Development Unit would carry out some of the day-to-day functions, this was an opportunity for the Council to decentralise a job into the community, possibly to be carried out by one of the social enterprises. Mr Cooper moved that the Committee approve the additional resources being sought by the Head of Business Development to co-ordinate the LEADER Programme through an external agency, and in the event that no party can fulfil the criteria an appointment be made by secondment and/or recruitment as proposed in paragraph 6. Ms L Baisley seconded.

The Head of Business Development clarified that the Local Action Group (LAG) would consider the recommendation from Committee when making the final decision on the best method to recruit the Programme Co-ordinator.

In response to a question from Mrs I J Hawkins, Mr Cooper explained that the recruitment costs would be met from the LEADER programme, however in order to curtail expenditure, the recruitment process should be undertaken locally and carried out in the most cost effective method as possible.

Dr J W G Wills moved as an amendment, that the Committee approve the recommendation in the report. Mr R C Nickerson seconded.

Voting took place by a show of hands, and the result was as follows:

Amendment (Dr J W G Wills)	5
Motion (Mr A T J Cooper)	8

(Mrs C H J Miller left the meeting).

Shetland Islands Council as Trustee of Shetland Development Trust

27/09 Shetland Development Trust Annual Accounts, for Year Ending 31 March 2008

The Committee considered a report by the Financial Controller, SDT (Appendix 7), and on the motion of Mr A T J Cooper, seconded by Ms L F Baisley, approved the recommendation contained therein.

In response to a question from Ms Baisley, the Financial Controller SDT advised that in his opinion future draft accounts would have to be aggregated to fit with the timetable of the Council. The Management Accountant clarified that the 2007/08 were true accounts of the SDT, however future accounts would be reported as part of the group accounts of the Council, with some background information reported to SDT.

28/09

Mareel, Cinema and Music Venue – Sounding Board Feedback Report #2

The Committee noted a report by the Head of Economic Development (Appendix 8).

Dr J W G Wills referred to Section 4.2.4.1 in the report, and asked for sight of the correspondence whereby the Health and Safety Executive (HSE) were lifting the restriction around the Fuel Storage tanks at the North Ness. The Head of Economic Development reported that he would source the documents for Dr Wills. In response to a further question, the Head of Economic Development advised that, as far as he was aware, G B Oils would be paying for the modifications to be carried out to the storage tanks, and the costs would not be recharged to the Mareel budget.

In response to a question from Dr Wills regarding the potential noise from the pump house to be incorporated into the Mareel site and whether any additional sound installation would be required, the Head of Economic Development advised that he would raise this matter with the Sounding Board.

In order to avoid the disclosure of exempt information, Mr J G Simpson moved, Mr A T J Cooper seconded, and the Committee agreed to exclude the public in terms of the relevant legislation during consideration of agenda item 9.

(Representatives of the press and public left the meeting.)

29/09

Non-Public Activity Report – January and February 2009

The Committee considered and discussed various issues contained in a report, by the Head of Economic Development, which provided the Committee with an update of existing investments, initiatives and other issues affecting the operation of the Trust.

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J G Simpson
CHAIRPERSON