

MINUTE

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**Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 30 April 2009 at 10am**

Present:

J G Simpson	L F Baisley
J Budge	A J Cluness
A T J Cooper	A T Doull
A G L Duncan	F B Grains
I J Hawkins	R S Henderson
J H Henry	A J Hughson
C H J Miller	R C Nickerson
F A Robertson	G Robinson
C L Smith	J W G Wills

Apologies

L Angus
B L Fullerton
W H Manson (for lateness)
A S Wishart

In Attendance (Officers):

N Grant, Head of Economic Development
D Irvine, Head of Business Development
N Henderson, Principal Officer – Marketing
J Dunn, Agricultural Development Officer
B Robb, Management Accountant
J R Riise, Head of Legal and Administration
L Adamson, Committee Officer

Also:

N McDougall, Financial Controller - SDT
F Dally, Project Manager, Tall Ships Races
S Coutts, AB Associates Ltd.

Chairperson:

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

Circular:

The circular calling the meeting was held as read.

At this point the Chairperson ruled that, due the timescales involved, Item 16 had been added to the agenda as a matter of urgency, in terms of subsection 4 of Section 50B of the Local Government (Scotland) Act 1973.

Declarations of Interests

Mrs C H J Miller - Advised that as she was not a Trustee of the Shetland Development Trust she declared an interest in Agenda Items 9 and 10, however as these items were to be held in public at the Chairperson's discretion she would remain in the Chamber, but would leave the Chamber during the discussion on Items 14 – 16.

Mrs I J Hawkins – Declared an interest in Items 7 and 9.

Dr J W G Wills – As he had a business loan from the Shetland Development Trust, he would take no part in any discussion regarding other people's loans.

Mr A G L Duncan – Declared a pecuniary interest in Items 13 and 16.

Mr R S Henderson – Advised of a family interest in Agenda Item 3.

Mr J H Henry – Declared an interest in Agenda Item 16.

Mr A T Doull – Declared an interest in Agenda Item 11.

Minutes

The minute of the meeting held on 5 March 2009, having been circulated, was confirmed on the motion of Mr J G Simpson, seconded by Mr A T J Cooper.

Members' Attendance at External Meetings

None.

30/09

One Life Live Event

The Committee noted a report by the Principal Officer – Marketing (Appendix 1).

Mr A G L Duncan said he applauded the work being done to promote Shetland, however his concerns were that there had been no communication with the Housing Service when encouraging people to relocate to Shetland with the current housing situation. He added that an influx of people moving to Shetland could also result in locals having to leave Shetland to find work. In response to Mr Duncan's concerns over communication, the Principal Officer – Marketing pointed out that the plans to attend the event had been clearly outlined at the previous Development Committee but that efforts would be made to address this for future similar situations. Mr R S Henderson said that it was probable that people relocating to Shetland would be looking to buy private property, rather than renting. Mrs I J Hawkins said that a joined up approach was needed to promote Shetland but with a realistic theme.

In response to a question from Mr C L Smith regarding feedback on the website, the Principal Officer – Marketing reported that whilst there had been a significant increase in newsletter registrations through the Shetland.org website following the Event, the number of actual direct enquires was 20.

Ms L Baisley commented that the newsletter contained a variety of positive reports on Shetland. Mrs C H J Miller commended the work being done to promote Shetland, but said that the Council had a lot to do to grow the economy and population, and agreed that there was a need for joint working. Mrs Miller moved that the Committee approve the recommendation in the report.

During the discussion, Mr A T J Cooper reported on the current housing and school role situation in his area, and said there was a need to encourage people to move and work in Shetland. It was reported that the Shetland.org website provided an excellent picture of Shetland and was a valuable guide for people who were considering coming to Shetland.

Mr R C Nickerson seconded.

31/09

Shetland Food Festival

The Committee noted a report by the Principal Officer – Marketing (Appendix 2).

The Principal Officer – Marketing provided a brief report from the Food Festival 2008 Event, advising that the issues that had arisen during the Festival would be addressed before the 2009 Event.

Mr J Budge said that the Festival had been a good attempt to raise the profile of Shetland food, however he said that a long-term approach was needed for the food and drink sector, and suggested that a dedicated Co-ordinator and possibly more financial input was required to take it forward. The Principal Officer - Marketing advised that the issues raised by Mr Budge would be discussed at a General Industry Panel (Food and Drink) arranged for 21 May.

32/09

Public Activity Report – March 2009

The Committee noted a report by the Head of Economic Development (Appendix 3), and updates were provided on the following:

Move to Solarhus Building

It was reported that EDU and HIE staff had relocated to the Solarhus building.

Flavour of Shetland

In response to a comment from Mrs C H J Miller, the Principal Officer – Marketing confirmed that in addition to seafood, he hoped that beef and lamb products would be available at the Event in June.

Sumburgh Airport

Mr R C Nickerson referred to the original proposal for a “Welcome to Shetland” garden at the junction near the airport, and asked whether this part of the project had been removed. The Principal Officer – Marketing advised that he would follow this up and report back to Mr Nickerson.

Childcare Strategy

In response to a question from Mr C L Smith, it was reported that the Strategy would be presented to the next Services Committee.

First Time Shareholders Scheme State Aid Updates

Mrs I J Hawkins said she hoped that the meeting on 5 May would conclude the outstanding cases.

New Project Enquiries

Dr J W G Wills commented that the number of new project enquiries was very encouraging, considering the reports that local banks have been prevented from lending. The Head of Business Development reported that 22 new enquiries had

been received since 1 April, 12 being from existing businesses and 10 from business start-ups. He added that the Business Gateway was proving very positive.

Mr A T J Cooper reported that at a recent meeting with local bankers it had been proposed that evidence be prepared to illustrate that Shetland was not in the same situation of recess as other areas. Mr Cooper asked whether it would be possible to update the "Input/Output Study" or whether some other means would be best to address this. The Head of Business Development said that there had been discussions to update the Study, however no progress had been made.

LEADER Programme

In response to a question from Mr R C Nickerson, the Head of Business Development explained that the delay with outsourcing some of the LEADER co-ordination function was due to the recent launch of the Business Gateway and the move to the Solarhus, however work would now progress to deal with the lead situation.

33/09

The Tall Ships' Races 2011

The Committee noted a report by the Project Manager (Appendix 4).

Mr A J Cluness declared an interest as a representative on the Tall Ships Committee.

Mr Cluness reported on progress with arranging the Tall Ships' event, and advised that the Committee were looking to minimise the funding from the local authority and were proposing to deliver the Flavour of Shetland event as part of the Tall Ships' Races activities. Mr Cluness moved that the Committee approve the recommendations in the report. Mr R C Nickerson seconded.

34/09

New Scalloway Museum

The Committee considered a report by the Head of Business Development (Appendix 5).

The Chairperson commented that this was a very worthwhile project, which had strengthened ties between Shetland and Norway. Mr A J Cluness agreed that this was a hugely important project, and he congratulated the individuals who had been involved in taking the project forward. Mr Cluness moved that the Committee approve the recommendation in the report. Mr C L Smith seconded.

In response to questions that SBFS Properties Ltd was not registered for VAT, the Head of Business Development advised that the proposed costings were inclusive of VAT, and he would seek further explanation on this matter following the meeting.

In response to a question, the Head of Business Development explained that the project was proposed at the higher level, as it was the aspiration to provide a higher quality service. He reported that the project could work at the lower cost and would provide a first-rate museum, however the more expensive proposal would provide a much better facility. Mrs I J Hawkins explained that the level of grant from the Council would be the same whichever model was agreed, and that further monies is anticipated from external sources.

35/09 **INTEREG Project – Venture Capital Funding**
The Committee considered a report by the Head of Economic Development (Appendix 6).

After hearing the Head of Economic Development summarise the main terms of the report, Mr A J Cluness moved that the Committee approve the recommendation in the report, and Mr R S Henderson seconded.

36/09 **EnWRAP – Energy from Waste – Realising Aquaculture’s Potential**
The Committee considered a report by the Head of Economic Development (Appendix 7).

The Agricultural Development Officer summarised the main terms of the report.

Mr R C Nickerson said that he supported this project, and the proposal for the NAFC Marine Centre to work in collaboration with a university outwith Shetland. In response to a question from Mr Nickerson the Agricultural Development Officer advised that a central part of the project was the establishment of a Steering Group, and he confirmed that the Council’s Waste Services Manager would be invited by the Project Manager to be part of that Group. Mr Nickerson reported on a similar project in the Western Isles, which had not been as successful as had first been expected, and suggested that the Western Isles project team should be consulted to gain knowledge.

[Mr W H Manson attended the meeting].

In response to concerns from some Members regarding the potential affects that project could have on the fishmeal factory at Heogan, the Agricultural Development Officer advised that he would expect the Project Steering Group to engage with the fishmeal factory, and he clarified that this was currently a pilot project, which would essentially be laboratory based in Newcastle.

Mr A T J Cooper moved that the Committee approve the recommendation in the report. Mr Cooper said that he would like to see engagement with local industries also currently looking at waste disposal options. Mr A T Doull seconded.

37/09 **Shetland’s Single Outcome Agreement – 2009**
The Committee considered a report by the Head of Organisational Development (Appendix 8), and on the motion of Mr A J Cluness, seconded by Mr C L Smith, approved the recommendations contained therein.

38/09 **Fisheries Training Programme – Skillseekers
SVQ Level 2 Marine Vessel Support (Fishing)**
The Committee considered a report by the Project Manager (Appendix 9), and on the motion of Mr R C Nickerson, seconded by Mr J H Henry, approved the recommendations contained therein.

Mr A T J Cooper said there was a requirement for self-employed individuals to be able to maintain and enhance their skills through attending college courses, and he proposed that a report should be prepared to Development Committee to address this. The Head of Business Development advised that discussions on training

support for small businesses were in progress at the EDU. In response to a question, the Head of Business Development agreed that the report would be presented in the autumn.

Shetland Islands Council as Trustee of Shetland Development Trust

39/09

Mareel, Cinema and Music Venue **Sounding Board Feedback Report #3**

The Committee noted a report by the Head of Economic Development (Appendix 10).

The Head of Economic Development advised that he was still to provide Dr J W G Wills with a copy of the letter relating to the lifting of the restriction around the fuel storage tanks at the North Ness. In response to a question, the Head of Economic Development clarified that the letter stated that permission would be granted subject to the tank modifications being completed.

In response to a question from Dr Wills regarding the sewage pumping tank, the Head of Economic Development advised that written agreement had not been received, however the project team had concluded that Scottish Water were amenable to the development.

In response to a question from Mr G Robinson relating to Section 4.2.4.1 of the report, the Head of Economic Development advised that to the best of his understanding the Local Authority would not be liable for the costs relating to modifications to the fuel tank.

Development Committee

In order to avoid the disclosure of exempt information, Mr J G Simpson moved, Mr C L Smith seconded, and the Committee agreed to exclude the public in terms of the relevant legislation during consideration of agenda items 11 to 16.

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

[Mr R C Nickerson and Dr J W G Wills left the meeting].

40/09

Shetland Livestock Marketing Group

The Committee considered a report by the Head of Economic Development.

In response to a question from Mr A J Hughson, the Head of Economic Development advised that the reason for this report to be considered in private was that it contained information relating to a private company.

Members agreed that Mr S Coutts, a representative of AB Associates Ltd., and contracted by SLMG, could remain in the Chamber during the discussion on this item, and to supply information if appropriate.

Mr A T Doull clarified his position regarding his declaration of interest in this item, advising that he was a partner in an agricultural business, and that business was a

member of the Shetland Livestock Marketing Group (SLMG). Mr Doull said that he would take part in the meeting to represent the agricultural community in the Shetland North Ward.

[Mr Nickerson returned to the meeting].

Mr J Budge reported that at Development Committee on 22 January, he had declared an interest as a member of SLMG, however he clarified that he had not been a member at that time as he had not paid his membership, and he was not a member now.

[Dr Wills returned to the meeting].

Some discussion took place regarding the importance of ensuring that information contained in confidential reports was not disclosed. It was reported that this situation could in fact deter businesses coming forward for assistance, in the knowledge that competitors could glean sensitive information.

Mr A J Cluness moved that the Committee approve the recommendation in the report. Mrs L F Baisley seconded.

Mr Duncan moved as an amendment that SLMG receive no further money. Dr J W G Wills seconded.

[Mr R C Nickerson gave notice of a further amendment].

After further discussion, and following summing up, voting took place by a show of hands, and the result was as follows:

Amendment (Mr A G L Duncan)	1
Motion (Mr A J Cluness)	14

(Dr J W G Wills and Mr C L Smith abstained from voting).

The Chairperson commented that the representative from AB Associates Ltd would take on board the points raised, and that the decision today would allow the full report to be presented to Committee and for the decision to be made.

Mr R Nickerson moved as an amendment that he supported the recommendations in the report, but would include a further Recommendation 8.1 (iii) that the EDU commission a long-term strategy for the agricultural industry, and for a report to be submitted to Development Committee on the outline and scope of a Strategy within two meeting cycles. Dr J W G Wills seconded.

During the discussion that followed, Mr A J Cluness agreed to include Mr Nickerson's amendment into his motion. It was confirmed that it was only the actual scoping of the Strategy that was required within the timescale, and that the 10 Year Strategy would in no way delay progress with an abattoir for Shetland.

41/09

Shetland Soda Company (Shetland Spring Water Company)

The Committee considered a report by the Head of Business Development, and on the motion of Mr A J Cluness, seconded by Mr R C Nickerson, approved the recommendations contained therein.

Mrs F B Grains referred to the decision for updates on the Mareel project to be reported to each cycle of meetings, and proposed that similar reporting should be undertaken for other projects to ensure Members are kept informed of decisions and progress being made. Ms L F Baisley said that COPE was seen as an exemplary company with the excellent work it does and the good products that are made, however she agreed that the company could benefit from better monitoring.

Mr A J Hughson referred to Section 5.1 of the report, and suggested that the Council could support COPE Limited by using their soap products in Council premises.

42/09 **JK Mainland Butchers Farm Shop**
Application for Loan Assistance

The Committee considered a report by the Project Manager, and on the motion of Mr A T Doull, seconded by Mr R S Henderson, approved the recommendation contained therein.

[Mrs C H J Miller left the meeting].

Shetland Islands Council as Trustee of Shetland Development Trust

43/09 **Non-Public Activity Report – March 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.

44/09 **Note of the Fisheries Panel – 11 March 2009**

The Committee noted the minute of the above meeting.

45/09 **Note of the General Industry Panel (Renewables) – 13 March 2009**

The Committee noted the minute of the above meeting.

01/09 – Shetland Renewable Energy Strategy

Mr R C Nickerson advised that he had left the meeting following the discussion relating to paragraph 3 on Page 3 of the minute.

[Dr J W G Wills left the meeting].

46/09 **Note of the Tourism and Culture Panel – 31 March 2009**

The Committee noted the minute of the above meeting.

[Mr A G L Duncan and Ms L F Baisley left the meeting].

47/09 **Judane – Outstanding Loans**

The Committee considered a report by the Head of Economic Development.

The Chairperson apologised for the late production of the report, but he was aware that some of the information needed had only become available at a meeting with the Directors held on the previous day.

After discussion, during which the Head of Legal and Administration provided Members with detailed advice, Mr A J Cluness moved that the Committee support the proposal that delegated authority be given to the Chief Executive, or his nominee, to enter negotiations. Mrs I J Hawkins seconded.

The Head of Legal and Administration proposed that the delegated authority include a consultation link with senior officer bearers, being Mr A J Cluness for the Council, and Mr J G Simpson for the SDT.

[Ms Baisley returned to the meeting].

Members agreed that the Delegated Officer would provide an update report to the next meeting of the Committee.

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J G Simpson
CHAIRPERSON