

MINUTE

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Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 1 October 2009 at 10am

Present:

J G Simpson	L F Baisley
J Budge	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	R C Nickerson
F A Robertson	G Robinson
C L Smith	J W G Wills
A S Wishart	

Apologies

L Angus	A J Cluness
B L Fullerton	C H J Miller

In Attendance (Officers):

N Grant, Head of Economic Development
D Irvine, Head of Business Development
M Smith, Economic Development Officer
L Coutts, Area Economic Development Project Manager
M Henderson, Services and Technologies Officer
T Coutts, Research Officer
J Riise, Head of Legal and Administration
C Albutt, Senior Assistant Accountant
L Adamson, Committee Officer

Chairperson:

Mr J G Simpson, Chairperson of the Committee, 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 1 (Section 3.9) being a commercial tourism operator. He referred to his e-mail dated 30 September, where he had advised that he intended to leave the Chamber for Item 12 and take no part in discussion because a) he has an unresolved commercial dispute with Frank Miller over his unauthorised use of his copyright material; and b) he has a business loan from SDT. Dr Wills had also indicated that he would be leaving the Chamber during the discussion on the SDT reports.

Mr A G L Duncan advised that he would be leaving the Chamber during the discussion on Item 12.

Minutes

The minutes of the meetings held on a) 17 July 2009, and b) 27 August 2009, having been circulated, were confirmed on the motion of Mr C L Smith, seconded by Mrs I J Hawkins.

Members' Attendance at External Meetings

None.

91/09 Public Activity Report - August 2009

The Committee noted a report by the Head of Economic Development (Appendix 1), and updates were provided on the following:

Fetlar Working Group

In response to a question from Mr A S Wishart relating to the ERDF funding application for the berthing face element of the Fetlar breakwater project, the Head of Business Development explained that the Council had applied and been successful to receive ERDF funding, however as it had not been possible for the project to start this financial year the funding has been de-committed. He advised that assuming the project would go ahead next year a fresh application had been submitted.

Ms L F Baisley outlined her concerns that the project was no further forward and that a significant amount of external funding had been offered and then retracted. Members noted that the delay was due to the project not being included on the Council's Capital Programme, and the Committee agreed that the project would be considered at the Capital Programme meeting arranged for next week. Mr A T J Cooper said that should assurance be given at that meeting that the project was included in the Capital Programme, consultation could take place with H&IPP to assist with the application.

Business Gateway

Mr A J Hughson noted that recent enquiries at the Business Gateway had included 6 clients being referred to Train Shetland to participate in training, and said that he welcomed the joint working approach.

Vessel Maintenance Facility Study

In response to a question, the Research Officer explained that the procedure to engage a suitable specialist adviser to work on the consultancy brief was a two stage process, with the study brief being submitted to a number of specialist consultancy firms inviting them to tender, in conjunction with an advertisement being placed in a number of relevant journals.

Shetland Events and Festivals Strategy

Dr J W G Wills said he welcomed the progress being made with this Strategy. He noted that the initial meeting to discuss the approach to be taken was to be held

soon, and asked that the need to widen Shetland's tourist season should be borne in mind.

92/09 **Update on European Activities**

The Committee noted a report by the European Officer (Appendix 2).

The Chairperson reported on his attendance at a recent meeting of the CPMR in Brussels, where he had been invited to give a presentation on the impact on the lead up to the review of the Common Fisheries Policy.

In response to a question from Mrs I J Hawkins, it was reported that the European Officer was to represent the Council on the Scottish Government's EFF Project Assessment Committee.

93/09 **Flavour of Shetland 2009
Evaluation Report**

The Committee noted a report by the Research Assistant (Appendix 3).

Ms L F Baisley said that this was an excellent report and event. She noted however that the return rate of the questionnaire to be completed by the vendors had been quite a low, and enquired whether the information given was anonymous, and whether any incentive could be included to encourage returns. The Research Officer explained that the surveys were not anonymous however in collating the comments the individuals could not be identified. He added that currently there was no obligation on vendors to respond to the questionnaire. Dr J Wills noted from the results that more than half the vendors had indicated that they had found the event to be beneficial, and he suggested it could be made a requirement of attending the event that businesses complete the questionnaire.

In response to a concern from Mr A J Hughson regarding the low response from the visitor questionnaire, the Research Officer advised that there had been an incentive of a prize draw with the visitor questionnaire. The Chairperson commented that there was a need to find ways to encourage better feedback from visitors and participants at the event.

Mr R C Nickerson reported that a meeting of the Johnsmas Foy Working Group was being arranged as there was some concern relating to the future of the event. The Head of Economic Development commented that the Flavour of Shetland event was planned as a core event at both the Hamefarin in 2010 and the Tall Ships Race 2011.

94/09 **Renewable Energy Update Report – June 2009 to September 2009**

The Committee noted a report by the Services and Technologies Officer (Appendix 4).

Mr F A Robertson commented that it was very encouraging that the Development Officer had been appointed to take forward the marine renewable project from a scientific point of view.

95/09

Analysis – Impact of Upcoming Development Projects on Accommodation Provision in Shetland

The Committee considered a report by the Research Assistant (Appendix 5).

Dr J W G Wills referred to Section 8.2 of the report, and said that he had some concerns that the arrival of a large number of workers to Shetland would have a negative effect on the tourism, food and drink and certain manufacturing sectors. Dr Wills suggested that it could be made a condition of the individual construction projects that a certain amount of accommodation is provided by the developer.

In referring to recommendation 10.1(b), Mr R C Nickerson suggested that more effort was required than solely monitoring the impacts, and to be more proactive to consider all the measures to enhance the potential benefits for Shetland. Mr Nickerson moved that the Committee approve the recommendations in the report, but proposed that a strategy should be developed. He added that these were major construction projects for Shetland in a 2-3 year period, which could be controlled through the planning process.

The Research Officer referred to Section 8.4 of the report, and explained that the proposal was for active engagement between other Council's departments, to work together to create a strategy and a way forward to mitigate the negative impacts.

Mr A T J Cooper reported that should the Council deliver all its proposed projects the situation was worse than stated in the report, and the report drastically underestimates the situation as the total amount of money committed by the Council in the next 5 years would be nearer £162m. However Mrs I J Hawkins said that she considered that the report possibly overemphasised the situation as a number of the projects were underway, or in some instances had not as yet received planning permission.

Mr F A Robertson said that each contract should be looked at separately, and for the detail on the expected workforce, length of the project, and the accommodation proposals and requirements, to be considered at the planning stage.

The Head of Economic Development explained that the proposal was to present a further report to the Executive, to gain agreement on how best to take this forward with the other Council departments.

In seconding, Dr J W G Wills proposed "and other Departments" should be included in Recommendation 10.1(b).

[Mr J H Henry attended the meeting].

96/09

Childcare Sector Financial Assistance Schemes

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 G Robinson said that he welcomed the creation of the two schemes, and that he agreed with the Head of Economic Development's comments that caution had to be demonstrated to ensure the support offered does not destabilise the sector. Mr Robinson moved that the Committee approve the recommendations in the report.

In seconding, Ms L F Baisley commented that the schemes would appear to fit the sector's needs and to be flexible to allow individual groups to access the assistance.

In response to a comment from Mrs I J Hawkins, it was reported that the schemes focused more on smaller businesses in rural areas, and that service provision in Lerwick and Scalloway was currently being taken forward by another group.

97/09

Telecommunications

The Committee considered a report by the Economic Development Officer (Appendix 7).

The Economic Development Officer provided an update on the Community Broadband projects in Fetlar and Vidlin, advising that both areas were almost complete.

Mr A S Wishart moved that that the Committee approve the recommendations in the report, and in relation to Recommendation 10.1(b) he nominated Mr A Cooper, Mr R Nickerson and Ms L Baisley for appointment to the Telecoms Member/Officer Working Group.

Mr F A Robertson nominated Mr G Robinson.

Mr Nickerson advised that he would have to decline the appointment, as there could be a conflict of interest as a family member works in the telecommunications industry. Mr Cooper, Ms Baisley and Mr Robertson accepted their appointments to the Working Group.

Ms L F Baisley seconded. In response to a question from Ms Baisley, the Economic Development Officer confirmed that mobile phone coverage was included in the remit of the Telecoms Team.

98/09

Promoting Business Energy Efficiency in Shetland

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

Mr A T J Cooper said that he welcomed this new grant scheme. In moving that the Committee approve the recommendations in the report, Mr Cooper referred to the proposals in paragraphs 5.6 and 6.3 that the SMEs should be contacted one year after implementation of their project to ascertain the impact and benefits on their business, and proposed that monitoring should be extended to a period of 3 years, for a better understanding of the benefits to be obtained. Mr R C Nickerson seconded.

99/09

Scotland's Islands 2011

The Committee considered a report by the Head of Business Development (Appendix 9).

In introducing the report, the Head of Business Development reported that Orkney had been the first Council to commit to this project, and that Shetland was next to consider the proposals. He added that a key element of the project was funding from the Scottish Government, however to date no commitment had been given as to whether funding would be available.

Mr R C Nickerson reported that the Cultural Strategy Group had recently endorsed the project. In referring to Section 7.1 of the Operational Plan, which outlined the main categories of economic impact, he commented that there could be challenges ahead and that he also had some concerns with the timescales. He added that 2011 was an important year for Shetland with the Tall Ships event, and this project would provide an excellent counter-balance to the central belt and would be positive for Shetland. Mr Nickerson moved that the Committee approve the recommendations in the report. Mrs F B Grains seconded.

100/09

Heritage Tourism Development Scheme

The Committee considered a report by the Area Economic Development Project Manager (Appendix 10).

Mr R C Nickerson moved that the Committee approve the recommendations in the report. In seconding, Dr J W G Wills said that he welcomed the scheme as the assistance would provide heritage and visitor centres with extra income to open for longer in the year.

Shetland Islands Council as Trustee of Shetland Development Trust

101/09

Mareel, Cinema and Music Venue
Sounding Board Feedback Report #6

The Committee noted a report by the Head of Economic Development (Appendix 11).

The Head of Economic Development reported that the project had required the allocation of £60,000 of contingency funding for additional works.

[Dr J W G Wills and Mr A G L Duncan left the meeting].

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 items 12 to 14.

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

102/09 **Judane Ltd. – Outstanding Loans**

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

Following an extensive discussion, and the benefit of advice from Officers, Members explored the means of obtaining the best return to the public purse. Mr G Robinson made an appropriate motion in this regard, which was seconded by Mr C L Smith, and officers were charged to pursue the negotiated settlement on the terms proposed.

[Mr A S Wishart left the meeting].

[Mr Duncan returned to the meeting].

103/09 **Non-Public Activity Report – August 2009**

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

Mr G Robinson reported on discussions at a meeting of SHEAP, regarding the considerable amount of heat wasted from the District Heating Scheme during the summer months, and whether this could be utilised towards an economic development activity.

In response to a question from Mr A J Hughson, it was reported that the Financial Controller, SDT, would provide Members with a brief explanation relating to a temporary arrears as outlined in the Debtors Summary report.

104/09 **Note of the Agriculture Panel – 26 August 2009**

The Committee noted the draft minute of the above meeting.

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J G Simpson
CHAIRPERSON