

MINUTE

B

Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 21 January 2010 at 10am

Present:

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

Apologies

A G L Duncan

In Attendance (Officers):

D Clark, Chief Executive
N Grant, Head of Economic Development
D Irvine, Head of Business Development
N Henderson, Principal Officer - Marketing
S Spence, European Officer
N McDougall, Financial Controller
S Keith, Project Manager
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 Wills advised that he had a business loan with SDT, and would not be present for any discussion on the affairs of Judane.

Mrs C Miller advised that she would take no part in the exempt items relating to the SDT, and would leave the Chamber.

Mrs B Fullerton declared an interest in Agenda Item 11.

Minutes

The minute of the meeting held on 19 November 2009 was confirmed on the motion of Mr J Simpson, seconded by Mr A Cooper.

Members' Attendance at External Meetings

Mr J Simpson - London Boat Show – 11/13 January
- Scottish Fisheries Council Meeting, Edinburgh – 18/19 January

(Mrs I Hawkins attended the meeting).

01/10 **Public Activity Report – November and December 2009**

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

Publicly Funded Catering Establishments

The Head of Economic Development referred to the decision last year for Council funding to catering establishments to be eliminated, and reported that the establishments were working very well towards this target with the EDU.

In response to questions, the Head of Economic Development explained that each of the catering establishments had agreed to a three year reduction plan, which would reduce the total funding from £429,000 to only £50,000, however he did not foresee the funding reducing below this level as there would likely be opportunities for encouragement of food events and development of local produce. Members noted the intention for the funding to be distributed fairly.

Promote Shetland

Dr J Wills advised that the Shetland Tourism Association supported the proposals in Promote Shetland's Operational Plan, and he congratulated Mr A Steven and his staff on the work done. Mr R Nickerson advised that a meeting would be arranged between Mr Steven, EDU officers, and himself to discuss extending the use of the Shetland flag to promote Shetland.

Mr J Simpson reported that Mr Philip Riddle, the Chief Executive of VisitScotland would be in Shetland on 25 February.

Mrs I Hawkins reported on a recent decision at Harbour Board for the Council to take a stand at the Fisheries Exhibition in Glasgow, with assistance from the EDU's Marketing Section. The Head of Economic Development explained that the EDU budgets had recently been cut back and therefore the limited resources had to be allocated to the best projects. Mr R Nickerson explained that the support from the EDU was more towards marketing the event with some refreshed material being produced, and that the event could be funded through Ports and Harbours and the companies participating in the stand. Following some further discussion, the

Chairperson suggested that a meeting should be arranged to further discuss this proposal, with a report prepared for Committee.

Shetland Telecom

The Head of Economic Development reported that the first significant step would be the connection to the SHEFA cable as this would “light up” the fibre link between Bigton and Lerwick, and in terms of roll out, the impact would be reliant on the fibre optic links and radio technology.

New Business Start Ups

Mr A Wishart suggested that comparative business start-up figures and benchmarks with other island groups or Scottish comparisons would be beneficial. The Head of Economic Development advised that this information was available and would be presented to the next meeting.

In response to a suggestion from Mr R Nickerson on investment performance, the Head of Economic Development agreed to prepare a report within two cycles, on the investments of this Committee for the past 10 years.

02/10

Progress Report of Business Gateway Service

The Committee noted a report by the Head of Business Development (Appendix 2).

After hearing the Head of Business Development summarise the main terms of the report, Mr A Hughson reported that feedback from users of the Business Gateway had been positive, with reports that the advice given had been very helpful.

03/10

Update on European Activities

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

The European Officer reported that the decisions on the recent ERDF applications had been announced last week, and further information had been requested on the ESF application to establish a scheme to develop workforce skills, however it was hoped that the funding would be made available.

In response to a question from Mr A Cooper regarding the tourism provision from ERDF, the European Officer explained that the funding appeared to be targeted more to regionally significant tourism projects rather than smaller tourism projects, and this would be discussed further with Dennis Malone, HIPP when he is in Shetland next week. Mr Cooper stated that Shetland had some significant tourism projects which should be considered, and Dr J Wills highlighted that the Sumburgh Lighthouse project was of national significance.

04/10

Economic Development Unit Revenue Management Accounts Support Ledger and Reserve Fund

For the Period 1 April 2009 to 31 December 2009

The Committee noted a report by the Head of Finance (Appendix 4).

In response to questions from Mrs B Fullerton, the Head of Business Development explained that a Risk Management paragraph had recently been introduced while the Development Committee agenda was being prepared and would be included in all future reports. The Head of Economic Development explained that the support ledger was underspent because the department had been running very light on staffing this year, however he did not expect similar savings in future years.

In response to a question from Mr A Cooper relating to Appendix 4 where the year to date expenditure was half the annual budget, the Head of Economic Development explained this was a normal feature with delays in grant claims, and would envisage a 20% underspend against commitment at the year end.

In response to a question from Mr W Manson relating to the limited spend on the Economic Infrastructure Project, the Head of Economic Development explained that this cost centre covered a range of projects, including the Sumburgh Lighthouse project, which had been committed but not paid out to date.

Mrs Fullerton suggested that information should be provided to highlight when there had been real savings on underspends within the budgets.

05/10

The Johnsmas Foy 2009

The Committee considered a report by the Principal Officer - Marketing (Appendix 5).

After hearing the Principal Officer - Marketing summarise the main terms of the report, Mr R Nickerson moved that the Committee approve the recommendations contained therein. Mr A Cluness seconded.

In response to a comment from Dr J Wills, Mr Nickerson clarified that the review would look at the timing of the Johnsmas Foy.

Dr Wills reported that the Council's spend on food for the Tall Ships, Food Festival and Flavour of Shetland events was twice the spend on childcare projects in future years, and stated that spending had to be reviewed. The Head of Economic Development clarified that EDU budgets only reflect the EDU's involvement in relation to childcare, and core service funding was provided through Services Committee.

06/10

Delegated Assistance Schemes and Delegated Authorities

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

The Head of Business Development summarised the main terms of the report.

In response to questions from Mrs B Fullerton regarding possible loopholes which would allow people not engaged in fishing or non-Shetland fishermen to benefit from the Whitefish Quota Loan scheme, the Head of Business Development confirmed that he would seek additional legal advice.

Mr A Cooper moved that the Committee approve the recommendations in the report, and Mrs B Fullerton seconded.

07/10

Shetland Hamefarin 2010 – Progress Report

The Committee considered a report by the Head of Business Development (Appendix 7).

The Head of Business Development introduced the report, highlighting that the project required additional funding to what had previously been envisaged.

Mr G Robinson reported on the increase in the number of decedents of emigrants expected to attend the Hamefarin, and suggested that a genealogist in residence should be included in the arrangements to allow visitors to make contact with their ancestors for the duration of the event. Mr A Cluness advised that representatives of the Shetland Family History Society would be available to provide information during the event, and the Head of Business Development explained that the organisers of the event had been working closely with the Shetland Family History Society and local history groups, and he would liaise with the Shetland Family History Society to find out whether further assistance was required.

Mr R Nickerson moved that the Committee approve the recommendations in the report. Mr A Cluness seconded.

Shetland Islands Council as Trustee of Shetland Development Trust

08/10

Mareel, Cinema and Music Venue
Sounding Board Feedback Report #8

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

The Head of Economic Development summarised the main terms of the report, and Members noted that the project was on schedule to be wind and watertight by 3 May 2010.

(Mrs C Miller and Dr J Wills left the Chamber).

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 9 to 11.

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

09/10

Non-Public Activity Report – November and December 2009

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

In response to questions from Members, updates were provided on Nornova Knitwear and Judane (Shetland) Ltd.

10/10

Note of the Tourism and Culture Panel – 10 December 2009

The Committee noted the draft minute of the above meeting.

The Head of Economic Development advised that this had been a very successful panel meeting, involving wide representation from the industry.

Development Committee

11/09

State Aid Update

The Committee considered a report by the Project Manager.

(Mrs B Fullerton advised that as she had relatives who had benefited through the First Time Shareholder Grant Scheme, she would leave the meeting).

(Mrs Miller returned to the meeting).

Members noted the contents of the report and it was proposed that a Press Release would be issued.

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J G Simpson
CHAIRPERSON