

MINUTE

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Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 27 January 2011 at 10.00am

Present:

J G Simpson	L F Baisley
J Budge	A J Cluness
A T J Cooper	A Doull
F B Grains	A J Hughson
R S Henderson	J H Henry
F A Robertson	

Apologies

L Angus	A G L Duncan
B L Fullerton	I J Hawkins
W H Manson	C H J Miller
R C Nickerson	G Robinson
C L Smith	A S Wishart
J W G Wills	

In Attendance (Officers):

N Grant, Head of Economic Development
D Irvine, Head of Business Development
N Henderson, Marketing Section Head
G Smith, Project Manager - Shetland Telecom
M Smith, Economic Development Officer/Shetland Telecom
B Robb, Management Accountant
S Spence, European Officer
A Cogle, Service Manager – Administration

Chairperson:

Mr J Simpson, Chairperson of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

Mr J Henry declared an interest in Agenda Item 7 “Shetland Shellfish Management Organisation Core Funding 2011/12” and Agenda Item 8 “Shetland Seafood Quality Control (SSQC) Funding” as he was a Director of both organisations.

Mr F A Robertson declared an interest in Agenda Item 7 “Shetland Shellfish Management Organisation Core Funding 2011/12” as a Director of SSMO.

Mr R Henderson declared an interest in Agenda Item 7 “Shetland Shellfish Management Organisation Core Funding 2011/12”.

Mr J Budge declared an interest in Agenda Item 6 “Agricultural Support Working Group”.

Mr A Hughson declared an interest in Agenda Item 6 “Agricultural Support Working Group”.

Mrs L Baisley declared an interest in Agenda Item 6 “Agricultural Support Working Group”.

Mr A Doull declared an interest in Agenda Item 6 “Agricultural Support Working Group” due to his involvement in agriculture, and he declared an interest in Agenda Item 8 “Shetland Seafood Quality Control (SSQC) Funding” as it included mussel farming.

Mr A Cooper declared an interest in Agenda Item 6 “Agricultural Support Working Group” as a crofter, but that he would participate in the meeting.

Minute

The minute of meeting held on 18 November 2010 was confirmed on the motion of Mr J G Simpson.

Members’ Attendance at External Meetings

None.

01/11

Public Activity Report: November and December 2010

The Committee noted a report by the Head of Economic Development (Appendix 1), which provided an update for Members on ongoing project work, Government initiatives and grant awards for September and October 2010.

In response to questions from Members, the Marketing Section Head confirmed that the craft village along the foot of Fort Charlotte for the Tall Ships event would utilise the huts used for the Flavour of Shetland event. He went on to confirm that all stands at the Flavour of Shetland event undergo a quality standard test through the Shetland College, which ensures that the products being promoted have been produced with a high degree of skill and knowledge, and that this included not only food, but also craft ware and knitwear. It was suggested that the Shetland Craft Guild be approached to find out if they would be willing to promote a quality mark, as this was similar to the way in which other communities were progressing. Regarding knitwear quality, it was noted that the Shetland Lady quality mark was no longer supported by the Council, but was still used by some businesses.

Reference was made to paragraph 4.12 of the report, and to the recent site inspection of the new SACL slaughterhouse. The Head of Development advised that the building was progressing very well, and was due to be completed by the end of the financial year. He added that consent to operate would be required before the final stage payment could be made, and that may only occur in the next

financial year. The Head of Development also confirmed that the project was operating within the terms of the grant funding requirements and written guidance received from the Scottish Government. Members noted that a detailed report would be presented to the next meeting of the Committee.

With regard to paragraph 4.2 of the report, and to the C2 Project, the Marketing Section Head said it was hoped that a number of businesses would come forward to take part in the pilot scheme, and that this would be progressed within the next couple of weeks.

Regarding possible areas of overlap between PromoteShetland and the Council's Communications Unit, the Marketing Section Head said that one example of this was the fibre optic cable project, which was a Council-led project, but would have big and positive implications for Shetland. He said that PromoteShetland was working with the Council in taking such matters forward, and consideration may be given to formalising the marketing arrangements. Members agreed that PromoteShetland should have their own PR staff, and not rely on the Council's Communication Unit.

02/11

**Economic Development Unit Revenue Management Accounts 2010/11
Period 9 – 1 April 2010 to 31 December 2010**

The Committee noted a report by the Head of Finance (Appendix 2) which provided an overview of the Economic Development Unit's General Ledger and Reserve Fund management accounts for the first 9 months of 2010/11.

In reply to questions from Members relating to paragraph 6.3, the Head of Development said that the outstanding commitments related to a large amount of grant commitments that are still valid, but outstanding. He said that the Unit was making sure that any commitments that are at, or past, their due date are appropriately dealt with, by either taking them off the register or finding out when the work is going to be done. The Head of Development added that this was an ongoing process, and the reduction from £6.5m to £4.6m was a significant amount of work by officers before the year end, and any carry over into next financial year would be considered carefully in terms of how that will affect the budgets next year.

03/11

Consultation Response: Conclusions of the Fifth Report on Economic, Social and Territorial Cohesion: The Future of Cohesion Policy

The Committee considered a report by the European Project Manager (Appendix 3) which provided a suggested response to the European Commission's consultation.

After introducing the report the European Officer, in response to questions from Members, confirmed that consideration of the proposals were still being discussed at Highlands and Islands level, and that the suggested response from Shetland was not in discrepancy with policy at that level, in that recognition of areas with specific geographies was an area of agreement.

In response to further questions, the European Officer explained that the Scottish Government will decide how the future programme will end up, and whilst there was a desire to see further funding for capital expenditure, particularly in terms of transport projects, it was not clear that there would be any further scope for funding in that area unless a strong case can be made.

The Committee unanimously agreed the terms of the report.

04/11

Fibre to Everywhere

The Committee considered a report by the Shetland Telecom Project Manager (Appendix 4) which sought agreement to set up a working group to develop telecommunications network opportunities in Shetland.

After hearing the Project Manager introduce the report, the Committee noted that the report was seeking to set up an officer working group which would address the opportunities available, as well as taking into account the ending of the Pathfinder project in 2014, and extending the network to all areas of Shetland. An example of the fibre optic cable was viewed by Members, noting that there were 8 strands within each cable, with each strand holding 12 fibres, giving a total of 96 fibres.

In response to questions from Members, the Project Manager said that the equipment required was relatively cheap, but the expense would be digging up roads or verges and the cost of masts to communities. The Committee noted that it was hoped that a network could be put in place that would allow providers to connect into, but the last piece was not something that the Council should, or could, do and it would be for those providers or community groups to organise the final part of connecting customers. The Project Manager went on to say that the BT network was reasonably good, but the problem was getting access to it and it was not accessible at a rate that people could afford. However, he said that it was intended that the working group would look at all the options available and work with providers to help them deliver the services required.

The Committee noted that the Steering Group previously set up would remain, but the proposed working group would be a cross-departmental team of officers with the necessary skills required to consider the options that would take the project forward, such as sales, marketing, negotiations, etc.

The Committee approved the terms of the report, on the motion of Mrs L Baisley, seconded by Mr A Cooper, and the Committee recorded its thanks to all the officers involved for the work they had carried out in getting the project to this stage.

05/11

Shetland Events and Festivals Action Plan

The Committee considered a report by the Marketing Section Head (Appendix 5).

In response to questions, the Marketing Section Head advised that an example of a national event impacting on Shetland would be the Ryder Cup coming to Scotland in 2014. He said initial discussions had been held with Orkney Islands Council and

EventScotland with regard to hosting a joint golfing initiative involving Orkney and Shetland, thereby recognising the Northern isles by associating with the event at a national level. He added that volunteering was recognised as an important aspect local events and festivals, and the value of volunteers was being addressed to ensure that this value could be taken into account for funding opportunities. Regarding walking, the Marketing Section Head advised that the NHS and other groups had published brochures on recommended routes, and organised walks were undertaken by the Shetland Field Studies Group.

Reference was made to PromoteShetland and its role in relation to this Action Plan, and the role of the Council's Communication Unit. The Marketing Section Head advised that work was being done on putting together promotional materials that would clearly demonstrate the role of PromoteShetland, and that draft versions of these would be brought to the next meeting of the Committee for consideration.

The Committee approved the recommendations in the report, on the motion of Mr A Cooper, seconded by Mr A J Cluness.

06/11 **Agricultural Support Working Group**

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

The Committee approved the recommendations in the report, on the motion of Mrs L Baisley, seconded by Mr A Hughson, including the continued participation of Mr J Budge and Mr A Cooper in the Working Group.

07/11 **Shetland Shellfish Management Organisation Core Funding 2011/12**

The Committee considered a report by the Project Manager (Appendix 7) and approved the recommendations contained therein, on the motion of Mr A J Cluness, seconded by Mr A Cooper.

The Committee noted that the SSMO were working hard towards a Marine Stewardship accreditation, and if successful, it would be the first area in Scotland to achieve this, and would place products at a premium level.

[Mr A Doull declared an interest in the following item and took no part in the discussion.]

08/11 **Shetland Seafood Quality Control (SSQC) Funding**

The Committee considered a report by the Project Manager (Appendix 8).

The Committee noted the successful growth of the organisation, and that the service provided could not be underestimated. However, some concern was raised regarding the administration costs, in particular the Professional Fees (including the

NAFC Recharge), which were at around 20% of the costs, and it was suggested that this was an area that should be addressed next year.

The Committee approved the recommendation in the report, on the motion of Mr A J Cluness, seconded by Mr R Henderson.

09/11

Shetland Regional Accounts 2011

The Committee considered a report by the Head of Economic Development (Appendix 9) and approved the recommendation contained therein, on the motion of Mr A J Cluness, seconded by Mr A Cooper.

Shetland Islands Council as Trustee of Shetland Development Trust

In order to avoid the disclosure of exempt information, Mr J Simpson moved, Mr A J Cluness seconded, and the Committee agreed to exclude the public in terms of the relevant legislation during consideration of the following items of business.

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

10/11

Non-Public Activity Report: November and December 2010

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

The meeting concluded at 11.25 a.m.

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J G Simpson
CHAIRPERSON