

MINUTE

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Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 3 March 2011 at 10.00am

Present:

J G Simpson	L Angus
L F Baisley	J Budge
A T J Cooper	A G L Duncan
E L Fullerton	F B Grains
I J Hawkins	J H Henry
C H J Miller	R C Nickerson
F A Robertson	G Robinson
C L Smith	A S Wishart

Apologies

A J Cluness	A T Doull
R S Henderson	A J Hughson
W H Manson	J W G Wills

In Attendance (Officers):

N Grant, Head of Economic Development
N Henderson, Marketing Section Head
M Henderson, Project Manager
J Dunn, Project Manager
K Moreland, Project Manager
S Keith, Project Manager
Prof. D Gray, Director, NAFC Marine Centre
B Robb, Management Accountant
L Gair, Committee Officer

Also:

F Dally, Project Manager – Tall Ships Races 2011

Chairperson:

Mr J Simpson, Chairperson of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

Mrs C H J Miller declared an interest and said she would take no part in any Shetland Development Trust business items as her husband currently has a loan from the Shetland Development Trust.

Mr A S Wishart, Mr L Angus and Mr J G Simpson declared an interest in item 1 “Tall Ships Races Update – Presentation” as members of the Tall Ships Committee.

Mrs I J Hawkins, Mrs E L Fullerton, Mr L Angus, Mr J G Simpson and Mr J H Henry declared an interest in item 4 “NAFC Marine Centre Funding 2011/12”.

Mr F A Robertson, Mrs I J Hawkins and Mr J H Henry declared an interest in item 5 “Shetland Amenity Trust – Architectural Heritage Programme” as a Trustees of the Shetland Amenity Trust.

Mr J Budge declared an interest in item 9 “Temporary Framework Grants Progress Report” as a shareholder in Shetland Livestock Marketing Group.

Minute

The minute of meeting held on 27 January 2011 was confirmed on the motion of Mr J G Simpson.

Members’ Attendance at External Meetings

Mr A T J Cooper	Meetings with SRPID and RSPB, Edinburgh, 1 March 2011.
Mr J G Simpson	Scottish Fisheries Council, Edinburgh, 28 February and 1 March 2011 and Renewable UK Wave and Tidal Conference, London, 2 March 2011.

(Mrs F B Grains attended the meeting)

11/11 Tall Ships Races Update – Presentation

The Committee noted a report by the Head of Economic Development (Appendix 1), and was provided with an update presentation from Fiona Dally, Project Manager with Tall Ships 2011 Ltd, slides attached as Annex 1A.

Members gave thanks to the Project Manager (Fiona Dally) and the Tall Ships team and associated committees for the work put into this event and acknowledged how important the event was for the promotion of Shetland.

12/11 Public Activity Report

The Committee noted a report by the Head of Economic Development (Appendix 2), which provided an update for Members on ongoing project work, Government initiatives and grant awards for January 2011.

Vessel Maintenance Facility Study

Mr R C Nickerson referred to the first bullet point and said that it was important to focus on the new frontier, West of Shetland, as there was a lot of supply vessels out there.

Mr J H Henry said that paragraphs 4.2 and 4.6 were linked and they should be brought together in the report.

Shetland Business Energy Efficiency Scheme (SBEES)

In response to a query from Mrs C H J Miller, the Project Manager (Maurice Henderson) advised that this was an EU Scheme and fisheries and agricultural schemes were funded separately. The Project Manager (J Dunn) added that there is also an internal scheme for which the SRDP Fund provides opportunities for agricultural units to apply for grants.

All Energy Conference and Exhibition

Some Members spoke in support of the Council’s attendance at this conference and exhibition and Mr A T J Cooper commented on the need to go further than just providing a stand at the All Energy Conference and Exhibition. He said that proactive promotion of what Shetland has to offer should be undertaken by an

Officer by visiting other stands and engaging with companies directly rather than waiting for them to visit the Shetland stand. The Head of Economic Development agreed and said that someone like the General Manager of Shetland Charitable Trust would be ideal for that. He said it was the intention of Officers attending to not only be there, but to ask Companies to relocate their operational activities to Shetland.

Shetland Renewable Energy Forum

In response to a query, the Project Manager (Maurice Henderson) advised that a Development Officer had been appointed and would be in place by 28 March 2011.

Telecoms

Mr R C Nickerson said that staff should be congratulated for the work done on this project, so far.

The Head of Economic Development advised that the Contractor had the equipment to lay the cables and explained that the cable would lie on the seabed. He confirmed that all the necessary permissions and Works Licences had been sought and the project was progressing well.

13/11

Economic Development Unit Revenue Management Accounts 2010/11 - Period 10 – 1 April 2010 to 31 January 2011

The Committee noted a report by the Head of Finance (Appendix 3) which provided an overview of the Economic Development Unit's General Ledger and Reserve Fund management accounts for the first 10 months of 2010/11.

Mrs C H J Miller requested that the annual grant for fishermen be broken down into the different types of fisheries, for future reports. She also referred to Appendix 1 "Revenue Expenditure by Service" and asked what the actual value to the economy would be.

Mrs Miller declared an interest as a retailer and referred to the Rural Shop Improvement Grants and the fact that this is not available to Town shops. She said that all shops were facing some problems and that included areas such as Scalloway and Brae. Mrs Miller said that a policy was needed to support all retail premises. The Head of Economic Development explained that the Scottish Government funding for the Business Gateway is received through the Revenue Support Grant. He explained that the Rural Shop Scheme is in place to keep rural communities sustainable and was not available to Lerwick shops. He said that in Lerwick retailers can be assisted with commercial loan funding.

In response to a query from Mr L Angus, the Head of Economic Development advised that the remaining figures for Architectural Heritage and Tourism is as a result of delayed projects. He said it was hoped to move these sums into next year's budgets.

(Mrs I J Hawkins, Mr L Angus and Mr J H Henry left the Chamber)

14/11

NAFC Marine Centre Funding 2011/12

The Committee considered a report by the Project Manager (Sheila Keith) (Appendix 4).

The Project Manager introduced the main terms of the report.

Mrs L F Baisley referred to paragraph 9.2 asked how the outcomes listed, would be measured. The Project Manager explained that measures would be discussed between the Project Management Group and the Industry. She explained that the NAFC would monitor the delivery of specific projects. The Director of the NAFC added that the NAFC is one of the partners of Shetland Seafood Group and in recent meetings all parties had asked for a report of what the quantifiable measures are and these are measured against the outcomes.

Mrs L F Baisley moved that the Committee approve the recommendations contained in the report, seconded by Mrs C H J Miller.

Mrs Miller referred to paragraph 10.7 and asked if future courses would include engineering courses specifically related to turbines. The Project Manager (Sheila Keith) advised that if the demand was there it might be developed. The Director of the NAFC Marine Centre advised that the Scottish Funding Council was reducing their funding and over the next 3 years it was expected to reduce by 20-25%. He said that Shetland was already delivering above its SUMS target which meant they were delivering courses to more students without additional funding. The Director explained that any additional needs would have to be prioritised and in order to add a new course it may mean that another course would have to be taken away. He concluded that there will be a need for more specialised skills and he hoped that the NAFC Marine Centre would be able to provide the training.

Mr R C Nickerson made comment on the Economic Benefits to be achieved outlined in Appendix 2. He said that £1.5m was a significant figure to put back into the economy and commented that he hoped that the industry recognise this benefit. Mr Nickerson also commended the NAFC Marine Centre for achieving the 15% cuts which was in line with the Council's aspirations.

Mrs Baisley referred to recommendation 12.2 and it was agreed that this was a matter that would be followed up by the Officers. The Director of the NAFC Marine Centre gave an example of why it was important for discussion to take place and explained that he had been approached by the industry for a second cadet intake per year at the Marine Centre. He said that the Marine Centre was now the supplier of choice but a second cadet intake could not be funded. The Scottish Funding Council are unable to fund it and it does not sit within the Economic Development budget. Discussions are needed with the Executive Director – Education and Social Care. The Director of the NAFC Marine Centre expressed his concern that as the industry have already been told that this is not possible, on two occasions, they may be unlikely to come back a third time.

Mrs E L Fullerton advised that she had a non-pecuniary interest in this item, and said that she was disappointed that the Director of the NAFC Marine Centre has had to say no to a second intake of students. She referred to the recent news regarding the fishing industry and discards and said that it was important to support the NAFC Marine Centre in every way. Mr Cooper said that this issue was a matter of urgency and said that a report should be presented to the next meeting of the Committee.

Mrs Baisley with the support of her seconder agreed to include within her motion that a report on the matter of a second intake of cadets to the NAFC Marine Centre be presented to the next Development Committee meeting.

(Mr L Angus, Mrs I J Hawkins and Mr J H Henry returned to the meeting)

15/11

Shetland Amenity Trust - Architectural Heritage Programme

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

The Head of Economic Development introduced the main terms of the report.

Mr R C Nickerson moved that the Committee approve the recommendations contained within the report, seconded by Mr C L Smith.

Mr A T J Cooper pointed out that a 15% cut in budget would have amounted to £242,500 as apposed to the figure of £245,000 stated in paragraph 7.1. He said that next year the Shetland Amenity Trust were going to have to accept the same budget constraints as the Council adding that they could not be insulated from budget cuts.

(Mr A S Wishart left the meeting)

Mr G Robinson agreed with Mr Cooper and referred to Appendix 2. He said that the list of “properties at risk” appeared to be padded out and said that the appendix needed to be for conservation projects only not include new builds.

Mrs C H J Miller said that a clear message had to be sent to the Shetland Amenity Trust that it has to follow the same budget cuts of 15% this year and therefore moved, as an amendment, that the Committee award only £242,500 which meets the same constraints imposed across the board. Mr A G L Duncan seconded.

Mr Cooper said that notice should be given to the Shetland Amenity Trust and that they be advised to take on budgetary constraints, in line with the rest of the Council, from next year. Mr R C Nickerson, with the support of his seconder, agreed to include this within his motion.

Mr L Angus said that it was important to acknowledge the success of the Shetland Amenity Trust, however he expressed some concern on the priority given to their programme of works and queried who decides on the priority given to projects. The Head of Economic Development advised that the Shetland Amenity Trust provided the committee with a 3 year plan some time ago and he would ask that they provide this again, in order to give clarity to Members on the Shetland Amenity Trust’s main targets.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (C H J Miller)	5
Motion (R C Nickerson)	7

16/11

PromoteShetland Service Review and Shetland Marketing Strategy

The Committee considered a report by the Marketing Section Head (Appendix 6).

The Head of Economic Development introduced the main terms of the report.

Members spoke in support of the work achieved by the Promote Shetland Team and in response to questions, the Head of Economic Development advised that in preparing to market Shetland, Officers used the basis of the Shetland Brand work

to identify people interested in Shetland. The Shetland appeal however goes worldwide and the Head of Economic Development indicated he could provide more information following the meeting.

Mrs C H J Miller moved that the Committee approve the recommendations contained in the report, seconded by Mrs E L Fullerton.

During further discussions, Members acknowledged the need to support the private sector in providing accommodation, which is of a continuing high standard in order that visitors are encouraged to come back and in turn pass on their experience to their friends and family. The Marketing Section Head advised that the Project Manager (Linda Coutts) was working on encouraging accommodation providers to improve their facilities, recognising that where you stay leaves a big impression on visitors. He added that the Economic Development Unit has close ties with the Tourism Association, which has links to local businesses.

In response to a query regarding the impact of the Shetland.org website mentioned in paragraph 11.8 Mrs I J Hawkins asked what percentage of people relocated to Shetland for work. The Marketing Section Head advised that there is evidence to demonstrate that people come to Shetland to set up a business but there is a need for more specific data on this.

Mrs E L Fullerton made comment on the success of PromoteShetland and advised that a report on Radio Orkney indicated that Orkney were considering replicating this in Orkney.

(Mr A T J Cooper left the meeting)

Mrs L F Baisley referred to paragraph 5.8.5 and requested that the welcome packs, to be provided to those setting up home in Shetland, be area specific and tailored to a local perspective. The Marketing Section Head advised that this pack was being coordinated by the Policy Unit and is based on guidance included in CoSLA's Migration toolkit. He said that PromoteShetland would feed into the presentation, accuracy and relevance of the information provided. He advised that he would pass on Mrs Baisley's suggestion.

Mr G Robinson referred to paragraphs 9.1 and 9.2 and the comments made regarding the Council's budget cuts. He moved, as an amendment, that the Committee approve recommendation 9.1 and said that the figure of £27,000 in paragraph 9.2 be offered up as savings. Mr L Angus seconded.

Mr R C Nickerson said that it was important to recognise the amount of voluntary work undertaken to promote Shetland, which included the Shetland Heritage Association with work in local museums, run voluntarily. Members agreed.

The Head of Economic Development explained that he had proposed a standstill budget for PromoteShetland and advised Members on the background to the £27,000 referred to in paragraph 9.2. He said that although there was no Flavour of Shetland Event this year the funds would be used for a Shetland Showcase that would still be going ahead, as well as for other activities that Promote Shetland would be undertaking.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (G Robinson)	5
Motion (C H J Miller)	8

17/11

Marketing Development Programme for Business – Scheme Renewal

The Committee considered a report by the Marketing Projects Manager (Appendix 7).

In response to a query from Mr L Angus, the Marketing Projects Manager confirmed that the budget of £44,000 had been approved through the Council's budget setting process and this report had been presented for Members to consider approval of the continuation of the actual scheme.

Mrs L F Baisley said that this was good value for money and the budgets had already been approved. Mrs Baisley moved that the Committee approve the recommendations contained in the report, seconded by Mr J Budge.

The Head of Economic Development explained to Mrs I J Hawkins that there was a cap on the Economic Development Budgets and if any changes were necessary, that would be accommodated within the cap set.

18/11

Events and Festivals Support Scheme

The Committee considered a report by the Marketing Section Head (Appendix 8).

The Marketing Section Head introduced the main terms of the report, and in response to a query from Mr R C Nickerson, he advised that each event will be considered on its own merits on a first come first serve basis. He said that the scheme would compliment the existing event funding streams rather than replacing them and added that the scheme would only seek to support new events or festivals or additional aspects of existing events and festivals where it was clear that projects were seeking to carry out new developments or enhancements, and that they were in line with the development aim of the scheme.

Some Members spoke in support of the scheme and Mr L Angus moved that the Committee approve the recommendations contained in the report, seconded by Mr A G L Duncan.

Mrs C H J Miller referred to the many events held during the spring and summer, when accommodation is sold out and asked if Officers would target events outwith those oversubscribed periods. The Marketing Projects Manager reiterated that the scheme would support events on a first come first serve basis but, in referring to the one-off Winter concert event coordinated by the Shetland Folk Festival Committee in 2010, said that events of these nature were the type of events that should be encouraged and supported.

(Mr J H Henry and Mrs E L Fullerton left the Chamber)

(Mr F A Robertson, Mr R C Nickerson and Mr J Budge left the Chamber)

19/11

Temporary Framework Grants Progress Report:
Shetland Livestock Marketing Group (SLMG),
Shetland Abattoir Cooperative Ltd (SACL), and
Pure Shetland Lamb (PSL)

The Committee considered a report by the Head of Economic Development (Appendix 9), and approved the recommendations contained therein, on the motion of Mr F A Robertson, seconded by Mr G Robinson.

(Mr J H Henry and Mrs E L Fullerton returned to the Chamber)

20/11 **Economic Opportunities Presentation**

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

The Head of Economic Development provided a slide presentation entitled, Economic Opportunities, slides attached as Annex 10A.

(Mr F A Robertson, Mr R C Nickerson and Mr J Budge returned during the course of the presentation).

During discussions Members commented on the number of unemployed people in Shetland and the commitment from Total to interview everyone who is willing to work. The benefits of remote working were highlighted in terms of work/life balance as well as the savings made by not having to pay for travel. Members also commented on the new idea of Wool Fancier Trips and the importance of selling every part aspect of Shetland.

In response to a query from Mr A G L Duncan, the Head of Economic Development explained that agriculture did not factor in the presentation as he had focussed on what could be termed as the “big hitters”. He said that agricultural income is mainly from subsidy and is limited in how it can grow.

Members discussed a concern raised with regard to employment in Shetland and in light of the opportunities available with Total and other renewable industry, it was important that local industry can still be supported by growing the population and providing suitable housing in certain areas. It was noted that there was huge potential for Shetland over the next 20 years.

Mr R C Nickerson commented on the need for social housing but also to reduce the planning barriers for private house. He said that some of the workers coming to Shetland would be looking for private housing. Mr Nickerson also expressed his concern with regard to the smart grid and queried how the extra capacity would be made available. With regard to lone working, Mr Nickerson advised that KIMO had provided a presentation some time ago on this and said that people with young families could be involved in research projects from their home. He suggested that this presentation could be looked at again and the Head of Economic Development Unit said that he would follow this up. He also commented on the SMART Grid, and advised that there was a queuing system and explained that the Council was in an excellent position as one of the partners of the Northern Isles New Energy Solutions (NINES) project.

Mrs L F Baisley referred to agriculture and said that this was a social economy that keeps people in rural areas. She referred to the many diversifications that had taken place with regard to cheese making and the wool holidays with spinning and knitting being offered. Mrs Baisley also said she looked forward to remote working moving forward.

(Mrs C H J Miller left the meeting)

Shetland Islands Council as Trustee of Shetland Development Trust

- 21/11 **Shetland Development Trust Annual Accounts, for year ending 31 March 2010**
The Committee considered a report by the Head of Economic Development (Appendix 11), and approved the recommendations contained therein on the motion of Mr J G Simpson, seconded by Mr F A Robertson.

In order to avoid the disclosure of exempt information, Mr J Simpson moved, Mr C L Smith 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.)

- 22/11 **Non-Public Activity Report: November and December 2010**
The Committee noted a report and brief update by the Head of Economic Development.

- 23/11 **Bod Ayre Products Ltd**
The Committee considered a report by the Head of Economic Development.

Mr L Angus moved that the Committee approve the recommendations contained in the report, seconded by Mr G Robinson.

(Mr G Robinson left the meeting)

Development Committee

- 24/11 **SI Seafarms Ltd – Application for Financial Assistance**
The Committee considered a report by the Project Manager.

Mr L Angus moved that the Committee approve the recommendations contained in the report. Mr F A Robertson seconded.

(Mr C L Smith left the meeting)

- 25/11 **Extension to Promote Shetland Contract**
The Committee considered a report by the Marketing Section Head and approved the recommendations contained therein, on the motion of Mr G Robinson, seconded by Mr R C Nickerson.

(Mrs I J Hawkins declared an interest in the following item and left the Chamber)

(Mrs E L Fullerton, Mr L Angus, Mr J H Henry and Mr J G Simpson declared a non-pecuniary interest in the following item, as Trustees of the Shetland Fisheries Training Centre Trust, but advised that this did not preclude them from taking part in the meeting).

26/11 **Investment Monitoring – Aquaculture**
The Committee noted a report by the Project Manager.

(Mrs I J Hawkins returned to the Chamber)

27/11 **Minutes of Tourism and Culture Panel – 24 January 2011**
The minute of the Tourism and Culture Panel held on 24 January 2011 was confirmed.

The meeting concluded at 12.45 pm.

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J G Simpson
CHAIRPERSON