

MINUTE

B - Public

Development Committee
Council Chamber, Town Hall, Lerwick
Wednesday 9 November 2011 at 2 p.m.

Present:

A T J Cooper	A T Doull
L Angus	J Budge
E L Fullerton	R S Henderson
W H Manson	F A Robertson

Also:

A G L Duncan
F B Grains
J H Henry

Apologies

J G Simpson

In Attendance (Officers):

N Grant, Director of Development Services
D Irvine, Executive Manager - Economic Development
J Riise, Executive Manager - Governance and Law
B Barron, Planning Officer (Development Plans)
F Dally, Project Manager, The Tall Ships Races 2011, Lerwick
N Henderson, Marketing Section Head
A Hughes, Assistant Accountant
S Keith, Project Manager
A Cogle, Service Manager - Administration
L Adamson, Committee Officer

Also:

I Lochhead, Senior Auditor, Audit Scotland

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr L Angus declared an interest in item 1 "Tall Ships – Evaluation", as a Director of Sail Shetland, but he would take part in the discussion.

Mr B Manson declared an interest in item 5, "Wave Energy Road Map Project", as Chair of Shetland Charitable Trust.

48/11 **Minutes**

The minutes of Development Committee held on 8 September 2011, having been circulated, were confirmed on the motion of Mr Henderson, seconded by Mr Doull.

49/11 **Tall Ships - Evaluation**

A report by the Project Manager, The Tall Ships Races 2011, Lerwick, (Report No: DV047-F) presented to Committee the findings of the independent Economic Impact Study of the Tall Ships event.

The Project Manager gave a final presentation on the event to Committee. During the presentation Members noted that the event attracted 27,000 visitors, and had generated £2.41m additional expenditure for the local economy. The presentation concluded with a video presentation, which illustrated the success and enjoyment of the event in Lerwick.

(Mr F Robertson attended the meeting).

During the discussion, Members commended Sail Shetland's involvement in the organisation and success of the event, and remarked on the level of private sponsorship and business participation in the event. The success and community effort by the host ports around Shetland was also highlighted, with the majority of effort being voluntary which was a credit to the communities involved.

Mr Cooper moved that the Committee approve the recommendation in the report. On behalf of the Committee, Mr Cooper expressed thanks to Fiona Dally, as the Project Manager, and her team on the success of the event. Mrs Fullerton seconded.

Decision:

The Committee was not required to make a decision on this report and duly NOTED the following:-

- The significant return on investment in hosting this event

Shetland Tall Ships 2011 Ltd wish to engage with the Council's Executive Manager of Economic Development to identify suitable community legacy use of any potential remaining surplus funds including the company's proposals to maintain support for the Sail Training Shetland, assist any potential future bid to host the Tall Ships and support maritime focused community events.

50/11

Local Development Plan – Progress Report

The Development Committee considered a report by the Executive Manager - Planning (Report No: PL-21-11-F), which provided an up-to-date overview of progress on the Local Development Plan.

The Director of Development Services summarised the main terms of the report.

Concern was expressed that the preparation of the Local Development Plan (LDP) was further delaying progress with the Lerwick/Gulberwick Plan and that the draft LDP provided no clear direction in strategic terms for the Lerwick/Gulberwick Plan. The Director explained that following extensive consultation and representation, the LDP will become the overarching plan to replace all the existing plans, and will include the production of supplementary guidance to focus on particular areas. The Chair advised that he would seek clarity on this issue to be reported to the next meeting of the Committee.

During the discussion, the importance of community input into the LDP was highlighted to ensure both community and Council backing for the LDP. The Chair advised on the intention to report progress on the LDP to each cycle of meetings to

focus and encourage debate to ensure the Council meets the target for adoption of the LDP in September 2012. The Committee noted the challenge would be getting the necessary resources in place to meet the targets set out in the Action Plan.

Mr Doull moved that the Committee approve the recommendation in the report, and Mr Robertson seconded.

Decision:

The Development Committee RESOLVED to approve the Development Plan Scheme update.

51/11

Establishment of Shetland Marketing Group

The Development Committee considered a report by the Marketing Section Head (Report No: DV046-F), which advised on the proposal to establish a Shetland Marketing Group to provide support to the PromoteShetland initiative.

The Marketing Section Head introduced the report.

During the discussion, it was suggested that membership of the Marketing Group should include representation from the agriculture industry, and that the Group would benefit from additional representation from the private industry sector/trade associations.

Some Members questioned whether the establishment of the Marketing Group would result in duplication of membership and resources with the existing Promote Shetland Steering Group. The Marketing Section Head referred Members to the recommendation in paragraph 3.3 of the report, that the Steering Group be dissolved.

Mr Budge moved that the Committee approve the recommendation in the report, with the addition that the final decision on the membership of the Marketing Group is delegated to the Director of Development Services in consultation with the Chair. Mr Robertson seconded.

Decision:

The Development Committee RESOLVED to:-

- establish the Shetland Marketing Group and that the Chair of the Development Committee be appointed, ex-officio, as Chair of the Group; and
- appoint the Vice-Chair of the Development Committee as ex-officio substitute.
- delegate authority to the Director of Development Services to decide on the final membership of the Marketing Group in consultation with the Chair.

Shetland Islands Council as Trustee of Shetland Development Trust

52/11

SDT Annual Accounts for year ended 31 March 2011

The Committee considered a report by the Project Manager (Report No: DV042-F), which sought approval of the Shetland Development Trust accounts for the year ended 31 March 2011.

The Project Manager (S Keith) highlighted a typographical error on page 8 of the accounts, where the total assets should read £9,602 instead of zero, subsequently making the net assets of the Trust £14,698 instead of £5,096. In response to a question she clarified that the value of the fish quota asset was more likely to be in the region of £18m, and that the amortisation of SDT assets is something that is being discussed with the auditors with the view of amending the practice in next year's financial accounts.

Mr Angus moved that the Committee approve the recommendation in the report, and Mr R Henderson seconded.

Decision:

The Committee RESOLVED to approve the accounts of the SDT for the year ended 31 March 2011, subject to audit comments in paragraph 3.3 of the report.

In order to avoid the disclosure of exempt information, Mr Cooper moved, Mr Robertson 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 left the meeting.)

53/11

Wave Energy Road Map Project

A report by the Director of Development Services provided the Committee with information regarding a proposed Memorandum of Understanding (MOU) between the Shetland community (represented by the Council and Shetland Charitable Trust) and a global utilities company for the sustainable development of ocean wave energy in Shetland.

The Director of Development Services introduced the report.

Mr Manson referred to his interest in this item, as Chair of Shetland Charitable Trust, and summarised the scope of the first phase of the MOU set out in Section 3.3 of the report, and commented that wave farm development in Shetland was reliant on the interconnector cable. In regards to the Shetland community commitment he highlighted extent HIE were committing 0.5 full time employees, although not a signatory to the MOU.

Mr Manson confirmed that he would take no part in the vote.

(Mr Manson left the meeting).

(Mr Henry declared an interest as Vice-Chair of Shetland Charitable Trust).

In response to a question, the Director of Development Services confirmed that local fishing representatives and other sea users had been consulted, and he referred to Shetland's Marine Spatial Plan which was the envy of many other communities.

(Mr Manson returned to the meeting).

Mr Cooper moved that the Committee enter into the proposed MOU for wave farm development in Shetland. Mr Angus seconded.

Decision:

The Committee RESOLVED to:-

- enter into the proposed Memorandum of Understanding (MOU) for wave farm development in Shetland;
- agree the terms of the proposed agreement and delegate authority to the Director of Development Services to sign the MOU on behalf of the Council; and
- delegate authority to the Director of Development Services to incorporate any non-material changes made to the MOU prior to signing.

54/11

Application for Financial Assistance from Defiant Fishing Company Ltd

The Committee considered a report by the Project Manager, which concerned an application from the Defiant Fishing Company Ltd for a loan.

The Project Manager (S Keith) introduced the report.

In response to questions from Members, the Project Manager explained the reasons why it was not possible for the Council to purchase and ring fence further quota as an asset to the community, and the Director confirmed that every effort was being made to build up Shetland's quota allocation.

During the discussion, the Project Manager was requested to provide a report to Committee outlining the Council's current limitations and potential future options for purchasing and retaining Quota, taking into account the suggestion that the State Aid intervention is to be changed for island communities. Members noted that the report would be provided before the end of this Council and would give the new Council an understanding of the limits associated with quota purchase.

(Mrs Fullerton left the meeting).

Mr Henderson moved that the Committee approve the recommendation in the report. Mr Angus seconded.

Decision:

The Committee RESOLVED to provide a loan, subject to the stipulated terms and conditions, to the Defiant Fishing Company Ltd.

55/11

Sandisons (Unst) Ltd. – Authority to Provide Letter of Non-Crystallisation

The Committee considered a report by the Project Manager, which detailed a request from Sandisons (Unst) Ltd. to obtain a Letter of Non-Crystallisation from the Council. This would enable the company to proceed with the sale of an asset.

The Project Manager introduced the report.

Mr Henderson moved that the Committee approve the recommendation in the report, and Mr Manson seconded.

After hearing a suggestion from the Chair, and advice from the Executive Manger – Governance and Law, Mr Angus moved that that in instances where straightforward decisions are required on loan security, rather than a report being presented to Committee, delegated authority could be given to the Director of Development Services. The level of delegation being a judgement for the Director, presenting any difficult decisions to Committee. Mr Henderson seconded.

Decision:

The Committee RESOLVED to provide Sandisons (Unst) Ltd with a Letter of Non-Crystallisation.

The Committee also RESOLVED that delegated authority be given to the Director of Development Services to approve similar decisions in relation to loan security.

56/11

Investment Update

The Committee noted the report and brief updates by the Director of Development Services.

Decision:

The Committee NOTED the position taken by the Director of Development Services and staff of the EDU in respect of activities to date; and

The Committee RESOLVED to agree that the Director of Development Services, and the staff of the EDU continue to act on behalf of the Council accordingly regarding current and future business activities.

The meeting concluded at 3.30 p.m.

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Chair