

**Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 21 June 2012 at 10 a.m.**

Present:

A Cooper	T Smith
M Burgess	S Coutts
B Fox	A Manson
F Robertson	G Robinson
M Stout	A Westlake

Also in Attendance:

A Duncan
G Smith

Apologies

None

In Attendance (Officers):

N Grant, Director of Development Services
M Craigie, Executive Manager - Transport Planning
D Irvine, Executive Manager - Economic Development
I McDiarmid, Executive Manager - Planning
J Riise, Executive Manager - Governance and Law
T Coutts, Project Manager
M Duncan, Grants Co-ordinator
L Fiske, Planning Officer
M Holmes, Coastal Zone Manager
S Keith, Project Manager
B Robb, Management Accountant
S Spence, European Project Manager
L Adamson, Committee Officer

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr M Stout declared an interest in Item 12 "Underwater Shetland Ltd."

Mr B Fox declared an interest in Item 4, "Shetland Museum and Archives Budget Drawdown for 2012/13" as his wife is an employee of the Shetland Museum. He would leave the meeting during the discussion.

Ms A Manson declared an interest in Item 14 "Investment Update", as there is a family connection.

The minutes of Development Committee held on 9 March 2012 having been circulated, were confirmed on the motion of Mr Robertson, seconded by Mr Cooper.

35/12

Management Accounts for Development Committee 2011/12 – Quarter 4 (April 2011 – March 2012)

The Committee considered a report by the Executive Manager – Finance (Report No: F-028-F), which provided an opportunity to monitor the financial performance of services within the Committee's remit, on the revenue and expenditure accounts, in order to determine that the expenditure levels and income generated would be delivered within the approved budget for the year.

The Management Accountant introduced the report.

In response to a question, it was reported that economic development schemes had not been actively promoted during the last few years, however the intention is to engage with industry sectors to tailor schemes to achieve maximum potential within budget.

A request was made for information on the schemes not drawn down within the £1.3m underspend. It was advised that details of the schemes could be provided, however further examination of why the individual grants had not been taken up would be looked at during the process of developing the new set of economic development policies, with any issues addressed in terms of how to take the Service forward.

During the discussion, the Committee commended the level of savings achieved during the Fetlar Breakwater project.

A request was made that future reports include quarterly reporting on issues relating to de-commitment of grants across the whole economic development activity.

Mr Robertson moved that the Committee approve the recommendations in the report. Mr Cooper seconded.

Decision:

The Committee **RESOLVED** to:

- review the Revenue Management Accounts, from 1 April 2011 – 31 March 2012
- review the Capital Management Accounts, from 1 April 2011 – 31 March 2012; and
- review the progress on securing savings and efficiencies in the year.

36/12

Development Services – Directorate Plan

The Committee considered a report by the Director of Development Services (Report No: DSD-01-12-F), which presented the draft Development Services Directorate Plan setting out the Policy and Performance Management Framework and outlined the aims, objectives and actions for the year 2012/13.

(Mr G Robinson attended the meeting).

The Director of Development Services introduced the report.

In response to questions, the Executive Manager - Planning Service reported that a Renewables Policy, to address both onshore and offshore developments, will be included in the new Local Development Plan (LDP), and Supplementary Guidance in terms of Planning Policy is to be produced in November 2012. He advised that the Development Service are to work with the Planning Service to develop a Council Policy on Community Benefits from Renewables, which will be referenced within the LDP.

Concern was expressed regarding the risk analysis levels referred to in the table in Appendix 1 relating to the "Legal Challenges to Viking Energy" and "Low staff morale impacts on Directorate Services". The Executive Manager - Planning explained that the decision on the Viking Energy project could impact on resources and result in additional work for the Planning Service. The Director of Development Services reported on the progress made in relation to internal restructuring and improved communication among staff and said he was confident that the risk would reduce in future.

In response to questions, the Director of Development Services reported from recent dialogue with the main partners and contractors at Sullom Voe to secure employment for local workers, and on the potential for the delivery of apprenticeship schemes through the NAFC Marine Centre. He referred to the recent review of the curriculum at the Shetland College/Train Shetland with the aim to deliver courses that will achieve the best uptake and attract external students within the reduced budget.

Mr Fox moved that the Committee approve the recommendations contained within the report. Mr Robertson seconded.

Decision:

The Committee **RESOLVED** to endorse the contents of the Plan as the priorities for the Development Services Directorate for the financial year 2012/13.

37/12

Preparing Economic Policies for 2012-17

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV030-F), which sought approval of the process to develop a new set of new economic development policies for the period of this Council, 2012-2017.

The Executive Manager – Economic Development introduced the report.

During the discussion Members advised of their support for the proposals for the policy development exercise through participation in a programme of information gathering and engagement with the industry sectors.

In addition to the Chair and Vice-Chair of Committee, nominations were sought for two other Committee Members to serve on the Working Group. After nominations were received for Mr M Stout, Ms A Westlake, and Mr B Fox, the Committee agreed that the Working Group would include the Chair and Vice-Chair, and three other Members.

Mr Robertson moved that the Committee approve the recommendations contained within the report, with the addition that five Members are appointed to serve on the Working Group. Mr Smith seconded.

Decision:

The Development Committee **RESOLVED** to:

- Approve the process for implementing the new economic development policies.
- Appoint Mr A Cooper, Mr T Smith, Mr M Stout, Ms A Westlake and Mr B Fox to the Working Group.

(Mr Fox left the meeting).

38/12 **Shetland Museum and Archives – Budget Drawdown for 2012/13**

The Committee considered a report by the Grants Co-ordinator (Report No: DV031-F), which sought approval of the drawdown of funding for the Museum and Archives service for the financial year 2012/13.

The Grants Co-ordinator introduced the report.

In response to a question, the Grants Co-ordinator explained that a full record of the personnel delivering services in the Shetland Museum and Archives had been included in the Service Plan, however he advised on the posts that are funded through the Hay's Dock Restaurant Company and had therefore not been included in the funding package from the Council.

Mr Robertson moved that the Committee approve the recommendations in the report. Mr Coutts seconded.

Decision:

The Committee **RESOLVED** to:

- Approve the 2012/13 Service Plan for the Museum and Archives services, provided through Shetland Amenity Trust, as part of the agreement that is in place for funding those services.
- Approve the disbursement of funding of £1,035,775 to Shetland Amenity Trust in two equal instalments during financial year 2012/13.
- Award delegated authority to the Director of Development Services, or his nominee, to approve the Museum and Archives Service Plan and service levels, and for the drawdown of funding in future years, subject to annual budget approval.

(Mr Fox returned to the meeting).

39/12 **Agricultural Support Working Group**

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV029-F), which sought the appointment of two Members to the Agricultural Support Working Group, to deal with the current review of the Common Agricultural Policy (CAP).

In introducing the report, the Executive Manager – Economic Development clarified that the Council membership on the Working Group was not limited to the Members of the Development Committee.

Mr Robertson moved that the Committee appoint Mr D Ratter and Mr A Cooper to the Agricultural Support Working Group. Ms Manson seconded.

A request was made for regular update reports to Committee on progress with the current CAP review.

Decision:

The Committee **RESOLVED** to appoint Mr D Ratter and Mr A Cooper to the Agricultural Support Working Group.

40/12 **European Fisheries Fund Axis 4 – Sustainable Development of Fisheries Areas**

The Committee considered a report by the European Project Manager (Report No: DV028-F), which sought approval of the sum of £72,626 to be allocated from existing approved budget heading “Fisheries General Assistance” to lever in £217,879 of European funding.

The European Project Manager introduced the report.

In response to questions, the European Project Manager advised on the current membership of the Fisheries Local Action Group (FLAG), and reported on the types of projects that could be considered for funding.

Mr Stout moved that the Committee approve the recommendation in the report. Ms Manson seconded.

Decision:

The Committee **RESOLVED** to agree to the sum of £72,626 being used from existing approved budget heading “Fisheries General Assistance” to lever in external funding of £217,879 to establish a scheme for promoting the sustainable development of fisheries areas.

41/12 **Shetland Islands Council Nuclear Statement of Principles**

The Committee considered a report by the Environmental Liaison Officer (PL-11-12-F), which sought approval to consolidate and develop the Council’s existing policies on the civil and military uses of nuclear energy into a single Statement of Principles.

In introducing the report, the Director of Development Services advised that as the author of the report was not at the meeting, any technical questions from Members would be responded to following the meeting.

Following a comment from Mr Robinson in regards to the final bullet point of the “Statement of Principles” at Section 3.7 of the report, the Committee agreed that the word ‘radioactive’ should be inserted before “materials from the nuclear industry”.

During the discussion, Members enquired on the positive impacts to the Council in regards to the nuclear industry over the last 30 years and on the costs to the Council from its involvement on anti-nuclear groups.

Reference was made to an earlier discussion at Infrastructure Committee for a general review of the Council's membership on groups and attendance at meetings on the mainland.

In referring to the questions that had been raised in the absence of the author of the report, Mr Cooper moved that the report be deferred for one cycle. Mr Fox seconded.

Decision:

The Committee **RESOLVED** to defer the decision on the report for one cycle.

42/12

Shetland Local Development Plan – Development Plans Scheme Current Position

The Committee considered a report by the Team Leader – Development Plans and Heritage (Report No: PL-14-12-F), which provided an update on progress relating to the preparation of the Shetland Local Development Plan (LDP).

In introducing the report, the Executive Manager – Planning advised that two briefing sessions have been organised during September for Members to discuss the LDP, and a Special meeting of Committee will be held on 10 October to formally present the LDP.

During the discussion and in response to comments, the Executive Manager – Planning reported on how Shetland was ahead of the game through its development of the Marine Spatial Plan (MSP), which will be adopted as Supplementary Guidance to the LDP to ensure a joined up approach to land and sea developments. He advised that although the LDP will be a flexible document, the process to review, amend or replace Supplementary Guidance, which has the weight of Policy in any decision making, would be a shorter process.

Mr Robertson moved that the Committee approve the recommendations in the report. Mr Smith seconded.

Decision:

The Committee **RESOLVED** to approve the progress and timetable as outlined in the report.

43/12

Proposed Living Lerwick Business Improvement District (BID) Ballot

The Committee considered a report by the Director of Development Services (Report No: PL-12-12-F), which asked the Committee to consider how the Council, as a property owner within the BID area, wish to vote in the forthcoming ballot to introduce the proposed Business Improvement District for Lerwick, seeks delegated authority for the Director of Development Services to cast the Council's votes on or before the 28th June 2012, and informed the Committee that all relevant documentation have been satisfactorily received from Living Lerwick and approved by the Director of Development Services on behalf of the Council.

The Director of Development Services introduced the report.

The Chair explained that Mr A Wishart and himself had been appointed to the Living Lerwick Steering Group (LLSG) in the last Council, however these appointments

had lapsed as there had been no request for Members to be appointed to the LLSG in this Council.

After hearing advice from the Executive Manager – Governance and Law, Mr Smith proposed that Mr Cooper and Mr Wishart be re-appointed onto the LLSG.

In response to questions, the Planning Officer advised that the project would lever in a significant amount of funding from local businesses, and would be beneficial to Shetland as a whole. She explained that full consultation on the boundary and the businesses to be included in the BID area had been undertaken at the start of the project, however the boundary can be reviewed after a period of 5 years.

During the discussion, a request was made that Members be provided with information on the projected benefits and impacts from the Council's agreement in principle to provide future funding to the project.

(Mr Robinson left the meeting).

The Chair reported that the Living Lerwick Business Plan had been very well received by BIDs Scotland, and he said that credit should be given to the Planning Officer and the other individuals that have been involved in the project.

Mr Robertson moved that the Council vote in favour of the proposed Business Improvement District for Lerwick in the forthcoming ballot, and that Mr Cooper and Mr Wishart be appointed to the LLSG. Ms Manson seconded.

Decision:

The Committee **RESOLVED** to:

- Vote in favour of the proposed Business Improvement District for Lerwick in the forthcoming ballot,
- Grant delegated authority to the Director of Development Services to cast the Council's votes, and
- Re-appoint Mr A Cooper and Mr A Wishart to the Living Lerwick Steering Group.

44/12

Appointment to SSMEI Advisory Group

The Committee considered a report by the Coastal Zone Manager (DV026-F), which sought a nomination for representation on the Scottish Sustainable Marine Environment Initiative (SSMEI) Advisory Group.

The Coastal Zone Manager introduced the report.

Mr Smith nominated Mr Robertson to the SSMEI Advisory Group, and Mr Cooper seconded. There were no further nominations.

Decision:

The Committee **RESOLVED** to appoint Mr F Robertson to represent the Council on the SSMEI Advisory Group.

Transport Network Redesign

The Committee considered a report by the Executive Manager – Transport Planning (Report No: TP-05-12-F), which advised of the process to redesign Public Transport routes and services in Shetland, including provision of Education, and sought approval of a framework to prioritise services in the event that not all services can be provided within available budgets.

The Executive Manager – Transport Planning introduced the report and summarised the proposed stages and timescales for the Transport Network Review and Redesign Process.

During the discussion the Executive Manager – Transport Planning advised that the intention is to extend education transport contracts to 5 years, and to look to extend social care contracts to 3 years. He reported that the industry acknowledges the need to reduce costs, and should savings not be achieved services will have to be cut. He said that it was hoped that with the air services contract for review this year, and some ferry services being looked at for tendering, a reduction in transport costs overall could be achieved.

The Executive Manager – Transport Planning advised that the Air Services Review was currently at an early stage however the intention is to report on the specifications for the service to Committee in September.

(Ms Westlake left the meeting).

Mr Robertson moved that the Committee approve the recommendations in the report. Mr Stout seconded.

Decision:

The Committee **RESOLVED** to:

- Consider the Travel Needs Factors and the priority that has been suggested; and
- Agree the proposed process for redesign of the Public Transport routes and services.

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

(Mr Stout left the meeting during the discussion on the following item).

Underwater Shetland Ltd.

The Committee considered a report by the Project Manager.

The Project Manager (T Coutts) introduced the report.

Following discussion, Mr Cooper moved that the Committee approve the recommendations in the report. Mr Coutts seconded.

Decision:

The Committee **RESOLVED** to decline the application for financial assistance.

(Mr Stout returned to the meeting).

47/12 **Shetland Abattoir Cooperative Limited – Working Capital Grant**

The Committee considered a report by the Executive Manager – Economic Development.

The Executive Manager – Economic Development introduced the report.

Mr Cooper moved that the Committee approve the recommendation in the report. Mr Coutts seconded.

Decision:

The Committee **RESOLVED** to award a repayable grant of £20,000 under EU de minimis regulation, to SACL. The grant will be awarded on condition of being repaid after the sale of the Laxfirth abattoir building and site by SACL.

Shetland Islands Council as Trustee of Shetland Development Trust

(Ms Manson referred to her earlier declaration of interest, which she advised related to Section 3.2.3 of the report).

48/12 **Investment Update**

The Committee considered a report by the Project Manager, which advised of recent activities concerning specific investments and initiatives of a confidential nature.

The Project Manager (S Keith) introduced the report.

Members briefly discussed the use of personal guarantees as a means to secure loans, and it was agreed that a report would be presented to Committee in November on the concept of personal guarantees, private mortgages and securities, and to include the merits and benefits of each.

PSL Ltd.

Following a brief discussion, it was agreed that the Boddam Slaughterhouse should be advertised for let, but if unsuccessful, a report should be presented to Committee on future options for disposal of the building.

Mr Robertson moved that the Committee approve the recommendations in the report. Mr Cooper seconded.

Decision:

The Committee **RESOLVED** to

- note the position taken by the Director of Development Services and Economic Development staff in respect of those activities to date; and

- Agree that the Director of Development Services, and the staff of Economic Development continue to act on behalf of the Council accordingly, regarding current and future business activities.

The meeting concluded at 1 pm

.....
Chair