

**Development Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 5 September 2012 at 10 a.m.**

**Present:**

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

**Also in Attendance:**

R Henderson

**Apologies**

G Robinson  
A Westlake

**In Attendance (Officers):**

N Grant, Director of Development Services  
J Gray, Executive Manager - Finance  
D Irvine, Executive Manager - Economic Development  
J Riise, Executive Manager - Governance and Law  
N Henderson, Marketing Section Head  
T Coutts, Project Manager  
J Dunn, Project Manager  
W Grant, Project Manager  
S Keith, Project Manager  
L Gair, 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 Cooper declared an interest in item 10 as a Director of Viking Energy and the Chair of Delting Community Council. He advised that he would leave the Chamber and the Vice Chair would take the Chair for this item.

49/12 **Minutes**

The minutes of Development Committee held on 21 June 2012 having been circulated, were confirmed on the motion of Mr Robertson, seconded by Mr Cooper.

50/12 **Management Accounts for Development Committee 2012/13 – Quarter 1 (April 2012 – June 2012)**

The Committee considered a report by the Executive Manager – Finance (Report No: F-038-F), which provided an opportunity to monitor the financial performance of services within the Committee's remit, to ensure that expenditure incurred and income generated had been delivered within approved budgets, so that timely action can be taken when required to mitigate projected overspends.

The Executive Manager – Finance introduced the main terms of the report. The Director of Development Services added that the further non-recurring savings of £1m had been identified this year but was not included. He advised that should the situation in Transport Planning not be resolved within the Service it would be resolved at Directorate level.

During discussions Members considered the following matters:

- the £250,000 shortfall that had arisen due to proposals for savings, Members were advised that the proposals were now being encompassed in the overall bus contract review.
- The Development Trust funds that will be freed up and taken into the Council. Members noted that a complicated set of actions were required and that may result in the winding up of the Trust. A further report would be required at that stage.
- De-commitment of grant funding. Members were advised that this work had started in the Community Planning and Development services and a list was being compiled. It was suggested that this include Council loans.

Mr Robertson moved that the Committee approve the recommendations contained in the report, seconded by Mr Burgess.

**Decision:**

The Committee **RESOLVED** to:

- review the Revenue Management Accounts, from 1 April 2012 – 30 June 2012, including the projected outturn position and savings in the year, and
- identify and/or instruct officers to bring forward alternative savings proposals to address the projected overspend.

51/12

**Development Services Quarter 1 Performance Overview**

The Committee considered a report by the Director of Development Services (Report No: DSD-02-12-F), which summarised the activity and performance of the Development Services Directorate for the first quarter of 2012/13, against the objectives and actions in the Development Directorate Plan.

The Director of Development Services introduced the main terms of the report and advised that an area that required more resources was pursuing European funding to ensure that the Council attracts the maximum funding it can. Members unanimously agreed but highlighted the need for a consistent approach by the Council.

In considering the report and appendix Members made the following comments and observations:

- Page 20 Appendix 1 – “we will better use our MSP, MP and MEP’s”. It is important to have contact with all 7 MSP’s.
  - Meetings held at Directorate Level include 6 Executive Managers of Development Department and Tavish Scott. Members were advised that the focus was around contact with Officers, however at the request of Members

the Director of Development Services agreed to discuss the inclusion of Members at a Corporate Management Team meeting.

- When attending CPMR meetings there is a need for a clear agenda and assistance should be sought from MEP's. More should be made of MEP visits to Shetland and Members should have more opportunity to meet with MEPS on those rare occasions.
- Page 13 – Fixed Links programme – An update will be provided in November 2012 on Fixed Links funding.
- Page 14 – Digital (Broadband) – The Director of Development Services provided an update on this project and advised that the contract had been let for the cable to be laid to the North up to Sellaness, and work on running the cable to Scalloway would happen soon. The Director of Development Services added that the Scottish Government was heading up solutions regarding the pathfinder issues.

A Member advised that a response from the Crown Estate Commissioners regarding laying the cable on the seabed had not been received and consideration was being given to laying the cable on the top of Cliffsound. This was a concern in light of the recent landslides on Cliffsound and the continued movement of Uradale Hill.

#### **Decision:**

The Committee discussed the contents of the report and **RESOLVED** that more focus was required on attracting European Funding.

52/12

#### **Rural Transport Review**

The Committee considered a report by the Executive Manager – Transport Planning (Report No: TP-07-12-F), which described the manner in which the review was being undertaken and proposed that the review of Rural Transport Services be addressed in the overall redesign of the transport network and that the savings that were attributed to this area will be found at departmental level for this financial year.

The Executive Manager –Transport Planning introduced the main terms of the report.

During discussions Members expressed concern that the review was being progressed when there was the additional complication of the Education Blueprint that would impact on transport planning. Members however recognised that the bus tenders had to be awarded in April 2013 and there was no decision made on the Education Blueprint as yet. Members were also assured that the transport service were in direct contact with the school service on matters relating to the Education Blueprint.

Members noted that a number of consultations were underway, and it was confirmed that ideas from the Community and initiatives run in other countries were being considered as part of the overall review.

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

#### **Decision:**

The Development Committee **RESOLVED** to:-

- Approve the proposal to include the review of Rural Transport in the wider transport network redesign process; and
- Note that the savings of £249,946 attributed to this area of service will be achieved through one off Departmental savings.

53/12 **Shetland Local Development Plan – Development Plans Scheme Current Position**

The Committee considered a report by the Team Leader – Development Plans and Heritage (Report No: DV031-F), which provided an update on progress.

The Team Leader – Development Plans and Heritage introduced the main terms of the report.

At the invitation of the Chair, Mr Robertson provided a briefing on the visit by Derek MacKay, Minister for Local Government and Planning, who had indicated that more continuity of the planning process will speed up the planning application process. Mr MacKay had also indicated that the speed of the process would be the emphasis of a forthcoming Conference in October. The Director of Development Services added that Mr Mackay had also commented that Shetland had a high percentage of cases that had come to a successful conclusion.

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

**Decision:**

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

54/12 **Consultation on Crofting Commission Draft Plan 2012-17 – Council Response**

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV039-F), which sought to obtain agreement for a response on the Crofting Commission's draft plan for the next 5 years.

The Executive Manager – Economic Development introduced the main terms of the report. Members welcomed the approach taken and agreed that there should be a strong message sent that there needs to be local solutions to local problems.

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

**Decision:**

The Committee **RESOLVED** to approve the response to the Crofting Commission's Draft Plan.

55/12 **Shetland Agricultural Strategy**

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV038-F), which presented the Shetland Agricultural Strategy 2012-16 for adoption.

The Executive Manager – Economic Development introduced the main terms of the report.

In response to queries, the Executive Manager – Economic Development advised Members on the following matters:

- Marketing and Research and Development - from the consultation it was felt that there was a need for more marketing the importance of having a good product behind the marketing was stressed as well as the need for a balanced approach. Members were advised that the emphasis would be on looking for markets for products at a higher value.
- Integration of Lobbying Activities – Members were advised that the Highlands and Islands Support Group had met to discuss a range of activities to engage with the Scottish Government and other organisations on common Agricultural Policy reform.
- Given the economic positions in the UK and beyond assurance was sought on whether the Strategy document could fully respond to the economic limitation in Shetland and whether the Council could support the change in culture across Shetland. The Executive Manager – Economic Development explained that agriculture had changed over the last 20 years with more reliance on extensive livestock, predominantly sheep. He said that he envisaged that there would be fewer people engaged in agriculture in the future but there would be more of them involved as a whole time activity.

The Chair said that it was important to support the agriculture industry in Shetland and this document would help do that. Mr Stout moved that the Committee approve the recommendation contained in the report, seconded by Mr Smith.

#### **Decision:**

The Committee **RECOMMENDED** that the Council resolve to adopt the Agricultural Strategy 2012-16 as part of the Council's strategic policy framework.

56/12

#### **Shetland Seafood Marketing Scheme**

The Committee considered a report by the Marketing Section Head (DV035-F), which presented a proposal for the introduction of a Shetland Seafood Marketing Scheme.

The Marketing Section Head introduced the main terms of the report adding that this scheme is supplementary to those run by the Scottish Government.

During discussions, the Committee made comment on, and Officers responded to a number of technical points on the running of the scheme. This included issues relating to Marine Stewardship Certification and the level and number of grants that could be provided. Members heard that it was necessary to run a grant-based scheme, as this was more cost effective due to the cost of obtaining the relevant securities for loans.

It was also explained that although this was a 3-year scheme, the budget would be presented to Members each year for approval during the budget setting processes in line with Council procedures. Through consultation with the industry, there had

been some interest in the scheme, but no specific project had yet been identified, as the scheme had not been formally launched.

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

**Decision:**

The Committee **RESOLVED** to approve the proposed Shetland Seafood Marketing Scheme, outlined in Appendix 1, as a financial assistance programme delivered as part of the range of services delivered by the Council's Economic Development Service.

57/12

**Appointment to Shetland Fisherman's Trust**

The Committee considered a report by the Executive Manager – Governance and Law (Report No: GL-69-12-F), which contained a proposal from the Shetland Fisherman's Trust that the Council appoints two persons, as observers, to attend Board meetings.

The Executive Manager - Governance and Law introduced the main terms of the report.

Mr Smith moved that the Committee approve the recommendations contained in the report, seconded by Mr Coutts.

The Committee **RESOLVED** to approve that:

- Sheila Keith, Project Manager, Economic Development Service, is nominated as an observer at Shetland Fisherman's Trust Board meetings; and
- No additional Council nomination was deemed necessary, at this time.

58/12

**Financial Support for Childminders Scheme 2013-2016**

The Committee considered a report by the Business Development Project Manager (Report No: DV040-F), which sought a decision on continued funding for the Financial Support for Childminders Scheme.

The Business Development Project Manager introduced the main terms of the report.

Members acknowledged the high demand for childminders and the importance of the scheme to help people set up in remote areas where there are fewer opportunities. Members commented that childminding does not provide a high return for the individual but noted that it was important to support this service that allowed women to return to work.

Mr Coutts moved that the Committee approve the recommendations contained in the report, seconded by Mr Burgess.

**Decision:**

The Committee **RESOLVED** to approve funding of £7,500 per annum for the Financial Support for Childminders Scheme, to be administered by the Economic Development Service, for the period 1 April 2012 to 31 March 2016.

*(Mr Cooper left the meeting, Mr Smith took the Chair).*

59/12     **Renewable Energy Development – Community Benefit Policy**

The Committee considered a report by the Executive Manager – Economic Development (DV042-F), which allowed for discussion on the broad contents of a Community Benefit Policy associated with Renewable Energy developments in Shetland.

The Executive Manager – Economic Development introduced the main terms of the report.

During discussions, Members questioned the involvement of the Council in producing this policy when there would be no direct benefit to the Council. The Executive Manager explained that developers expected a Community Benefit Policy to have been adopted at the highest level of authority in the area. He said that the Shetland Partnership was to be responsible for the policy because it was one step away from the Council, which helps to avoid conflict with the consideration of planning applications. It was noted that the Economic Development Department had the knowledge and expertise to produce a policy that would essentially provide a basis to help the community ensure that they have a starting point in negotiating with developers, whether land or marine based.

Members were also advised that by adopting a Community Benefit Policy, the Council is making a statement that community benefits are expected from renewable energy developers. The Council's actual role will be as a community partner in the background but the Association of Community Councils (ASCC) in Shetland have already done a lot of work in this area and Shetland Community Benefit Fund Limited (SCBFL) has been established as a consequence. Economic Development is providing a structure to allow the community to move forward in negotiations. It was agreed that SCBFL was the best channel for distributing funds under this policy as it already had community buy-in.

Members commented on the need to ensure that any benefit received should be used to assist those in fuel poverty across Shetland and not just those nearest to the development. The Executive Manager – Economic Development advised that such measures could be covered by SCBFL paragraph 7 of Appendix 2.

Following further discussion, Mr Robertson moved that the Committee approve the recommendation contained in the report, seconded by Ms Manson.

**Decision:**

The Committee **RESOLVED** to accept the broad terms of a Community Benefit Policy for Shetland and called for more work to be done on the detail.

*(Mr Cooper returned to the meeting and resumed the Chair).*

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

60/12     **Delegated Scheme for Loans to Purchase Whitefish Quota and/or Fishing Vessel Licences**

The Committee considered a report by the Project Manager (W Grant) which sought approval of the continuation of the Whitefish Quota and/or Fishing Vessel Licence Loan Scheme until the end of the financial year 2012/13.

Mr Fox moved that the Committee approve the recommendations contained in the report, seconded by Mr Burgess.

**Decision:**

The Committee **RESOLVED** to:

- Approve the Whitefish Quota and/or Fishing Vessel Licence Loan Scheme, as a delegated scheme; and
- Delegate authority to the Executive Manager – Economic Development, or his nominee, to administer the Scheme.

**Shetland Islands Council as Trustee of Shetland Development Trust**

61/12 **Restructuring of Colin Hughson and Partners LLP**

The Committee considered a report by the Project Manager (S Keith) which sought approval to allow Colin Hughson and Partners LLP to be incorporated into a limited company.

Ms Manson moved that the Committee approve the recommendations contained in the report, seconded by Mr Fox.

**Decision:**

The Committee **RESOLVED** that the Director of Development Services, or his nominee, be given delegated authority to negotiate with the LLP in its restructuring to a limited company.

62/12 **Millgaet Media Ltd.**

The Committee considered a report by the Project Manager (J Dunn) which sought approval for Millgaet Media to dispose of a property asset.

Members unanimously agreed that a decision be deferred and that the discussion on this matter be adjourned to allow time for more information to be provided on the Company accounts and for the non-Executive Director to be invited to attend. It was agreed that the discussion be continued at reconvened meeting of the Committee, to be arranged in early course.

**Decision:**

The Committee **RESOLVED** to defer a decision on this item and that discussion be adjourned so that the Company's most recent accounts can be provided at a reconvened meeting of the Committee to be arranged in early course, and so that the Non-Executive Director of Millgaet Media Ltd be asked to attend the meeting.

63/12 **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.

*(Ms Manson declared a non-pecuniary interest as her brother is named in the report. Ms Manson remained in the meeting).*

The Committee unanimously accepted the recommendations contained in the report.

**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
- resolve 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 adjourned at 1.05pm

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Chair