

MINUTE

PUBLIC

Development Committee
Council Chamber, Town Hall, Lerwick
Wednesday 14 November 2012 at 10.00a.m.

Present:

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

Apologies

M Burgess	A Westlake
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In Attendance (Officers):

N Grant, Director of Development Services
D Irvine, Executive Manager - Economic Development
J Riise, Executive Manager - Governance and Law
J Duncan, Coastal/Flooding Engineer
J Dunn, Project Manager
S Keith, Project Manager
J Thomason, Management Accountant
W Grant, Project Manager
S Humphray, Assistant Accountant
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

Ms Manson declared an interest in Item 7 "Investment Update".

Referring to Item 1 "The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme", Mr Cooper said that although he was a crofter he clarified that he has had no involvement with either of the grant schemes and would therefore participate in the discussion.

68/12 **Minutes of Development Committee meetings held on a) 5 September 2012, b) 10 October 2012 (10am), c) 10 October 2012 (2pm), d) 10 October 2012 (3pm) and e) 29 October 2012**

The Committee approved the minutes of the meeting on 5 September on the motion of Mr Fox, seconded by Mr Robertson.

The Committee approved the minutes of the meeting on 10 October (10am) on the motion of Mr Robertson, seconded by Ms Manson.

The Committee approved the minutes of the meeting on 10 October (2pm) on the motion of Mr Fox, seconded by Mr Stout.

The Committee approved the minutes of the meeting on 10 October (3pm) on the motion of Mr Smith, seconded by Mr Coutts.

The Committee approved the minutes of the meeting on 29 October on the motion of Mr Robertson, seconded by Mr Coutts.

69/12

The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme

The Committee considered a report by the Project Manager – Economic Development (Report No: DV046-F), which sought approval for the continuation of the two existing agricultural development schemes operated by the Council, the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme, in modified forms and with smaller annual budgets.

The Project Manager (J Dunn) summarised the main terms of the report.

In response to questions, it was explained that owing to State Aid requirements the Agricultural Loan Scheme previously offered by the Shetland Charitable Trust had ceased, however the Economic Development Section operate a general loan scheme where applications for assistance relative to the agricultural sector would be considered. The Project Manager advised that compared to Shetland, no other Local Authority has offered a similar level of support to its agricultural industry, and that as far as he was aware Shetland is unique in offering the level of support over 25 years.

In regards to a question relating to the statement in the Risk Management section of the report, that “There is a risk, deemed to be moderate, that the budget for SABS may need upwards revision in the course of the coming 3 year period”, the Project Manager explained that provision of £10,000 has been retained in the SABS budget to allow for any additional uptake on the remaining elements of the scheme, however at this stage it was difficult to predict whether there would be a requirement to increase the grant further in future years. In response to a question, the Project Manager advised that in general the SABS annual budget is fully committed but is never oversubscribed by any significant amount.

Mr Fox moved that the Committee agree to completely cease the funding of the two schemes for the foreseeable future, but with provision made for review and possible reintroduction of the schemes when and if the Council’s financial situation improves in the next few years. In speaking in support of his motion, Mr Fox made reference to the earlier comment that Shetland is the only authority that provides these types of grant schemes and level of support to its agricultural industry. He referred to statistics from 2010, whereby the value of Shetland’s combined agricultural output was less than the Scottish Government assistance and grant subsidies coming into Shetland. He said that both schemes were discretionary and only a small element of the agricultural support offered to the agricultural sector in Shetland. He acknowledged that the schemes had been useful in the past, but given the financial circumstances of the Council he considered this was a small sacrifice to make. Mr Robinson seconded.

Mr Robertson said that the schemes have been of considerable assistance to the Shetland agricultural community in raising the standards of stock and land, and are of particular benefit to the younger crofters starting up in the industry. Mr Robertson moved as an amendment, that the Committee approve the recommendations as

they stand in the report, for the schemes to continue but at a reduced level. Mr Cooper seconded.

Voting took place by a show of hands and the result was as follows:

Amendment (Mr Robertson)	2
Motion (Mr Fox)	6

Decision

The Development Committee **RESOLVED** to completely cease the funding of the two schemes for the foreseeable future, but with provision made for review and possible reintroduction of the schemes when and if the Council's financial situation improves in the next few years.

The Executive Manager – Governance and Law clarified that as the level of delegation gave authority for the Committee to reduce the grant schemes rather than end the schemes, the final decision would rest with the Council through a report from the Chair.

70/12

Appointment to the Shetland Local Plan District Partnership

The Committee considered a report by the Team Leader - Development Plans and Heritage (Report No: PL-23-12-F), which sought nominations for a Member of Development Committee to represent the Council on the Shetland Local Plan District Partnership (LPDP).

The Coastal/Flooding Engineer introduced the report.

In response to questions, the Coastal/Flooding Engineer explained that the primary remit of Flood Risk Management Planning would not include landslides or coastal erosion, however these local issues could be brought up at National group level. He advised that a detailed study of landslides in Shetland had been undertaken and a presentation could be made available to Members on request.

Nominations were sought for a Member of the Committee to the Shetland LPDP. Mr Smith was nominated, on the motion of Mr Robertson, seconded by Mr Robinson. Mr Fox was nominated on the motion of Mr Stout, seconded by Mr Coutts.

Mr Smith withdrew his nomination. Mr Fox accepted the nomination, and was duly appointed.

Decision

The Development Committee **RESOLVED** to appoint Mr B Fox to the Shetland LPDP.

71/12

Economic Development and Transport Planning Reviews

The Committee considered a report by the Director of Development Services (Report No: DSD-04-12-F), which presented information regarding four separate reviews in Economic Development and Transport Planning services.

In introducing the report, the Director of Development Services provided a summary of the progress and savings on each of the four reviews.

In response to questions, the Director of Development Services advised that in regards to the review to combine Marketing and Promote Shetland it is anticipated that the further £100,000 savings will be achieved in 2012/13. He advised that the Rural Transport Provision review included all bus routes within Shetland. He added that further examination of the contract for public bus services was being undertaken and would be presented to Committee in due course.

In response to a question, the Director of Development Services undertook to provide Mr Coutts with details of the post that had been retained within the Children and Families Service, as referred to in Section 3.1 of the report.

On the motion of Mr Robertson, seconded by Ms Manson, the Committee approved the recommendation contained within the report.

Decision

The Development Committee **RESOLVED** to note progress and savings on each of the reviews, and provide delegated authority to the Director of Development Services to pursue the remainder of the savings detailed in each of the four projects.

72/12

Development Services Directorate - Quarter 2 Performance Overview

A report by the Director of Development Services (Report No: DSD-03-12-F) summarised the activity and performance of the Development Directorate for 6 months up to September 2012, against the objectives and actions in the 2012/13 Development Directorate Plan

In introducing the report, the Director of Development Services highlighted a number of areas within the Service where significant progress and improvements have been achieved.

In response to questions, the Director of Development Services gave assurance that a report would be presented to Committee in February, which would give a definitive answer on whether the Council should pursue fixed links.

The Chair stated that with the serious financial situation being faced by the Council and the difficult decisions to be made on where money is spent the cost of progressing each of the actions would have to be taken into account, and there was a need to acknowledge that some of the priorities may not progress from Amber to Green. The Director of Development Services said it is envisaged that the priorities identified in the Service Plans for 2013/14 will have more solid links to the Council's priorities.

Decision

The Development Committee **RESOLVED** to note the contents of the report.

73/12

Management Accounts for Development Committee 2012/13 Quarter 2 (April 2012 - September 2012)

The Committee considered a report by the Executive Manager - Finance (Report No: F-053-F), which enabled the monitoring of financial performance for services within the Committee's remit to ensure that expenditure incurred and income generated has been delivered within the approved budget, so that timely action can be taken when required to mitigate projected overspends.

The Management Accountant introduced the report.

Mr Robinson congratulated the Director of Development Services and his staff on the tremendous effort in embracing the fact that savings have to be made, which has resulted in the underspend. The Chair concurred.

Decision

The Development Committee **RESOLVED** to review the Revenue Management Accounts from 1 April 2012 – 30 September 2012, including the projected outturn position and savings in the year.

Shetland Islands Council as Trustee of Shetland Development Trust

74/12

SDT Annual Accounts for the year ended 31 March 2012

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV048-F), which sought approval of the annual accounts of the Shetland Development Trust (SDT) for the year ended 31 March 2012.

In introducing the report, the Executive Manager – Economic Development provided a summary of the performance of the Trust funds.

In response to questions it was confirmed that although not reaffirmed by the new Council, the delegation given to the Council in 2008 to act as Trustee to the SDT continues to exist. In regards to proposals to wind-up the Trust and to transfer the funds to the Council, it was explained that this was a complex process with various options being investigated and the process could take some time, however assurance was given that the most cost effective means would be followed.

Ms Manson moved that the Committee approve the recommendation contained within the report. Mr Cooper seconded.

Decision

The Development Committee **RESOLVED** to approve the accounts of the SDT for the year ended 31 March 2012.

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

(Ms Manson declared a non-pecuniary interest).

75/12

Investment Update

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

On the motion of Mr Cooper, seconded by Mr Smith, the Committee approved the recommendation in the report.

Decision

The Development Committee **RESOLVED** that the Executive Manager – Economic Development and the staff of the Economic Development Service continue to act on behalf of the Council accordingly regarding current and future business activities.

The meeting closed at 11.05am.

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Chair