

MINUTE

A&B - PUBLIC

Special Development Committee
Council Chamber, Town Hall, Lerwick
Friday 8 March 2013 at 11.40 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:

P Campbell
G Cleaver
J Wills
V Wishart

Apologies

None

In Attendance (Officers):

N Grant, Director of Development Services
D Irvine, Executive Manager – Economic Development
J Dunn, Project Manager
W Grant, Project Manager
S Keith, Project Manager
A Cogle, Team Leader - Administration
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 Smith, Mr Burgess, Mr Coutts and Mr Fox declared an interest in item 5 “Funding Request for Shetland Fisheries Training Centre Trust (NAFC Marine Centre)” as Trustees of the SFTC and advised that they would take no part in the debate and leave the Chamber.

Mr Fox declared an interest in item 2 “Shetland Amenity Trust – Architectural Heritage Programme 2013/14” as his wife works there, but advised that this was not a significant interest and he would take part in this item.

Mr Coutts declared an interest in item 4 “Shetland Development Trust Surpluses – Cope Ltd” as he had previously done business with COPE but advised that this was not a significant interest and he would take part in this item.

Ms Westlake declared an interest in item 2 “Support for Shetland Shellfish Management Organisation (SSMO) – Financial Year 2013/14” as a Director of the organisation but the code of conduct provides her with an exclusion therefore she would remain for this item.

Mr Robertson declared an interest in item 2 “Support for Shetland Shellfish Management Organisation (SSMO) – Financial Year 2013/14” and item 7 “Promote Shetland – Extension to Contract”, as a Trustee of Shetland Amenity Trust and advised that he would leave the Chamber.

Dr Wills and Ms Wishart declared an interest in items 2 and 7, as Trustees of Shetland Amenity Trust and advised that they would leave the Chamber.

Mr Stout declared an interest in item 4 “Shetland Development Trust Surpluses – Cope Ltd” as a former employee of COPE but advised that this was a number of years ago and was a minor and insignificant interest and he would therefore remain in the Chamber for consideration of this item.

06/13 **EU Regional Aid Guidelines 2014-20**

The Committee considered a report by the European Project Manager (Report No: DV003-F), which highlighted the European Commission’s proposals for new Regional Aid Guidelines for the period 2014-20, outlined action taken to achieve the best outcome for Shetland and sought approval of a written submission to the European Commission.

The Executive Manager – Economic Development introduced the report and updated Members on the contact made with key personnel within the Scottish, UK and EU Parliaments, as well as CoSLA and CPMR.

Dr Wills addressed the Committee as the Council’s representative on CPMR and expressed his concern at this development and questioned if the criteria were sufficient. He said that the point should be made strongly that Shetland has high costs within industry for fuel, construction, and freight. Dr Wills asked that the Committee support Officers in their efforts at lobbying and approve the letter attached.

During discussions, the Committee agreed that every effort should be made to keep Shetland part of the Highlands and Islands and should this not happen the Chair said that the Council would not stop in its efforts in lobbying against this. It was suggested that the letter’s reference to fuel could be enhanced by using national comparisons not just Aberdeen.

Members were advised by Mr Robinson that positive feedback had been received in support of Shetland’s case. He said that lobbying must continue as there was no case for moving away from NUTS2 to NUTS3

On the motion of Mr Robinson seconded by Mr Smith the Committee approved the recommendations in the report.

Decision:

The Committee **RESOLVED** to:

- endorse the Council’s lobbying actions with respect to the proposed Regional Aid Guidelines for 2014-20, and support the Council’s objective of achieving Assisted Area status for Shetland; and

- approve a written submission to the European Commission consultation on the draft Regional Aid Guidelines for 2014-20, attached as Appendix 1 to the report.

(Mr Robertson, Dr Wills and Ms Wishart left the Chamber)

07/13 Shetland Amenity Trust – Architectural Heritage Programme 2013/14

The Committee considered a report by the Project Manager – Economic Development (Report No: DV005-F), which provided an update on the current position regarding the funding of the Shetland Amenity Trust's Architectural Heritage Programme.

The Project Manager (J Dunn) introduced the report, and confirmation was given to Members that the Shetland Amenity Trust would charge the Shetland Art and Development Agency for projects at a commercial rate.

Officers also advised that, as a result of the reduction in funding and work programme any work done for the Council would now be charged at a commercial rate, as opposed to cost price.

The Chair said that the challenge was for Shetland Amenity Trust to be more commercial in its activities.

On the motion of Mr Robinson seconded by Mr Fox the Committee approved the recommendations in the report.

Decision:

The Committee **RESOLVED** to approve the proposed reduced core funding grant of £170,000 for the Shetland Amenity Trust's Architectural Heritage Programme for the coming 2013/14 financial year, and note the context of a phased reduction and then removal of this grant in the subsequent years.

(Mr Robertson returned to the Chamber)

08/13 Support for Shetland Shellfish Management Organisation (SSMO) – Financial Year 2013/14

The Committee considered a report by the Project Manager – Economic Development (Report No: DV009-F), which sought approval of a maximum budget of £48,000 to support the development of the Shetland Shellfish Management Organisation (SSMO), a partnership organisation with an interest in the sustained future of Shetland's shellfish fisheries.

The Project Manager (S Keith) introduced the report and advised that the Board were soon to consider its options in relation to the future management of the organisation.

Following consideration of the report, Mr Robertson moved that the Committee approve the recommendations in the report, seconded by Ms Manson.

Decision:

The Committee **RESOLVED** to:

- approve a maximum budget of £48,000 to support the SSMO for the financial year 2013/14.
- grant the Executive Manager - Economic Development, or his nominee, authority to identify the best service delivery method for SSMO to award the approved funds.

Shetland Islands Council as Trustee of Shetland Development Trust

09/13 **Shetland Development Trust Surpluses – COPE Ltd.**

The Committee considered a report by the Project Manager – Economic Development (Report No: DV006-F), which provided an update on the current position regarding funding of COPE Ltd.

The Executive Manager – Economic Development introduced the report and referred to paragraph 4.7 which highlights a contingency of £80,000 has been budgeted for to fund COPE for 6 months to enable alternative arrangement to be identified.

The Director of Development Services advised that this would not require to be reported again to Development Committee but reports would be presented to Social Services Committee on how places would be made available.

On the motion of Ms Manson seconded by Ms Westlake the Committee approved the recommendations in the report.

Decision:

The Committee **RESOVLED** to approve the prospect distribution of £100,000 from 2011/12 Shetland Development Trust surplus, to COPE Ltd during the financial year 2013/14.

(Mr Smith, Mr Burgess, Mr Coutts and Mr Fox left the Chamber)

10/13 **Funding Request for Shetland Fisheries Training Centre Trust (NAFC Marine Centre)**

The Committee considered a report by the Project Manager – Economic Development (Report No: DV004-F), which concerned a funding application from the Shetland Fisheries Training Centre Trust (SFTCT), a charitable trust which operates the NAFC Marine Centre.

The Project Manager (S Keith) introduced the report and advised that there would be implications for the NAFC as a result of the “Review of Tertiary Education”, but Officers would feed into the review to ensure that the Council’s concerns are highlighted. The Director of Development Services referred to the research element of tertiary education, which he advised had been won by Anderson Solutions. He advised that a meeting would be held with stakeholders and partners on 20th March.

In response to a query relating to the premises expenses, the Director of Development Services advised that the Chief Executive had asked him to look at the Council's premises portfolio and the NAFC would be included within that review.

Following further discussion, Mr Robinson moved that the Committee approved the recommendations in the report, seconded by Mr Robertson.

Decision:

The Committee **RESOLVED** to

- provide a grant of £218,810 to the SFTCT for the financial year 2013/14. The compliance of policy delivery, terms and conditions will be delegated to the Executive Manager Economic Development, or his nominee, but will include all the activities defined in the offer letter and management agreement attached as Appendix 1 to the report.
- approve the distribution of £580,280, from the Shetland Development Trust surplus, to the SFTCT during the financial year 2013/14.

(Mr Smith, Mr Burgess, Mr Coutts and Mr Fox returned to the Chamber)

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 item of business.

11/13 **Shetland Seafood Quality Control Ltd – Funding 2013/14**

The Committee considered a report by the Project Manager – Economic Development, which recommended the provision of a grant of up to £150,000 to Shetland Seafood Quality Control Ltd (SSQC) for the financial year 2013/14.

The Project Manager (W Grant) introduced the report advising that the percentage of support for SSQC had been reducing and would continue to reduce in future. She advised that SSQC was an important part of the fishing industries infrastructure.

On the motion of Ms Westlake, seconded by Mr Robinson, the Committee approved the recommendations in the report.

The Chair raised an issue related to the company's commercial liabilities and following some discussion, the Committee instructed the Executive Manager – Economic Development to explore options with the SSQC Board, with regard to current and future liabilities and report back to Committee in advance of the budget estimates exercise.

Decision:

The Committee **RESOLVED** to provide a grant of up to £150,000 in 2013/14 towards funding the activities covered by the Shetland Seafood Quality Control Grant Scheme, subject to the conditions specified in the draft offer letter attached as Appendix 1 to the report; and

(Mr Robertson left the Chamber)

instructed the Executive Manager – Economic Development to explore options with the SSQC Board, with regard to current and future liabilities and report back to Committee in advance of the budget estimates exercise.

12/13

Promote Shetland – Extension to Contract

The Committee considered a report by the Executive Manager – Economic Development, which sought approval to continue the contract with Shetland Amenity Trust for providing the Promote Shetland service.

The Executive Manager – Economic Development introduced the report and in response to questions, advised that the retendering exercise would be held in September, well in advance of the current contract's end date. Members discussed the importance of a securing a 3 or 5 year contract and noted that other aspects relating to the conclusion of the current contact will be the subject of reports to future meetings of the Committee.

On the motion of Mr Smith seconded by Mr Robinson, the Committee approved the recommendations in the report and proceeded to appoint Mr Coutts, Mr Smith and Ms Westlake.

Decision:

The Committee **RESOLVED** to:

- Continue the Promote Shetland contract for another year until 31 March 2014; and,
- Establish a short-term Member and Officer Working Group to evaluate the operation of the Promote Shetland contract prior to making recommendations to Committee on the future delivery of the Promote Shetland service beyond 31 March 2014.
- Appoint the Chair of Development Committee and three Members of the Development Committee to serve on the Working Group, namely: Mr Coutts, Mr Smith and Ms Westlake.

The meeting concluded at 12.40pm.

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Chair