

MINUTE

B – Public

Development Committee
Council Chamber, Town Hall, Lerwick
Wednesday 29 May 2013 at 10 a.m.

Present:

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

Also in Attendance:

G Cleaver
R Henderson

Apologies

G Robinson

In Attendance (Officers):

N Grant, Director of Development Services
D Irvine, Executive Manager - Economic Development
I McDiarmid, Executive Manager - Planning
J Riise, Executive Manager – Governance and Law
A Taylor, Team Leader – Development Plans and Heritage
T Coutts, Business Development Project Manager
J Dunn, Project Manager
W Grant, Project Manager
S Keith, Project Manager
C Anderson, Communications Officer
L Fiske, Planning Officer
S Shearer, Planning Officer
K Marshall, Solicitor
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

None.

20/13 **Minutes**

The Committee confirmed the minutes of the meeting on 27 March 2013 on the motion of Mr Robertson, seconded by Mr Burgess.

21/13 **Development Services Directorate – Quarter 4 Performance Overview**

A report by the Director of Development Services (Report No: DSD-09-13-F) summarised the activity and performance of the Development Services Directorate for 12 months up to the end of March 2013, against the objectives and actions in the 2012/13 Development Directorate Plan.

In referring to the late circulation of this report, the Chair advised that in future any reports that are not finalised and circulated with the agenda would not be considered by Committee. The Committee concurred.

In introducing the report, the Director of Development Services reported that at the end of 2012/13 the Directorate has achieved the required savings plus an additional £2m, and he outlined the main achievements within the Service areas. In response to a question, the Director of Development Services reported that the Directorate is on target to deliver the savings identified for 2013/14. He added that the aim from the outset has been to achieve a greater saving than that set under the Medium Term Financial Plan to ensure any issues are dealt with at an early stage.

In response to questions from Mr Henderson, the Director of Development Services advised that the consultation on and implementation of the ferry fare structure would be undertaken during the summer months. In regards to the Skerries South Mouth Dredging project, he undertook to e-mail Mr Henderson and Members of the Development Committee with an update on the project.

On the motion of Mr Robertson, seconded by Mr Cooper, the Committee accepted the terms of the report.

Decision:

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

22/13

Shetland Input-Output Study/Regional Accounts 2010-11

A report by the Business Development Project Manager (Report No: DV018-F) provided headline information on the results of the Shetland Input-Output Study 2010-11.

The Business Development Project Manager summarised the main terms of the report. During the discussion, comments were made on the positive findings compared to the previous Input-Output Study in 2003, in regards to the labour force and productivity, and in particular reference was made to the significance of the marine environment and aquaculture sector to the Shetland economy. In regards to specific questions and comparisons with other areas, the Business Development Project Manager provided some explanation as to anticipated effects and probable assumptions, however he explained that the findings from the Input-Output Study provides the flow of capital measured, and any further more detailed analysis would need to be cross matched with other survey work.

In response to questions, the Business Development Project Manager commented on the significant changes in Shetland in the two years since the survey was conducted, including the decline in Council employment and public sector expenditure, and to the major developments in the oil and gas industry. He confirmed that these changes would significantly alter the findings as reported in the Study.

In response to a suggestion for the study to be undertaken more regularly to ensure the information is kept live, the Business Development Project Manager advised on the significant costs involved in undertaking the Study. He also acknowledged the importance of the continued participation and commitment from industry into the process, which for the latest and previous surveys has been a 50% return rate.

Reference was made to all statistical reporting on Shetland, and it was stated that the message to be relayed is that Shetland's very strong economy has to be set against the high cost of living in Shetland.

On the motion of Mr Fox, seconded by Mr Burgess, the Committee approved the recommendation in the report.

The Chair thanked the Business Development Project Manager for the work undertaken with this project.

Decision:

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

23/13

Economic Development Policy Statement 2012-2017

The Committee considered a report by the Business Development Project Manager (Report No: DV019-F), which presented the draft Economic Development Policy Statement 2012-17.

The Business Development Project Manager summarised the main terms of the report. He advised on the intention that following the period of consultation, the final draft would be presented to Committee in August for approval.

During the discussion, and in response to comments from Members, the Business Development Project Manager confirmed that the following would be incorporated within the Policy Statement document:

- Reference to be made to the Review of Tertiary Education.
- Objective 1.3 (Provide a high quality marine research and training facility): The 'Outcome' and 'Timescales' to be populated.
- In the title of the Policy Statement, change '2012' to '2013'.
- Objective 1.2 (Provide up-to-date monitoring of the Shetland economy through survey and resource work): Include references to future surveys.
- Outcome 2.2 (Support communities and individuals to engage in economic activity and/or reduce the effects of peripherality): Include more detail in the 'Outcome' in regards to ongoing work.

In referring to Outcome 1.5 (Understand the Business requirement in Shetland for particular skills), it was questioned whether the target to reduce the skills by 30% could be increased. However, it was advised that the figure would be dependent on the skills deficit identified, and that dialogue was ongoing with industry. The Director of Development Services added that Skills Development and understanding the skills gap was a key focus in community planning and in the Single Outcome Agreement 2013.

In response to questions relating to Outcome 3.1, "Provide high speed Digital Broadband in Shetland", updates were provided on proposals for national and local developments. During the discussion, comments were made on the need for communities to be better informed on the extent of potential coverage in their areas.

It was agreed that following clarity on BDUKs proposals and timescales for Shetland, and on the review being undertaken by Shetland Telecom, an all Members Seminar will be arranged to inform on proposals for high speed broadband for Shetland. The information is also to be disseminated to the Shetland community.

On the motion of Mr Robertson, seconded by Mr Burgess, the Committee approved the recommendation in the report.

Decision:

The Committee **RESOLVED** to adopt the Economic Development Policy Statement for consultation with industry, community stakeholders and public sector stakeholders.

24/13

Remaining Grants to the Agricultural Sector

The Committee considered a report by the Project Manager, Economic Development (Report No: DV016-F), which sought approval for the removal of the remaining grants supporting the agricultural sector in Shetland.

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

In response to a question, the Project Manager undertook to provide Mr Cleaver with information on the membership of the organisations that have received annual grants in support of their respective activities.

Comments were made on the historical variation in the uptake of the agricultural schemes, and the Project Manager explained how it had been difficult to predict the potential demand on each of the schemes in any year. The Executive Manager advised that the recommendation in the report is consistent with the previous decision of Committee in regard to grants to the agricultural sector.

Some Members advised of their concern regarding the proposal that all grant support is withdrawn from the agricultural industry. It was noted that some organisations had been promoting indigenous breeds, with reference made to the aim in the draft Economic Development Policy to support the marketing of local businesses outside of Shetland. During the discussion assurance was given that the Economic Development Service will continue to support Shetland's agricultural industry, and it was suggested that each of the organisations could raise funds through contributions from within their membership or through fundraising.

The Executive Manager advised that the Economic Development Service are currently reviewing all grant schemes and will bring forward a new package of schemes, which will include support to the agricultural sector, in line with the Economic Policy Statement.

In response to a question relating to the information in the table at Section 3.1, the Project Manager undertook to provide Mr Smith with detailed information on the uptake on the schemes by each organisation.

On the motion of Mr Fox, seconded by Mr Coutts, the Committee approved the recommendation in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolve to approve the cessation of the remaining historic grant streams payable to the agricultural sector. These are support grants to the Scottish Crofting Foundation (Shetland branch); the Shetland Flockbook Trust; the Shetland Cattle Herdbook Society; the Pony Breeders of Shetland Association; and the Council-operated Agricultural Contractors Scheme and AI Scheme, totalling an annual budget commitment of £35,350.

25/13

Shetland Local Development Plan – Proposed Plan

The Committee considered a report by the Team Leader – Development Plans and Heritage (Report No: PL-06-13-F), which provided an update on the Shetland Local Development Plan (LDP), and from the consultation on Supplementary Guidance (SG).

In introducing the report, the Team Leader reported that 19 planning applications and pre-applications had been submitted to the Planning Service for proposals to develop on the sites identified during the LDP process as having development potential. He added that this response would appear to confirm that people want to build on the identified sites. The Chair commented that it is encouraging that developers are engaging in the process, and that they recognise the benefits of developing in the areas already identified within the LDP.

In response to a question, the Team Leader undertook to e-mail Members of the Committee with information on applications submitted for developments on sites outwith the areas designated as having development potential.

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

Decision:

The Committee **RESOLVED** to confirm the work being undertaken relating to the consultation responses received on Supplementary Guidance, based on the information presented.

26/13

Draft Onshore Wind Energy Supplementary Guidance

The Committee considered a report by the Team Leader – Development Plans and Heritage (Report No: PL-07-13-F), which provided information on the development of the Draft Onshore Wind Energy Supplementary Guidance and sought approval to commence a 12-week period of public and stakeholder consultation.

The Team Leader summarised the main terms of the report, and he advised on the proposal that following the consultation period the Onshore Wind Energy Supplementary Guidance would be presented to Committee in the autumn in conjunction with the LDP. He confirmed that the Supplementary Guidance (SG) would not become policy until such time as the LDP is fully adopted.

In referring to the Micro Generation category of the SG, Mr Burgess questioned whether reference should be made to the PAN45 Annex which advises on how the planning service can support the micro-renewables industry. The Team Leader advised that the PAN45 document has been superseded, however he confirmed that it had been referred to when producing the Wind Energy SG.

The Team Leader advised on the recent requirement to develop a spatial strategy for onshore wind energy. He explained that although the SG indicates that the

broad areas of search would be considered full should the Viking Energy project go ahead, further wind energy developments could be considered on other sites.

In response to a question, the Team Leader explained that the “Potential Constrained Areas” at the airport/airstrips in Shetland were areas of safeguarding where consultation would be required for any proposed development. He confirmed that developments were not prohibited in these areas.

Mr Burgess moved that the Committee approve the recommendation in the report, but asked that reference is made within the Supplementary Guidance, at Micro Generation, to the PAN45 or equivalent document, which promotes domestic developments and benefits individuals within the community. Mr Robertson seconded.

Decision:

The Committee **RESOLVED** to:

agree that the Supplementary Guidance be the subject of a 12-week period of public and stakeholder consultation, and

that reference is made within the Supplementary Guidance, at Micro Generation, to the PAN45 or equivalent document, which promotes domestic developments and benefits individuals within the community.

27/13

Shetland Development Trust Accounts for year ended 31 March 2013

The Committee considered a report by the Executive Manager – Economic Development (Report No: DV020-F), which sought approval for the annual accounts of the Shetland Development Trust (SDT) for the year ended 31 March 2013.

The Executive Manager – Economic Development introduced the report, and provided a brief summary from the accounts. In response to a question, the Executive Manager advised that the decreased return from fish quota was as a result of a decrease in the number of rentals to vessels outwith Shetland.

The Chair paid tribute to the officers involved in the prompt production of the accounts. The Committee concurred.

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

Decision:

The Committee **RESOLVED** to approve:

- the accounts of the SDT for the year ended 31 March 2013; and
- the transfer of £500k of the revenue surplus to the Capital Account to fund the estimated inheritance tax liability recognised in these accounts, and the distribution of the remaining surplus of £474k to charitable bodies.

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

28/13 **Potential Onshore Test Sites for Offshore Wind Technology**
The Committee considered a report by the Director of Development Services.

Following a brief discussion on the project, Mr Robertson moved that the Committee approve the recommendation in the report. Mr Smith seconded.

Decision:

The Committee **RESOLVED** to provide a letter of support to HIE.

29/13 **Shetland Farm Dairies Bottling Plant**
The Committee considered a report by the Project Manager.

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

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

Decision:

The Committee **RESOLVED** to:

- Approve the provision of a Hire Purchase facility for Shetland Farm Dairies to enable the acquisition of a new bottling plant; and
- Grant delegated authority to the Executive Manager – Economic Development, in consultation with the Executive Manager – Finance, to establish the detailed terms of the Hire Purchase facility.

30/13 **Review of Shetland Development Trust Equity Investments**
The Committee considered a report by the Project Manager.

The Project Manager (W Grant) introduced the report.

The Chair commented that he supported the proposals in the report.

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

Decision:

The Committee **RESOLVED** to instruct Brodies LLP to prepare a report on specific equity investments held by the SDT.

31/13 **Redemption of Shetland Development Trust Equity in Fish Catching Businesses**

The Committee considered a report by the Project Manager.

The Project Manager (S Keith) introduced the report.

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

Decision:

The Committee **RESOLVED** to grant delegated authority to the Executive Manager – Economic Development, in consultation with the Executive Manager – Finance, to agree the value of the SDT equity investment in the three businesses detailed in Part A of Appendix 1 to the report and negotiate loan schedules for loans from either the Council or SDT where appropriate.

32/13 **Monitoring of Shetland Development Trust Investment in Millgaet Media**

The Committee considered a report by the Director of Development Services.

The Director of Development Services introduced the report.

Following some discussion, Mr Cooper moved that the Committee approve the recommendations in the report. In seconding, Mr Coutts requested that following the initial reporting on a monthly basis for the first 6 months, the reporting should be quarterly thereafter, rather than 6 monthly, as included within the recommendation. Mr Cooper agreed, and the Committee concurred.

Decision:

The Committee **RESOLVED** to approve the recommendations as outlined in the report.

33/13 **Investment Update**

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

The Project Manager (W Grant) introduced the report.

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

Decision:

The 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 concluded at 12.45pm.

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Chair