

MINUTE

A &B - Public

Special Development Committee
Council Chamber, Town Hall, Lerwick
Thursday 30 January 2014 at 12.00 noon

Present:

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

Apologies

G Robinson	A Westlake
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In Attendance (Officers):

N Grant, Director of Development Services
J Gray, Executive Manager – Finance
C Anderson, Senior Communications Officer
L Adamson, Committee Officer

Also Present (Members)

R Henderson
G Smith

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

None.

05/14 **Management Accounts for Development Committee:**
2013/14 Projected Outturn at Quarter 3

The Committee considered a report by the Executive Manager – Finance (F-004-F), which enabled monitoring of the financial performance of services within its remit to ensure that expenditure incurred and income generated would be delivered within the approved budget, so that timely action can be taken when required to mitigate projected overspends.

The Executive Manager – Finance introduced the report, and advised on the main variances to budgets as outlined in the appendices.

In response to questions from Members relating to the main underspend on revenue of £561k, which was a result of the low uptake of economic development grant schemes, the Director advised that the Service has deliberately not promoted the grant schemes during 2013/14 as a result of the reduction in budgets. However, he reported that the Service is now in the process of planning a series of road shows to meet with communities and businesses to ascertain the areas where support is needed and to promote the grant schemes. The Director advised that another factor for the reduction in the uptake of the grant schemes could be that the 7 year cycle

for European Funding Schemes concluded last year, and with that the lack of access to the match funding element from Europe. The Committee was informed that it could take until autumn 2014 for the new European schemes to be developed, approved by the Scottish Government and in Europe, and following which bids could be submitted for the first tranche of funding. During the discussion, the Director advised that the Council's Grants Officer and European Officer actively access funding for projects however more emphasis will be put on this area following finalisation of the new staffing structure within the Community Planning and Development Service.

In response to a question regarding match funding for projects in the next programme, the Director advised that with the financial constraints on Council budgets it is anticipated that the HIE will assist more in public sector contributions.

Reference was made to the limited budget for the Economic Development Schemes, being £200k for the Grant Scheme and £50k for Business Start-ups, and concern was expressed that the Grant Scheme budget would be diminished through funding the post of Chair of Creative Industries.

During the discussion Members were advised that the intervention rates for the various European Schemes were still being finalised, however it was suggested that the public sector contribution could range from between 5% to 50%.

In response to a question relating to the Directorate Service budget and the projected outturn overspend on the Tertiary Education Review, the Director advised that the majority of the £28k related to the work undertaken by Anderson Solutions early in the year, which has now been transferred to a more appropriate budget.

In referring to the budget for the Planning Service and the report on the deficit of £107k projected for Building Warrant income, a Member commented that the deficit could be covered through the building warrant required for the new Anderson High School. However with the current staffing vacancies in that section, he questioned whether the Service would have sufficient resources to commit to the level of work required. The Director advised that the Service had been operating for the last 5-6 months with only two Surveyors instead of four, and that the recent recruitment exercise through the national portal to recruit to the two vacant posts has been unsuccessful. A further recruitment exercise will be undertaken and should that be unsuccessful there will be a need to look at different options on how to recruit to the posts. In response to a suggestion, the Director said that should the recruitment exercise be unsuccessful the option of spend to save may be considered, and he assured Members that the requirements of the service and costings would be clear at the outset. The Director went on to reassure Members on the significant focus to recruit to the service at this time, and he was optimistic that the next recruitment exercise would be successful. In response to a comment, the Director said that although significantly reduced, he was confident that the existing staffing had a system in place to ensure applications are assessed as soon as possible. The Chair made reference to the concern in the community in regard to the delays being experienced with Completion Certificates. At the request of a Member, the Director confirmed that he would e-mail Members with information on the extent of the ongoing problems within the Service.

During the discussion, Members commended the Transport Planning Service, who although operating with a reduced workforce had managed to almost balance their budget; and that the Skerries dredging project had been completed under budget.

In regard to the funding for the Chair of Creative Industries post, reference was made to the estimated economic benefits of £2.4m per annum from the project, and it was questioned whether consideration could be given to spend to make revenue as an alternative to funding the post from the limited allocation to the grant schemes. The Executive Manager - Finance said that he would look into the suggestion, however Members were reminded that the focus can only be on the direct benefit to the Council rather than the overall benefit to the community.

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

Decision:

The Development Committee **RESOLVED** to:

- Review of the Management Accounts showing the projected outturn position at Quarter 3; and
- Instruct the Director of Development to ensure that the projected outturn is achieved by the end of the year.

The meeting concluded at 12.25 pm.

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Chair