

MINUTE

AB – Public

Development Committee
Council Chamber, Town Hall, Lerwick
Monday 24 November 2014 at 2pm

Present:

A Cooper	M Burgess
B Fox	R Henderson
A Manson	F Robertson
G Robinson	T Smith
M Stout	

Apologies

A Westlake

In Attendance (Officers):

N Grant, Director of Development Services
J Gray, Executive Manager – Finance
D Irvine, Executive Manager – Economic Development
I McDiarmid, Executive Manager - Planning
K Marshall, Solicitor
B Kerr, Communications Officer
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

In referring to Item 2 “Development Services Directorate Plan 2015-16” and to Item 3 “2015-16 Budget and Charging Proposals – Development Committee”, Mr Burgess declared a non-financial interest as a Trustee of the Shetland Fisheries Training Centre Trust (SFTCT), and a financial interest as a supplier of services to the Shetland College. Mr Burgess added that given the strategic nature of the reports today he would remain in the Chamber, however should the discussion digress, particularly in relation to the Shetland College, he would leave the meeting.

Mr Fox declared an interest in Items 2 and 3 as a Trustee of the SFTCT. Mr T Smith advised of an interest as a Trustee of the SFTCT, and added that he would leave the Chamber should a related discussion arise.

43/14 **Management Accounts for Development Committee: 2014/15 – Projected Outturn at Quarter 2**

The Committee considered a report by the Executive Manager - Finance (F-063-F), which enabled the monitoring of the financial performance of services within its remit to ensure Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

In introducing the report, the Executive Manager – Finance advised on the Revenue outturn position with the main variance being an underspend on grant schemes. In

reporting on the main variance on the Capital position, he said that although the Fibre Optic Cable Project is indicating an overspend of £91k it is anticipated the overall project will come in within budget. The Executive Manager – Finance undertook to provide Members with further budget information on the project.

In referring to the £51k savings reported on employee costs as included as part of the Economic Development underspend, the Director of Development Services advised on the restructuring of administrative services within the whole Directorate to be carried out in the course of this year, which he anticipated will absorb most of the £51k savings.

Reference was made to the expected income from Shetland Telecom which forms part of the underspend reported on Economic Development, where it was questioned whether part of the issue could be that Shetland Telecom does not fit easy into the operations of the Council. In that regard, the Executive Manager – Finance referred to the profiling issues on the capital budget, where he advised that a different means of reporting on capital will be looked into to give a truer picture, possibly through a more integrated approach.

In making reference to the significant return on surplus that will be generated to the Council from Shetland Telecom by the year end, the Chair indicated that this income would not take into account the cost of the services that Shetland Telecom provides to the Council, where he requested that this information be sought. After hearing the Executive Manager – Finance advise on the drive to cut down on cross charging within the Council and a comment from a Member in regard to the resources involved for each Directorate to determine these costs, the Chair confirmed that a paper exercise would suffice.

In responding to a question relating to the STERT review, the Director of Development Services advised that most of the overspend reported relates to project management costs. He advised that a project management structure is now in place using internal resources and timescales have been agreed, however if there is considered to be a need for outsourced services, this will involve additional costs to the project. In response to a question, the Director of Development Services confirmed that an update report on the project will be presented to Council on 17 December 2014, and further work will be undertaken early next year

(Mr G Robinson left the meeting).

Decision:

The Development Committee **RESOLVED** to review the Management Accounts showing the projected outturn position at Quarter 2.

44/14

Development Services Directorate Plan 2015-16

The Committee considered a report by the Director of Development Services (DV047-F) which presented the Development Directorate Plan for 2015/16, describing how the Directorate is going to deliver key actions, manage key risks and report and manage progress and performance across the coming year.

In introducing the report, the Director of Development Services provided a summary of the priorities being taken forward. In regard to the Planning Service, he advised that, following the adoption of the Local Development Plan, work will now commence on the next Main Issues Report and to address the requirements of the

Planning Performance Framework. The Director of Development Services advised on the review to be undertaken of Economic Development services and a study to determine what is required in terms of support for the Shetland economy for the next 10 years. Members noted the further priorities for Economic Development also included progress on the transfer of SDT assets to the Council, the reformat of the commercial lending mechanism and partnership working to develop further high speed Broadband. The Director of Development Services concluded by reporting from the Performance Indicators, advising on the reasons for the recent decline in business start-up rates and the delay in the time taken to obtain Building Warrants.

Following a comment from a Member in regard to the significant responsibilities and level of workload on the Transport Planning Service, the Director of Development Services said that he fully recognised the issues, and he confirmed that an exercise was being undertaken to address resourcing to the Service.

A Member enquired as to whether the review of Economic Development Services would include an appraisal of the Council's commercial lending mechanism. The Executive Manager – Finance advised on the Council's current principles of commercial lending, and agreed that it would be worthwhile to review the current Policy, and for Members to give a steer on the allocation between purely commercial lending and economic development, and where the function should sit within the Council. In response to a question, the Director of Development Services confirmed that any applications for commercial lending would continue to be considered with appropriate scrutiny under the current guidelines until such time as a new policy has been developed.

On page 13 of the Plan, Mr Stout sought clarity on the assets being referred to under Supporting Directorate Objective to Encourage Strong Communities, "Continue to encourage growth in commercial activity through development of unused or underutilised local assets". The Director of Development Services advised that school buildings would be the main focus, but generally the objective was to develop any asset in a community that can be better utilised and have a sustainable future in a community.

Reference was made to the Performance Measure "Community D&P – 6a", where there was a slight downward trend reported on the "% of people who agree with the statement 'I can influence decisions affecting a local area'". The Director of Development Services said that community engagement was a relatively recent area of focus for the Council mainly through the Community Planning and Development Service, where he would anticipate the trend to increase into the future.

During the discussion, Members raised questions and clarity was sought in regard to the target in the Plan relating to High Speed Broadband and Mobile Coverage "to achieve 100% broadband coverage increase uptake, and improve mobile signal coverage", where it was noted that the target of 85% coverage had been included in an earlier report. The Director of Development Services advised on the HIE/BT target of 75% for Shetland, with the current 50% at high speed Broadband and the remaining at the highest point of enablement. He said the 100% target had been included in the Directorate Plan as an aspiration, and for the Council to work with HIE and BT to realise that aspiration. Mr Stout advised that he welcomed the inclusion of the 100% target, while he acknowledged the amount of work and the responsibility and financial implications on the Council to achieve full coverage for Shetland. In response to comments, the Director of Development Services

confirmed that he would update the Plan to include a specific target figure for short-term projects. In that regard, the Chair suggested the following additional sentence be added to the Plan, "The ambition for next year is to achieve 85% super fast broadband connected to the home", which it was acknowledged would reflect the wishes of the community.

In response to questions, the Director of Development Services advised that the strategic direction of the Shetland Digital Strategy will be led by the Council's Executive Manager – ICT who will ensure appropriate service areas within the Council are consulted and participate in the network going forward. He advised on the intention that technical skills at Shetland College will also be utilised.

The Chair referred to the current operation of Shetland Telecom, which he said is delivering and expected to deliver for the Council and provide services to communities, and that the project is currently being taken forward by only two dedicated members of staff. Mr Stout suggested the need for further consideration to be given to how the Council can best invest and capitalise in the resource of Shetland Telecom, where the Chair proposed that these matters be included in the Plan as an Action Point, for taking forward early next year. Members were then advised on the intention that a review of Shetland Telecom would form part of the overall review of Economic Development, however the Chair requested that the appropriate resourcing of Shetland Telecom has to be addressed in the short-term, and therefore to be included as an Action Point in the Plan.

Mr Fox referred to Performance Measure "Economic Dev – 2A", on Page 34 of the Plan, which informed on the reduction in the number of business start ups. In commenting on the current high employment opportunities in Shetland, Mr Fox questioned whether there could be scope for flexibility to include reporting on instances when existing businesses have been developed. The Director of Development Services acknowledged that the Performance Measure would be updated.

In response to questions from Mr Fox, the Director of Development Services advised Members on the impending recruitment to the post of Chair of Creative Industries, and he outlined the Council's commitment to fund the team over the next three years which he acknowledged will significantly impact on the grants budget. Referring to the business case presented to Members, Mr Fox said that he was aware of the benefits and significant income to be generated from the Chair of Creative Industries team based in Shetland; however he said that as funding allocation will absorb a significant amount of the grants budget he questioned whether any alternative funding source could be found. The Director of Development Services said that he would look again at the budgets for economic development however he questioned whether the funding required could be afforded from elsewhere.

In referring to Performance Measure "Planning – 7a", Mr T Smith noted with concern the delay reported on the length of time to obtain building warrants, particularly where he noted in the last quarter the timescale had increased to 61.45 days. Mr Smith added that he has received a significant number of representations from his constituents on this issue and is therefore aware of the significant issues being brought about by such delays. The Executive Manager – Planning reported that recruiting to and retaining professional staff in the Building Standards Service has been an ongoing problem for the Planning Service, where he advised that the most recent attempt to recruit had failed due to the successful applicant being

unable to secure housing in Shetland. He went on to advise that vacancies in the Building Standards Service are now being addressed through training existing staff, which Members noted could take up to 7 years to attain the required qualification. The Chair made reference to the recent salary freeze in Councils over the last 4 years which he said has skewed the salary position between Council and the private market, but stated that recruitment to the Building Standards Service was an issue that needs to be resolved quickly.

In noting the references in the Plan to the Directorate's complex governance arrangements, Mr Stout stated that there would appear to be a call to streamline the governance structure and reporting to Committees. The Director of Development Services suggested that this could be a matter for discussion at a future Policy Forum.

In response to a question from Mr Burgess, the Executive Manager – Planning advised that the level of engagement with Community Councils during the development of the Local Development Plan had been additional to statutory requirements. He added that a review was currently underway on how the Planning Service are to consult on supplementary guidance, taking into account National Guidance, with the aim being to undertake more targeted consultation and engagement.

In response to a comment from Mr Burgess, it was agreed that the wording in a Planned New Action on Page 17, would be changed to read "Work with Fair Isle, Foula, Skerries and Papa Stour communities to develop sustainable air and ferry services".

In response to a question from the Chair relating to an Aim for 2015/16, being to "demonstrate we are an effective, cohesive team with a reputation for innovation", the Director of Development Services advised that a key issue is to look at Shetland's future prospects for the next 10 years, taking into account the aspirations of the community and develop an action plan to support the findings.

During the debate, Mr Robertson reported on the recent approval of the Local Development Plan, and congratulated the staff in the Planning Service and the Director of Development Services for all the work involved. He also informed on the issues to recruit staff into the Building Standards Service, where he supported the solution to train staff internally who, when fully qualified, have a commitment to Shetland.

Mr Stout commented that implications associated with the lack of affordable housing in Shetland is a matter being raised at all the Committees. He also referred to the Council's corporate ambition to grow the population, which he said was unlikely to be achieved when there is a lack of accommodation in Shetland.

Mr Cooper moved that the Committee approve the recommendations in the report, with the amendments to be made to the Directorate Plan as agreed during the discussion. Mr Robertson seconded.

Decision:

The Development Committee **RESOLVED** to:

- Review and discuss the contents of the Directorate Plan, and for amendments to be made to the Plan as were agreed during the discussion.
- Recommend the actions, risks and measures in the Plan, as amended, to Council.
- Delegate authority to the Director of Development Services to make any necessary adjustments to the Plan to ensure it is fully aligned with the final version of the Corporate Plan approved by Council.

45/14

2015-16 Budget and Charging Proposals – Development Committee

The Committee considered a report by the Executive Manager - Finance (F-066-F), which enabled the consideration of the controllable budget proposals for services within the Committee's remit, which will in turn contribute towards ensuring that the Development Directorate meets their Target Operating Budget, as set out in the Medium Term Financial Plan.

The Executive Manager – Finance introduced the report, and outlined to Members the main areas of change from the current year's budget as set out in Section 4.0.

In response to questions from the Chair, it was reported that the process to wind up the SDT was progressing on schedule to meet the target date of 28 February 2015.

Reference was made to the Schedule of Charges at Appendix 3, where Mr Stout enquired how the Council would compare against other Local Authorities in regard to charging for records and Planning adverts. The Executive Manager – Planning undertook to provide this information to Mr Stout.

In response to comments from Mr Burgess on the need to continually promote Shetland, the Director of Development Services informed on the work being taken forward by the Council, local partnerships and Promote Shetland to encourage people to live and work in Shetland.

In response to a question, the Executive Manager – Finance explained that although the proposed budget figure for Shetland Telecom for 2015/16 was presented as a minus it does in fact reflect an increase in income. The Chair made reference to the good return for the capital employed, and reported on the need to have a mechanism in place to secure the project into the future. During the discussion that followed, Mr Burgess raised the possibility of looking into developing data centres in Shetland, where the Executive Director – Economic Development advised that the aspiration would be for technology to be developed to support small businesses to encourage people to work in the communities. Mr Stout made the comment that the Council's ambition to get more people to work from home is intrinsically linked to the Digital Strategy.

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

Decision:

The Development Committee **RECOMMENDED** that the Policy and Resources Committee and Council resolve to approve the budget proposals for 2015-16 included within this report and set out in detail in the Budget Activity Sheet and the Charging Report.

The meeting concluded at 3.35pm.

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Chair