

MINUTE

B – Public

Development Committee
Council Chamber, Town Hall, Lerwick
Wednesday 22 April 2015 at 10am

Present:

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

Apologies

R Henderson	G Robinson
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In Attendance (Officers):

N Grant, Director of Development Services
M Craigie, Executive Manager – Transport Planning
D Irvine, Executive Manager – Economic Development
I McDiarmid, Executive Manager – Planning
A Taylor, Team Leader – Development Plans and Heritage
L Coutts, Project Manager
N Henderson, Project Manager
M Henderson, Project Manager
M Smith, Project Manager, Shetland Telecom
K Hudson, Natural Heritage Officer
K Marshall, Solicitor
C Anderson, Senior 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.

The Chair ruled that due to special circumstances, namely that due to the timescales involved, the following item of business is to be considered at this meeting as a matter of urgency in terms of paragraph 3.2.2 of the Council's Standing Orders for Meetings: Item 8 – "Transport Planning Service Restructuring Proposal".

The Chair also advised on a change from the published agenda, in that Item 5 "Shetland's Broadband Provision: Business Case" will now be taken in public.

Declarations of Interest

Ms Westlake declared an interest in Item 7 "Support for Shetland Shellfish Management Organisation Ltd., being a Director of SSMO. Ms Westlake advised that she would leave the Chamber during the discussion.

Minutes

The Committee confirmed the minutes of the meetings held on (a) 14 January 2015 on the motion of Mr Robertson, seconded by Mr Fox; (b) 23 February 2015 on the motion of Mr Fox,

seconded by Mr Stout; and, (c) 25 March 2015 on the motion of Ms Manson, seconded by Mr Burgess.

13/15 **Local Visitor Information Service 2015-2018**

The Committee considered a report by the Project Manager (DV-21-15-F), which presented the key components of providing an effective local visitor information service for the whole of Shetland including the funding and partners required to support it.

During her introduction of the report, the Project Manager (L Coutts) informed on the objective to provide and continue to develop a quality local information service throughout Shetland, in a cost efficient way.

In response to questions, the Project Manager explained that compared to the Local Visitor Information Service (LVIS), which is to provide information to visitors when they are in Shetland, the role of Promote Shetland is to encourage people to come to Shetland to visit or live. During the discussion, comments were made on the promotional aspects of both the LVIS and Promote Shetland and it was questioned whether the promotion of Shetland could be carried out by one service in the future. In response, the Executive Manager – Economic Development advised that a full review of Promote Shetland will take place prior to retendering of the contract in 2017.

During the discussion and in response to questions, the Project Manager advised on the cost savings achieved through undertaking the joint visitor survey with Orkney and the Western Isles. She advised on the proposal to undertake a calibration survey every 1 – 2 years and from the e-mail addresses provided, to submit specific questions to find out additional information on the reasons for the visit Shetland.

The Project Manager explained that the LVIS support organisations during the production of their initial information leaflet/brochure, with the organisation then responsible for the information to be updated and reprinted. In that regard, the Project Manager made reference to the recent publication of a leaflet which provides detailed information on the various caravan sites throughout Shetland. The Project Manager went on to advise that the only ongoing printing costs for the LVIS relate to the various geographic and thematic leaflets, which are available free of charge. In response to a question, the Project Manager said that consideration could be given to charging a fee for these leaflets, however she added that the leaflets are made available in some facilities where there would be no charging point, for example, on the inter island ferries.

In making comment on the need to encourage more yachting visitors to Shetland to experience the quality facilities, Mr Burgess highlighted that the contact details on the Shetland Marinas website required updating.

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

Decision:

The Development Committee **RESOLVED** to:

- Approve the proposed approach outlined in the report and detailed in Appendix 1 to deliver an effective local information service for the whole of Shetland for a

three year period, April 2015 - March 2018, subject to the availability of funds and approval of annual budgets.

- Approve the Local Visitor Information Service Scheme, attached as Appendix 2 to the report, as a delegated scheme.
- Give delegated authority to the Executive Manager – Economic Development or his nominee to administer the Local Visitor Information Service Scheme as set out in Appendix 2 to the report.

14/15

Business Gateway Shetland – Proposed Delivery of Enhanced Support to Growth Businesses

The Committee considered a report by the Project Manager (DV-22-15-F), which concerned the submission of an application by the Council for European Regional Development Fund (ERDF) assistance towards delivery of an enhanced Business Gateway Shetland service for growth and potential growth companies, and the provision of match funding to support that bid.

The Project Manager (N Henderson) summarised the main terms of the report.

A Member questioned the possibility that elements of the ERDF funding would have to be repaid should the specific targets and outputs, as outlined in the report, not be met. The Project Manager acknowledged the potential risk, however he advised that efforts will be made to mitigate such a situation through ensuring the details of the projects are thoroughly thought through prior to submission of the application. In response to questions, the Project Manager confirmed that projects which are in receipt of ERDF funding are monitored closely to ensure outputs are achieved, and the Chair informed on the very stringent audit trail relative to ERDF funding streams.

In response to a question, the Project Manager advised that the length of each graduate placement will be determined on a case by case bases, as there are a variety of different issues that could be holding back growth of a business. Members were advised that all Local Authorities in Scotland will be signing up to the programme, and that through the Business Gateway, there is already a network of good qualified graduates who could address a range of issues.

In response to a question, the Project Manager explained that this particular ERDF funding opportunity is aimed at business growth, however he confirmed that support to young people who are looking to start up their own business is an ongoing element of the Business Gateway service.

On the motion of Mr Burgess, seconded by Mr Stout, the Committee approved the recommendations in the report.

Decision:

The Development Committee **RESOLVED:**

- that the Executive Manager – Economic Development submits an application for ERDF assistance, for the period 1 June 2015 to 31 December 2018 initially, with the possibility of an extension to 31 December 2020, to support delivery of an enhanced Business Gateway Shetland service for growth and potential growth companies and;

- that, subject to ERDF assistance being secured as detailed in the report, future availability of appropriate match funding will be allocated from the Council, as follows:-
 - an allocation, amounting to 50% of the total project costs of £50,000, up to a maximum sum of £25,000, for financial year 2015/16 is approved;
 - allocations, amounting to 50% of the annual project cost of £100,000, up to a maximum sum of £50,000 in respect of each of financial years 2016/17 and 2017/18 are approved, subject to budget availability, and;
 - an allocation, amounting to 50% of the project cost of £100,000, up to a maximum sum of £50,000, in respect of financial year 2018/19 is approved, subject to budget availability.

15/15 **Scoping Document – Review of Opportunities for Hydrogen Projects in Shetland**

The Committee considered a report by the Project Manager (DV-24-15-F), which provided a scope for the Economic Development Service to undertake research and review opportunities for developing hydrogen projects in Shetland.

The Project Manager (M Henderson) summarised the main terms of the report.

In response to comments from Mr Stout, the Project Manager confirmed that he has already had discussions with various officers within the Council and with officers in other Local Authorities, on alternative fuel technologies which has included hydrogen. In that regard, he invited Members to pass on any suggestions where he can make further contacts in this field.

In response to questions, the Project Manager advised on the broad scope for the review, which will focus on opportunities for hydrogen in Shetland, but will also encompass different combinations of projects, including wind to heat and energy storage. The Project Manager explained that the objective of the review is to highlight opportunities for research and demonstration projects and to establish whether any projects could go ahead in a reasonable timescale, rather to put forward proposals for any particular projects to progress. Members noted that a report on the findings from the review will be presented to Committee in September.

Mr Stout advised of his support for the broad scope of the review. He added that the findings from the review will provide a better understanding for the potential for hydrogen development in Shetland, which he said could be an essential element of the Council's carbon reduction. Mr Stout moved that the Committee approve the recommendation in the report. In seconding, Mr Robertson commented on the importance to explore alternative energy developments in Shetland as oil reserves deplete or become more expensive.

Decision:

The Development Committee **RESOLVED** to approve the scope of research work into hydrogen opportunities, as outlined in Section 4 of the report.

16/15 **Local Nature Conservation Sites**

The Committee considered a report by the Team Leader – Development Plans and Heritage (DV-23-15-F), which presented the Supplementary Guidance (SG) on Local

Nature Conservation Sites (LNCS) and the table of responses from the recent consultation.

The Team Leader – Development Plans and Heritage summarised the main terms of the report.

In response to a question from the Chair regarding the procedure for further intimations from the public for additional nature conservation sites into the SG, the Team Leader – Development Plans and Heritage explained that the process would involve the re-establishment of the working group who would assess the proposals against the initial criteria, which he added could happen fairly quickly following adoption of the initial SG.

The Team Leader – Development Plans and Heritage informed on the thorough consultation that has taken place during the initial and further consultation on the LNCS SG, where he confirmed that all sectors and the community as a whole have been included in the final consultation process.

The Team Leader – Development Plans and Heritage explained that the approved LNCS SG will form part of the process during consideration of planning proposals, and will ensure developers are aware of areas of conservation interest for a specific purpose to support the Local Development Plan. The Team Leader – Development Plans and Heritage went on to clarify that the identification of LNCS would not preclude development, but would enable the developer and the Council to take account of the specific interests at each site, along with all the other planning factors when considering development proposals.

Although acknowledging that the purpose of the SG is to highlight particular sites for planning purposes, the Chair questioned whether there was any intention to raise awareness of the specific interests at the various LNCS throughout Shetland. Mr Robertson advised that the Biological Records Centre in Shetland maintains a record of all natural heritage sites, and he agreed that the public should be made aware of the sites.

During the discussion, Ms Manson highlighted an amendment to be made to Site No. 29, in that the Community Council area is Northmavine, rather than Delting.

A Member made comment that the SG would benefit from proof reading, prior to submission to the Scottish Government.

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

Decision:

The Development Committee **RECOMMENDED** that the Council resolve to adopt the SG Local Nature Conservation Sites.

17/15 Shetland's Broadband Provision: Business Case

The Committee considered a report by the Director of Development Services (DV-20-15-F), which provided an update on progress towards the development of a Business Case for broadband development in Shetland.

The Director of Development Services summarised the main terms of the report, and he referred to the commitment given at the January meeting of Committee that the Business Case for Shetland Telecom would be presented today. He went on to advise on the delay in the presentation of the Business Case, where he explained the complex work associated with the production of a full and cohesive business case to make sound decisions on Shetland Telecom. He confirmed however, that the report as presented, recommends that the Executive Manager – Economic Development be granted delegated authority to make decisions in regard to all aspects of Shetland Telecom in the short-term.

During the discussion, Members questioned whether there were any specific barriers hindering progress on the Business Case for Shetland Telecom, or whether any issues could benefit from input at a political level.

The Director of Development Services reported on the need to be very clear on what would be the best mechanism to achieve 100% broadband coverage in Shetland, and in that regard he advised on the delay in BT and HIE informing the Council on their plans for extending BDUK coverage in Shetland. He also advised on the further complexity with their being two separately networks, Shetland Telecom and IT,SIC, where he advised that internal decisions also have to be made in that area.

A Member made reference to the Risk Management section of the report, which informed on the urgent requirement for cover and back up support for the two existing staff in the Shetland Telecom project team. The Director of Development Services confirmed that the resourcing of Shetland Telecom needs to be resolved in a relatively short timeframe, where he advised on options for secondment or contracts as potential short-term measures while the bigger decisions are made.

During the discussion, assurance was sought from the Director of Development Services that a Business Case for Shetland Telecom to address the resourcing issues would be taken forward as high priority. In that regard, the Director confirmed that a report would be presented to Committee prior to the Council meeting on 27th May, and in the meantime progress would be made on the business case for broadband, which would be reported to Committee next cycle.

The Chair reported on the two distinct issues, which he said are possibly getting blurred during this process, being to possibly extend the amount of fibre being put it. However he said that to develop this business case requires input from BT and HIE. In that regard, the Chair advised on his disappointment at the lack of information being relayed from BT and HIE, and on the frustration within the community that broadband is not working well in some areas. Referring to the need for the Business Case for Shetland Telecom, the Chair stated that resources have to be in place to meet the commitments and to grasp the probability of further opportunities to generate additional income to the Council. He stressed the urgency for additional resources to Shetland Telecom to allow the Project Managers to concentrate on the telecoms issues, and sought assurance from the Director of Development Services for a report to a Special meeting of Development Committee prior to the Council meeting on 27 May, to address the issues to ensure Shetland Telecom can properly and professionally meet potential business opportunities.

Mr Cooper moved that the Committee approve the recommendations in the report, with an additional recommendation, that the Director of Development Services present a report to Committee, prior to the Council meeting on 27 May, to address resilience and staffing issues of Shetland Telecom.

Mr Fox commented that Sections 3.1 to 3.7 of the report sets out the work done by Shetland Telecom in the last years by only two members of staff, who he said have to be applauded. He also made reference to the turnover on direct sales being five times more than what was anticipated, where said that the business case is evident for additional resources to Shetland Telecom.

Mr Robertson seconded.

Decision:

The Development Committee **RESOLVED** to

- Note that valuable work has been done on the Business Case for Broadband development in Shetland and the justification and outline Business Cases will be presented for consideration in due course.
- Agree that the Shetland Telecom Stakeholder Group continues to influence and monitor the work of Shetland Telecom as the current in-house provider while the Business Case is prepared for the Council's future involvement in Broadband.
- Note that the Executive Manager – Economic Development will continue to emphasise the importance of the issue and will guide the Council's strategy and give momentum and priority to this work so that significant progress is reported to the next Committee cycle.
- Agree that the Director of Development Services present a report to Committee, prior to the Council meeting on 27 May, to address resilience and staffing issues of Shetland Telecom.
- And note that in the meantime, the Executive Manager – Economic Development will continue to manage the Shetland Telecom project, purchasing the necessary materials, parts and equipment to increase Shetland Telecom's sales on the Council's fibre-optic network within the existing budgets approved for this purpose.

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

18/15 SSQC Ltd – Funding 2015/16

The Committee considered a report by the Executive Manager – Economic Development, which recommended the provision of a grant to SSQC Ltd (SSQC) for the financial year 2015/16 towards providing a range of support services relating to local food and drink production, and in particular, seafood.

The Executive Manager – Economic Development summarised the main terms of the report and responded to questions from Members.

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

Decision:

The Development Committee **RESOLVED** to:

- provide a grant in the financial year 2015/16 towards funding the activities of SSQC Ltd, subject to the grant offer conditions detailed in Appendix 1, and to a successful notification to the EU of the grant under the Fisheries Block Exemption Regulation.
- agree that the annual grant should be reduced in steps down to zero by 31 March 2021, subject to an annual assessment of the financial capacity of SSQC Ltd to sustain such reductions.

(Ms Westlake left the Chamber).

19/15 **Support for Shetland Shellfish Management Organisation Limited (SSMO) – Financial Year 2015/16**

The Committee considered a report by the Executive Manager – Economic Development, which sought approval of a grant to ensure that Shetland Shellfish Management Organisation Limited (SSMO) can deliver the Shetland Regulated Fisheries Order, which ensures sustainable management of inshore shellfish fisheries, during the 2015-16 financial year.

The Executive Manager – Economic Development summarised the main terms of the report and responded to questions from Members.

During the discussion, the Chair suggested the need for dialogue to take place with the shellfish sector prior to any future funding being considered, and that a strategy is sought on the industry's vision for the future, prior to the Council's budget setting exercise.

Mr Cooper moved that the Committee approve the recommendation in the report. Mr Robertson seconded.

Decision:

The Development Committee **RESOLVED** to approve a grant for the 2015/16 financial year to SSMO for supporting the management and administration of the Shetland Regulated Fisheries Order, subject to the grant offer conditions detailed in Appendix 1 to the report, and subject to the successful notification of the grant to the EU under the Fisheries Block Exemption Regulation.

(Ms Westlake returned to the meeting).

20/15 **Transport Planning Service Restructuring Proposal**

The Committee considered a report by the Director of Development Services, which presented a proposal to restructure the Transport Planning Service to address current and future requirements and deliver more effective transport services to customers.

The Director of Development Services summarised the main terms of the report. Members were advised that the report was presented to Committee as funding is being sought from the Economic Development Projects Budget, and the decision relevant to Committee was set out in Section 2.2 of the report.

Following some discussion, Mr Stout moved and Mr Cooper seconded, that the Committee approve the recommendation in the report.

Decision:

The Development Committee RECOMMENDED that Policy and Resources Committee RESOLVE to approve the transfer of funds from Economic Development Project Budgets.

The meeting concluded at 12.55pm.

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Chair