

MINUTE

B – Public

Development Committee
Council Chamber, Town Hall, Lerwick
Monday 23 November 2015 at 2pm

Present:

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

Apologies

G Robinson

In Attendance (Officers):

N Grant, Director of Development Services
J Belford, Executive Manager – Finance
D Irvine, Executive Manager – Economic Development
I McDiarmid, Executive Manager – Planning
C McIntyre, Executive Manager – Audit, Risk and Improvement
W Grant, Project Manager
S Keith, Project Manager
P Sutherland, Solicitor
B Kerr, Communications Officer
L Adamson, Committee Officer

Also in Attendance:

R Henderson
W Shannon, NAFC Marine Centre

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 3, “2016/17 Budget and Charging Proposals – Development Committee”, Mr Burgess declared a tentative interest as a supplier of services to the Shetland College, and a non-financial interest as a Board Member of the Shetland Fisheries Training Centre Trust, where any specific reference to Sections 4.1 and 4.2 of the report may require him to leave the meeting.

46/15 **Development Services Directorate Performance Report**
6 Month/2nd Quarter 2015/16

The Committee considered a report by the Director of Development Services (DV-61-15-F), which summarised the activity and performance of the Development Services Directorate for the reporting period above.

The Director of Development Services introduced the report, and in referring Members to Appendix 1 he provided updates on a number of the projects. In

reporting on progress to develop the Local Outcomes Improvement Plan (LOIP) which replaces the SOA, he advised that all five development sessions have now taken place, and the date for the Summit has been set for 14 January 2016. The Director of Development Services also provided some explanation in regard to a number of the Performance Indicators at Appendix 3.

In response to a comment, the Executive Manager – Planning advised on the requirement in legislation for collaboration on the work to develop the Housing Needs and Demand Assessment (HNDA) and updating housing sites within the Local Development Plan (LDP). He advised that there is currently an amount of speculation on areas of demand, but the work will provide an actual evidence base on areas that should be targeted for housing development. The Executive Manager – Planning reported that the Cabinet Secretary, with responsibility for Planning, has recently launched a Review of the Planning System, which includes housing and infrastructure, with a requirement to report in the Spring of 2016. The Executive Manager – Planning advised on his representation on the Executive Committee of Heads of Planning Scotland, and that as part of the call for evidence he is working with the Heads of the Planning Service in Orkney and the Western Isles to submit a paper to highlight the islands' perspective on planning matters. In response to questions, the Executive Manager – Planning advised on his joint working with the Council's Executive Manager – Executive Services on the Islands Bill consultation. He advised that Island Proofing has also been shown to work even on an informal basis using the example on the early sight of, and involvement in, the Draft National Planning Framework 3 (NPF3), resulting in the final version having significant references made to the island communities, and Lerwick, Stornoway and Kirkwall. He reported that comments have been submitted during the early stages of the Draft NPF3, and advised on the benefit of early engagement from an island perspective.

In response to questions, the Director of Development Services advised that the delay on the LDP due to staff shortages will not affect the scope of work. The Executive Manager – Planning added that the timing of the Review of the Planning System coincides well with the delay on the LDP, where he confirmed that the scope of the LDP will be unchanged unless any changes are required as a result of the Review.

In referring to the Directorate Indicator "GD-03 External funding secured by Community Groups", a Member advised on the importance at this time for Community Groups to be supported. The Director of Development Services reported on the active programme in place for officer engagement with community groups to access external funding. He advised however that with reduced resources going forward, this level of support may have to be reduced, and consideration given to a more effective way to support community organisations applying for funding. In that regard, a Member questioned whether there could be benefit through community groups sharing information with other community organisations on their experience and skills at completing applications and securing funding. The Executive Manager – Economic Development reported that the delay in European funding streams could have a bearing on the drop in external funding received as reported at Quarter 2. A Member reported however that the amount of external funding secured to date in 2015/16 was significantly higher than the overall figure for 2014/15.

In response to a question, the Director of Development Services explained that his comments on the key action to evaluate current resources for Shetland Telecom

relate to the failure to achieve the initial timescales for reporting, however he confirmed that with the condensed reporting in early 2016 the target date of March 2016 was achievable.

In response to a request for clarity on the action to “Work with community partners to establish a network of Local Area Forums”, the Director of Development Services reported on the objective for more efficient community engagement at Ward level. He reported from the pilot of the Place Standards toolkit being trialled in the Planning Service to encourage engagement at community level, which he confirmed would be an integral part of the LDP process.

In making reference to the Planning Performance Framework report at Appendix 6, a typo was highlighted on Page 2, where 2025 should read 2015.

A Member commented that she welcomed the report of the overall reduction in sickness absences throughout the Council, where she enquired whether there are any specific healthy living initiatives. The Director of Development Services said that he was aware that there were such initiatives in the Council, however he advised that the improvement reported on sickness absences would be the result of the Maximising Attendance Policy, where discussions are held with staff after each absence from work, with the focus to resolve any issues at an earlier stage.

In response to comments from a Member, the Director of Development Services provided some explanation on how Shetland could compare nationally in regard to average gross weekly wage taking into account the 40% higher costs of living in Shetland, where he advised that Shetland could be down to a margin more in line with the national average. He added that this information would be fed into the work being done by the Inequalities Commission.

Decision:

The Development Committee noted the contents of the report.

47/15

Development Services Directorate Plan 2016/17

The Committee considered a report by the Director of Development Services (DV-63-15-F) which described how the Services plan to deliver key actions, manage key risks and report and manage progress and performance through the coming year.

The Director of Development Services introduced the report. In referring to the appendices, he provided updates on the five priority areas as set out in the Corporate Plan. Members noted that of the thirty other outcomes in the Corporate Plan, Development Services lead on a total of eighteen.

In response to a question, the Director of Development Services reported that the findings from the Inter Islands Transport Study, to be reported in February 2016, will help evidence service levels and how fair fares are to be addressed. He acknowledged however that it will be difficult to establish and manage issues of isolation and inequalities in regard to transport provision. Mr Stout advised that the case is being made for fair fares, through active engagement on the STAG process for the 2018 Northern Isles Ferry Services Contract, and that it is important to reassure the public that efforts are being made to achieve external and internal ferry fares that are fair.

A Member sought clarity in regard to the allocation of the target severity as being 'significant', relating to the Risk "C0019 – Strategic priorities wrong". The Director of Development Services explained that although the new Corporate Plan has provided clarity on priorities there is still a risk in the diverse range of priorities for the Development Directorate to ensure projects can be properly resourced.

In response to a comment regarding the Corporate Plan priority to improve high speed broadband and mobile connections, the Director of Development Services reported on the aim to achieve connections Shetland wide, however he said there will always be areas where there will be difficulties to achieve connections, and therefore different solutions will be needed for different areas.

In referring to Recommendation 2.1.2, the Chair sought assurance that any radical changes to the Directorate Plan would be reported to Committee, and the Director of Development Services confirmed his agreement. Mr Cooper moved that the Committee approve the recommendations in the report. In seconding, Mr Stout commented on the extensive list of priorities in the Directorate Plan, where it was acknowledged that this was a busy and demanding time for the Director of Development Services and his team. Members concurred.

Decision:

The Committee **RESOLVED** to:

- review and discuss the contents of the Development Services Directorate Plan 2016/17, making any suggestions for amendment or further update.
- delegate authority to the Director of Development Services to make any necessary adjustments to the Development Services Directorate Plan to ensure it is fully aligned with the final version of the Council's Corporate Plan and Medium Term Financial Plan approved by Council.

48/15

Management Accounts for Development Committee: 2015/16 – 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 within its remit to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

The Executive Manager – Finance summarised the main terms of the report.

In response to a question regarding the reported underspend on economic development activities, the Executive Manager – Economic Development reported that there has been increased activity through the Business Gateway as the Gas Plant construction phase comes to an end.

A Member sought clarity in regard to the projected £130k increased income from the provision of Shetland Telecom services. The Executive Manager – Economic Development advised on the increase in sales to what was budgeted as a result of the active economy however it is expected that additional income will decline with the changing economic climate.

In response to a question, the Director of Development Services undertook to provide Ms Westlake with further detail on the projected underspend in employee costs under Waiting List Allocation due to vacancies.

Decision:

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

49/15

2016/17 Budget and Charging Proposals for Development Committee

The Committee considered a report by the Executive Manager – Finance (F-074-F), which concerned the controllable budget proposals for the services within its remit.

In introducing the report, the Executive Manager – Finance reported on the joint working to prepare the budget proposals, which have been set in the context of the MTFP and reflect the expectation of the 2% savings from services under the remit of the Committee. He advised that the £8.9m budget takes into account pay awards, National Insurance changes and pension contributions. He advised that the Development Directorate missed its target operating budget by 5%, however he assured Members that Corporate Management Team worked to ensure the overall position has been achieved and that the target has been met across the Council. In referring to the Schedule of Charging proposals at Appendix 3, the Executive Manager – Finance advised that the list of charges under the activities 'Garages' and 'Sheds' at the top of Page 2 should be excluded from today's considerations, as they apply to the Housing Revenue Account (HRA) and will form part of the HRA reporting to Policy and Resources Committee.

In advising that the report does not set out where the economies will be achieved, the Chair requested an overview from the Director of Development Services. The Director of Development Services advised, that in terms of context, over £17 million of savings have been achieved over the last 3 years, where he advised that the £15.3 million target operating budget reflects the Shetland Development Trust assets transferred to the Council and £500k for the bus network service that was previously in contingencies. He reported on the challenges to achieve the 2% savings across the services, where he advised on the reductions in core funding to the NAFC Marine Centre, Shetland College, Museum and Archives, and a further reduction of £68,000 to the NAFC Marine Centre. He also reported on the impacts on service areas, where Members noted the significant reduction in funding to Train Shetland, while savings in Community Planning and Development and the Housing Service have been achieved through internal efficiencies.

A Member commented on his concern at the impact of the reduced budget to the Transport Planning Service, where he advised on major problems to meet the 3.3% savings in future years. In that regard, the Director of Development Services reported on the need to review all services under the remit of the Committee where some big decisions will have to be made to achieve the 3.3% savings through a different means of budget setting in future years. He advised that the Medium Term Financial Plan sets out a clear route of expenditure to 2020/21, and discussions will need to start at an early stage to make some strategic change proposals to achieve the budget going forward.

During debate, the Chair advised on his concern that the legacy from this Council to the next Council will be a difficult one. He said that the community, businesses and the Colleges would want to see some sort of stability, however with the uncertainty

on Government funding there will be areas where increased savings will have to be made, and it will be difficult to convince the community there is no other option but to reduce services. With the exception of the list of Garages and Sheds in Appendix 3, Mr Cooper moved that the Committee approve the recommendations in the report. Mr Cooper advised of the further opportunities at Policy and Resources Committee and Council to reiterate concerns on how the Development Services will meet its budget savings in 2016/17 onwards. Mr Stout commented that for Development Services, and the other services in the Council, there will be areas where for a number of reasons 3.3% savings will not be achievable.

Mr Robertson seconded

(Mr Burgess asked for it to be noted that he took no part in the discussion on the NAFC Marine Centre).

Decision:

The Development Committee **RECOMMENDED** that the Policy and Resources Committee and Council approve the budget proposals for 2016/17 included in the report and set out in detail in the Budget Activity Sheet (Appendix 2) and Schedule of Charges (Appendix 3).

50/15

Development Committee Business Programme 2015/16

The Committee considered a report by the Team Leader – Administration (GL-50-15-F), which informed of the planned business to be presented to the Committee for the financial year to 31 March 2016 and sought discussion with Officers regarding any changes or additions required to that Programme.

Decision:

The Development Committee considered its planned business for the financial year to 31 March 2016 and **RESOLVED** to approve the Business Programme.

(Mr Robertson left the meeting).

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

51/15

Shetland Investment Portfolio Update

The Committee considered a report by the Project Manager.

The Director of Development Services introduced the report. In response to questions, updates were provided on a number of the investments.

Decision:

The Development Committee noted the contents of the report.

The meeting concluded at 3.45pm.

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Chair