

# MINUTE

# A&B – Public

**Special Development Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 31 August 2016 at 11.30 am**

**Present:**

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

**Apologies**

M Stout

**In Attendance (Officers):**

N Grant, Director of Development Services  
J Belford, Executive Manager – Finance  
D Irvine, Executive Manager – Economic Development  
L Coutts, Project Manager  
P Sutherland, Solicitor  
C Anderson, Senior Communications Officer  
L Adamson, Committee Officer

**Also:**

J Wills  
V Wishart  
J Moncrieff, Shetland Amenity Trust  
A Blain, Shetland Amenity Trust

**Chair:**

Mr A Cooper, Chair of the Committee, presided.

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest**

Ms Wishart and Dr Wills declared an interest as Trustees of the Shetland Amenity Trust, appointed by the Council, but advised that the specific exclusion under the Councillor's Code of Conduct applied in this instance and they would remain and participate.

Mr Robertson declared an interest as an external appointment to the Shetland Amenity Trust, and having considered advice from the Solicitor, on the general obligations of Members, Mr Robertson said that he would remain and observe.

The Chair advised that the report was in public however this was a small contract with known individual staff members and expressed his concern that discussion could stray into this area. The Chair moved therefore that this item be taken in private, unless the Committee felt otherwise. Mr T Smith seconded.

Mr Fox said that given the last report was marked as private but was then considered into public. Mr Fox moved as an amendment that this discussion be held in public. Ms Westlake seconded.

Voting by a show of hands took place and the results were as follows:

Amendment (Mr Fox)	4
Motion (Mr Cooper)	4

**The Chair used his casting vote therefore the decision of the Committee was, in terms of subsection 4 of Section 50A of the Local Scotland (Government) Act 1973, to exclude the public from the meeting during consideration of the following item of business on the grounds that it was likely that, if the public were present, there would be disclosure of exempt information as defined in the paragraphs 6, 8 and 9 of Part 1 of Schedule 7a to the said Act.**

(Mr Robertson, Mr Moncrieff, Mr Blain, Ms Anderson and members of the press left the Chamber).

38/16      **The Business Case for Promoting Shetland – Stage Two**

The Committee considered a report by the Director of Development Services (DV-42-16-F), which presented Stage Two of the Business Case for Promoting Shetland.

The Executive Manager – Economic Development introduced the report during which he summarised the steps taken, under stage 2, to prepare the Outline Business Case and the work undertaken by Highland Research, specialists in digital promotion, which he said was extremely helpful because the assessment of promotional options is highly subjective, based on emotional reactions rather than measurable evidence. The Executive Manager – Economic Development highlighted the changes to the previous decision taken on 13 June, relating to Brexit and the inclusion of an Option 2a. In conclusion he stated that the promotion of Shetland continues to be valuable, with more emphasis on working with Community Planning partners and local industry. He said that having applied Cost/Benefit evaluation and assessing the short list of options against weighted Critical Success Factors, the preferred option is Option 5, which is a medium level of service, largely outsourced with additional in-house engagement with Community Planning partners. This option is affordable, saving £128,000 a year on current arrangements.

The Director of Development Services referred to page 90 and clarified that the reference made to in-house resources was not a new resource. He said that the 0.1 FTE at Assumption 16 was already in place to ensure the contract is managed financially and that reporting is carried out as required. He advised that Assumption 17, 0.5% staff activity has to be firmed up with Community Planning and Development services who are doing work on partnership engagement, again this is not a new resource.

The Director of Development Services commented that the timing was not ideal for presenting this report as it was asking Members to make budget decisions out with the budget setting process. However he explained that the detail of the contract needs to be in place before the new contract starts on 1 April.

During the meeting a number of matters were raised and Officers responded to questions as follows:

- The timetable was explained and the need for time to bring the existing contract to an end particularly, if a new contractor is successful. It was acknowledged that the approval of the Council's budgets at the beginning of February would not allow enough time to complete the tendering process.
- Officers confirmed that it would be possible for the Committee to ask the Council to make the final decision required on the recommendations, even though delegated authority is in place for the Committee to do so.
- Officers explained that the reference to indirect staff on page 28, related to sub-contractors and the findings at stage two took account of the 3.5 staff that Promote Shetland is directly responsible for.
- Concern was expressed that an obligation under TUPE would transfer to the new contract, and the circumstances under which this may happen were explained.
- Confirmation was given that both the current and the new contract include severance clauses allowing either party to end the contract with one month notice.
- The suggestion was made that the analysis undertaken was being critical of the current contractor. Officers refuted this stating that the current contractor had done what was asked of them and had done it very well. It was explained that the analysis was undertaken to look at the critical factors set for the next contract and what was required under the new contract sought more focus on community engagement. The Executive Manager – Economic Development advised that this was a piece of work he took responsibility for carrying out himself and stated that it was heavily subjective and an emotional subject and it was difficult to envisage accurately what the outcomes might be. He said that, had this work been undertaken by a panel, there may have been a different outcome.

(Ms Manson left the meeting)

- In terms of local control and accountability Members were informed that there are 4 Members that meet and help with what Promote Shetland do.
- An explanation was given of the critical stress factors used, and affordability and drive toward savings was given 30%. Members considered that this service, in terms of affordability, had been cut to the bone.
- Cost comparisons across three other local authorities was presented and the Executive Manager – Economic Development advised that the figures provided were similar to those he had used as a benchmark in the Service Review last year.
- The Executive Manager – Economic Development confirmed that the 2003 Branding project was a one off exercise and he did not believe it necessary for that to be updated. He advised that the Shetland Marketing Strategy was due for an update and there would be good reason to do so, as Brexit unfolds. The Project Manager (L Coutts) added that the Shetland.org website is doing really well and the model really works, but there has to be better links with Promote Shetland and Community Partnership, and it is not for the Council to do this work as it has to come from the sectors themselves. She said that attracting visitors has worked but it is important to target specific people and certain professions to live and work in Shetland.

- In addition to the live, work and study promotion it was suggested that it would be important to promote the Council and its various services better, for example its piers and harbours. Thought is needed on how to benefit the Council as well as the wider Shetland.
- It was noted that option 2a allowed Brexit to be built into the strategic case. Should option 5 be approved some resource would be used to deal with the Brexit era, which appears will be a lengthy process.

During debate, Members acknowledged that there was a need to shift focus from tourism. Comment was made on Promote Shetlands work in this area and that their promotion of Shetland reached across the globe. In discussing the way forward it was suggested that there may be an option between 2a and 5 that would achieve affordability and effectiveness, but concern was raised that such an option would affect the benefits identified. An alternative view was taken, that in terms of the uncertainties association with Brexit the level of resources could not be determined at this time, therefore Option 5 should be supported. It was again requested that any decision sought, out with the budget setting exercise, should be approved by Council.

Comment, in support of option 2a, was made in terms of the effects that Brexit will have on the seafood industry if there is no access to a free Europe and that the Council has to be prepared for the looming crisis and austerity. Concern was raised that the terms of the new contract was being driven by cuts to the Council's budget, that the existing contract arrangements were working well and, should partners be unhappy with the level of promotion in their sector, there are clear routes for them to express those concerns. A call was made that a decision be taken today, to remove uncertainty felt by the current contractor and staff.

Mr Henderson moved that the Committee approve option 2a as the preferred method for delivering promotional activities after 31 March 2017. Mr Robinson seconded.

Mr Fox moved as an amendment that the Committee approve option 5 as the preferred method for delivering promotional activities after 31 March 2017, as recommended by officers and that the decision be referred to Council. Mr T Smith seconded.

The Chair gave notice of a further amendment.

Following summing up, a vote took place with a show of hands and the results were as follows:

Amendment (Mr Fox)	2
Motion (Mr Henderson)	5

The Chair withdrew his notice of further amendment and asked for Members views on seeking a final decision from the Council. Mr Fox moved that the decision of the Committee be reported to Council for final approval. Mr Burgess seconded.

Mr Robinson moved as an amendment that the decision remain with the Development Committee as delegated authority was in place. Mr Henderson seconded.

Following summing up, a vote took place with a show of hands and the results were as follows:

Amendment (Mr Henderson) 4  
Motion (Mr Fox)

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At the request of the Chair, the Committee unanimously approved the remaining recommendations at paragraphs 2.1.1, 2.1.3 and 2.1.4 of the report.

**Decision:**

The Development Committee **RESOLVED** to:

- Approve the changes made to the Strategic Case in paragraph 4.1 of the report.
- Accept Option 2a from the short list of options as the preferred method for delivering promotional activities after 31 March 2017.
- Accept that a five year contractual arrangement for the service, subject to severance clauses is the most effective way to operate promotional services.
- Approve delegated authority for the Executive Manager – Economic Development to conclude the full Business Case and the arrangements to tender the work.

The meeting concluded at 12.55pm

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Chair