

Development Committee

**Auditorium, Shetland Museum and Archives, Hay's Dock, Lerwick
Wednesday 8 February 2017 at 10am**

Present:

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

Apologies

B Fox

In Attendance (Officers):

M Boden, Chief Executive
N Grant, Director of Development Services
J Belford, Executive Manager - Finance
D Irvine, Executive Manager – Economic Development
A Jamieson, Executive Manager – Housing
I McDiarmid, Executive Manager – Planning
M Holmes, Coastal Zone Manager
S Shearer, Team Leader – Development Plans
I Johnson, Senior Assistant Accountant
J Dunn, Project Manager
W Grant, Project Manager
M Henderson, Project Manager
A Tait, Solicitor
B Kerr, Communications Officer
L Adamson, Committee Officer

Also In Attendance

Mr Duncan

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Burgess advised of a tentative declaration in Item 2, “2017/18 Budget and Charging Proposals – Development Committee”, as a Trustee of Shetland Fisheries Training Centre Trust (SFTCT) and as a supplier of services to Shetland College. Mr Burgess declared an interest in Item 11, “Aquaculture and Fisheries Research Funding Provision for the Financial Year 2017/18”, as a Trustee to SFTCT. He also declared an interest in Item 12 “Support for Inshore Fisheries Management – Shetland Islands Regulated Fishery (Scotland) Order”, as a Trustee to SFTCT and he would leave the meeting during that item.

Ms Westlake declared an interest in Item 12, "Support for Inshore Fisheries Management – Shetland Islands Regulated Fisheries (Scotland) Order" as a Director of the Shetland Shellfish Management Organisation.

Mr Henderson declared an interest in Item 12, "Support for Inshore Fisheries Management – Shetland Islands Regulated Fisheries (Scotland) Order" as a licence holder, and advised that he would leave the Chamber during the discussion.

Minutes

The Committee approved the minutes of the meeting held on 4 October 2016 on the motion of Mr Robertson, seconded by Mr Stout.

The Committee approved the minutes of the meeting held on 5 December 2016 on the motion of Mr Henderson, seconded by Mr Stout.

The Committee approved the minutes of the meeting held on 13 December 2016 on the motion of Ms Manson, seconded by Mr Henderson.

01/17 **Development Services Directorate Plan 2017-18**

This report was deferred, and will be presented to the next meeting on 6 March 2017.

02/17 **2017/18 Budget and Charging Proposals – Development Committee**

The Committee considered a report by the Executive Manager –Finance (F-004-F), which enabled the Committee to consider the controllable budget for the services within the Committee's remit.

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

In response to a question, the Director of Development Services advised on the areas where there will be challenges going forward in terms of how the Directorate will meet budgetary targets. He advised on the changes ahead on how services will be delivered, and to look to rationalise and share services, and to ensure resources are in the right place in terms of delivery. In that regard, he said that the Business Transformational Programme will be a hugely important exercise going forward.

In referring to the Schedule of Charges at Appendix 3, the Leader highlighted the proposed fee to advertise a planning application at £202. He advised on representations he has received with concerns at the cost to advertise applications. He stated that the fees set are excessive to other islands areas, and this is an area that required review. The Leader said that he was also aware that the way the Policy is implemented has changed and Members had not been consulted or involved during that process. Mr Robinson moved that the Committee approve the recommendation in the report, and he called for an urgent report back to Committee on the fees set for advertising planning applications. During the discussion, it was agreed that the Executive Manager – Planning would report back on planning application fees to Committee in March.

In seconding, Mr Cooper advised on the hard work over the lifetime of this Council to meet the budget constraints for the Economic Development Service and on the challenges ahead for the next Council in that regard.

Decision:

The Committee **RECOMMENDED** to Policy and Resources Committee that the Council approve the budget proposals for 2017/18 included in this report and set out in detail in the Budget Proposals by Activity and Schedule of Charges.

03/17

Housing Revenue Account (HRA) Business Plan 2017-2022

The Committee considered a report by the Executive Manager – Housing (DV-16-17-F), which presented the Business Plan that draws together the financial, property and customer aspects of the Housing Service to demonstrate a sustainable and affordable service to tenants.

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

In response to a question, the Executive Manager – Finance provided clarity in terms of the estimated interest rate relative to the Council's internal pooled rate for borrowing, as set out in the final paragraph of Section 12.6.3 of the Business Plan.

In response to questions, the Executive Manager – Housing advised on the Council's requirement to maintain an Asbestos register, to record all Council properties where any component of asbestos is present. She also advised that any works required to the Crudan houses will form part of the Business Plan.

In response to a question seeking examples of community benefit clauses when the Council enters into contracts with the private sector, as set out on Page 18 of the Business Plan, the Executive Manager – Housing advised one possible example would be for contractors to identify opportunities for recruitment of apprentices and for the works to stimulate additional local recruitment.

During the discussion, Members commended the detailed Business Plan 2017-2011. Mr T Smith moved that the Committee approve the recommendation in the report. Mr Robinson seconded.

Decision:

The Committee **RECOMMENDED** to Policy and Resources Committee that the Council resolve to approve the Housing Revenue Account (HRA) Business Plan 2017-2022, as part of the Council's Policy Framework, to be managed by the Development Committee.

04/17

2017/18 Housing Revenue Account and Budget and Charging Proposals

The Committee considered a report by the Executive Manager – Finance (F-010-F) which enabled the Committee to consider the controllable budget proposals for the Housing Revenue Account.

After hearing the Executive Manager – Finance summarise the main terms of the report, Mr Robertson moved, and Mr Burgess seconded, that the Committee approve the recommendation contained therein.

Decision:

The Committee **RECOMMENDED** to Policy and Resources Committee and Council that they approve the budget proposals for 2017/18 for the Housing Revenue Account included in the report and the proposed charges appended to the report.

05/17

Local Development Plan – Development Plan Scheme 2017

The Committee considered a report by the Team Leader – Development Plans (DV-15-17-F) which presented the Development Plans Scheme (DPS) setting out the programme for preparing and reviewing the Local Development Plan (LDP).

The Team Leader – Development Plans introduced the report.

In response to a question from the Chair, the Executive Manager – Planning advised on the potential impacts on delivery of the LDP as a consequence of the Independent Review of the Scottish Planning System. He advised on the uncertainty and challenges for planning staff and all Local Authorities to continue to follow the programme to meet the existing Plan, while acknowledging that there will be changes ahead. The Director of Development Services advised that the Service is actively recruiting to the vacant posts, he acknowledged the work over the last year in terms of more active engagement with communities and the closer partnership working between the Planning Service and the Housing Service.

In response to a question, the Executive Manager – Planning advised that inadequate resourcing of Planning Service's nationally was a key theme in the Review. He advised that the need to prioritise shared resources and expertise, and training for planners, are all part of the long-term plans for the Scottish Government.

In response to a question, the Team Leader – Development Plans confirmed the drive to maximise stakeholder engagement during the development of the LDP.

During the discussion, the Chair referred to the workshop held a few weeks earlier with stakeholders in the LDP process, which he said had been very worthwhile in terms of engagement and discussion. The Team Leader – Development Plans advised on proposals for a further workshop, as it was found to be a very effective means for engagement which is needed to develop a vision of future aims and aspirations of the LDP.

Mr Robertson informed the Committee from his recent attendance at a Planning Convener's meeting in Edinburgh, where they had considered the recommendations of the Independent Review. He advised that the purpose of the Review is to make planning the focus for Local Authorities as a facilitator for development, industry and housing, and to have sites with development potential with detailed certainty in the Development Plan. He also informed on the national shortage of planners, and on the excellent work done in Shetland on Supplementary Guidance that can feed into a 10 year Plan.

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

Decision:

The Committee **RESOLVED** to approve the Development Plan Scheme 2017.

06/17

Supplementary Guidance - Aquaculture

The Committee considered a report by the Coastal Zone Manager (DV-12-17-F) which presented the Supplementary Guidance (SG) - Aquaculture.

The Coastal Zone Manager summarised the main terms of the report.

In response to questions, the Coastal Zone Manager advised that the guidance covers all species farmed or grown in the sea, excluding seaweed. There has however been recent Scottish Government consultation on whether seaweed cultivation should sit in marine, works licensing or in the Planning Act, and he would provide a definitive response when the outcome from the consultation was known.

During the discussion, the Leader referred to the existing Policy, that aquaculture developments are not permitted within the Sullom Voe Harbour Area, and he suggested the need for a review in that regard.

In response to comments regarding the need to specifically reference visual amenity within the General Policy, the Coastal Zone Manager advised that visual amenity is taken into account in the second bullet point at G1, namely, "Potential effects, including cumulative, on the environment, natural heritage interests and the historic environment".

In response to questions, the Coastal Zone Manager advised on the model used to determine the biological carrying capacity of an area of water, and that applications would be refused where the carrying capacity is exceeded by more than 10%. He reported on the database and associated maps which show the historical data on voes for finfish and shellfish developments, and said that as there are only limited areas for the industry to expand there is perhaps a need to look at different production methods.

During debate, Mr Robertson commended staff within the Marine Development Service on the excellent work to develop local Policies for marine developments, which tie in with the Shetland Marine Spatial Plan. Mr Robertson moved that the Committee approve the recommendation in the report. In seconding, Mr Robinson proposed that a review be undertaken of the Sullom Voe Harbour Area for aquaculture developments, to be reported in due course. Mr Robertson agreed to this addition to his motion, and the Committee concurred.

Decision:

The Committee **RECOMMENDED** to the Council that it resolve to adopt the Supplementary Guidance – Aquaculture as statutory guidance to the Local Development Plan.

The Committee requested a review be undertaken of the Sullom Voe Harbour Area for aquaculture developments, to be reported in due course.

07/17

Works Licence Policy

The Committee considered a report by the Coastal Zone Manager (DV-13-17-F) which presented the updated Works Licence Policy, following consultation.

After hearing the Coastal Zone Manager summarise the main terms of the report, Mr Robertson moved, and Mr Robinson seconded, that the Committee approve the recommendation contained therein.

Decision:

The Committee **RECOMMENDED** to the Council that it resolve to adopt the Works Licence Policy as the policy framework for marine developments.

08/17

Strategic Housing Investment Plan (SHIP) 2017-2020

The Committee considered a report by the Executive Manager – Housing (DV-07-17-F) which presented the Strategic Housing Investment Plan (SHIP) 2017-2020.

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

In response to comments, the Executive Manager – Housing reported on the phased development for housing in Lerwick. She advised on the expectation that the demand for housing in rural areas will be met by existing turnover and through a number of new Scottish Government initiatives to meet specific needs in communities. She added that at this time, evidence does not show that there is a need for additional housing developments in most rural areas. In response to a question, the Executive Manager – Housing advised that rural communities can access comprehensive information on the initiatives via the Scottish Government's website and access support through the Housing Service.

In response to questions, the Executive Manager – Housing reported that the self-build mortgage scheme pilot in Highland has been quite successful to enable people to access initial funding, although the formal evaluation has not yet been concluded. She advised on the possibility to develop a scheme to meet local needs.

During the discussion, the Executive Manager – Housing advised on the joint working between the Housing Service and the Planning Service during the development of the recent Housing Needs and Demand Assessment, and on the ongoing dialogue with Hjaltland Housing Association to identify available land at an early stage and to build up knowledge to feed into the Local Development Plan.

In response to a question, the Executive Manager – Housing provided further information on the King Harald Street development, being a mixed use development where 10 flats have been designated as 'Homes for Life' housing.

Mr Stout moved that the Committee approve the recommendations in the report. Mr T Smith seconded.

Decision:

The Committee **REVOLED** to:

- approve the Strategic Housing Investment Programme 2017/18– 2021/22 as set out in Appendix A for submission to Scottish Government.
- grant delegated authority to the Director of Development Services (or his nominee) to assign approved projects from the SHIP to meet programme

variations e.g to pull forward an approved project from later years if additional funding becomes available.

09/17

Fibre Optic Asset Development Project 2017

The Committee considered a report by the Executive Manager – Economic Development (DV-06-17-F) which presented the Project Initiation Document and proposed Critical Success Factors for the Project.

The Executive Manager – Economic Development summarised the main terms of the report.

In response to a comment, the Executive Manager – Economic Development confirmed that the Executive Officer has the discretion to appoint additional representation onto the Project Board.

During debate, the Leader advised that he welcomed the report. He advised on the need to give direction to the Shetland Telecom project, and stated that the fibre optic network is critical to the social and economic development of Shetland. He advised on his support to the Critical Success Factors (CSF) set out in Section 2.3 of the report, and that in CSF 4 he welcomed the inclusion of ‘where possible’, adding that he believed the Council’s fibre network will prove to be the cheaper option. Mr Robinson moved that the Committee approve the recommendation in the report. Mr T Smith seconded.

Decision

The Committee **RECOMMENDED** that the Policy and Resources Committee and Council resolve to:

- Agree the terms of the Project Initiation Document (PID).
- Approve the Critical Success Factors.
- Note that the PID may require further development under the direction of the Director of Development and such changes will be signed off by the Chief Executive.

10/17

Fair Isle Electricity Company – New Electricity Scheme for Fair Isle

The Committee considered a report by the Project Manager (DV-08-17-F), which sought commitment towards the Fair Isle Electricity Scheme project.

(Mr Stout declared an interest in this item, as his brother is a resident of Fair Isle and a beneficiary of the scheme. Mr Stout left the Chamber).

The Project Manager (M Henderson) introduced the report.

In response to questions, the Project Manager advised on the robust project in a rural fragile area, which is a very good fit with the funding criteria, and that the funding commitments received to date will have added significantly to the strength of the outstanding application. The Project Manager advised that the “Other Sources of Funding” proposals illustrate that all funding avenues have been explored, while the outcome of the final funding application is awaited. He advised

that the project is key to develop the population and economic development in Fair Isle and is a good fit with development policies. He also commented on the dedicated Project Manager and team that are in place.

The Project Manager advised on the proposed funding from the Economic Development Grant budget over 2 years. In response to a question, the Executive Manager – Economic Development acknowledged that while the funding will make a significant reduction to the available Economic Development Grant budget, the project fits very strongly with economic development policies where the budget is in place to support such projects. He said that other projects will be considered for funding as they come forward. The Project Manager advised that the contingency budget has been set on the best estimate on costs at this time, and should any element of contingency not be required it will be spread across the funders to the project.

In response to a question, the Project Manager advised on the planned infrastructure associated with the project in terms of 3 wind turbines with a battery storage system, which he confirmed was a robust system that will extend the grid to the north of the island connecting the water treatment works, airport, Bird Observatory and Ferry pier. In response to a suggestion, the Project Manager undertook to pass on the idea to the Fair Isle Electricity Trust, to approach developers of battery technology to ascertain whether they would wish to be involved in the project.

During debate, the Committee was advised on the similarities between this scheme and the electricity scheme in Foula, where battery power is essential to give continuity of supply.

On the motion of Mr Robinson, seconded by Mr Henderson, the Committee approved the recommendations in the report.

Mr A Duncan then addressed the Committee, speaking in support of the project for the benefit of the residents of Fair Isle.

Decision

The Committee **RESOLVED** to:

- Approve a financial contribution from the Council of £250,000 towards the cost of the new Fair Isle Electricity Scheme. This amount will be part of a £2.65 million funding package, sourced from a range of proposed contributors.
- Delegate authority to the Executive Manager – Economic Development, or his nominee, to manage the Council contribution of funding towards the Fair Isle electricity scheme project.
- Approve a commitment to provide a total contribution of £250,000 towards the cost of the new Fair Isle Electricity Scheme, and agree that this will be incorporated into future budget proposals for 2017/18 and 2018/19.

The Committee considered a report by the Project Manager (DV-04-17-F) which sought approval of funding for use by the NAFC Marine Centre, and to enable match funding on a case by case basis for aquaculture and fisheries research projects.

(Mr Burgess referred to his earlier declarations of interest, and advised that he would leave the meeting at this point).

After hearing the Project Manager (J Dunn) summarise the main terms of the report, Ms Manson moved, and Mr Henderson seconded, that the Committee approve the recommendations contained therein.

Decision

The Development Committee RESOLVED to:

- Approve grant funding for ongoing maintenance and development of the Shetland Marine Spatial Plan by NAFC Marine Centre in 2017/18, at a total cost of £39,107, subject to the approval of the 2017/18 Council Budget Book.
- Approve a budget of £150,000 for the financial year 2017/18, subject to the approval of the 2017/18 Council Budget Book, to be used as match-funding for research projects in aquaculture and fisheries, to be considered by the Council's Economic Development Service on a case by case basis. It is expected that these projects will demonstrate their ability to deliver economic development outcomes as well as leveraging in external funding where possible.

In order to avoid the disclosure of exempt information, Mr 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 items of business.

(Ms Westlake and Mr Henderson left the meeting).

(Representatives of the media left the meeting).

12/17 Support for Inshore Fisheries Management – Shetland Islands Regulatory Fishery (Scotland) Order

The Committee considered a report by the Executive Manager – Economic Development.

The Executive Manager – Economic Development introduced the report.

The Chair moved that the Committee defer a decision until clarity is provided, and for the report to be presented to Committee on 6 March 2017.

In response to a question, the Executive Manager – Economic Development advised that there would be no practical implications from deferral of the decision until the next meeting.

Mr Robinson seconded.

Decision:

The Committee agreed to defer this report for one cycle, and that the report would be presented to the Committee on 6 March 2017.

(Mr Burgess and Mr Henderson returned to the meeting).

13/17 **SSQC Ltd – Business Development Project and Funding 2017/18**

The Committee considered a report by the Business Development Project Manager.

The Business Development Project Manager summarised the main terms of the report.

In response to a question, the Business Development Project Manager reported that a press release would be prepared on the project, following confirmation of funding from the European Maritime and Fisheries Fund.

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

Decision:

The Committee RESOLVED to approve the recommendations in the report.

The meeting concluded at 12.55pm.

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Chair