

MINUTE

B - PUBLIC

Development Committee
Council Chamber, Town Hall, Lerwick
Monday 4 December 2017 at 2pm

Present:

A Cooper	P Campbell
A Duncan	J Fraser
S Leask	A Manson
A Priest	C Smith
T Smith	

Apologies

M Burgess

In Attendance (Officers):

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
J Smith, Acting Executive Manager – Ports and Harbours
S Shearer, Team Leader – Development Plans and Heritage
J Dunn, Project Manager
W Grant, Project Manager
M Smith, Project Manager
J Macleod, Performance and Improvement Adviser
P Sutherland, 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

None

Minutes

The Committee approved the minutes of the meeting held on 3 October 2017 on the motion of Mr C Smith, seconded by Mr Leask.

39/17 **Development Services Directorate Performance Report – 6 Month/2nd Quarter 2017/18**

The Committee considered a report by the Director of Development Services (DV-53-17-F), which presented progress against Council priorities from the Council's Corporate Plan by the Development Services Directorate.

The Director of Development Services introduced the report, and in referring to Appendix 1 he reported on progress on the four key priority projects being taken forward by the Development Directorate. Referring to the priority “Support for local businesses and entrepreneurs”, he provided updates on the Area Skills Investment Plan, College Merger project, Islands Deal and the 10 Year Plan, and advised on timescales for reporting on each of the work streams to Committee. In terms of the priority to “Increase the supply of housing across all tenures”, he referred to the Strategic Housing Investment Plan (SHIP) also on today’s agenda, and the commitment of funding over three years from the Government to build homes over the next 5 years. He reported on the importance to get resolution in terms of the master plans for the Staney Hill and Knab developments. In referring to the priority to “Support Communities to reach their full potential” he advised on the key area of work in terms of the Local Outcome Improvement Plan to be agreed by March 2018, which will include new Governance arrangements. Reporting on the priority “Digital and Mobile Connectivity”, he advised on the Council’s response collectively with Orkney and the Western Isles to the Cabinet Secretary in terms of concerns on the Scottish Government’s proposals for the R100 project. He also reported on the tight timescale to bid for funding through the Local Full Fibre Networks Challenge Fund, with the first tranche of applications, which require a full business case, to be submitted by 25 January 2018.

In referring to the Performance Indicators at Appendix B, the Director of Development Services highlighted indicator “GH-05 Average length of time in temporary or emergency accommodation” which remains very high, and reaffirms the pressure on housing stock in Lerwick. Regarding indicator “GH-09”, he reported that the number of housing applications on the housing register has reduced to approximately 600, from its peak at 900.

In response to a question relating to the pilot projects being undertaken in the north and west mainland through the Scottish Government’s Rural and Island Housing Fund, the Director of Development Services advised that the outcomes of the current pilots in terms of actual housing need and demand would provide better understanding of the housing demand in other areas of Shetland. He confirmed however that the Strategic Housing Investment Plan (SHIP) included proposals to build in the south mainland.

In response to a question relating to Performance Indicator “G01” clarity was provided in terms of costs and timescales to deal with Freedom of Information requests within the Council. In terms of the Development Directorate, it was confirmed that a significant amount of work is involved in dealing with FOI requests, which it was however a legal requirement. Comment was made on the need to be more efficient throughout the Council in terms of publishing information and to make more information readily available, which will reduce the time to deal with requests.

In responding to a question relating to Performance Indicator “GP-01 Average days taken to obtain a building warrant”, the Director of Development Services advised that the timescales reported include agent’s time which is entirely outwith the Council’s control. He confirmed however that the timescales are improving at each quarter.

In response to question relating to the sickness absences as reported in Appendix B, the Director of Development Services explained that a small number of long-term sickness absences within a Directorate can impact on the figures quite radically.

During the discussion, comment was made in terms of the good progress on the number of Affordable Housing being built, as reported at Performance Indicator “GP-10t”.

Reference was made to Performance Indicator “GD-03”, where it was noted that approximately £600k of external funding to community groups has been secured to date, and the External Funding Officer was congratulated on his efforts in that regard. The Director of Development Services commented on the requirement going forward to secure further external funding into Shetland for community groups.

Decision:

The Committee NOTED the contents of the report.

40/17

Management Accounts for Development Committee 2017/18 – Projected Outturn at Quarter 2

The Committee considered a report by the Executive Manager –Finance (F-71-F), which enabled the Committee to review the Management Accounts showing the projected outturn at Quarter 2.

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

In responding to a question, the Director of Development Services advised that the lower than budgeted uptake of the various economic development grant schemes was a similar situation to previous years. In referring to the Fair Isle electricity project, he advised on the delay due to various procurement matters. There will however be focus to get as much progress made as possible to alleviate pressure on next year’s budget. In response to a comment regarding the £224k budget for the Fair Isle electricity project, the Executive Manager – Finance advised that the project would form part of discussions with the Director of Development Services in terms of carry forward.

Decision:

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

41/17

Onshore Wind Energy Supplementary Guidance

The Committee considered a report by the Natural Heritage Officer (DV-59-17-F), which summarised the work done to enable the Supplementary Guidance on Onshore Wind Energy developments to be adopted since Council approval on 30 June 2015.

The Team Leader – Development Plans and Heritage summarised the main terms of the report. The Chair commented on the previous approval by the Council of the Supplementary Guidance, and the further consultation in terms of the Strategic Environmental Assessment.

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

Decision:

The Committee RECOMMENDED to the Council that it resolve to adopt the supplementary guidance (SG) Onshore Wind Energy.

42/17

Strategic Housing Investment Plan (SHIP) 2018-2023

The Committee considered a report by the Executive Manager – Housing (DV-55-17-F) which presented the Strategic Housing Investment Plan (SHIP) being the key document to show how resources would be applied and prioritised in delivering the outcomes contained in the Local Housing Strategy, in line with Scottish Government guidance.

The Executive Manager – Housing summarised the main terms of the report. She advised on the recent introduction of funding streams, being the Infrastructure Fund which could assist in the funding of the development of Staney Hill, and in terms of the Rural and Islands Fund, projects are being developed at this time.

In referring to Section 4.9, the Executive Manager – Housing reported from the pilot project in Highland Council on the self-build mortgage scheme, where it has now been confirmed that the scheme will be rolled out nationally, and guidance will be introduced early in 2018.

The Executive Manager – Housing said that the biggest constraint to delivery of all projects locally is contractor capacity, where there is a need to consider how best to involve the construction industry to ensure delivery of the programme of new house builds. In that regard, the Director of Development Services advised on proposals to provide more certainty to contractors and builders, and that a meeting with all stakeholders would take place before the end of January 2018.

In response to a question, the Executive Manager – Housing advised on the joint working with Hjaltsland Housing Association to recognise any challenges and identify solutions to progress the programme of works.

The Chair commented on the exciting challenges ahead in terms of delivery of the ambitious programme, and with the introduction of the self-build mortgage scheme and to engage with community groups to identify additional external funding into their areas. He added that he hoped the funding would be spent within the lifetime of this Council.

In referring to the 10 Year Plan, the Director of Development Services advised on the need to get housing issues resolved to attract more people to live and work in Shetland.

Decision:

The Committee RESOLVED to:

- Approve the Strategic Housing Investment Programme (SHIP) 2018/19–2022/23 as set out in Appendix 1 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 eg to pull forward an approved project from later years if additional funding becomes available.

43/17 **Future Ownership and Care of MV Brenda**

The Committee considered a report by the Project Manager (DV-57-17-F) which sought approval to transfer the Council's one-half share in ownership of the MV Brenda to the Bressay History Group.

After hearing the Project Manager (J Dunn) introduce the report, Mr C Smith moved, and Mr Leask seconded, that the Committee approve the recommendation contained therein.

In response to a question, it was advised that there would be a number of external funding streams where the Bressay History Group could bid for funding to restore the MV Brenda.

Decision:

The Committee RESOLVED to approve the transfer of the Council's one-half share in ownership of MV Brenda to Bressay History Group, at the same time as Shetland Amenity Trust (SAT) transfer their one-half share in ownership.

44/17 **Toft Pier – Outline Business Case**

The Committee considered a report by the Acting Executive Manager – Ports and Harbours (PH-19-17-F) which presented a draft Outline Business Case for the future of the Toft Pier.

The Acting Executive Manager – Ports and Harbours summarised the main terms of the report, and sought comments from Committee on any matters for further consideration in the full business case, being the proposed next stage of this project.

In response to questions, the Acting Executive Manager – Ports and Harbours advised on proposals for traffic management in the area, where the timing of articulated lorry movements would be scheduled not to interfere with ferry traffic. He confirmed however that detailed work would be done in this area during consideration of the different options going forward.

During the discussion, references were made to the useful discussion with the Shetland Fishermen's Association in terms of an increase in aquaculture fishing and the need for new small piers. Members advised on their support for a rebuild of Toft pier, and the means for the Council to support the local economy through building new infrastructure, for the good of the community and Shetland's economy. While reference was made to the costs to be met by the harbour users, there was a need for funding streams to be built into the business plan to ensure a proper financial stream to the Council into the future.

In response to a question, the Acting Executive Manager – Ports and Harbours advised on the requirement of the Five Case Model to determine separately the benefits to the Council, and to the wider community, to make an informed

judgement. He advised that the risk attached to the Council investment has to be balanced against community benefit and the wider social and economic benefits. In that regard, the Acting Executive Manager – Ports and Harbours referred to a project undertaken during 2015 on analysis of the socio economic impacts of small piers, which he suggested could be brought up to date as a supporting document for this project.

During the discussion, it was questioned whether a new pier was actually required in the north mainland/North Isles, when there were adequate good quality piers in the area. Reference was made to the proposed cost of the project at £2.4M, where, with Brexit, there was no guarantee that external funding will be made available from Europe. In responding to a question, it was advised that the cost to retain the pontoon deployed at Toft is £50K annually, which it was confirmed would be the most expensive option going forward.

In response to a question, the Acting Executive Manager – Ports and Harbours acknowledged that the proposed berth depth at the new pier could be unrealistic in terms of use going forward, and said that more detailed work on the berthing facilities would be undertaken in developing the business case.

Comments were made in support of the new pier development in terms of usage and benefits to the local and wider community. In advising on the potential for new developments at the pier, new build boats, industry expansion and the creation of new jobs, Mr Cooper moved that the Committee approve the recommendations in the report. Ms Manson seconded.

Decision:

The Committee:

- CONSIDERED the Outline Business Case which appraised the options for the future of Toft Pier and the preferred option, rebuild and extend Toft Pier, and provided their view and comment on the strategic fit of this development for infrastructure support to a range of marine industries that contributes to the sustainability of the Shetland economy;
- RECOMMENDED that the Asset Investment Group considers this proposal with a view to presenting it to Policy and Resources Committee, which in turn makes recommendations to the Council as to the proposals to be included in the Council's Asset Investment Plan, and;
- RECOMMENDED that the production of any Full Business Case includes a full and detailed consideration of likely long term usage, utilising specialist economic advisors if necessary.

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

(Mr T Smith left the meeting).

45/17

Faroese Telecom

The Committee considered a report by the Project Manager (M Smith).

The Project Manager summarised the main terms of the report. Following discussion, Mr Fraser moved that the Committee approve the recommendations in the report. Mr Campbell seconded.

Decision:

The Committee RECOMMENDED that the Policy and Resources Committee RESOLVES to approve the recommendations in the report.

(Ms Manson declared an interest in the following item).

46/17

Shetland Investment Fund – Investment Activity 2016/17

The Committee considered a report by Project Managers which presented the summary of Council investments in local business over the reporting period from 1 April 2016 – 30 September 2017.

The Project Manager (W Grant) introduced the report.

The Chair advised that the investments within the portfolio present a good news story, where he made reference to the significant number of investments to help local industry, and in particular the fishing industry, where repayments have been made on schedule. He added that the portfolio presents a good example of the Council showing confidence in the industry going forward.

In response to a question, it was advised that a number of factors affect demand for grants and loans, where reference was made to the relatively stable economy at this time, the business advice given as part of the Gateway process, and the uncertainty with Brexit.

Decision:

The Committee NOTED the content of this report and appendix.

The meeting concluded at 3.30pm.

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Chair