

MINUTE

B - Public

Development Committee
Council Chamber, Town Hall, Lerwick
Monday 5 February 2018 at 2pm

Present:

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

Apologies

J Fraser

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
T Coutts, Project Manager
K Nicolson, Project Manager
A Tait, Solicitor
C Anderson, Senior Communications Officer
L Adamson, Committee Officer

Also in Attendance:

G Smith

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Cooper declared an interest in Item 3, as his brother leases two garages at Garthspool. Mr Cooper advised that he would leave the Chamber during that discussion.

Minutes

The Committee approved the minutes of the meeting held on 4 December 2017 on the motion of Mr C Smith, seconded by Mr Campbell.

01/18 2018/19 Budget and Charging Proposals – Development Committee

The Committee considered a report by the Executive Manager - Finance (F-11-F), outlining the budget and charging proposals for 2018/19.

The Executive Manager – Finance introduced the report and appendices. In referring to Section 4.4 of the report, he highlighted the savings proposals relating to

the Tertiary Sector and the Promote Shetland Contract, which he advised would require recommendations by Policy and Resources Committee and Council before savings can be confirmed.

Reference was made to the proposed savings of £250k from the tertiary sector, and clarity was sought on the potential impacts on the delivery of tertiary education in Shetland. The Director of Development Services reported that the findings from the College Merger Business Case will include proposals to allow the Council to buy services rather than to core fund services, and there will be a drive to maximise funding from the Scottish Funding Council. In terms of timescales, he advised that the business case for the College Merger would be presented to Committees during the next cycle of meetings. During the discussion, concern was expressed at the inappropriate timing of these proposals when at a critical stage in terms of overall funding going forward, and any indication that the Council could reduce funding will not be helpful in that regard. Reference was made to the role of tertiary education in the Council's 10 Year Plan and to the aspirations of the Shetland Partnership. The Director of Development Services commented that it is not unusual for a target figure to be set in terms of savings, and he added that not to set a target could have its own influence.

Clarity was sought on the inclusion of a "High Hedges fee" in the Schedule of Charges at Appendix 3. The Executive Manager – Planning acknowledged that while complaints regarding high hedges was not a common occurrence in Shetland, a standard fee has to be identified in case any complaints arise.

In response to a question relating to the additional funding from the Scottish Government, the Executive Manager – Finance confirmed that the impacts will be reported in the budget report to Policy and Resources Committee next week. He added that the impact on the Medium Term Financial Plan will be referred to in the first quarter of 2018/19.

Mr C Smith said that in recognising that the proposed savings of £250k from the Tertiary Sector will be the subject of further discussion and determination, he moved that the Committee approve the recommendation in the report. Mr Campbell seconded.

Decision:

The Committee **RECOMMENDED** to Policy and Resources Committee and Council that they approve the budget proposals for 2018/19 included in this report and set out in detail in the Budget Activity Summary (Appendix 2) and Schedule of Charges (Appendix 3).

02/18

2018/19 Housing Revenue Account Budget and Charging Proposals

The Committee considered a report by the Executive Manager – Finance (F-013-F), which outlined the budget proposals and proposed charges for 2018/19 for the Housing Revenue Account.

After hearing the Executive Manager – Finance summarise the main terms of the report, the Committee approved the recommendation contained therein, on the motion of Mr C Smith, seconded by Mr Priest.

Decision:

The Committee **RECOMMENDED** to Policy and Resources Committee and Council approval of the budget proposals for 2018/19 for the Housing Revenue Account included in this report and the proposed charges detailed at Appendix 1.

(Mr Cooper left the meeting. Mr Leask assumed the Chair).

(Mr G Smith declared an interest in this item, as his brother-in-law leases two garages. Mr Smith left the meeting during this discussion).

03/18

Review of Strategic Garage Sites

The Committee considered a report by the Executive Manager – Housing (DV-03-18-F), which provided an up to date position on strategic garage sites, and proposals for garage sites to either be sold or be retained.

In introducing the report, the Executive Manager – Housing referred to the former review of garage sites undertaken during 1994, and she outlined the findings from the recent review. She advised on the amended calculations in terms of the selling price of garage sites, and reported on the requirement to transfer the garage sites at Garthspool to the General Fund.

In response to questions, the Executive Manager – Housing reported on the findings from the comprehensive review that garage sites at Lochside and Garthspool continue to be exempt from being sold due to the potential for further development on the sites. She advised on the introduction of a three yearly review period, which links to the Local Development Plan, where should there be a change of circumstances that either site would not impact on future development, a decision could be taken during a subsequent review for the garage sites to be sold.

In response to a question, the Executive Manager – Housing explained that the review was recently undertaken as expressions of interest to purchase garage sites were being refused based on the findings of the historic review. The recent review provides clarity on those sites to be retained and those that can be sold, based on up to date circumstances.

In referring to section 4.2, explanation was sought on the inclusion of the discount to be applied to the total selling price of garage sites in landward areas. The Executive Manager – Housing reported from the recent review, that the discount has been revised from 50% to 30%. She explained that the 1994 review had agreed a 50% discount as garage sites could only be sold on an individual valuation at that time, and reflected the difference in land values between Lerwick and the outlying areas.

In commenting on the minimal rental charge for garage sites at £5 per week, as reported in Section 4.3 of the report, Mr C Smith moved that the Committee approve the recommendations in the report. Mr Duncan seconded.

Decision:

The Committee **RESOLVED** to:

- a) approve the revised position in relation to the strategic garage sites as set out in section 4.1 of the report, namely that the Council:

- allows the sale of garage sites at Pitt Lane; Sletts Road; Glenfarquhar; and Annsbrae.
 - retains the sites at North Lochside (Hayfield Lane).
 - carry out a regular 3 year review of strategic sites in line with the Local Development Plan.
- b) approve the purchase price calculation method as set out in 4.2
- c) recommend to Policy and Resources Committee to approve the transfer of the sites at Garthspool to the General Fund and for future management to be part of the Capital Programme Service's remit as set out in 4.1.f.

(Mr Cooper returned to the meeting and resumed the Chair)

(Mr G Smith returned to the meeting).

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

04/18 **Support for Inshore Fisheries Management – Shetland Islands Regulated Fishery (Scotland) Order**

The Committee considered a report by the Project Manager (K Nicolson) concerning grant funding to ensure the collaborative operation of the Shetland Islands Regulated Fisheries (Scotland) Order (RO) through Shetland Shellfish Management Organisation (SSMO) and research work conducted by NAFC Marine Centre.

In introducing the report, the Project Manager advised on the recommendation not to reduce funding at this time, but to grant funding at the same level as in 2017/18. While acknowledging the considerable funding being sought when the Council is dealing with budget restrictions, she advised on the importance of the RO to Shetland, and to the recommendation for a full business case to be worked up to analyse all the options into the future.

Comment was made on the rationale behind retaining funding to support inshore fisheries management, while the earlier item proposed reduced funding to the Tertiary sector. After hearing the Director of Development Services advise on the funding element towards research activity at the NAFC Marine Centre where the aim would be for increased industry contributions, and on the situation with the Tertiary review, it was acknowledged that the business case as proposed would present funding options for the organisation going forward. During the discussion on the business case analysis to be undertaken, it was suggested that dialogue take place with the Shetland Producers Organisation and Marine Scotland in terms of funding, and for consideration to be given to understanding how data from national surveys can be used in the process. In response to a question regarding deferral of a decision to await the outcome of the discussions, the Director of Development Services advised on the intention today to set a budget for next year, and to move on with the options appraisal.

During further discussion, reference was made to the importance of the RO to Shetland's Marine Environment and in that regard, for the findings of the full

business case to be reported in early course to ensure a sustainable solution going forward. In response to a question, the Executive Manager – Economic Development advised on the proposed timescale for completion of the full business case by the end of August 2018.

Mr C Smith commented on the need for further and serious consideration of options during the business case process. In that regard, Mr C Smith moved that the Committee approve the recommendations in the report, with the proviso that the full business case be concluded by the end of August 2018. Mr Cooper seconded.

Decision:

The Committee **RESOLVED** to approve the recommendations in the report, with the additional recommendation that a full business case is concluded by the end of August 2018.

05/18

Fibre Optic Asset Management Project- Full Business Case

The Committee considered a report by the Executive Manager – Economic Development detailing Option 1 – Internal Team, as the preferred option for managing the Council’s fibre optic assets, as determined in the Full Business Case (FBC).

The Executive Manager – Economic Development summarised the main terms of the report, advising on the operational detail, team responsibilities and staff implications to manage the fibre assets by an internal Council team.

During a brief discussion, the Executive Manager – Economic Development and the Project Manager provided clarity on a number of points raised by Members.

Mr C Smith commented on the good report, and the worthwhile project that will be of benefit to a number of businesses in Shetland. He also thanked the officers involved in developing the business case. Mr C Smith moved that the Committee approve the recommendation in the report. Mr Cooper seconded.

Decision:

The Committee **RECOMMENDED** that the Policy and Resources Committee **RESOLVE** to approve Option 1 – Internal Team, as the preferred option for managing the Council’s fibre optic assets, as determined in the Full Business Case (FBC), attached as Appendix 1.

The meeting concluded at 2.50pm.

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Chair