

**Executive Committee**  
**10 May 2005 Public Minutes**

Executive Committee – Economic Development  
Council Chamber, Town Hall, Lerwick  
Tuesday 10 May 2005 at 10.30 a.m.

Present:

**W A Ratter**      **L Angus**  
**A J Cluness**     **W H Manson**

Apologies:

**F B Grains**      **J C Irvine**  
**J A Inkster**     **W N Stove**

Also:

**J Henry**

In attendance:

**M H Goodlad, Chief Executive**  
**J Watt, Executive Director Community Services**  
**D Irvine, Head of Business Development**  
**G Johnston, Head of Finance**  
**W Shannon, Economic Development Manager**  
**J Smith, Head of Organisational Development**  
**A Cogle, Service Manager Administration**

Also:

**N Grant, General Manager – Shetland Development Trust**

**Chairperson**

Mr W A Ratter, Chairperson of the Executive Committee – Economic Development, presided.

**Circular**

The circular calling the meeting was held as read.

**Chairman – Shetland Development Trust**

Mr W A Ratter advised that this would be Mr Angus' last meeting as representative, and Chairperson, of the Shetland Development Trust [SDT]. He said that Mr Angus had piloted the SDT for 6 years, during which time the SDT had gone from its initial stages where it was working as part of the Council, to a period of time where it was highly autonomous. Mr Ratter said that Mr Angus had been highly committed to the SDT, had worked hard and had put a lot of time into the Trust, and that appreciation for this should be noted in the minute. The Committee unanimously agreed.

**Members Attendance at External Meetings**

**L Angus**                                 -                 **CPMR Fisheries InterCom Group, Brussels**  
**J Simpson**

Minutes

The minute of meeting held on 22 March, having been circulated, was confirmed.

**15/05      Shetland Animal Health Scheme**

The Committee considered a report by the Agricultural Development Assistant (Appendix 1).

The Committee noted that Shetland had led the way in the UK on attaining a high health status for livestock on the islands, and the Council had shown an excellent level of commitment throughout.

*[Mr W H Manson declared a non-pecuniary interest in this item as a Director of the Shetland Livestock Marketing Group.]*

The Committee adopted the recommendation contained in the report, on the motion of Mr L Angus, seconded by Mr A J Cluness.

16/05      **European Union Internet Consultation – Thematic Strategy on the Protection and Conservation of the Marine Environment**

The Committee noted a report by the Coastal Zone Manager (Appendix 2).

17/05      **Shetland Economic Development Forum – 14 March 2005**

The Committee noted the minute of the aforementioned meeting (Appendix 3).

18/05      **Joint Environment and Transport and Shetland Economic Development Forum – 26 April 2005**

The Committee noted the minute of the aforementioned meeting (Appendix 4).

19/05      **Shetland College/Train Shetland Board of Management – 7 April and 21 April 2005**

The Committee noted the minute of the aforementioned meeting (Appendix 5).

The Committee also noted the recent announcement on funding for the College, and acknowledged the work done by Willie Shannon regarding this.

20/05      **Economic Development Funding Issues**

The Committee considered a report by the Economic Development Manager (Appendix 6).

Members discussed the alleged breach of State Aid Regulations, and agreed that it was time that the Council challenged these allegations. It was noted that the report advised that the derogation rules were being investigated, and that whilst advice had been received from the SDT lawyers, it was important to have further advice on this area to compare with.

In this regard, Mr W A Ratter moved that the Committee approve the recommendations contained in the report, with an additional

recommendation that the Head of Economic Development seek additional advice on State Aids and the status of community funds.

Members agreed that these issues also affected the SCT and that whilst the SCT had accepted the ruling made, it reserved the right to challenge it. It was further noted that concerns had also been expressed regarding SLAP funding, although if the rules were to be fully accepted without challenge, it could result in the closure of the fish factory in Whalsay with the loss of 60 plus jobs, and that was the last thing that anyone would wish to see. Members were in agreement that the Reserve Fund was to be used for future generations, and that it was a matter for the Council to determine how this Fund was dispersed, as it did not come from central Government sources.

Mr W H Manson seconded the motion by Mr W A Ratter, and the Committee concurred.

21/05

**Economic Development – Future Structure**

The Committee considered a report by the Chief Executive (Appendix 7).

Mr W A Ratter moved the recommendations in the report in addition to the following:

- 5.2 that the Head of Economic Development will work with a group of Members to produce proposals for the delivery of a cohesive economic development structure post 2007. This work to commence within 2 cycles; and
- 5.3 that the Head of Economic Development is tasked with continuing a dialogue with Highlands and Islands Enterprise on future delivery of economic development in Shetland. This to commence with immediate effect.

Mr A J Cluness seconded and the Committee concurred.