

MINUTES

A & B – Public

Special Development Committee
Main Hall, Town Hall, Lerwick
Monday 25 February 2019 at 12 noon

Present:

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

Apologies:

M Burgess	A Manson
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In Attendance (Officers):

N Grant, Director of Development Services
C Ferguson, Director of Corporate Services
A Jamieson, Executive Manager - Housing
J Manson, Executive Manager – Finance
C Anderson, Senior Communications Officer
A Cogle, Team Leader – Administrative Services

Chair:

Mr Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

1/19 **2019/20 Budget and Charging Proposals - Development Committee**

The Committee considered a report by the Executive Manager – Finance (F-009-19-F), outlining the budget and charging proposals for 2019/20.

The Executive Manager – Finance summarised the key issues as set out in section 4.1 of the report, the key growth items at 4.2 and the savings shown in section 4.3. The Director of Development then provided further detailed information as to the information contained in the appendices.

Mr A Duncan referred to Appendix 4, and to the Outliers project, and asked for an example of where there were possible significant differences in service provision. The Director of Development said that this exercise had been run a few years ago, and there were at that time some services such as Museum and Archives and promotional services that were either not run all, or were run differently, by other local authorities. He said that this would require further analysis this time round with a view to determining if there was a better way to deliver those services.

Mr A Cooper said it appeared that Economic Development was downsizing, but there could be changes round the corner with regard to Brexit that were as yet unclear, and that this may require a vibrant Economic Development Service to take it forward. Mr Cooper asked if the Director was confident that the Service could adapt as necessary. The Director of Development advised that a review of the Economic Development Service had been carried out a couple of years ago, and whilst implementing that had taken some time, two vacant posts were to be

recruited to shortly. He said the importance of Economic Development support in terms of a growing local economy was well understood, and having a service that could engage with local industries was important, as was the ability for it to promote the loan funding available, and these would be actioned through implementation of the Service review.

Referring to the Business Gateway, Mr Cooper said that the Scottish Government was looking at the way in which it was being delivered, including outsourcing. Mr Cooper asked if the Council was engaging with the Scottish Government on local provision. The Director of Development confirmed there was consideration at a national level as to the Business Gateway model, and there had been engagement to confirm that the model worked well in Shetland within the Economic Development Service in partnership with HIE, and there would be resistance to any change in that model at a local level.

Mr T Smith referred to paragraph 4.2.1 and to the anticipated reduction in sales by Shetland Telecom, and queried what the cause of this was due to. The Director of Development said that the project had very effectively picked up on the demand from businesses in areas where BT or other providers had not been able to provide the capacity required. He said that, in this regard, Shetland Telecom had been able to step in, but lately the service had been restructured so that their work could be re-focused, including new developments within the Council's core services. The Director of Development added that this downgrading of the expectation of income reflected this current change in direction, but it was hoped this would pick up again in the future.

Referring to savings of £904k, the Chair said that the Council could not continue to make these sort of savings without some impact on services across the board. He went on to say that monies from the Scottish Government appeared to be reducing in some very significant areas of the Council's budget, and whilst the Tertiary Education review would bring savings though the Development Committee in the longer term, beyond that, there was little scope for any further savings in this Committee's budgets. Mr Cooper otherwise commended the budget proposals in the report to the Policy and Resources Committee and Council for approval.

Mr T Smith agreed with the sentiments expressed by the Chair. He also expressed his concern regarding the impacts of Brexit, and said the public will expect the Council to pick up the pieces of that but would also expect the Scottish Government to pay out.

The Committee unanimously supported the recommendations in the report.

Decision:

The Development Committee:

- **RECOMMENDED** to Policy and Resources Committee and Council that they approve the budget proposals for 2019/20 included in this report and set out in detail in the Budget Activity Summary (Appendix 2) and Schedule of Charges (Appendix 3), to be included in the Overall SIC Budget Book; and
- **NOTED** the content of the Service Redesign Briefing (Appendix 4).

2019/20 Housing Revenue Account Budget and Charging Proposals

The Committee considered a report by the Executive Manager – Finance (F-011-F), which outlined the budget proposals and proposed charges for 2019/20 for the Housing Revenue Account.

The Executive Manager - Finance summarised the main terms of the report, and the Executive Manager – Housing referred to paragraph 6.1 and to the consultation with tenants. She said it was reassuring that a greater proportion of tenants are saying they feel the proposed increases are affordable. In response to a question, the Executive Manager – Housing agreed to provide Members of the Committee with the response rate for the tenants survey, as referred to in the report.

Mr A Duncan referred to paragraph 4.3 and to the ending of the Right to Buy Scheme, and asked how many houses were waiting to settle on a final sale. The Executive Manager – Housing advised that only one house sale was waiting to settle, but all others had now concluded.

Referring to the £3.5m net capital draw from reserves, Mr Cooper asked whether improvements to the housing stock were set to continue or whether it would come a point where replacements would be required. The Executive Manager – Housing said that there was a continuing rolling programme in a sense, as some improvements were requirements due to Government legislation such as energy efficiency, plus there were a couple of exceptional projects due, such as Sandveien and the remaining Cruden house stocks. She said there were “peaks and troughs” in the improvement or replacement programmes, and that due to the age profile of the housing stock many of the component replacements were falling due at the same time, but the Service would continue to do as much as it could within the resources available. The Executive Manager – Housing also confirmed that it was not always possible to achieve full energy efficiency standards but the service would again do what it could with the properties it had and within the resources available.

The Committee approved the recommendations in the report on the motion of Mr A Cooper, seconded by Mr A Duncan.

Decision:

The Development Committee:

- **RECOMMENDED** to Policy and Resources Committee and Council approval of the budget proposals for 2019/20 for the Housing Revenue Account included in this report and the proposed charges detailed at Appendix 1, to be included in the overall SIC Budget Book.

The meeting concluded at 12.25 pm.

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Chair

