

Executive Committee
Council Chamber, Town Hall, Lerwick
Tuesday 11 March 2008 at 10am

Present:

A J Cluness	L Angus
E L Fullerton	I J Hawkins
W H Manson	A S Wishart

Apologies:

J G Simpson

In attendance (Officers):

M Goodlad, Chief Executive
W Shannon, Assistant Chief Executive
G Johnston, Head of Finance
M Finnie, Capital Programme Service Manager
M Dunne, Environmental Health Service Manager
N Grant, Head of Community Economic Development
D Irvine, Head of Business Development
J Dunn, Agricultural Development Officer
S Spence, European Officer
T Coutts, Research Assistant
L Adamson, Committee Officer

Also:

J Budge, SIC
J H Henry, SIC

Chairperson

Mr A J Cluness, Chairperson of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

Members' Attendance at External Meetings

There was nothing to report.

10/08

Rural Shop Improvement Scheme

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

The Research Assistant introduced the report and drew Members' attention to Section 4.3, advising that the findings of the Post Office Network Change Programme have been identified, with the proposed closure of two rural Post Offices in Shetland. He added that work would be ongoing to address the proposed closures.

Mrs I J Hawkins said it was very important that this scheme continues, and moved that the Committee approve the recommendations in the report.

Mrs E L Fullerton enquired whether there was any specific assistance available for shops to diversify to provide small cafés. The Research Assistant advised that the list of eligible improvements in the RSIS conditions is not prescriptive or restricted and the Scheme has provided funding for café facilities in the past.

Mr L Angus seconded.

11/08 **“de mimimus” Aid in the Agricultural Sector**
Shetland Agricultural Business Scheme

The Committee considered a report by the Agricultural Assistant (Appendix 2).

After hearing the Agricultural Development Officer summarise the main terms of the report, the Committee approved the recommendations contained therein, on the motion of Mr L Angus, seconded by Mr A S Wishart.

In response to a query from Mrs I J Hawkins, the Agricultural Development Officer confirmed that for lime and fertiliser grant applications Walls and Sandness would be included under “Area 2, Parkhall – West”.

12/08 **Housing Revenue Account/Harbour Account/Reserve Fund**
Revenue Management Accounts 2007/08
For the Period 1 April 2007 to 31 December 2007

The Committee considered a report by the Head of Finance (Appendix 3).

The Head of Finance introduced the report and advised that for the first nine months the overall variances against budget were favourable over the three accounts. He reported that the Harbour Account was showing a favourable variance against budget considering that the traffic through Sullom Voe was less than forecast and below that of past years, however the port of Scalloway was showing a period of profitability.

Mrs I J Hawkins noted the favourable report for Scalloway Harbour and suggested that the activities at Scalloway Harbour are monitored to ensure further positive results.

On the motion of Mr L Angus, seconded by Mrs E L Fullerton, the Committee approved the recommendation in the report.

13/08 **General Fund Revenue Management Accounts 2007/08**
For the Period 1 April 2007 to 31 December 2007

The Committee considered a report by the Head Finance (Appendix 4).

The Head of Finance summarised the main terms of the report and advised that an outturn report for the financial year as a whole would be presented to Council in June, setting the context for next year’s budget strategy and long-term spending.

Mrs I J Hawkins referred to Section 5.1.2, Community Care, and to the target deficit budget of £1.3m, which the Council expect to secure through vacant posts. Mrs Hawkins said that the Service Review had highlighted staff absent from work through sickness, and questioned whether this situation could be linked to stress

among the remaining staff, and was of the opinion that this issue should not be noted as a saving. Mr L Angus reported that studies are being carried out into the reasons for absenteeism in the Service and at some point in the future there needs to be a shift in resources from Education to Social Care. The Chief Executive advised that the main problem is that the Council cannot recruit staff to the vacant posts to cover the demand of the Service, therefore the figure remains as a saving.

Mr L Angus moved that the Committee approve the recommendation in the report. Mr A J Cluness seconded.

14/08

Offer of Additional Capital Grant for 2007/08

The Committee considered a report by the Head of Capital Programme and Housing Service (Appendix 5).

The Capital Projects Service Manager summarised the main terms of the report.

In response to a query from Mrs E L Fullerton regarding the proposal for the Council to purchase the sea bed at Blacksness Pier, the Capital Projects Service Manager advised that this project was now unable to proceed following updated information received.

[Mr W H Manson attended the meeting].

Mr L Angus enquired if there could be further Member involvement in the selection process for Spend to Save projects for future years. The Committee noted that this was a one off allocation of funding, however Member involvement would be considered for any future allocation.

Mr A J Cluness moved that the Committee approve the recommendations in the report. Mr L Angus seconded.

15/08

Update on European Activities

The Committee noted a report by the European Officer (Appendix 6).

The Head of Community Economic Development provided an update on the outstanding state aid cases. Regarding the Fish Vessel Improvement Scheme and the Fish Factory Improvement Scheme, the European Commission has accepted the argument that de minimis aid applies. The European Commission have not been able to give an answer on the First Time Shareholder Grant Scheme and decisions are also awaited on the Aquaculture and Fish Processing Loan Schemes and confirmation on the agricultural complaint. The Chief Executive advised that the Fish Factory Improvement Scheme still includes a clawback from the company, however this will ultimately pend the outcome of the Council's appeal.

The European Officer advised that the Scottish Government has recently announced LEADER funding of £600,000 for Shetland, and although this is less than was hoped for, confirmation of the convergence funding is expected to be a further £1m, and with both allocations being match funded would give a pot of around £3m.

Mrs I J Hawkins referred to the potential financial impact of the proposed inclusion of air transport in the EU's Emission Trading Scheme and suggested that the Council should put forward views, instead of waiting for the CPMR's debate.

Following discussion, Mr A Wishart confirmed that ZetTrans would monitor the situation and liaise with European representatives.

16/08

Johne's Health Programme Proposal

The Committee considered a report by the Service Manager – Environmental Health (Appendix 7).

The Service Manager – Environmental Health summarised the main terms of the report.

In response to a query from Mr L Angus, the Service Manager confirmed that Johne's disease did not affect animal products. She explained that it is proposed that all animals would be tested coming into Shetland, and there is also a proposal to find out whether there are any connections between rabbits and Johne's disease.

During the discussion, the Service Manager advised that veterinary assessments carried out on 157 herds in Shetland, reported instances of Johne's disease at 56 of the holdings.

Mr A J Cluness moved that the Committee approve the recommendation in the report. Mr W H Manson seconded.

A J Cluness
CHAIRPERSON