

MINUTE

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**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 30 March 2005 at 10.30 a.m.**

Present:

A J Cluness	F B Grains
L Angus	B Cheyne
J C Irvine	R G Feather
B P Gregson	L G Groat
I J Hawkins	J H Henry
J A Inkster	E J Knight
W H Manson	G G Mitchell
J P Nicolson	W A Ratter
F A Robertson	J G Simpson
W N Stove	T W Stove
W Tait	

Apologies

C B Eunson

In attendance (Officers):

M Goodlad, Chief Executive
G Spall, Executive Director Infrastructure Services
J Watt, Executive Director Community Services
A Cooper, Head of Development Resources
A Hamilton, Head of Planning
B Hill, Acting DM Legal Services
D Irvine, Head of Business Development
G Johnston, Head of Finance
C Medley, Head of Housing
W E Shannon, Economic Development Manager
G Smith, Head of Community Development
J Smith, Head of Organisational Funding
A M Craigie, Capital Projects Unit Manager
Drummond-Hunt, Assets and Properties Manager
K Duerden, Ferry Operations Manager
C Ferguson, Community Care Manager
M Holmes, Coastal Zone Manager
D Lamb, Senior Special Projects Manager
S Lobban, Senior Vocational Training Co-ordinator – Train Shetland
I McDiarmid, Planning Control Manager
I Millar, Projects Manager
A Rolfe, Property Manager
K Smith, Service Manager – Train Shetland
A Cogle, Service Manager – Administration

Also:

N Grant, General Manager – Shetland Development Trust
H Sutherland, General Manager – Shetland Charitable Trust

Chairperson

Mr A J Cluness, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

36/05 Shetland Islands Council – 10 February 2005

Except as undernoted, the Minute of meeting of the Council held on 10 February, having been circulated, was approved.

Min. Ref. 14/05 – General Fund Revenue Estimates and Council Tax Setting

Mr Irvine said that the decision taken by the Council to reject the recommendations from both the Services Committee and the Executive Committee with regard to the £13k funding of the Receptionist's post for the new Voluntary Resource Centre, was based upon the view given at the time that funding would be available from another source. Mr Nicolson agreed that he had been advised that there 'may' be other funding available, but this was not guaranteed, but he agreed that his statement may have influenced the decision.

Mr J C Irvine moved that the Council suspend Administrative Regulation 18.2, in order that the Council could reconsider the decision made. Mr A Inkster seconded. Members voted by show of hands, and voted 15 for the motion, and 1 against.

Mr Irvine moved that the Council grant the allocation of £13k for the SCSS Receptionist post, as an addition to the £182k overspend in Community Services. Mr L Angus seconded, and the Council concurred.

Min. Ref. 12/05 – Notice of Motion

It was noted that Mr A Inkster had been omitted from the list of those appointed to the sounding board.

[Mr W H Manson attended the meeting.]

37/05 Members Attendance at External Meetings

The following Members provided details of attendance at external meetings relating to Council business, further details of which can be obtained from the Members concerned:

B Cheyne	-	Dounreay Stakeholder Group, Thurso
J Simpson	-	CPMR, Brussels
B P Gregson	-	International Board of KIMO, Bruges
I J Hawkins	-	SOTEAG, Aberdeen

38/05 **Infrastructure Committee – 15 March 2005**

The Committee approved the minute of the aforementioned meeting, on the motion of Mr J C Irvine.

39/05 **Services Committee – 17 March 2005**

Except as undernoted, the Council approved the minute of the aforementioned meeting, on the motion of Mrs F B Grains.

Min. Ref. 19/05 – Phone Rental and Community Alarm Payments

Mrs F B Grains advised that the Services Committee had deferred a decision on this matter in order for further information to be presented. Mrs Grains said that this information had now been circulated to Members prior to the meeting. In this regard, Mrs Grains moved that the Council agree to continue to pay phone rental for the 18 individuals identified, but that a full review of the current two-tier system takes place within 6 months. Mr E Knight seconded, and the Council concurred.

40/05 **Executive Committee – 22 March 2005**

The Council approved the minute of the aforementioned meeting on the motion of Mr A J Cluness.

41/05 **Executive Committee – Economic Development – 22 March 2005**

Subject to the following, the Council approved the minute of the aforementioned meeting on the motion of Mr W A Ratter.

Min. Ref. 12/05 – Project Feasibility - Extension to Tug Jetty, Sellaness

Mr B P Gregson asked that this be considered later in the meeting, under exempt business. The Convener agreed.

42/05 **Civic Government Licensing Sub-Committee – 23 February 2005**

The Council approved the minute of the aforementioned meeting, on the motion of Mr J P Nicolson.

43/05 **Planning Sub-Committee – 23 February 2005**

Subject to the following, the Council approved the minute of the aforementioned meeting, on the motion of Mr F A Robertson.

Min. Ref. 03/05 - (9) Construct Access road and linked footpath to Heathery Park, Phase 2, to serve 5 dwellinghouse development and erect dwellinghouse on Plot 5, Phase 3, Central Park, Setter, Gulberwick Mrs S Stevenson and Mr C Gair. Erect 4 dwellinghouses (in outline), Plots 1-4 Phase 3, Central Park, Setter, Gulberwick by JHB Ltd

Mr F A Robertson advised that a further explanation as to the reasons for approving these applications against policy, required to be minuted.

Mr L Angus said that it was manifestly unfair to the applicant of a single house to refuse the application, when it was within policy and complied with policy. He said the group of houses adjacent to that were entirely consistent with developments in the area, and accordingly the applications should be approved.

Mr F A Robertson accepted the reasons given. Mr J P Nicolson, as seconder of the motion, concurred.

44/05 **Harbour Board - 24 February 2005**

The Council approved the minute of the aforementioned meeting on the motion of Mr J Simpson.

45/05 **Inter Island Ferries Board – 4 March 2005**

The Council approved the minute of the aforementioned meeting on the motion of Mr B P Gregson, noting also that Min. Ref. 2/05 – Extending Cadet Training Scheme - was to be considered by the Council under a separate agenda item.

46/05 **Marine Development Sub-Committee – 17 February and 18 March 2005**

The Council approved the minute of meeting held on 17 February on the motion of Mr L Angus.

The Council approved the minute of meeting held on 18 March on the motion of Mr F A Robertson.

47/05 **Notice of Motion**

The Council considered a Notice of Motion submitted by Councillor I J Hawkins, and signed by nine Councillors (Appendix 1).

Mrs I J Hawkins said that 140 jobs had been lost in Scalloway over a 12 month period, and she said it was important that something positive was done. In this

regard, Mrs Hawkins moved that an Action Group be formed which will consist of an official from the Development Department and Shetland Enterprise; the Councillor for the area; and a representative from Scalloway Community Council, and the Scalloway Business Community. The remit of the Group will be to ascertain the impact of the recent job losses in the village; and to come forward with viable opportunities which will create employment in Scalloway. She added that the Group should report back to the Council within a six month period, when extra time could be sought, if required. Mr J C Irvine seconded.

During the discussion which followed, Members were in agreement with the terms of the motion, as it directly related to the current situation in Scalloway. However, Members were also in general agreement that consideration be given to the Council forming a strategic approach for responding to such matters in the future. The Council agreed that further consideration of this could be progressed in parallel with the particular motion agreed today regarding the current situation in Scalloway.

48/05

General Fund Revenue Management Accounts 2004/05 for the Period 1 April 2004 to 31 December 2004

The Council noted a report by the Head of Finance (Appendix 2).

The Head of Finance summarised the terms of the report and went on to say that he had pointed out in December 2004 that the overall budget was £1.5m under target at that point, but the prediction had been at that time that the Council was heading towards a £1.5/£1.6m overspend. However, recent indications were now showing that the overspend would be £1m or thereabouts. He said that there was some concern that the figures were bouncing about, and it was recognised that budget monitoring and control needed to be improved, although the policy framework for budgets were tighter than before. The Head of Finance advised that a detailed report outlining the issues would be presented to the Council in May or June this year, setting out the financial context for the future.

Mr J P Nicolson asked, apart from the actions being taken in terms of the work being done by the Head of Finance, whether the Chief Executive had any views on the current and future situation. The Chief Executive advised that a recruitment freeze was to be brought into force, which would only be relaxed for essential placement staff at the front line. He added that Heads of Service were to be instructed to consider potential cost cutting of staff through voluntary redundancy and early retirement.

Mr L Angus said that most of the potential overspend related to Education, and he had asked previously for an explanation relating to the considerable proportion being spent on Special Needs Education. He said that there was no indication now that there would be any reduction in General Fund expenditure, and that in this area they were looking to take on extra staffing. Mr Angus said that there appeared to be a breakdown between decisions made in the Chamber, and the actions being carried out. He said that because of overspends elsewhere, some areas were unable to provide the service wanted by the public. The Head of Finance said that this particular area relating to Special Needs Education was being addressed, and a report was in preparation. He added that there were areas that needed to improve, and that Members needed to see that this was being done.

Mr J C Irvine referred to the task groups looking at ferries and social care, and the one to be set up for education. He said it was important that unions provided constructive input to work of the task groups, and he hoped to ensure that this was done.

Mr L G Groat referred to a statement made by the President of CoSLA, in which he referred to reserves held by Shetland Islands Council. Mr A J Cluness said it was important to remember that those reserves were as a result of negotiations with the oil industry which would be used for future generations in Shetland. He said it was entirely reprehensible for the President to make such a comment.

The Chief Executive said that the reserves was one of the problems that the Council faced. He referred also to the report on the Best Value Audit, which he said was critical with regard to the implementation of Best Value. He said that it was accepted that sometimes it was difficult to make decisions because of the reserves that the Council had, but it was the Council's processes that determined how that was spent, and with balance. He said that considerable progress was being made, but Members needed to be focussed and reconcile the tensions between Members' wishes to represent Ward matters and Council policies.

Mrs B Cheyne said that as one of the most recent Councillors, she had been consistently able to separate the SIC from the Shetland Charitable Trust, although she understood why some Councillors had difficulty with that. She added that the Council had to make the effort to live within its means, and remember that the SCT reserves were different.

Mrs I J Hawkins said that whilst she supported the delegated authority given to the Chief Executive to make staff cuts through early retirement, she made a plea that experienced staff should not be allowed to all disappear. Mr J P Nicolson agreed, adding that Members should be aware that, in percentage terms, the Members' Expenses budget was the most overspent, and Members had to take that on board as well.

Mr W A Ratter referred to the comments made by CoSLA and suggested that clarity should be sought on what was said, and that if the statement was made and was not withdrawn, that the Council reconsider its membership of CoSLA.

Mr A J Cluness referred to the suggestion that Unions become more involved, but said that the Council had regular meetings with Unions, and their involvement was important.

Mrs F B Grains said that her concern was that Members did not have the courage of their own convictions, as whilst savings were being recommended, Members were unable to have the courage to accept them. She added that whilst she looked forward to the output from the task forces, she did not expect any recommended savings to be followed through.

The Council otherwise noted the terms of the report.

Mr F A Robertson moved that the Council adopt the recommendations, but that the Council approve Option D [Option 4] for the Germatwatt Footways Project, namely to extend the footways to include the new housing development, and as recommended by the Infrastructure Committee. Mr A J Cluness seconded, and the Council concurred.

50/05 **Treasury Management Strategy Statement 2005/06**

The Council considered a report by the Head of Finance (Appendix 4) and adopted the recommendations contained therein, on the motion of Mr L Angus, seconded by Capt G G Mitchell.

51/05 **Prudential Indicators 2004/05 – Monitoring**

The Council considered a report by the Head of Finance (Appendix 5) and adopted the recommendations contained therein, on the motion of Mr L Angus, seconded by Capt G G Mitchell.

52/05 **Prudential Indicators 2005/06**

The Council considered a report by the Head of Finance (Appendix 6) and adopted the recommendations contained therein, on the motion of Mr J P Nicolson, seconded by Mr B P Gregson.

53/05 **Irrecoverable Debt 2004/2005**

The Council considered a report by the Head of Finance (Appendix 7) and adopted the recommendations contained therein, on the motion of Mr J P Nicolson, seconded by Capt G G Mitchell.

53/05 **Irrecoverable Debt 2004/2005**

The Council considered a report by the Head of Finance (Appendix 7) and adopted the recommendations contained therein, on the motion of Mr J P Nicolson, seconded by Capt G G Mitchell.

55/05 **Equality and Diversity Policy**

The Council considered a report by the Personnel Manager (Appendix 9) and adopted the recommendation contained therein, on the motion of Mr B P Gregson, seconded by Mr A J Cluness.

56/05 **A Shetland Festival of the Sea**

The Council considered a report by the Head of Planning (Appendix 10) and adopted the recommendations contained there in, on the motion of Mr W A Ratter, seconded by Mr B P Gregson.

The Council also appointed Mr E Knight and Mr A J Cluness as members of the Steering Group.

57/05 **Provision of Social Housing in Lerwick – Grant Assistance from the Scottish Executive. Transfer of Land from the General Fund to the Housing Revenue Account**

The Council considered a report by the Head of Legal and Administration (Appendix 11) and adopted the recommendation contained therein, on the motion of Mr J P Nicolson, seconded by Mr W N Stove.

58/05 **Equal Opportunities and Disability Awareness – Rolling Programme of DDA Works – Prioritisation System**

The Council considered a report by the Head of Legal and Administration (Appendix 12) and adopted the recommendation contained therein, on the motion of Mr W N Stove, seconded by Mr L Angus.

59/05 **Integration of Care Homes – Update Report**

The Council noted a report by the Executive Director – Community Services (Appendix 13).

60/05 **Council Created Organisations Working Group – Proposals for Islesburgh Trust and Shetland Arts Trust**

The Council considered a report by the General Manager Shetland Charitable Trust, on behalf of the Working Group (Appendix 14).

Mr L G Groat moved that the Council adopt the recommendations in the report. Mr W A Ratter seconded, adding his complements to the Working Group for the amount of work put into this matter.

Mr L Angus expressed concern at the additional staff to be appointed, particularly given the embargo on staff recruitment. However, the Council noted that the two posts were an amalgamation of existing posts, and there would be no increase in

the establishment. There was no amendment proposed, and the motion was declared the finding of the meeting.

61/05 **Zetland Educational Trust**

The Council considered a report by the Head of Education (Appendix 15) and adopted the recommendation contained therein, on the motion of Mr L Angus, seconded by Mrs F B Grains.

62/05 **Employees JCC – Reschedule of Meeting Dates**

The Council considered a report by the Head of Legal and Administration (Appendix 16) and adopted the recommendation contained therein, on the motion of Mr A Inkster, seconded by Mrs F B Grains.

63/05 **Extending Cadet Training Scheme**

The Council considered a report by the Ferry Services Manager (Appendix 17) and adopted the recommendations contained therein, on the motion of Mr B G Gregson, seconded by Mr A Inkster.

64/05 **Registration Services (Scotland) Bill – Consultation**

The Council considered a report by the Head of Legal and Administration (Appendix 18) and adopted the recommendations contained therein, on the motion of Mr L Angus, seconded by Mrs B Cheyne.

65/05 **Local Government Boundary Commission for Scotland – Review of Boundaries – Progress Report**

The Council considered a report by the Head of Legal and Administration (Appendix 19) and adopted the recommendations contained therein, on the motion of Mr W A Ratter, seconded by Mr A J Cluness.

66/05 **Natwest Island Games: Shetland 2005 – Publicity and Media Project**

The Council considered a report by the Principal Officer – Marketing (Appendix 20) and adopted the recommendation therein, on the motion of Mr J P Nicolson, seconded by Mr W N Stove.

The Council considered a report by the Economic Development Manager (Appendix 21).

The following valid nominations were made:

W A Ratter
T W Stove
J G Simpson
B Cheyne
I J Hawkins
J Henry
C B Eunson (in absentia)

Mr A Inkster declined nomination.

Voting took place by secret ballot, and the results were as follows:

W A Ratter	13
T W Stove	12
J G Simpson	16
B Cheyne	7
I J Hawkins	6
J Henry	12
C B Eunson	6

Accordingly, Mr W A Ratter, Mr T W Stove, Mr J G Simpson and Mr J Henry were duly nominated to the Shetland Development Trust.

In order to avoid the possible disclosure of exempt information, the Council resolved, on the motion of Mr A J Cluness, seconded by Mr B P Gregson, in terms of the relevant legislation, to exclude the public during consideration of the following items of business.

68/05 Viking Energy Ltd – Update

The Council considered a report by the Head of Development Resources.

Mr W A Ratter moved that the Council adopt the recommendations in the report at 8.2, and delegate to the negotiating team resolution of issues surrounding the Memorandum of Understanding, and if necessary, bring back to a special meeting of the Executive Committee - Economic Development. In addition, Mr Ratter moved, that the Chief Executive of Scottish and Southern be invited to mark the signing of the MoU at a special meeting of the Council, or the Executive Committee - Economic Development, and to have a full discussion of where to go thereafter. Mr B P Gregson seconded.

69/05 Lerwick Fish Traders Ltd – Expansion of Processing Facilities

The Council considered a report by the Head of Business Development.

During discussion Mr L G Groat said that he felt this was an important issue, and moved that the Council adopt the recommendations in the report, and that discussions between LFT and the Bressay Bridge Project Team begin now, and that Members be kept informed. In this regard, he suggested that 2 Members be appointed to report back to the report back to the Council.

Mr J C Irvine suggested that it was not necessary to appoint another group, as the Project Team already reported back to the Liaison Group, which could then report to the Infrastructure Committee and Council if necessary.

Mr L G Groat accepted this, and moved that the Council adopt the recommendations as they stand, but that the Liaison Group report back if there were any difficulties. Mr A J Cluness seconded, and the Council concurred.

70/05 **Employees Joint Consultative Committee – 22 February 2005**

The Council noted the minute of the Employees Joint Consultative Committee held on 22 February 2005.

71/05 **Review of Port Operations Manager Post**

The Council considered a report by the Chief Executive and adopted the recommendations contained therein, on the motion of Mr W Tait, seconded by Mr J P Nicolson.

(Mr T W Stove left the meeting.)

(Capt G G Mitchell left the meeting.)

72/05 **Executive Committee – 23 March 2005 - Min. Ref. 12/05 – Project Feasibility - Extension to Tug Jetty, Sellaness**

Mr B P Gregson said that he had written to Members expressing his concerns about this project and the way in which it was being handled, and that none of the questions he had submitted had been answered. Mr Gregson said that a proper presentation and informed debate was required, but that accepting the report today would deny Members that opportunity. He went on to say that Members needed to consider the important issues surrounding this matter, and the only opportunity would come when the planning application was submitted, and only planning matters could be considered.

Mr W A Ratter said that this matter had been discussed at various committees and groups, including the Harbour Board, Executive Committee and Council.

(Mr J P Nicolson left the meeting.)

However, Mr Gregson said that a focussed and informed debate was required, and in particular to answer those questions he had submitted. Accordingly, Mr Gregson moved as an amendment to the recommendation by the Executive Committee, that a presentation by officers be given to Members on this matter. Mr L G Groat seconded. Mr W A Ratter agreed to accept the amendment, and that arrangements be made for a seminar.

(The Chief Executive declared an interest in the following item and left the meeting).

Mr A Inkster, Mr W Tait and Mr J C Irvine left the meeting.)

73/05

Saga Seafoods

The Council considered a report by the Economic Development Manager.

Mr A J Cluness moved that the Council adopt recommendation 6.1(a). Mrs I J Hawkins seconded.

Mr W A Ratter moved as an amendment that the Council adopt recommendation 6.1(b) on the basis that this was the recommended approach agreed by the sounding board. Mr J P Nicolson seconded.

Voting took place by a show of hands, and the result was as follows:

Amendment (W A Ratter)	6
Motion (A J Cluness)	8

The motion was declared the finding of the meeting, and Members confirmed that this decision was based upon the understanding that the negotiations would continue up to the value set by the Property Manager, and that the decision includes authority to conclude those negotiations without coming back to the Council if appropriate.

CONVENER