

**Shetland Island Council**  
**Main Hall, Town Hall, Lerwick**  
**Wednesday 8 December 2010 at 10 a.m.**

**Present:**

A J Cluness	L Angus
L F Baisley	J Budge
A T J Cooper	A T Doull
A G L Duncan	E L Fullerton
F B Grains	I J Hawkins
R S Henderson	J H Henry
A J Hughson	W H Manson
C H J Miller	R C Nickerson
F A Robertson	G Robinson
J G Simpson	C L Smith
J W G Wills	A Wishart

**Apologies:**

No apologies.

**In Attendance:**

A Buchan, Chief Executive  
H Sutherland, Executive Director Education and Social Care  
G Greenhill, Executive Director – Infrastructure  
G Johnston, Head of Finance  
N Grant, Head of Economic Development  
H Budge, Head of Schools Service  
I McDiarmid, Head of Planning  
J R Riise, Head of Legal and Administration  
R Sinclair, Head of Capital Programming  
J Smith, Head of Organisational Development  
C Bain, Treasury Accountant  
D Bell, Human Resources Manager  
A Hall, Revenue Services Manager  
B Hill, Acting Divisional Manager – Legal  
A Edwards, Quality Improvement Manager  
M Smith, Expenditure Manager  
H Tait, Management Accountancy Service Manager  
J Edwards, Quality Improvement Officer  
A Christie-Henry, Project Manager – Ports for the Future Project  
D Evans, Human Resources Officer – Ports for the Future Project  
J Molloy, Planning Officer (Project Implementation)  
M Moss, Quality Improvement Officer  
J Thomason, Management Accountant  
L Roberts, Quality Improvement Officer  
R Sim, Quality Improvement Officer  
B Sclater, Acting Harbour Master  
L Adamson, Committee Officer  
A Cogle, Service Manager – Administration

## **Chairperson**

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

## **Circular**

The circular calling the meeting was held as read.

## **Declarations of Interest**

Mr A T J Cooper declared an interest in Item 12, "Living Lerwick – Town Centre Business Improvement District (BID) Steering Group", Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy" and Item 17, "Review of Early Retirement and Redundancy Scheme".

Dr J W G Wills declared an interest, as his wife is a member of staff in the Education department.

Mr J Budge and Mr R S Henderson declared interests in Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy", Item 17, "Review of Early Retirement and Redundancy Scheme" and Item 25, "Report on Ports for the Future Project".

Mr R Nickerson declared an interest in Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy", Item 17, "Review of Early Retirement and Redundancy Scheme".

Mrs E L Fullerton declared a non-pecuniary interest in Item 25, "Report on Ports for the Future Project", as a relative worked on the tugs. She also declared an interest in Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy", Item 17, "Review of Early Retirement and Redundancy Scheme" and Item 18, "Review of Redundancy Policy", as the changes in Policy could affect Council's Pension Scheme, and she had a financial interest in item 14 "Review of Discretionary Policies" as a beneficiary of the pension scheme.

Mrs I J Hawkins declared an interest in the items on the agenda relating to the Council's Pension Scheme.

Mr A G L Duncan declared an interest as his wife worked in the Schools Service.

Mr A S Wishart declared an interest in Item 12, "Living Lerwick – Town Centre Business Improvement District (BID) Steering Group".

Mrs C H J Miller declared an interest in Item 12, "Living Lerwick – Town Centre Business Improvement District (BID) Steering Group", as she was a partner in a business in the Town Centre. She also declared an interest in Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy", Item 17, "Review of Early Retirement and Redundancy Scheme" and Item 18, "Review of Redundancy Policy", as she had a close relative who worked in the Council.

Mr A J Cluness declared an interest in Item 12, "Living Lerwick – Town Centre Business Improvement District (BID) Steering Group".

Mr L Angus declared an interest in Item 15, "Flexible Retirement Policy", Item 16, "Ill Health Retirement Policy" Item 17, "Review of Early Retirement and Redundancy Scheme" and Item 18, "Review of Redundancy Policy", however he wished to take part in the discussion on Item 18.

- 162/10 **Minutes – Shetland Islands Council – 27 October 2010 and 10 November 2010**  
Subject to the following, the Council confirmed the minutes of meetings held on 27 October and 10 November, on the motion of Mr A J Cluness
- Shetland Islands Council - 27 October 2010:  
151/10 - Revenue Management Accounts for the Period 1 April 2010 to 30 September 2010 – General Fund, Harbour Account, Housing Revenue Account and Reserve Fund - Dr J W G Wills referred to his request that details of the average earnings made on the reserves would be provided to this meeting of the Council. The Head of Finance confirmed that the information would be provided to Members at his earliest opportunity.
- 141/10 - Minutes – 15 September 2010  
134/10 - Corporate Improvement – Initial Actions - Mrs I J Hawkins referred to the request for regular monthly meetings with all Members. The Convener advised that Seminars would be arranged.
- 152/10 - Proposed 5 Year Capital Programme – Mr R C Nickerson reported that the Council had agreed that the review of the rolling programme would be reported back to the Council before the end of this financial year, and not before late 2011, as had been recorded in the minute.
- 153/10 - Scotland's Islands Project – Dr J Wills advised that he had not left the Chamber during this item but he had left during the earlier item as stated.
- 163/10 **Members Attendance at External Meetings**  
Mr A J Cluness                      Launch of Hydrogen Office Project, Fife – 16 November
- Mr J G Simpson UK Fisheries Minister, London – 24 November
- (Mr A J Hughson, Mr W H Manson and Mr F A Robertson attended the meeting).*
- 164/10 **Petitions**  
There were no petitions.
- 165/10 **Audit and Scrutiny Committee –15 November 2010**  
Mrs F B Grains moved the minute of the meeting held on 15 November 2010 for accuracy, and intimated her intention to raise a recommendation from the Committee in relation to Min. Ref. 50/10, as an exempt item, later in the meeting.
- 166/10 **Development Committee –18 November 2010**  
The Council confirmed the minute of the meeting held on 18 November 2010, on the motion of Mr J G Simpson.
- 167/10 **Infrastructure Committee – 23 November 2010**  
Except as undernoted, the Council confirmed the minute of the meeting held on 23 November 2010 on the motion of Mrs I J Hawkins.
- Dr J W G Wills advised that he had had submitted his apologies, and had not attended the meeting.

168/10

**Services Committee – 25 November 2010 and 7 December 2010**

The Council confirmed the minutes of the meetings held on 25 November 2010, and 7 December 2010, on the motion of Mr L Angus.

**Services Committee - 7 December 2010**

In response to questions from Members, the Head of Capital Programme advised that the Gateway process was the Council's agreed policy for progressing capital projects.

Mrs I J Hawkins advised of her disappointment with the decision to close the Secondary Department at Scalloway School, and advised that the best option now would be for the decision to be called in by Scottish Ministers.

Mrs Hawkins commented that with the financial implications on the Anderson High School project being quite dire, there was a need for the Council to pay attention to future spending as overspending could lead to more schools having to close. The Chief Executive advised that all issues would be properly addressed through the Council's Gateway process.

169/10

**Planning Board – 3 November 2010 and 1 December 2010**

The Council confirmed the minute of the meeting on 3 November 2010, on the motion of Mr F A Robertson.

Subject to the following, the Council confirmed the minute of the meeting on 1 December 2010, on the motion of Mr G Robinson.

**73/10 - Applications for Planning Permission for Local Developments where determination cannot be taken by Appointed Person under Approved Scheme of Delegation**

- 2010/304/PCD - To erect 5kw wind turbine on 15m tower with 5.4m diameter blades and trenched cable connection to Voe Public Hall, East of Norbrek, Voe by Voe Public Hall;
- 2010/372/PCD - To erect 6kw wind turbine on 15m tower with 5.6m diameter blades, Urafirth Primary School, Heylor by Shetland Islands Council;
- 2010/088/PCD - Erection of airport terminal including air traffic control tower, Terminal Building, Scatsta Airport, Brae, ZE2 9QP by "The IAC" c/o Bristow;
- 2010/206/PCD - Retrospective planning application for existing hanger use, with proposed new window openings, and new hangar doors at: Old Hangar, Scatsta Airport, Brae, Shetland, ZE2 9QP by Bristow Helicopters Ltd.

Mr Robinson advised that the Board had been unable to take a decision on applications 2010/088/PCD and 2010/206/PCD, as two Members of the Board had declared an interest as they were Directors of SLAP. This resulted in the Board being inquorate, and the applications were referred to Council for a decision. Accordingly, Mr G Robinson moved that the Council approve applications 2010/088/PCD and 2010/206/PCD, and Mr J G Simpson seconded.

170/10

**Harbour Board – 17 November 2010 and 24 November 2010**

The Council approved the minutes of the meetings held on 17 November and 2010 and 24 November 2010, on the motion of Mr A T J Cooper.

171/10      **Licensing Sub-Committee – 19 November 2010**

The Council approved the minute of the meeting held on 19 November 2010, on the motion of Mr C L Smith.

172/10      **Notice of Motion: Reinstatement of Winter Fuel Payments**

The Council proceeded to consider a Notice of Motion (Appendix 2) in the following terms:

“That Members consider the reinstatement of the winter fuel payment to those over 65 years of age in the community. This payment was removed as part of the budget process in February 2010. It is suggested that the payment is made subject to a 5% reduction per annum over the next three years in the sum to be paid which is in line with budget proposals”.

Mr C Smith moved the motion as tabled, explaining that he had been disappointed by the way in which the decision had been taken to end the payment. He said the group being targeted were the most vulnerable and given the extreme poor weather and concerns regarding fuel poverty, he said that the full grant should continue to be paid. Mrs F B Grains seconded.

Mr A Cooper said that the Council had agreed to no growth at this time, particularly when decisions had to be made regarding cutting school budgets. Mr Cooper moved as an amendment that no further action be taken. Mrs L Baisley seconded.

During the discussion which followed, Members agreed that there was a growing concern as to the extent of fuel poverty in Shetland, but that more information was needed in order to direct funding to those most in need, including the elderly, single parents and families on low income.

Mrs B Fullerton gave notice of a further amendment.

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

Amendment (A Cooper)	13
Motion (C Smith)	5

Mrs B Fullerton said that such grants should be considered as a part of the fuel poverty study being undertaken by the Council, as this would include consideration of organisations who can assist, and would address the needs across all ages, and that this be reported back in the next cycle. Mr L Angus seconded.

With the consent of his seconder, Mr A Cooper agreed to include this within his amendment, and the Council concurred.

Decision:

The Council unanimously RESOLVED not to adopt the Notice of Motion, but that winter fuel payments be considered as part of the current fuel poverty study, to be reported to Council next cycle.

173/10

**Notice of Motion: Nuclear Weapons Disarmament, etc.**

The Council proceeded to consider a Notice of Motion (Appendix 3) in the following terms:

“This Council notes that 2010 is the 65<sup>th</sup> anniversary of the atomic bombings of the cities of Hiroshima and Nagasaki, which killed over 300,000 people mostly civilians. As a fellow member of the Majors of Peace organisation – now made up of 4069 Councils from 144 countries representing over 850 million people – this Council supports the campaign to reduce and eventually eliminate all nuclear weapons by 2020. It supports the ‘Hiroshima-Nagasaki Protocol’ in developing a globally agreed Nuclear Weapons Convention as a key part of the nuclear weapons disarmament process. It welcomes the 30<sup>th</sup> anniversary of the UK and Ireland Nuclear Free Local Authorities and a visit to the UK of the Mayor of Nagasaki to commemorate this anniversary in November.

This Council also welcomes the international moves to reduce nuclear weapon stockpiles in the United States and Russia and the positive agreements made at the recent Nuclear Non Proliferation Treaty Conference. The UK Governments decision to replace the Trident nuclear weapons programme, costing an estimated £60 to £100 Billion over the next 40 years, in this climate of harsh financial settlements for public services across the country cannot be justified.”

Decision:

The Council unanimously RESOLVED to adopt the motion, and that a copy be sent by the Convener to the Prime Minister, the Secretary of State for Defence, the First Minister, the MP and the MSP.

176/10

**Corporate Plan 2010-12 – Progress Report**

The Council considered a report by the Head of Organisational Development (Appendix 4).

Decision:

The Council NOTED the update on progress made on achieving the outcomes and targets within the Council’s Corporate Plan 2010-12.

177/10

**Report to Members and Controller of Audit by the Auditor**

The Council considered a report by the Chief Executive and Head of Finance (Appendix 5) which provided members with a final version of the Abstract of Accounts 2009/10 and comment by Audit Scotland regarding the audit of the Council’s affairs for the year ended 31 March 2010.

During the discussion which followed, Members considered the issue of grouping of accounts, and asked that Audit Scotland and the Accounts Commission be advised again that the Shetland Charitable Trust is a separate organisation to the Council, as well as the Shetland Recreation Trust, the Shetland Arts Development Agency and the Shetland Amenity Trust, and were not subsidiaries of the Council.

Members noted that the report highlighted a number of other areas for improvement, and also issues in relation to the Council's Pension Fund.

Mrs B Fullerton declared a significant non-financial interest in this issue, as a close family member was a former employee of Shetland Towage.

*[Mrs B Fullerton left the meeting.]*

Mr W H Manson declared a non-financial interest as a Director of Shetland Towage.

During discussion, Members noted the requirement to progress the contribution to the Pension Fund as part of the process for transferring Shetland Towage, but agreed that it should await the outcome of the review of establishing a national pension fund scheme, in order to ensure that the Council would retain control of local funds.

Decision:

The Council NOTED the contents of this report, Appendix A and the Abstract of Accounts for 2009/10 and undertook to keep under review the issues raised in the report to members by the external auditor and in particular the action plan contained therein.

*[Mrs B Fullerton returned to the meeting.]*

178/10     **2010/11: Financial Monitoring Report**

The Council considered a report by the Head of Finance and Chief Executive (Appendix 6) which advised Council of the current position on its accounts.

The Head of Finance advised that confirmation of the national financial settlement was expected tomorrow, and therefore the purpose of this report was to provide a position statement at this point, for information. In response to questions from Members, the Head of Finance added that it was not certain at this point how much of the possible savings would be achieved in this financial year and how many would be sustainable into the future, however, Members had to recognise the fact that not all the savings would be achieved in terms of the revenue accounts, and there would be difficult and challenging decisions ahead for Members.

Decision:

The Council RESOLVED to instruct officers to maintain best endeavours to constrain revenue spending in the current financial year and to identify and implement further savings as opportunities arise.

179/10     **SIC Revenue Management Accounts**  
**General Fund (inc Support/recharged), Harbour Account, Housing Revenue Account and Reserve Fund**

**For the Period 1 April 2010 to 31 October 2010**

The Council noted a report by the Head of Finance (Appendix 7).

Decision:

The Council NOTED the financial position on the Council's General Fund (including Support and Recharged ledgers), Harbour Account, Housing Revenue Account and Reserve Fund revenue management accounts (RMA) for the first 7 months of 2010/11.

180/10 **Progress Report – Capital Programme**

The Council considered a report by the Programme Manager (Appendix 8) which set out progress on the capital programme and made recommendations relating to re-allocation of slippage and savings, and adopted the recommendations contained therein, on the motion of Mr A J Cluness, seconded by Mr J G Simpson.

Decision:

The Council RESOLVED to:

- (a) NOTE progress of the current committed projects in Appendix A; and
- (b) APPROVE the allocation of budgets, slippage and transfers in Appendices B, C & D.

181/10 **Housing Benefit and Council Tax Benefit Anti-Fraud Policy**

The Council considered a report by the Revenue Services Manager (Appendix 9) which sought approval for the Anti-Fraud Policy, and the Council adopted the recommendation contained therein, on the motion of Mrs L Baisley seconded by Mr A Cooper.

Decision:

The Council RESOLVED to:

adopt the Housing Benefit and Council Tax Benefit Anti-Fraud Policy attached as Appendix 1 to this report and approved it for implementation with immediate effect.

182/10 **Admission Agreement to the Local Government Pension Scheme – Community Alcohol and Drugs Services Shetland (CADSS) and Crossroads (Shetland) Care Attendant Scheme**

The Council considered a report by the Head of Finance (Appendix 10) which sought Council approval to permit CADSS and Crossroads (Shetland) Care Attendant Scheme to be admitted to the Local Government Pension Scheme, and also proposed a change in respect of admitting any further employers to participate



in the Local Government Pension Scheme in order to protect the Council against having to meet this liability in the event that the admitted body was to fold.

During discussion, Members agreed that more reliance was being placed on the voluntary sector, but the cost of bonds would be quite onerous for some and that some special consideration could be given to voluntary organisations. However, it was recognised that the administration costs for being admitted to the pension scheme will become increasingly expensive, and that organisations did have the option to look at other schemes, and it would become a legislative requirement for any organisation to have a pension scheme.

On the motion of Mr L Angus, seconded by Mrs C Miller, the Council agreed that the Council would look at the individual circumstances of each request as it comes forward and consideration could be given as to whether a Bond was required.

Decision:

The Council RESOLVED to:

- (a) approve the making of the admission agreement with CADSS and Crossroads (Shetland) Care Attendant scheme, so as to enable its employees to be admitted to the Council's Pension Scheme, with effect from 1 January 2011; and

183/10

**Equality Update**

The Council noted a report by the Head of Organisational Development (Appendix 11).

Decision:

The Council NOTED the update on Equality Law, and what actions are being taken by the Council to meet the duties outlined in the Equality Act 2010.

*Mr A J Cluness, Mr A Cooper and Mrs C Miller declared interests in this item, and left the meeting.*

*Mr J G Simpson assumed the role of Chairperson.*

184/10

**Lerwick – Town Centre Business Improvement District (BID) Steering Group Update**

The Council considered a report by the Planning Officer – Development Plans (Appendix 12) which sought to update the Council about the Lerwick Town Centre Business Improvement District (BID) Steering Group, and the progress of Lerwick (BID) Steering Group and request continued officer and Member time and support.

During discussion, some concern was expressed that the Council needed more information on this matter, particularly with regard to the financial implications of any further support. In this regard, Dr J Wills, seconded by Mr L Angus, sought to

defer to report, but the Council noted that the extent of involvement at this stage had been approved, and the report was only seeking approval in relation to the conduct of the ballot and to provide further information and support to the Steering Group to assist with the development of the project, leading to the ballot by the town centre businesses involved. It was noted that there was no financial commitment at this stage, and therefore Dr Wills, with the consent of his seconder, withdrew his motion.

Mr F A Robertson moved that the Council adopt the recommendations in the report, Mr G Robinson seconded, and the Council concurred.

Decision:

The Council RESOLVED to:

- (a) Note that the Electoral Reform Society will be engaged by the Lerwick BID Steering Group to issue the ballot, but agree that the ballot be counted in Shetland by the Council's Returning Officer and his staff;
- (b) agree that Officers provide information as necessary to ensure proper investigation of baseline and other services in the BID area; and
- (c) to continue officer and elected Members support to represent the Council on the Lerwick Town Centre Business Improvement District (BID) Steering Group and investigation into a preliminary proposed operating agreement.

*Mrs C Miller, Mr A Cooper and Mr A J Cluness returned to the Chamber.*

*Mr Cluness resumed the role of Chairperson.*

*[Dr J Wills left meeting.]*

#### 185/10 **Schedule of Meetings 2011**

The Council considered a report by the Service Manager – Administration (Appendix 13) and on the motion of Mr J G Simpson, seconded by Mrs B Fullerton, approved the the diary of meetings for the first two cycles of 2011. It was also noted that afternoon meetings would commence at 2 p.m., and not 2.15 p.m. as stated in the report.

Decision:

The Council unanimously approved the date of its meetings for the first two cycles of 2011.

*[Mr G Robinson, Mr A Duncan, Mr F A Robertson, Mrs B Fullerton and Mr L Angus declared a financial interest in the following items of business, and left the meeting. Mrs I J Hawkins and Mrs C Miller declared a significant non-financial interest in the following items, and also left the meeting.]*

#### 186/10 **Review of Discretionary Policies**

The Council considered a report by the Head of Finance (Appendix 14) and approved the recommendation contained therein, on the motion of Mrs L Baisley, seconded by Mr A J Cluness.

Decision:

The Council unanimously RESOLVED to approve the revised Discretionary Policies, with effect from 9 December 2010, and the Employing and Administering Authority Statements attached.

187/10

**Flexible Retirement Policy**

The Council considered a report by the Head of Finance (Appendix 15) and approved the recommendation contained therein, on the motion of Mrs L Baisley, seconded by Mr R Henderson.

Decision:

The Council unanimously RESOLVED to approve the Flexible Retirement Policy with effect from 9 December 2010.

188/10

**Revised Ill Health Retirement Policy**

The Council considered a report by the Head of Finance (Appendix 16) and approved the recommendation contained therein, on the motion of Mr A J Cluness, seconded by Mr A Wishart.

Decision:

The Council noted the regulatory changes that have been made and unanimously RESOLVED to approve the updated Ill Health Retirement Policy.

189/10

**Review of Early Retirement and Redundancy Scheme**

The Council considered a report by the Head of Finance (Appendix 17).

The Human Resources Manager advised that following comments received from the Unions, it was necessary to further examine the proposed transitional arrangements which were deemed inadequate to address restructuring exercises that are currently underway where a staged early retirement/redundancy process requires to be undertaken to enable the service to make adjustments in a timely and controlled manner, for example, in respect of the Ports of the Future Project. In this regard, it was proposed that paragraph 9.2 of the Scheme, be replaced with the following paragraph:

“9.2 (A) This revised policy will be implemented with effect from 1 April 2011. However, in services where an exercise is already underway which has sought volunteers for Early Retirement and/or Redundancy and where calculations of the benefits payable have already been issued, the 2002 Early Retirement Policy will continue to apply, until 30 September 2011 (in respect of the award of C.A.Y.s only).”

In addition, approval was sought for the Chief Executive to be given delegated authority to be able to deal with any questions regarding the interpretation and application of this revised policy.

The Council noted that these proposals had been agreed with the Union Side, and accordingly the recommendations, as amended, were approved, on the motion of Mr A J Cluness, seconded by Mr J G Simpson.

Decision:

The Council unanimously RESOLVED to approve the revised Early Retirement and Redundancy Policy with effect from 9 December 2010, subject to the amendment of paragraph 9.2(a) detailed above, and that delegated authority be given to the Chief Executive to deal with any questions regarding the interpretation and application of this revised policy.

*[Mr L Angus returned to the meeting.]*

190/10      **Review of Redundancy Policy**

The Council considered a report by the Head of Finance (Appendix 18) and approved the recommendation contained therein, on the motion of Mr A J Cluness, seconded by Mr J G Simpson.

Decision:

The Council unanimously RESOLVED to approve the revised Redundancy Policy with effect from 1 April 2011.

*[Mr G Robinson, Mrs B Fullerton, Mr F Robertson, Mrs I J Hawkins, Mrs C Miller, Dr J Wills and Mr A Duncan returned to the meeting.]*

191/10      **Review of Substance Misuse Policy**

The Council considered a report by the Human Resources Manager (Appendix 19) and approved the recommendation contained therein, on the motion of Mr L Angus, seconded by Mr G Robinson.

Decision:

The Council unanimously RESOLVED to approve the revised Substance Misuse Policy with effect from 1 December 2010.

192/10      **Strategic Sourcing of Legal Services**

The Council considered a report by the Head of Legal and Administration (Appendix 20).

Mrs L Baisley moved that the recommendation in the report be approved Mrs C Miller seconded.

Mr G Robinson moved as an amendment that the outcome of the procurement exercise be reported back to the Council for a decision. Mr L Angus seconded.

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

Decision:

The Council RESOLVED to:

1. approve participation in the strategic sourcing of legal services framework and exemption from Standing Orders due to special circumstances; and
2. delegate authority to the Head of Legal and Administration or his nominee to formally participate and to progress the related administrative requirements.

193/10 **Minutes of Employees JCC – (a) 25 October 2010, (b) 24 November 2010, and (c) 26 November 2010**

*The Council NOTED the minutes of the Employees Joint Consultative Committee held on 25 October 2010, 24 November 2010, and 26 November 2010.*

194/10 **Sale of Land at Sella Ness Industrial Estate**

*The Council considered a report by the Asset and Properties Manager and adopted the recommendation contained therein, on the motion of Mr A Cooper, seconded by Mr G Robinson.*

195/10 **Extension of Heywood's Pension System**

*The Council considered a report by the Head of Finance and adopted the recommendation contained therein, on the motion of Mr W H Manson, seconded by Mrs L Baisley.*

196/10 **Review of the Pension Fund Currency Mandate Currently Managed by Record Currency Management**

*The Council considered a report by the Head of Finance and adopted the recommendation contained therein, on the motion of Mr G Robinson, seconded by Mrs C Miller.*

*[Mrs B Fullerton and Mr R Henderson each declared an interest in the following item, and left the meeting.]*

197/10 **Report on Ports for the Future Project**

*The Council considered a report by the Executive Director – Infrastructure Services.*

*The Executive Director – Infrastructure Services summarised the terms of the report, and the Council noted that the recommendations in the report had been agreed by the Harbour Board.*

*Mr A Cooper moved that the Council adopt the recommendations in the report, and that the Executive Director report back to the next two Council meetings. Mrs I J Hawkins seconded. Mr Cooper added that by reporting back and clearly articulating the management and staff positions, Members would clearly understand the position when moving forward at the end of the 90 day period.*

Dr J Wills moved that the Council do not proceed at this stage, but that a further attempt at negotiating be found. Mr A Duncan seconded.

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

Amendment (J Wills) 3  
Motion (A Cooper) 13

*[Mr R Henderson returned to the meeting.]*

198/10 **Audit and Scrutiny Committee Minute – 15 November 2010 – Min. Ref. 50/10 - Report to Members and Controller of Audit by the Auditor**

Mrs F B Grains moved that the Council do not accept that part of the recommendation of the Committee in relation to the details of the negotiated settlement being brought to Council. Mrs L Baisley seconded.

*[Mrs C Miller declared an interest in this item.]*

Mr G Robinson moved as an amendment that the Council accept that part of the recommendation to bring the details of the negotiated settlement to the Council. Dr J Wills seconded.

During the discussion which followed, the Head of Legal and Administration outlined the legal obligations of the Council in relation to the settlement, and the more than probable legal challenge that would arise from a breach of those obligations.

After summing up, voting took place by a show of hands, and the result was as follows:

Amendment (G Robinson) 4  
Motion (F B Grains) 14

The Council concluded at 12.50 p.m.

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A J Cluness  
Convener