

MINUTE

A&B

Special Shetland Island Council
Council Chamber, Town Hall, Lerwick
Wednesday 27 April 2011 at 10am

Present:

L Angus	L F Baisley
J Budge	A J Cluness
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 S Wishart

In Attendance:

A Buchan, Chief Executive
H Sutherland, Executive Director - Education and Social Care
M Craigie, Head of Transport
A Jamieson, Head of Housing
J Riise, Head of Legal & Administration
A Cogle, Service Manager - Administration
L Gair, Committee Officer

Chairperson

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

Circular

The circular calling the meeting was held as read.

Declarations of Interest

Mr J H Henry declared an interest in agenda item 1 "Strategic Financial Issues" as a Director of Hjaltdland Housing Association. He said that he would leave the meeting during consideration of this item.

(Mr J H Henry left the Chamber)

51/11 Strategic Financial Issues

The Council considered a report by the Head of Finance and the Head of Capital Programming, attached as Appendix 1.

Mr A G L Duncan said that he agreed with the content of the report and said that fibre optics must be a priority for the Council. He also said that the Scottish Government had raised the profile for housing associations to be more innovative. Mr Duncan said that this additional support would provide economic and population growth and encourage people to stay and settle in Shetland. Mr Duncan went on to say that there was an issue with homelessness in Shetland and there is a housing waiting list in the region of 1,000 in number. This grant would put investment into the community and allow building to take place in Tingwall, Brae and Lerwick.

Mr Duncan moved that the Council approve recommendations 9.1.1 and 9.1.2A(i), seconded by Mr L Angus.

Some Members spoke in support of the motion whilst some Members expressed their concern that the grant would be drawn from reserves, resulting in the loss of ongoing income.

In response to queries from Members, the Executive Director – Education and Social Care confirmed that conditions would be applied to the grant and explained that early discussion had indicated that 80% of allocations made would be from the waiting list. She also explained that the area where most savings would be made was on direct costs relating to homelessness, as there is a legal duty to provide accommodation for these individuals. The Executive Director – Education and Social Care added that there was also potential for savings on management and maintenance costs. She advised that the loss from the grant of £3.5m from reserves could be calculated by using a 7% rate of return per annum, however this rate of return was about to change but 7% was a reasonable rate at this time.

With regard to the test of best value, the Executive Director – Education and Social Care went on to explain that when considering this proposal in December 2010, it was found to be a complicated issue. She informed Members that there was no requirement for the Council to support this proposal but Officers had considered this proposal “in the round” and for Shetland as a whole. She advised that the issues considered took account of the fact that one third of the cost would come from external income amounting to £3.5m with a further one third from commercial streams. The Executive Director – Education and Social Care also explained that work was done with the Hjalmland Housing Association, to consider the best option for how the investment would be provided had included loan or repayable grant, however the only way to secure affordable housing would be by direct grant aid. The Executive Director – Education and Social Care said that this was a reasonable proposal that demonstrates best value.

The Chief Executive added that he believed that the report looked at all major spending options and prioritises these projects. He said that the Council had made good progress with regard to budgets and had taken £5m off the capital programme. He said that during that process Members had been mindful of these two items and decisions were made with this in mind.

In response to further queries from Members, the Executive Director – Education and Social Care advised that the “assumptions” referred to in paragraph 9.1.2(a)(i) relate to the budgets for 2011/12 within which there are two larger issues. She said that these issues would be monitored to ensure that they are delivered along with achieving long-term savings. She also confirmed that the funds would be drawn down over a 3-year period.

Mr R S Henderson said that he supported this proposal but it was limited to certain areas in Shetland. He said it was also important to support the younger generation and that a scheme should be devised to provide grant assistance for private housing anywhere in Shetland.

Mr W H Manson said that he was concerned that the safety margin around the £250m floor on reserves was being compromised and said that indications were that the Scottish Government might increase interest rates, which would affect the

stock market and investments may fall in value. Mr Manson moved as an amendment that the Council approve recommendation 9.1.1 and 9.1.2(a) (ii) by reducing the approved capital programme and suggested a reduction of £1m per annum. Mr R C Nickerson seconded.

Mr Nickerson asked for a report on the full extent of the fibre optic proposal to seek clarification on whether this would be progressed on a “profit and return” basis or as a “strategic services provision”. The Convener agreed that a report be provided in one cycle.

Some Members expressed concern with regard to further reducing the capital programme and the impact this would have on the services to be provided. Dr Wills however highlighted that the Council would be £245,000 per annum worse off, based on the 7% rate of return indicated by the Executive Director - Education and Social Care.

Mrs E L Fullerton gave notice of a further amendment.

Mrs L F Baisley advised that she supported Mr Duncan’s motion but highlighted the need to ensure that tenants were living in appropriate accommodation and that individuals were not living alone in what could be used as a family home. She said that there should be more housing for single occupants.

Mr G Robinson expressed the view that this proposal would not go far enough to reduce the waiting list. He also indicated that the houses to be built were not necessarily in the areas that people would want to be and more should be done to identify where people want to stay.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (Mr W H Manson)	9
Motion (Mr A G L Duncan)	12

Mrs E L Fullerton withdrew her notice of a further amendment.

Members expressed the gratitude to Mrs Fullerton and Mr Cluness for their contribution and work involved in these projects.

(Dr J W G Wills left the Chamber)

The Council RESOLVED to:

1. award a grant of up to £3.5m to Hjaltland Housing Association, subject to appropriate conditions to be agreed by the Head of Housing, with funding provided by an additional draw on reserves and note that by doing so the predicted reserves levels may stand at £256.5m (all other assumptions remaining the same) by March 2012.

(Mr J H Henry returned to the Chamber)

(Dr J W G Wills returned to the Chamber)

The Council considered a report by the Head of Legal and Administration, attached as Appendix 2.

Mr J G Simpson summarised the discussions held at the seminars prior to this meeting and said that following the decisions taken regarding the governance of the Council it was important to move on with the appointments to be made at this meeting. He also commented on the committee meeting cycles and said that officers would struggle to get their reports out on time if there be was to be more meetings.

The Head of Legal & Administration introduced the report and drew Member's attention to the Appendices attached and the remaining appointments to be made. He explaining that Appendix 3 indicated the additional paperwork that still had to be completed and advised that there would be a Special meeting of the Council on 9 May to take this forward.

In referring to Appendix 2, the Head of Legal & Administration recapped on the seminars held and said that there had been a strong view that there should be 11 Members on the functional committees made up of the Chairman and Vice-Chairman already appointed with 7 ward members to be appointed together with Leader and 1 additional member. He said that this and 2 other options were presented for consideration.

Mr L Angus moved that the Council progress recommendations 2(a)-(c), seconded by Mr C L Smith.

Mr G Robinson spoke at length with regard to the debate that Members had had regarding the membership of the Executive Committee, highlighting the need for strong leadership in light of the reports from the Accounts Commission. He said that the Civic Head and Leader should be separated but that had not happened as the Vice-Convener is also the Leader. Mr Robinson went on to say that 7 Members was sufficient one from each ward, which would provide democracy.

In response to moves from Members to change the names of the committees, the Head of Legal & Administration advised that this would be coming up at the next meeting of the Council.

The Head of Legal & Administration invited nominations for the Membership of the following Committees:

Children Families and Learning Committee:

The following nominations were received.

North Isles	Mrs L F Baisley
Shetland North	Mr W H Manson
Shetland West	Mrs F B Grains
Shetland Central	Mrs I J Hawkins
Shetland South	Mr R C Nickerson
Lerwick South	Mr L Angus
Lerwick North	Mr A J Cluness

Additional Member Dr J W G Wills

All nominees accepted their nominations and were accordingly appointed as Members to the Children Families and Learning Committee.

Communities, Health and Well-being Committee:

The following nominations were received.

North Isles	Mrs L F Baisley
Shetland North	Mr A T J Cooper
Shetland West	Mrs F B Grains
Shetland Central	Mrs E L Fullerton
Shetland South	Mr R C Nickerson
Lerwick South	Mr J H Henry
Lerwick North	Mr A J Cluness

Additional Member Mr G Robinson

All nominees accepted their nominations and were accordingly appointed as Members to the Communities, Health and Well-being Committee.

Economy and Development Committee:

The following nominations were received.

North Isles	Mr R S Henderson
Shetland North	Mr W H Manson
Shetland West	Mr F A Robertson
Shetland Central	Mrs E L Fullerton
Shetland South	Mr J Budge
Lerwick South	Mr L Angus
Lerwick North	Mr A S Wishart

All nominees accepted their nominations and were accordingly appointed as Members to the Economy and Development Committee.

Additional Member Mrs C H J Miller
Mr R C Nickerson
Mrs I J Hawkins
Mr G Robinson

In accordance with the Scheme of Delegation, voting took place by secret ballot for the position of additional Member, and the results were as follows:

Mrs C H J Miller	5
Mr R C Nickerson	5
Mrs I J Hawkins	6
Mr G Robinson	6

Mrs Miller withdrew from the voting process.

A further ballot took place between Mrs Hawkins, Mr Nickerson and Mr Robinson. The result was as follows:

Mrs Hawkins	9
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Mr Nickerson	6
Mr Robinson	7

A further ballot took place between Mrs Hawkins and Mr Robinson. The result was as follows:

Mrs Hawkins	13
Mr Robinson	9

Accordingly, Mrs Hawkins was duly appointed as additional Member on the Economic and Development Committee

Environment Committee:

The following nominations were received.

North Isles	Mr R S Henderson
Shetland North	Mr A T Doull
Shetland West	Mr G Robinson
Shetland Central	Mr A J Hughson
Shetland South	Mr R C Nickerson
Lerwick South	Mr J H Henry
Lerwick North	Mrs C H J Miller

All nominees accepted their nominations and were accordingly appointed as Members to the Economy and Development Committee.

Additional Member	Mr J Budge
	Mr C L Smith
	Mrs L F Baisley
	Dr J W G Wills
	Mr F A Robertson

In accordance with the Scheme of Delegation, voting took place by secret ballot for the position of additional Member, and the results were as follows:

Mr J Budge	3	
Mr C L Smith	6	
Mrs L F Baisley	2	
Dr J W G Wills		3
Mr F A Robertson	8	

Accordingly, Mrs L F Baisley was excluded from the voting process and Dr J W G Wills withdrew from the process.

A further ballot took place between Mr Budge, Mr Smith and Mr Robertson. The result was as follows:

Mr J Budge	5
Mr C L Smith	8
Mr F A Robertson	9

A further ballot took place between Mr Smith and Mr Robertson. The result was as follows:

Mr C L Smith	13
Mr F A Robertson	9

Accordingly, Mr Robertson was duly appointed as additional Member on the Environment Committee.

Dr J W G Wills moved that the Council approve recommendation 8.1(d) with an amendment to paragraph 2c) in Appendix 2, allowing a membership of 9 on the Executive Committee, comprising the Leader, 4 Committee Chairpersons and that 4 councillors are elected by secret ballot. Mr G Robinson seconded.

Mr C L Smith said that it was important that the Committee Vice-Chairpersons are on the Executive Committee and moved as an amendment that the Council approve recommendation 8.1d) with a membership of 11 as detailed in paragraph 2a) within Appendix 2 to the report. Mr A G L Duncan seconded.

Mr W H Manson gave notice of a further amendment.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (Mr C L Smith)	13
Motion (Dr J W G Wills)	7
Abstention (Mr A J Cluness)	1

Mr C L Smith's amendment is thereafter the motion.

Mr W H Manson moved as an amendment that the Council approve recommendation 8.1d) with a membership of 9 as detailed in paragraph 2c) within Appendix 2 to the report, as it stands. Dr J W G Wills seconded.

Voting took place with a show of hands, and the results were as follows:

Amendment (Mr W H Manson)	9
Motion (Mr C L Smith)	11

Mr A J Cooper moved that the Council approve recommendation 8.1e) and nominated Mr F A Robertson as the other Member on the Executive Committee, seconded by Mr C L Smith.

Dr J W G Wills referred to recommendation 8.1f) and moved that the Council do not delegate authority to the Chief Executive on this occasion, seconded by Mr A G L Duncan.

Mr F A Robertson referred to recommendation 8.1e) and to his nomination as other Member and said that he wished to desist and nominated Mr G Robinson instead. Mr A J Cluness seconded.

The Council **RESOLVED:**

1. To proceed with the following appointments to the Membership of Committees as per recommendation 8.1a)-c):

Children Families and Learning Committee:

North Isles	Mrs L F Baisley
Shetland North	Mr W H Manson
Shetland West	Mrs F B Grains
Shetland Central	Mrs I J Hawkins
Shetland South	Mr R C Nickerson
Lerwick South	Mr L Angus
Lerwick North	Mr A J Cluness
Additional Member	Mr J G Simpson, ex officio
Additional Member	Dr J W G Wills

Communities, Health and Well-being Committee:

North Isles	Mrs L F Baisley
Shetland North	Mr A T J Cooper
Shetland West	Mrs F B Grains
Shetland Central	Mrs E L Fullerton
Shetland South	Mr R C Nickerson
Lerwick South	Mr J H Henry
Lerwick North	Mr A J Cluness
Additional Member	Mr J G Simpson, ex officio
Additional Member	Mr G Robinson

Economy and Development Committee:

North Isles	Mr R S Henderson
Shetland North	Mr W H Manson
Shetland West	Mr F A Robertson
Shetland Central	Mrs E L Fullerton
Shetland South	Mr J Budge
Lerwick South	Mr L Angus
Lerwick North	Mr A S Wishart
Additional Member	Mr J G Simpson, ex officio
Additional Member	Mrs I J Hawkins

Environment Committee:

North Isles	Mr R S Henderson
Shetland North	Mr A T Doull
Shetland West	Mr G Robinson
Shetland Central	Mr A J Hughson
Shetland South	Mr R C Nickerson
Lerwick South	Mr J H Henry
Lerwick North	Mrs C H J Miller
Additional Member	Mr J G Simpson, ex officio
Additional Member	Mr F A Robertson

2. Recommendation 8.1d) approve and Executive Committee membership of 11 as set out in Appendix 2 paragraph 2A.
3. Recommendation 8.1e) approve the appointment of the Additional Member on the Executive Committee, namely Mr G Robinson.

4. Recommendation 8.1f) agreed not to delegate authority to the Chief Executive but to leave it to the Members of the Audit and Standards Committee to determine the method of selection of the two independent Members of that committee for future appointment by the Council.

53/11 **Schedule of Meetings: May 2011 to March 2012**

The Council considered a report by the Service Manager – Administration, attached as Appendix 2.

The Head of Legal & Administration advised that the schedule of meetings had been prepared to allow Members to plan their diaries. He advised that the diary had been prepared working back from the elections next year over the remaining 10 months creating 5 cycles. He explained that the meetings had not been equally divided into weeks as there was a need to keep a level of flexibility for Member engagement with the community..

As a benchmark the Head of Legal and Administration advised that in 2010 there had been a number of cycles where there had been 5, 6, 7, 8 and 11 weeks between meetings. He went on to suggest that Members may wish to approve the diary for 3 cycles allowing time for the diary to settle and following a review the last 2 cycles could then be decided upon by December 2011.

Mr C L Smith moved that the Council approve the recommendations contained in the report, seconded by Mrs L F Baisley.

Mr A T J Cooper said that there had been general agreement between Members, through the seminars that there would be no meetings during Christmas week. Mrs E L Fullerton also suggested that the Council meet in the same week as the Executive Committee in July in order that the recess is extended.

Dr J W G Wills expressed his concern that the proposed diary would cause confusion and dislocation and moved, as an amendment, that the diary be set as at 6 weekly cycles, seconded by Mrs I J Hawkins.

Mr C L Smith and Dr Wills agreed to include, within their motion and amendment, the points raised with regard to no meetings during Christmas week and extending the summer recess.

During discussion some Members spoke in support of the recommendations, acknowledging that some flexibility was required and that should the need for additional meetings arise these would be accommodated. Some Members felt however that a 6-week cycle would get the work done and not hinder progress. Members were assured that the Planning Board meetings would continue to be held on a monthly basis.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (Dr J W G Wills)	9
Motion (Mr C L Smith)	13

The Council RESOLVED to:

1. approve the schedule of meetings attached as Appendix 1, with two revisions namely: a) there will be no meetings held in the Christmas week; and b) the Council meeting scheduled for 13 July 2011 be move to the week beginning 4 July 2011, creating a longer summer recess.

The meeting concluded at 12.45pm.

A J Cluness
Convener