

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 20 August 2014 at 2.00pm**

**Present:**

M Bell	M Burgess
P Campbell	G Cleaver
A Cooper	S Coutts
B Fox	D Ratter
G Robinson	D Sandison
C Smith	G Smith
T Smith	M Stout
A Westlake	J Wills
A Wishart	V Wishart

**Apologies**

R Henderson	A Manson
F Robertson	

**In Attendance (Officers):**

M Boden, Chief Executive  
C Ferguson, Director – Corporate Services  
J Gray, Executive Manager – Finance  
A Jamieson, Executive Manager – Housing  
C McIntyre, Executive Manager - Audit, Risk & Improvement  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Capital Programme  
C Anderson, Senior Communications Officer  
L Geddes, Committee Officer

**Chair:**

Mr M Bell, Convener of the Council, presided.

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest:**

None

**Convener's Opening Remarks:**

**Tribute – Former Councillor Dr Christine Margaret Begg**

The Council stood whilst the Convener paid the following tribute to the late Dr Christine Begg:

“Former Council Member, Dr Christine Begg, sadly passed away on the 26<sup>th</sup> June.

Dr Begg, a native of Caithness, served on Shetland Islands Council, representing the former Lerwick Sound Ward, between May 1999 and May 2003.

During her time in the Council, she was the spokesperson for the Children and Youth Services Forum and served on the Development Committee, Planning Board, Resources Committee and Services Committee.

She was also the Council's representative on a number of partner groups, including the Shetland Recreational Trust, Children's Panel Advisory Committee, Shetland Alcohol and Drug Action Team and Shetland Arts Trust. Outside of Shetland, she represented Shetland at the COSLA Social Affairs Group and Nuclear Free Local Authorities.

I understand, from a number of her Member colleagues, that during her time as a Councillor she was particularly passionate about promoting services for vulnerable people. She was certainly not afraid to put her points of view across, but was also empathetic and someone with a very sharp and incisive mind. It was well known that Dr Begg was a long-term sufferer of, and finally succumbed to, Multiple Sclerosis. This was a condition that she fought bravely over the years.

I was privileged to know Christine both as a GP and when she did work for me as a Police Surgeon. She was everything you wanted in an 'Expert Witness': clear, balanced and concise but above all she provided fair, impartial opinions with a willingness, always, to be available; to answer the call. On many an occasion, I spent an hour at her home where, over an obligatory mug of coffee, we discussed the pros and cons of forensic evidence pertaining to an ongoing case. She was truly dedicated, for all the right reasons, to all she served.

I would like to ask Members to reflect on Dr Begg's passing and the contribution she made to this Council and our community, and accordingly move that an extract of the minute from this meeting be sent to Dr Begg's family".

The Council unanimously agreed.

#### Former Councillor – Bobby Johnston

The Convener noted the recent passing of former Councillor, Bobby Johnston, who represented the Lerwick Clickimin Ward from 1990 until 1999. His funeral had taken place earlier in the day, and the Council flag had flown at half-mast from the Town Hall as a mark of respect. He advised that he would pay formal tribute to Mr Johnston at a future meeting of the Council.

#### Commonwealth Games

The Convener advised that he would be hosting a reception on Monday 25 August to honour Andrea Strachan, Lynda Flaws and Erraid Davies, who had been selected to represent Scotland at the Commonwealth Games in Glasgow.

He also paid tribute to the Council's staff and volunteers who had worked hard to make Shetland's contribution to the Queen's Baton Relay and the Commonwealth Games such a success, and thanked Depute Leader, Billy Fox, for representing the Council at the event.

#### Shetland Fiddlers at Edinburgh Military Tattoo

The Convener congratulated the Shetland fiddlers, under the leadership of Margaret Scollay, on their participation in the Edinburgh Military Tattoo.

#### World War One Commemoration Events and 'Lights Out'

The Convener thanked those who had taken part in marking the centenary of the start of World War One by participating in the 'Lights Out' initiative.

He also thanked Depute Convener, Cecil Smith, for representing the Council at the Commonwealth Memorial Service and members of the Shetland community who had represented Shetland at the National Drumhead Service at Edinburgh Castle.

60/14      **SIC Overall Management Accounts**  
**2014/15 – Projected Outturn at Quarter 1**

The Council considered a report by the Executive Manager – Finance (F-035-F) which enabled the monitoring of the financial performance of all Council services to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

The Executive Manager – Finance summarised the main terms of the report, advising that the budget had been revised in respect of the carry-forward money approved by the Council before the recess. As the year went on, it was expected that the projected underspend would reduce. Most Services were predicting a small underspend by the end of the year, with the exception of fund manager fees which had increased as there were now more funds to be managed. The contribution from the Housing Revenue Account would be reduced as it had been possible to secure a lower interest rate for the housing debt if it was repaid over a shorter period of time. This would result in a saving over the longer-term.

In response to queries, the Executive Manager – Finance advised that it was anticipated that central government funding would drop to around £79.8 million by 2017, so this was a potential reduction of around £5 million. This figure had been calculated by the University of Strathclyde by using data available in the Government's autumn statement to assess the potential impact on the Scottish Government settlement, and then local government, settlements. To sustain the value of funds at £200 million and keep ahead of inflation, the Council should be drawing no more than £10 million per annum from its reserves. The 2015/16 budget, which would be set in December, should be the first sustainable budget for the Council since the 1990s if the medium-term financial plan was followed.

It was suggested that future reports should show actual capital savings that had been made at the end of each quarter, and those which were subject to carry-over, as this would provide more clarity for Members.

The Leader acknowledged the work that had been carried out by officers to get the Council to this position following the earlier budget setting exercise.

On the motion of Mr Cooper, seconded by Mr Robinson, the Council approved the recommendation in the report.

**Decision:**

The Council reviewed the Management Accounts showing the projected outturn position at Quarter 1.

*(The Convener advised that Agenda Items 3 and 4 – Audit Scotland and other External Audit Reports/Shetland Islands Council Business Programme 2014/15 – would be considered next on the agenda)*

61/14      **Audit Scotland and other External Audit Reports**

The Council considered a report by the Executive Manager – Audit, Risk and Improvement (IP-20-14-F) which contained proposals to change the way that Audit

Scotland's reports, and those from other External Advisors/Audit bodies, are handled by the Council.

The Executive Manager – Audit, Risk and Improvement summarised the main terms of the report and, in response to a query, he advised that a report relating to procurement would be presented to the Audit Committee if requested by a Committee member.

It was suggested that whilst there was merit in considering Audit Scotland reports that would have implications across Scotland, it would not always be appropriate to spend time scrutinising other reports looking for actions which may affect the Council, so it was important to find a balance. It was further suggested that it would be useful if any reports which are to be presented are accompanied by a list of bullet points outlining areas that are relevant to the Council.

On the motion of Mr Robinson, seconded by Mr C Smith, the Council approved the recommendation in the report.

**Decision:**

The Council **RESOLVED** to approve the new policy and procedure for Audit Scotland and other External Audit body's reports as detailed in the report.

62/14

**Committee Business Programme**

The Council considered a report by the Team Leader – Administration (GL-13-14-F) which informed of the planned business to be presented to Council over the remaining quarters of the current financial year to 31 March 2015, and sought discussion with Officers regarding any changes or additions required to that Programme.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that it was intended to bring the governance review of transport functions to the Council meeting of 5 November. It was also intended to present a report regarding a review of membership of external organisations at some point in the near future.

On the motion of Mr Robinson, seconded by Mr Cleaver, the Council approved the recommendation in the report.

**Decision:**

The Council considered its business planned for the remaining quarters of the current financial year to 31 March 2015 and approved the changes discussed for amendment of the Business Programme.

*(The meeting adjourned at 2.30pm and reconvened at 2.40pm)*

63/14

**Progress Report – Asset Investment Plan**

The Council considered a report by the Executive Manager – Capital Programme (CPS-09-14-F) which advised on the progress on the projects contained in the Asset Investment Plan (AIP).

The Executive Manager – Capital Programme summarised the main terms of the report and responded to questions from Members. Members noted the following:

- The contract for the Shetland College extension had been concluded, and it was a question for the College itself as to whether it was in a position to open the following week. It was understood that all conditions relating to the external funding had been complied with, but Members would be advised if there was any variation.
- The Burra Bridge Bearings contract was showing an underspend as tenders had come in below budget. It was not possible to say that this would be the case for the Trondra Bridge Bearings contract as it would be let as a separate contract, unless an extension to the current contract could be negotiated.
- The Viking Bus Station was now under new ownership, so the new owners would be responsible for advising when it would be ready.
- The Eric Gray Resource Centre would be included in a future report, as there was now clarity regarding the fees.

It was suggested that it would be useful if the report also included start and completion dates for contracts.

On the motion of Mr Robinson, seconded by Mr C Smith, the Council approved the recommendation in the report.

**Decision:**

The Council **RESOLVED** to note the progress on the projects within the AIP.

The meeting concluded at 2.45pm.

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Convener