



MINUTES

B - PUBLIC

**Policy and Resources Committee
Council Chamber, Town Hall, Lerwick
Wednesday 19 November 2014 at 10am**

Present:

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| A Cooper | S Coutts |
| B Fox | G Robinson |
| C Smith | G Smith |
| T Smith | M Stout |
| V Wishart | |

Apologies:

G Cleaver

In Attendance:

M Boden, Chief Executive
C Ferguson, Director – Corporate Services
J Riise, Executive Manager – Governance and Law
H Tait, Team Leader - Accountancy
L Geddes, Committee Officer

Chairperson

Mr Robinson, Leader, as Chair of the Committee presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

35/14 Property Asset Strategy and Draft Implementation Plan – Update

The Committee considered a report by the Executive Manager – Capital Programme [CPS-15-14-F] which advised on the progress on the projects contained in the Asset Investment Plan.

It was noted that the new Anderson High School (AHS) project was scheduled for financial closure in March 2015. The prices in respect of the project had been set in 2011, so would be subject to building inflation until financial closure.

The Director of Corporate Services advised that the ET/Taing House project was a phased project, and that each phase was reviewed by the project team before commencing to ensure that it was still the best way to proceed. It was proposed to use some of the underspend to provide additional accommodation, and more detail could be supplied to Members. Further information could also be supplied to Members in respect of the remedial works at the Occupational Therapy Resource Centre.

Decision:

The Committee **RECOMMENDED** that the Council note the progress on the projects in the AIP.

36/14

Pension Fund – 2014/15 Mid Year Performance Review Report

The Committee considered a report by the Executive Manager – Finance [F-057-F] which allowed for review of the mid-year position and performance of the Council's Pension Fund's external investments.

The Team Leader – Accountancy summarised the main terms of the report, advising that BlackRock had produced positive benchmark returns. Schroders was below the benchmark figure due to the performance of its European fund, and this would be the subject of further discussion with them. Overall, the pension fund was performing above the market place.

Decision:

The Committee **RESOLVED** to note the review of the Pension Fund's external investments over the first six months of the 2014/15 financial year.

37/14

Council Reserves – 2014/15 Mid Year Performance Review Report

The Committee considered a report by the Executive Manager – Finance [F-058-F] reviewing the mid-year position and performance of the Council's external investments.

The Team Leader – Accountancy summarised the main terms of the report, advising that BlackRock were performing close to their benchmark. Baillie Gifford had underperformed in the period but was well above its benchmark over the longer-term. Performance was reviewed every year in order to help ascertain long-term returns, and this would be built into the Medium Term Financial Plan and taken account of when considering the Council's financial position.

Decision:

The Committee **RESOLVED** to note the review of the Council's external investments over the first six months of the 2104/15 financial year.

38/14

Corporate and Executive Services Directorate – Performance Overview – Quarter 2

The Committee noted a report by the Director of Corporate Services [CRP-19-14-F] which summarised the activity and performance of the Corporate and Executive Directorate for the reporting period.

The Director of Corporate Services summarised the main terms of the report, highlighting in particular the work that had been carried out on significant financial projects. She referred to the pressures on the Human Resources team in preparing a training programme for the long-term, and the challenges around workforce development in the current economic climate.

The Director of Corporate Services then responded to questions, and Members noted the following:

- The outstanding Single Status project relating to Ports and Harbours was not inactive, and discussions were currently ongoing. It was noted that COSLA had recently recognised that there were posts in some local authority areas

that could not directly compare with those in other areas, and marine posts were among those that would be looked at again.

- Complaints were recorded on the Covalent system, and the information arising from this would be co-ordinated centrally. This would ensure that deadlines for each stage were met, that staff understood the policies and procedures that were in place, and that complaints were recorded appropriately. Sometimes there were delays in providing a response because additional information was required, and often people were content to wait longer for a fuller response to their complaint.
- Information collated for the Workforce Development Strategy indicated that it was retention of staff that was a more challenging issue for the Council. Retention rates were not consistent across Directorates, so each department was currently giving further consideration to its own data. It was hoped to present the Strategy to Members early in the new year, and the Committee Chairs may want to think about which Committees should be considering it.
- There was a backlog in terms of statutory and mandatory training, and this was exacerbated by a significant number of people in relief posts or temporary contracts. There was a need to get a fuller understanding of what training must be provided, and how best to work together with other bodies – such as Train Shetland and the Shetland Learning Partnership - to deliver it.
- As other areas of the Council reduced in size, it would have been expected that there would be a corresponding decrease in human resource and finance activities. This had not been the case as the ongoing work to redesign services had created more work, and staff were working very hard to deal with this workload.
- The Council's Standing Orders had been updated, but the lack of compliance with them tended to be a cultural issue. The Council had changed significantly over the past few years, and training was being carried out to ensure that staff at all levels in each department were aware of the requirements.
- Any delays in conducting Employee Review and Development interviews were addressed with managers, but information had still been sought to inform the Workforce Development Strategy in these instances. This indicator should improve and interviews should get carried out in a more timely manner.

In response to a query regarding the potential claim from HIAL, as referred to in Appendix 2, the Chief Executive advised that this could be dealt with during the exempt part of the meeting.

It was commented that there was a need for the Council to link in with the review of tertiary education with regard to the delivery of training. Training delivered by Train Shetland could be funded externally by the Scottish Funding Council, so would therefore bring extra funding into the Council.

The Committee reiterated that it expected Employee Review and Development interviews to be carried out, and that it was crucial that these meetings took place as they would impact on recruitment and retention rates.

Concern was expressed regarding non-compliance with the Council's Standing Orders, and it was noted that it also had to be recognised that compliance with regulations came at a cost to the Council.

Decision:

The Committee discussed the contents of the report and commented on progress against priorities.

39/14

Committee Business Programme 2014/15

The Committee considered a report by the Team Leader - Administration [GL-19-14-P&R-F] which informed of the planned business to be presented to Committee over the remaining quarters of the current financial year to 31 March 2015.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that the dates for next year's meetings would be agreed by the Council on 17 December. He pointed out that the Committee still had to consider whether or not it required to conduct a meeting on 8 December, and he highlighted the items of unallocated business which would require to be considered by the Committee over the coming months. It was noted that the Single Outcome Agreement would require to be considered early in the new year.

Concern was expressed that suggested items for discussion should instead be coming via the Policy Forum. The Chair advised that a review was currently being carried out, and this point would be fed into it. However he was of the view that seminars, in addition to the Policy Forum, would still require to be held, and that this should also be taken account of in the review.

Decision:

The Committee considered its business planned for the remaining quarter of the current financial year.

In order to avoid the disclosure of exempt information, Mr Robinson moved, Mr Smith seconded, and the Committee agreed to exclude the public in terms of the relevant legislation during consideration of the following item of business.

38/14: Corporate and Executive Services Directorate – Performance Overview – Quarter 2

The Chief Executive and Executive Manager – Governance and Law responded to a question in relation to a potential claim by HIAL.

Members noted the current position.

The meeting concluded at 11.10am.

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Chair