

MINUTE

B – Public

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Tuesday 30 June 2015 at 10.00 am**

Present:

M Bell	M Burgess
G Cleaver	A Cooper
S Coutts	A Duncan
B Fox	A Manson
F Robertson	G Robinson
C Smith	G Smith
T Smith	M Stout
J Wills	V Wishart

Apologies

P Campbell	R Henderson
D Ratter	D Sandison
A Westlake	A Wishart

In Attendance (Officers):

C Ferguson, Director of Corporate Services
M Sandison, Director of Infrastructure Services
J Belford, Executive Manager – Finance
D Irvine, Executive Manager – Economic Development
A Jamieson, Executive Manager – Housing
I McDiarmid, Executive Manager – Planning
P Peterson, Executive Manager – Executive
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
C Anderson, Communications Officer
B Dalziel, Pilot/Harbour Master
J Jamieson, Risk Management Officer
I Jarmson, Acting Building Maintenance Officer
M Summers, Youth Development Worker
A Cogle, Team Leader – Administration

Also:

K Mouat, Member of the Scottish Youth Parliament
C Hannah, Member of the Scottish Youth Parliament

Chair:

Mr M Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

The Convener ruled that, due to special circumstances, namely the timescales involved, the following item of business was to be considered at this meeting as a matter of urgency in terms of paragraph 3.2.2 of the Council's Standing Orders for Meetings: Agenda Item 7B: Solan and Bonxie - Update Report.

MSYP Deputation – Youth Poverty

The Council heard a presentation from Ms K Mouat with regard to their recent national campaign “Poverty: See It, Change It”. They explained the ethos behind the campaign and provided a range of statistics and examples of where raising awareness and making changes would improve the lives of young people experiencing poverty. Following their presentation, Ms Mouat responded to a number of questions from Members and undertook to provide further information on the campaign as it progressed. Members discussed the issues being raised by the campaign, and it was suggested that more could be done by the Council in considering youth poverty when making policy decisions, in particular during the budget setting exercise.

On behalf of the Council, the Convener thanked Ms Mouat for her presentation and said that the Council looked forward to working with the MSYPs over the next two years of their term of office, and thanked them for bringing this very important subject to the attention of the Council and the public.

The Convener said that Shetland was very fortunate over the years with the work that the MSYPs had contributed to, and congratulated Ms Mouat on her re-election, and Mr Kelvin Anderson on his election, to the Scottish Youth Parliament. The Convener also took this opportunity to thank Ms Hannah for her work as an MSYP over the last two years, and presented her with a gift, on behalf of the Council.

Declarations of Interest

Mr M Burgess declared an interest in agenda items 5 and 6, as a supplier of services to the Shetland College.

Dr J Wills declared an interest in agenda item 2, as he had a business loan from the SDT that had been transferred to the Council, and he would not participate in that item.

Dr Wills also declared an interest in agenda item 4, as a Trustee of the Shetland Charitable Trust which has a shareholding in wind energy, but this was not a direct pecuniary interest and therefore he would be taking part. Dr Wills also declared an interest in agenda item 6, as an island ferry user.

Mr A Duncan, Ms A Manson and Mr M Bell each declared an interest in agenda item 4 as Trustees of the Shetland Charitable Trust.

Minutes

The Council confirmed the minutes of meeting held on 18 May 2015, on the motion of Mr M Bell, seconded by Mr M Stout, subject to the following amendment: page 7 of 7, third line, change the word “team” to “stakeholder group”.

The Council confirmed the minutes of meeting held on 20 May 2015 on the motion of Mr G Smith, seconded by Mr G Robinson.

The Council confirmed the minutes of both meetings held on 27 May on the motion of Mr C Smith, seconded by Mr B Fox, subject to the following amendment: page 7 of 12, third paragraph, last line, add “,pupils and parents” between “staff” and “in Yell and Whalsay.”

38/15 Risk Management Strategy, Policy and Associated Documents

The Council considered a report by the Executive Manager – Audit, Risk and Improvement (IA-09-15-F), which provided an update on recent work in relation to the management of risk in the organisation and sought approval for the Risk Management Strategy, Risk Management Policy and associated documentation.

After hearing the Director of Corporate Services introduce the report, Members queried the process and criteria for reporting risks quarterly or yearly. The Director of Corporate Services advised that when compiling risk registers, officers are able to identify low level risks in terms of annual pieces of work that they would not be expected to report on, unless the matter requires to be escalated to senior management. She said that lead officers would be discussing projects and risks with the Committee Chairs, and members were able to ask for more detail if required. She added that officers are being asked to provide more narrative in the risk registers so that the need for escalation to management can be identified, and through management teams, critical and important risks are escalated to Committee.

On the suggestion of Mr A Cooper, the Council agreed that risk reports to Committee should include not only impacts on the department or services, but also across the Council. The Director of Corporate Services confirmed that Corporate Management Team, as the Risk Board, would debate and consider how best to report these risks to Committee and Council. Members also agreed that consideration should be given to holding a Policy Forum on this matter.

After further discussion, Mr G Robinson moved that the Council approve the terms of the report. Mr B Fox seconded.

Decision:

The Council **RESOLVED** to adopt the revised Risk Management Strategy as part of the Strategy Framework, including the Risk Management Policy and associated documentation.

39/15

Scottish Local Authority Business Loan Fund

The Council considered a report by the Executive Manager – Economic Development (DV-41-15-F), which provided detail on a proposal for a Pan-Scotland local authority business loan fund (the 'Fund').

The Executive Manager – Economic Development introduced the terms of the report, and answered various questions from Members as to the process and criteria for delegated authority involved. After some discussion, the Council approved the terms of the report on the motion of Mr A Cooper, seconded by Mr T Smith.

Decision:

The Council **RESOLVED** to:

- Agree to become a member of Business Loans Scotland Limited (BLS) and to enter the necessary legal agreements.
- Approve a contribution of £45,000 to the Fund and payment of annual management fees as explained in section 4.7.
- Delegate Authority to the Executive Manager – Economic Development, or his nominees, to represent the Council on the governing Board of BLS, Corporate Governance Working Group, Regional Management Group and/or Regional Officer Group.

- Delegate authority to the Executive Manager – Economic Development, or his nominee, to approve BLS loan applications from Shetland businesses up to a maximum of £30,000.
- Delegate authority to the Director of Development and Executive Manager – Finance to approve BLS loan applications from Shetland businesses above £30,000 and up to £50,000.

40/15

Annual Investment and Treasury Strategy 2015/16

The Council considered a report by the Executive Manager – Finance (F-014-F), which proposed an Annual Investment and Treasury Strategy for the Council for the financial year 2015/16.

After some discussion, during which Members were assured that monitoring and regular reporting by Fund Managers was taking place, the Council approved the terms of the report, on the motion of Mr G Robinson, seconded by Mr G Smith, subject to an amendment to the wording of paragraph 2.10 of the report (1st bullet point) for reporting at the mid-term review; “The loan will generate the Council a rate of return at least equal to fund manager average returns (net of fees) in which the Council currently invests”.

Decision:

The Council **RESOLVED** to:

- Approve the annual Investment Strategy Statement to be followed for the financial year 2015/16, as set out in Appendix 1 section 2;
- Approve the Treasury Management Strategy to be followed for the financial year 2015/16, as set out in Appendix 1 section 3; and
- Approve the Treasury Management Prudential Indicators for 2014/15 to 2017/18, as set out in Appendix 1 section 4.
- Review the four clauses within the CIPFA Code of Practice, as set out in Appendix 1 section 5;
- Review the Treasury Management Policy Statement, as set out in Appendix 1 section 6; and
- Review the Statement of Treasury Management Practices, as set out in Appendix 1 section 7.

(Mr M Bell, Mr A Duncan and Ms A Manson left the Chamber.)

41/15

Chair’s Report - Development Committee – 15 June 2015: Onshore Wind Energy Supplementary Guidance

The Council considered a report by the Chair of the Development Committee (SIC-0630-DV36), which presented the Supplementary Guidance (SG) on Onshore Wind Energy developments.

After introduction of the report by the Chair of the Development Committee, and during discussion in response to a number of questions the Executive Manager - Planning advised that the Development Plan contained the main planning policies and the Council would have to have regard to the SG when considering future planning applications. He went on to say that the SG had gone through an extensive consultation process at different levels, including consultation with wind farm developers, and the Guidance complied with Scottish Government Policy. The Executive Manager – Planning went on to explain that each application would be considered on its own merits and opportunities could arise whereby the SG could be amended, such as changes in Scottish Government guidance or further developments or input from stakeholders that would need to be taken account of.

In terms of the legal status of the SG, the Executive Manager – Governance and Law said that the SG would be part of the process in guiding the Council on application of its policy, and the Council should therefore have regard to it when making planning decisions, as to do otherwise could leave the Council open to challenge. He added that there would remain open discretion as to how the Council would interpret and apply the Supplementary Guidance to each application.

In response to a final question, the Executive Manager – Planning confirmed that community benefit was not a material planning consideration.

On the motion of Mr A Cooper seconded by Mr F A Robertson, the Council approved the recommendation contained in the report.

Decision:

The Council **RESOLVED** to adopt the SG Onshore Wind Energy.

[Mr M Bell, Ms A Manson and Mr A Duncan returned to the meeting.]

[Mr M Burgess left the meeting.]

42/15 **Joint Chairs' Report: Shetland College Board – 28 May 2015 & Policy and Resources Committee – 22 June 2015: Shetland College Fees 2015/16**

The Council considered a joint report by the Chair of the Shetland College Board and the Chair of the Policy and Resources Committee (SIC-0630-SCB082), which presented a proposal to approve the course fees for the academic session 2015/16.

Reference was made to the earlier presentation regarding youth poverty, and it was noted that SIC bursaries were available, as well as support through the Delting Educational Trust for students to get to Lerwick and Shetland College for studies. However, it was agreed that whilst there was assistance available, and was perhaps needed in raising awareness of what was available and supporting students in applying.

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

Decision:

The Council **RESOLVED** to approve the course fees for the academic session 2015/16.

43/15

Joint Chairs' Report – Environment and Transport Committee/Policy and Resources Committee: Ferry Fares Review

The Council considered a joint report by the Chair of the Environment and Transport Committee and the Chair of the Policy and Resources Committee (SIC-0630-TP10), which set out the objectives to be addressed by the Inter Island Ferry Fares Review.

On the motion of Mr G Robinson seconded by Mr M Stout, the Council approved the recommendation contained in the report.

Decision:

The Council **RESOLVED** that:

- The fare for a standard vehicle journey to Fair Isle or Foula is reduced from £25.30 each way to £6.80 each way, in line with prices in Skerries and Papa Stour;
- The fare for a commercial vehicle journey to Fair Isle or Foula is reduced from £100 each way to £13.80 each way, in line with prices in Skerries and Papa Stour; and
- A multi-journey motorcycle ticket is introduced at £67.80 for 10 return journeys.

44/15

Implications for the Council's Committees on Establishing the Integration Joint board for Health and Social Care

The Council considered a report by the Director of Corporate Services (CRP-11-15-F), which presented information regarding the remit of the Council's committees to reflect the changes that must be made and also to proposed changes so that the Social Services Committee would no longer be required following commencement of the Integration Joint Board.

Following a summary of the report, and in response to questions from Members, the Director of Corporate Services agreed that following commencement of the IJB, an objective analysis would be undertaken of the Council's current committee structure as part of the Corporate Services' Departmental work plan, and reported back to the Council thereafter. She went on to confirm that youth work functions would become the responsibility of the Education and Families Committee, and that the Appendix should be amended in line with the previous decision to transfer all Transport functions from Development Committee to the Environment and Transport Committee. With regard to Human Resources, the Director of Corporate Services stated that the IJB would not be employing any staff, and both parties would remain legally responsible for any employment matters, and this was set out in the Integration Scheme.

Mr C Smith said that this was a period of change for the Council's committee structure and the IJB, which was going to have its first meetings within the next few weeks. On the motion of Mr C Smith, seconded by Mr G Cleaver, the Council approved the terms of the report.

Decision:

The Council **RESOLVED** to:

- Note the information presented in the report;
- Approve the changes proposed with regard to the Council's Strategic and Functional Reporting Structures with effect from 1 September 2015; and
- Agree appointments for Policy and Resources Committee as set out in paragraph 3.10 of the report.

[Mr M Burgess returned to the meeting.]

In order to avoid the disclosure of exempt information, Mr Bell moved, Mr G Robinson seconded, and the Council RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following items of business.

Dr J Wills, Mr M Bell, Ms A Manson and Mr A Duncan each declared an interest in agenda item 8 [Property Acquisition] as Trustees of the Shetland Charitable Trust.

45/15 **Town Hall and Lystina House Conservation Project**

The Council considered a report by the Executive Manager – Capital Programme which presented an update on the Town Hall and Lystina House Conservation Project.

The Convener advised that communications around the terms of the report would be made public following the meeting, as the wider public interest was accepted.

Following a summary of the report by the Executive Manager – Capital Programme, some Members expressed concern at the failure to secure external funding, and also the dilemma facing the Council in terms of buildings in rural communities that were equally as important to those communities, and that funding this project could perhaps be seen as double standards. Members agreed that it was not the quality of the previous workmanship that had failed, but the type of stone used and the lack of understanding or appreciation of the impact of the weather in Shetland.

[Mr F Robertson left the meeting.]

During further discussion, Members noted the listed building status of the Town Hall and its national importance, and that continued efforts would be made to seek external funding. It was agreed consideration should be given to having a local appeal for funding, and that a meeting of the Lerwick Town Hall/Lystina House Consultative Committee be convened as required to consider any such possible appeal.

In conclusion, Mr G Robinson moved that the Council approve the terms of the report, but to add a further decision that the Council re-doubles its efforts to secure any appropriate source of external funding, including consideration of a local appeal, led by the Council. Dr J Wills seconded, and the Council concurred.

Decision:

The Council **RESOLVED** to:

- approve the additional funding and amended scope relating to the project Option 2(b) as described at paragraph 3.12 in the report, namely;
 - That the works committed to at this time include repairs to the stained glass windows and tracery and general repairs to the elevations and roof of the Town Hall.
 - That the works to Lystina house and any services upgrades be considered separately and are deemed out with the scope of this project.
 - That the work be programmed to span financial years 2016/17 and 2017/18.
- delegate authority to the Executive Manager – Capital Programme, or his nominee, to proceed immediately with all preparatory work, including obtaining all consents as necessary to enable the works to be undertaken in line with the timescales set out herein.
- The Council further **RESOLVED** to re-double its efforts to secure any appropriate source of external funding, including consideration of a local appeal led by the Council.

[The Council adjourned at 12.35 and reconvened at 12.45]

46/15 **Solan and Bonxie – Update Report**

The Council considered a report by the Director of Infrastructure Services.

The Director of Infrastructure Services summarised the terms of the report and updated Members on the current position.

[Dr J Wills left the meeting.]

After some debate, Members were pleased that the Council was taking a number of learning points from this matter, and that it was now a matter of ensuring a satisfactory outcome for the Council. Members referred to the points made during discussion with regard to the final figure for negotiation and that officers should be clear from those discussions as to the margins which the Council would find acceptable.

In this regard Mr M Stout moved that the Council approve the recommendations in the report, except that the delegated authority be re-enforced with a limited scope to negotiate around the figure stated in the report. Ms A Manson seconded, and the Council concurred.

Decision:

The Council **RESOLVED** to approve the recommendations contained in section 2.1 of the report.

[Mr M Bell, Ms A Manson, Mr A Duncan left the meeting.]

[Mr C Smith, Depute Convener, assumed the Chair.]

Property Acquisition

The Council considered a report by the Executive Manager – Capital Programme which described work carried out by Council Officers, in carrying out an appraisal of future options relating to leases held on a number of properties by the Council.

The Executive Manager – Capital Programme provided a summary of the report, and after considerable discussion and debate, Mr G Robinson moved that the Council approve the terms of the report. Ms V Wishart seconded.

Mr S Coutts moved as an amendment that the Chief Executive be given delegated authority as per option (b) in the report. Mr G Cleaver seconded.

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

Amendment (S Coutts)	7
Motion (G Robinson)	4

Decision:

The Council **RESOLVED** to delegate authority to the Chief Executive:

- To seek to acquire key properties as per Option B in the report; and
- To undertake the necessary actions as provided by the Council’s financial and legal advisors to immediately enable the efficient and effective realisation of the means to maximise the benefits of the purchases for the Council.

The meeting concluded at 2 p.m.

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Convener