



## **MINUTES**

## **B - Public**

### **Policy and Resources Committee**

**Auditorium, Shetland Museum and Archives, Hay's Dock, Lerwick**

**Wednesday 7 December 2016 at 2pm**

#### **Present:**

G Robinson	G Cleaver
A Cooper	C Smith
G Smith	T Smith
V Wishart	

#### **Apologies:**

S Coutts	M Stout
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#### **In Attendance:**

M Boden, Chief Executive  
S Bokor-Ingram, Director of Community Health and Social Care  
J Belford, Executive Manager – Finance  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Capital Programme  
K Adam, Solicitor  
J Jamieson, Senior Risk Management Officer  
J MacLeod, Performance and Improvement Adviser  
C Anderson, Communications Officer  
L Adamson, 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

#### **84/16      Executive and Corporate Services Department Performance Review: 6 Month/2nd Quarter 2016/17**

The Committee considered a report by the Director of Corporate Services (CRP-25-16-F), which summarised the activity and performance of the Executive and Corporate Services Department for the second quarter of 2016/17.

The Executive Manager – Governance and Law summarised the main terms of the report. In providing an update on project "DP080 – Corporate Records Management Improvement Plan", he reported that the Records Management Plan as submitted to the National Records of Scotland will place obligations on the

Council. In that regard, he advised that a Briefing Note would be provided to Members in due course to inform on future progress in this area. In referring to the Performance Indicators, the Executive Manager – Governance and Law highlighted the significant improvement in sickness absence across the Council, which he said would be attributable to the work of Human Resources and supporting Departments.

During the discussion, a Member referred to his attendance at a recent meeting, where concern had been expressed on the poor quality of Broadband south of Sandwick, and he said that there was an expectation within communities that the Council can resolve these issues. The Leader advised on the uncertainties following the Scottish Government's announcement for the provision of 100% fibre broadband coverage across Scotland by 2021, and that more clarity was awaited. He advised that it was difficult for the Council to commit to improve Broadband availability, other than to continue to lobby and he reiterated the importance to press the Scottish Government for clarity. In acknowledging that the delivery of high speed broadband and improvements in mobile connectivity were not in the gift of the Council, with the Council being reliant on others in terms of delivery of improvements in this area, it was questioned whether the priority in the Corporate Plan should be revisited to more accurately reflect the Council's role at this time. A comment was made on the difficulty to define 'high speed' broadband, and to the issues relative to Shetland where houses are not all in compact villages and with easy access to exchanges. An update was provided on the proposed coverage in different areas of Shetland following the obligation on EE to provide 4G for the blue light services, and on BT to roll out 5G, but that it was difficult to get clarity on the different proposals going forward. Reference was also made to the Scottish Government's aspiration for more care to be provided within communities, but in Shetland that would be a challenge until proper mobile coverage is enabled.

The Executive Manager – Governance and Law recalled from his attendance at a Digital Forum meeting held in Skeld, where he advised that the audience had found the discussion very informative. In that regard, he suggested that there could be benefit from arranging similar Forums in other localities of Shetland.

In response to a question, the Executive Manager – Finance gave assurance that the Long Term Financial Plan was on track for reporting to Council in March 2017.

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**Decision:**

The Committee **RESOLVED** to:

- Review the information presented in the report; and
- Comment on progress made with regard to service development priorities, performance in service delivery and the targets currently being measured.

85/16

**Management Accounts for Community Health and Social Care: 2016/17 - Projected Outturn at Quarter 2**

The Committee considered a report by the Executive Manager – Finance (F-067-F) which enabled monitoring of the financial performance of services within the Community Health and Social Care Directorate to ensure 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. He highlighted paragraph 4.7, in terms of the distribution of funding for the services of the Community Health and Social Care Directorate delegated to the Integration Joint Board and advised on the projected outturn at Quarter 2, as detailed in the appendices.

In response to a question, the Director of Community Health and Social Care said that the overspend in mental health, as reported in Appendix 1, would be a combination of high demand and the high level of service provided locally. In terms of financial pressures in this area, he advised on the need to look at synergies between the Council and NHS mental health services, and remove any duplication. He advised that this was an area of work he would endeavour to complete within the next financial year.

A comment was made on the difficult situation reported at 4.9 of the report, in the dynamics of joint working, with a significant projected overspend in the NHS Shetland arm of the IJB budget and a projected underspend in the Council arm of the IJB budget. The Director of Community Health and Social Care referred to the situation financially, which he said should not get in the way of continuing to integrate and to meet all the health and wellbeing outcomes. He advised on the need to make integration work for Shetland and to recognise there is a significant efficiency target in the health budget to be met to ensure health services remain viable.

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**Decision:**

The Committee **RESOLVED** to review the Management Accounts for the Community Health and Social Care Directorate showing the projected outturn position at Quarter 2.

86/16

**Management Accounts for Policy and Resources Committee: 2016/17 - Projected Outturn at Quarter 2**

The Committee considered a report by Executive Manager – Finance (F-066-F) which enabled monitoring of the financial performance of services within its remit to ensure 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.

In response to questions, the Executive Manager – Finance advised from the review of training, where Human Resources undertook an assessment of what training is deliverable and most critical within the available budget. The Executive Manager – Finance gave assurance in terms of ongoing dialogue with Train Shetland and Shetland College on the delivery of training, but said that he would relay the comment made to the Executive Manager – Human Resources.

During debate, a Member noted with concern there were no recurring savings in this budget, and in that regard he hoped that recurring savings would be found in future years.

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**Decision:**

The Committee **RESOLVED** to review the Management Accounts showing the projected outturn position at Quarter 2.

87/16 **Shetland Islands Council Overall Management Accounts 2016/17 Projected Outturn at Quarter 2**

The Committee considered a report by the Executive Manager – Finance (F-062-F), which set out the overall Council projected financial position as at Quarter 2.

The Executive Manager – Finance summarised the main terms of the report. He advised on the expected draw on reserves of approximately £12m, and commented on the favourable overall financial position of the Council at this time.

During the discussion, the Chief Executive invited Members to reflect on the improvement in the overall strategic position of the Council, where through Members' good work and commitment, budgets are now being delivered with some satisfaction. The Leader commented on the strong fiscal control which has been well exercised to present the quality set of accounts.

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

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**Decision:**

The Committee **RECOMMENDED** that the Council resolve to review the Management Accounts showing the projected outturn position at Quarter 2.

88/16 **Council Reserves - 2016/17 Mid Year Performance Review**

The Committee considered a report by the Executive Manager – Finance (F-074-F), which allowed review of the mid-year investment position and performance of the Council's long term external investments, managed on its behalf by Fund Managers.

The Executive Manager – Finance summarised the main terms of the report. He advised on the favourable scenario over the first 6 months of the 2016/17 financial year, with a significant growth in investments and a strong performance of individual Fund Managers.

In response to a question, the Executive Manager – Finance advised against any suggestion to take profit from the investment returns to use elsewhere as this would fundamentally undermine the future sustainability of the Council's budget. During the discussion, the Chief Executive advised that there would be a number of scenarios and consequences in taking money from the investment return, which he said is a balance of benefits to continue to provide services. During the discussion, a comment was made that the next Council may have to consider substantial changes in terms of service provision, where a one off draw from investment returns could be an option in that regard.

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**Decision:**

The Committee **RESOLVED** to consider the outcome of the mid-year review of the Council's external investments over the first six months of the 2016/17 financial year.

90/16

**Asset Investment Plan - Progress Report**

The Committee considered a report by the Executive Manager – Capital Programme (CPS-14-16-F), which advised on the progress of the projects contained within its Asset Investment Plan which are currently underway or to be started in 2016/17.

In introducing the report, the Executive Manager – Capital Programme referred to Sections 4.6 and 4.7, where he advised on the two projects that have been re-profiled and required reporting to Council.

In response to a question relating to the further funding in 2016/17 towards Phase 2 of the ET and Taing House Extension, the Executive Manager – Capital Programme advised that the project had run on longer than anticipated and there was a requirement for additional equipment that was not included in the original budget.

In response to questions, the Executive Manager – Capital Programme undertook to provide Members with information on the Council's current spend on Software Licences, however assurance was given that the best price had been achieved. Reference was made to a review of Software Licences by Audit and Standards Committee during the last Council, and it was suggested the report could also be provided.

During the discussion, reference was made to the slippage into 2017/18 on the ICT Equipment for the Anderson High. In response to a question, the Executive Manager – Capital Programme gave assurance that the equipment would be installed during the early part of the year, in time for opening of the new school.

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

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**Decision:**

The Committee **RECOMMENDED** that the Council notes the progress and budget re-profiling of the projects within the Asset Investment Plan.

90/16

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

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**Decision:**

The Committee **RECOMMENDED** that the Council notes the progress and budget re-profiling of the projects within the Asset Investment Plan.

91/16

**Corporate Risk Register**

The Committee considered a report by the Director of Corporate Services (CRP-26-16-F), which presented the current Corporate Risk as part of the organisation's Performance Monitoring arrangements.

In introducing the report, the Executive Manager – Governance and Law outlined the revisions to the Risk Register as Section 4.3, and it was noted that Risk ORG0032 now takes into account the move from 8 North Ness.

During the discussion, the Executive Manager – Governance and Law advised on staff morale and that business is more complex with staff being dispersed following the move from 8 North Ness, and he advised that the inclusion in the Risk Register would reflect the impacts going forward in terms of Corporate Plan reporting. The Executive Manager – Finance added that there had been a number of positives from the move, including the integration of Finance's Revenue Section with the Housing Service at 6 North Ness, which is working very well and would be an arrangement he hoped would continue into the future.

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**Decision:**

The Committee **NOTED** the report.

92/16

**Committee Business Programme 2016/17**

The Committee considered a report by the Team Leader – Administration (GL-45-16-F), which informed of the planned business to be presented to the Committee for the remaining quarters of the current financial year 1 April 2016 to 31 March 2017 and sought discussion with Officers regarding any changes or additions to that Programme.

In introducing the report, the Executive Manager – Governance and Law referred to the substantial list of reports scheduled for Committee on 13 February 2017, and

advised that the afternoon could also be made available to allow all the business to be undertaken. Members were reminded that the pre-election period starts on 13 March 2017, and that the last cycle was for performance monitoring. The Leader added that if necessary, special meetings could be arranged.

It was agreed that the report “Allocations Policy for the Halls of Residence” would be removed from the list of business still to be scheduled.

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**Decision:**

The Committee considered its planned business to be presented for the remaining quarters of the current financial year **RESOLVED** to approve the Business Programme, as amended.

**Mr Robinson moved that in order to avoid the disclosure of exempt information, the Committee resolve to exclude the public in terms of the relevant legislation during consideration of the following item of business. Mr C Smith seconded.**

93/16

**Confidential Risks**

The Committee considered a report by the Director of Corporate Services, which presented information with regard to risks where the information is confidential, commercially sensitive or otherwise exempt from publication.

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**Decision:**

The Committee **RESOLVED** to note the report.

The meeting concluded at 3.35pm.

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Chair