

**Shetland Islands Council
Room 16, Islesburgh Community Centre, Lerwick
Wednesday 28 June 2017 at 10.00am**

Present:

M Bell	M Burgess
P Campbell	A Cooper
S Coutts	A Duncan
S Leask	E Macdonald
A Manson	R McGregor
A Priest	D Sandison
I Scott	D Simpson
C Smith	T Smith
R Thomson	A Westlake
B Wishart	

Apologies:

C Hughson	G Smith
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In Attendance (Officers):

M Boden, Chief Executive
C Ferguson, Director – Corporate Services
N Grant, Director – Development Services
J Belford, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
S Brunton, Team Leader – Legal
A Cogle, Team Leader - Administration
H Tait, Team Leader - Accountancy
S Shearer, Team Leader – Development Plans and Heritage
C Anderson, Senior Communications Officer
C McCourt, Financial Accountant
L Shearer, Communications Officer
L Adamson, Committee Officer
L Geddes, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor Mark Burgess during the proceedings was permitted by remote telephone link.

Declarations of Interest

Ms Wishart declared an interest in Agenda Item 1 “Living Lerwick Business Improvement District (BID) Ballot”. She also declared an interest in Agenda Item 2 “Island Games – Gotland 2017” due to the involvement of a family member, and advised that she would leave the room during discussion of both items.

Mr T Smith declared an interest in Agenda Item 1 “Living Lerwick Business Improvement District (BID) Ballot” as his son-in-law was a Director of Living Lerwick, and he advised that he would leave the meeting during the discussion.

Minutes

The minutes of the meeting held on 15 February 2017 were confirmed on the motion of Mr Campbell, seconded by Mr C Smith.

The minutes of the meeting held on 8 March 2017 were confirmed on the motion of Mr Campbell, seconded by Mr Sandison.

The minutes of the meeting held on 22 March 2017 were confirmed on the motion of Mr Campbell, seconded by Mr C Smith.

The minutes of the meeting held on 18 May 2017 were confirmed on the motion of Mr Sandison, seconded by Mr C Smith.

(Ms Wishart and Mr T Smith left the meeting)

44/17 Chair’s Report – Development Committee – 12 June 2017: Living Lerwick Business Improvement District (BID) Ballot

The Council considered a report by the Chair – Development Committee (SIC-0628-DV-38) seeking a decision on how the Council, as property owner within the BID, would wish to vote in the forthcoming ballot for a proposed second term of a BID for Lerwick Town Centre.

On the motion of Mr Cooper, seconded by Ms Manson, the Council, as property owner within the BID, resolved to vote positively in the forthcoming ballot for a proposed second term of a BID for Lerwick Town Centre.

Decision:

The Council, as property owner within the BID, RESOLVED to vote positively in the forthcoming ballot for a proposed second term of a BID for Lerwick Town Centre.

(Mr T Smith returned to the meeting)

45/17 Chair’s Report – Policy and Resources Committee – 19 June 2017: Island Games – Gotland 2017

The Council considered a report by the Chair – Policy and Resources Committee (SIC-0628-F-057-F) considering the application for funding by the Shetland Island Games Association (SIGA).

Mr Coutts moved that the Council note the request from SIGA, and agree in principle to the creation of a support scheme to enable participation in international and national events, where cost is a barrier, and requested officers to work up the criteria for such a scheme for consideration by the Council in line with the 2018/19 budget setting timeline.

Mr Cooper seconded.

During the discussion that followed, it was commented that the Island Games was a flagship event for Shetland and that it was important that there was support available for young people and those who may be financially disadvantaged. It was

therefore appropriate that a corporate scheme was created in support of future national and international events as there was no doubt that the competitors were ambassadors for Shetland, and it was important to have a clear and transparent scheme in place that was understood by the community.

It was noted that the motion did not include the award of a grant for the 2017 Island Games, and some Members were of the view that a small grant, funded from underspends, should be awarded on this occasion as a gesture of goodwill to the athletes and officials taking part. It was commented that fundraising to support the Island Games teams would continue to take place in future, and that SIGA should be encouraged in its efforts to secure sponsorship for the teams from the local business community.

However other Members referred to the lateness of the application, pointing out that the costs had already been paid, so those who would have been financially disadvantaged would not be attending on this occasion. Therefore, there would require to be clarification as to how any grant awarded would be used, and any corporate scheme in place in future would require clear criteria as to how funding should be applied.

Mr Scott moved, as an amendment, that in addition to the motion on the table, the Council also award a grant of £5,000 in support of SIGA to assist with the travel and accommodation costs of competing in the 2017 NatWest Island Games.

Mr T Smith seconded.

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

Amendment (Mr Scott)	11
Motion (Mr Coutts)	5

Decision:

The Council AGREED in principle to the creation of a support scheme to enable the participation in international and national events where cost is a barrier, and requested officers to work up the criteria for such a scheme for consideration by the Council in line with the 2018/19 budget setting timeline.

The Council AGREED to award £5,000 in support of the Shetland Islands Games Association to assist with the travel and accommodation costs of competing in the 2017 NatWest Island Games.

(Ms Wishart returned to the meeting)

46/17

Appointments to Integration Joint Board (IJB) Committees

The Council considered a report by the Executive Manager – Governance and Law (GL-35-17-F) seeking confirmation and approval of appointments to the IJB Committees.

The Executive Manager – Governance and Law summarised the main terms of the report, outlining the requirements for each of the committees.

The Council approved recommendations 1.1 and 1.2 in the report on the motion of Mr C Smith, seconded by Mr Thomson.

The Council approved recommendation 1.3 in the report on the motion of Mr C Smith, seconded by Mr Cooper.

Decision:

The Council considered the nominations made by the Employees' Joint Consultative Committee and APPROVED the following appointments:

Joint Staff Forum:

Ms S Gens	Council Staff Representative
Mr A Garrick-Wright	Staff Representative
Ms E Laurenson	Staff Representative
Councillor E Macdonald	Councillor Representative (IJB)
Councillor C Smith	Councillor Representative
Councillor C Hughson	Councillor Representative
Ms S Gens	Council Side Joint Chair

Clinical Care and Professional Governance Committee:

Councillor A Duncan	Chair – SIC Audit Committee
Councillor M Burgess	P&R Committee Member
Councillor G Smith	Chair – Education and Families Committee

47/17

Appointment of Religious Representatives to the Education and Families Committee

The Council considered a report by the Executive Manager – Governance and Law (GL-30-17-F) seeking appointment of nominated representatives to the Education and Families Committee.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that a further nomination was awaited from the Shetland Inter-Faith Group, and this would be reported to the Council in due course.

The Council approved the recommendation in the report on the motion of Mr Campbell, seconded by Mr Leask.

Decision:

The Council RESOLVED TO appoint the following two nominated religious representatives to the Education and Families Committee:

Reverend Tom Macintyre	Mr Martin Tregonning
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48/17

Appointment of a Member to the Shetland Islands Area Licensing Board (SIALB)

The Council considered a report by the Executive Manager – Governance and Law (GL-37-17-F) seeking the appointment of one Member to SIALB.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that the Member appointed would also be deemed to be appointed as a member of the Licensing Committee, and that there was a requirement to undertake training.

Mr C Smith moved that Councillor S Leask be appointed, and Mr Campbell seconded.

Mr Leask indicated his acceptance of the appointment.

Decision:

The Council RESOLVED to appoint Councillor Stephen Leask to the SIALB.

49/17

Appointments to External Organisations

The Council considered a report by the Executive Manager – Governance and Law (GL-36-17-F) seeking elected Member appointments/nominations to a number of external organisations. (An amended version of the table in paragraph 4.3 was tabled at the meeting).

The Executive Manager – Governance and Law summarised the main terms of the report, outlining the principles that had been agreed in respect of appointments to external organisations. Further dialogue would be carried out with those organisations where it was recommended that appointments should not be made, and assessments would be carried out and reported back to the Council. For those organisations where appointments were recommended, assessments had been carried out and attempts had been made to align the membership with the Council committee with the relevant responsibilities. Therefore there were a number of organisations where it was recommended that the Council should appoint a member from the most relevant Council committee.

The Council then proceeded to make appointments and nominations as follows:

NHS Shetland

Mr C Smith moved that Councillor M Bell be nominated, and Mr McGregor seconded.

Scotland Excel

Mr Cooper moved that Councillor Westlake be nominated, and Mr Campbell seconded.

Mr Duncan moved that Councillor C Smith be nominated, as a member of the Council's Policy and Resources Committee. However Mr Smith declined the nomination.

Ms Westlake moved that the Council nominate Councillor Manson as the substitute representative. However, Ms Manson declined the nomination, and the Council agreed not to appoint a substitute representative.

Conference of the Peripheral Maritime Regions (CPMR)

Mr Cooper said that it was important that there was continued engagement with the European Union, particularly in light of the 'Brexit' negotiations that would be taking place over the next few years. However, in his experience, the CPMR had never done anything physically for Shetland, and he was of the view that the Council would be better served by engaging directly with the Scottish and UK governments and, if necessary, attending meetings in Brussels when required. He therefore moved that the Council did not appoint anyone to the CPMR, and Ms Westlake seconded.

In response to a query, Mr Cooper clarified that his motion included withdrawing from membership of the CPMR.

Mr McGregor highlighted the importance of having a presence 'at the table', particularly in respect of 'Brexit' discussions, and moved, as an amendment, that the Council appoint a Member and retain its membership of the CPMR.

Mr Campbell seconded.

During the discussion that followed, concern was expressed that withdrawing from membership of the CPMR would place Shetland in a more disadvantaged position, and that it was essential to continue to engage with the European Union.

However other Members were of the view that Shetland's views could be put forward more appropriately by targeting resources directly towards those at the right level in government, and that this would be a more appropriate route to take.

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

Amendment (Mr McGregor)	3
Motion (Mr Cooper)	14

Nuclear Free Local Authorities

Mr Coutts moved that Councillor Bell be appointed, and Ms Manson seconded.

Mr Bell indicated his acceptance of the appointment.

Highland Reserve Forces and Cadets Association

Mr C Smith moved that Councillor Duncan be nominated. However it was noted that under Annex A of the Scheme of Association, this nomination did not meet the criteria.

There being no further nominations, the Council agreed to defer a decision to its August meeting.

Sumburgh Airport Consultative Committee

It was commented that it had been valuable in the past to have representation from the three members of the Shetland South Ward, and it would be useful for this to continue given the current emerging issues.

Mr T Smith moved that the three Shetland South Ward representatives be appointed as substantive members, and Mr Duncan seconded.

In commenting that that Sumburgh Airport was an asset for the whole of Shetland, and therefore it was appropriate that Mr Thomson, as Chair of the Environment and Transport Committee, should also be appointed as a substantive member, Mr Coutts moved accordingly.

Mr Copper seconded.

All Members indicated acceptance of their appointments, and the Council agreed that there was no need for substitute members to be appointed.

Shetland Area Support Team

Mr C Smith moved that Councillor Wishart be nominated, and Mr Campbell seconded.

Ms Manson moved that Councillor Westlake be nominated, and Mr Simpson seconded.

After hearing the candidates speak in support of their nomination, voting took place by secret ballot and the result was as follows:

Ms Westlake	7
Ms Wishart	12

The Executive Manager – Governance and Law reiterated that assessments were continuing to take place in respect of the other external organisations that had not yet been considered. The process that had taken place so far, and that was continuing to take place, provided a much clearer picture in respect of liabilities, risks and justification for taking up appointments on external organisations. It was possible for Members to take up independent positions, and many of the positions did relate to specific geographical areas. However, in those circumstances, it would not be classed as an approved duty, and Members would have registrable interests that they would require to declare.

Decision:

The Council RESOLVED to confirm the following appointments and nominations:

NHS Shetland	Councillor M Bell (Convener)
Scotland Excel	Councillor A Westlake (The Council agreed not to appoint a substitute member)
Conference of the Peripheral Maritime Regions (CPMR)	The Council agreed not to appoint a member to CPMR, and to withdraw its membership.
Nuclear Free Local Authorities	Councillor M Bell (KIMO Member)
Highland Reserve Forces and Cadets Association	The Council agreed to defer a decision to its meeting in August 2017.
Sumburgh Airport Consultative Committee	Councillors A Duncan, R McGregor and G Smith (Shetland South Members) Councillor R Thomson (Chair – Environment and Transport Committee) (The Council agreed not to appoint any substitute members)
Shetland Area Support Team	Councillor B Wishart (Education and Families Committee Member)

The Council considered a report by the Executive Manager – Governance and Law (GL-33-17-F) seeking the appointment of two additional non-councillor members as voting members, and the addition of one student representative.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that the feedback received from the College Board was that the input from non-councillor members with the relevant skills and experience had been valuable, and it was proposed to proceed with these appointments on the same basis as before. It was also proposed to include a student representative on the College Board, as HM Inspectors had expressed the view that the learner voice in college decision-making would be enhanced by representation at this level.

In commenting that the College Board had operated successfully with the addition of two non-councillor members, and that HM Inspectors had indicated that they expected that there should be student representation in place, Mr Campbell moved that the recommendations in the report be approved.

Mr T Smith seconded.

Decision:

The Council RESOLVED to:

- Appoint two additional non-councillor members as voting members of Shetland College Board on the basis of the arrangements set out in the report
- Include the addition of one student representative on the Shetland College Board membership, with voting rights, with the nomination being sought from the Highlands and Islands Student Association – Shetland College, with the term of appointment being the duration of time that nominee is a student.

(The Council adjourned at 11.25am and reconvened at 11.35am)

51/17

Local Development Plan 2 – Vision Shetland

The Council considered a report by the Team Leader – Development Plans and Heritage (DV-40-17-F) seeking endorsement of the Local Development Plan Vision, which was approved by the Development Committee on 6 March 2017.

The Director of Development Services summarised the main terms of the report, advising that it was important for the Local Development Plan Vision Statement to be endorsed, as any future development proposals would be assessed against the extent to which they contributed towards the achievement of the vision. The Vision Statement informed the Spatial Strategy which would be hugely influential in the development of housing, infrastructure and industry in Shetland.

Responding to queries, he advised that one of the themes of the Plan was to grow the economy, and this would help attract people to come and live and work in Shetland. As well as increasing the population, it would also help with balancing the demographics of the population, as an economically active population would include more young people. It was also important to get the balance between social and private housing right, and the announcement made the previous week by the Scottish Government in respect of social housing would be an important part of this. There was a need to work with local communities in respect of the land that could be made available for housing, and with local contractors to ensure that housing programmes could be achieved with the land that would be available.

It was commented that it was important that there was community input regarding transport links, so that there was a known figure for moving forward. It was also commented that it would be challenging for the Council to achieve some of the outcomes within a five-year timescale, and to ensure that the community felt that they had ownership of the Local Development Plan belonged to them. The availability of the right types of housing in communities was vital in ensuring that families remained in areas, and this had a knock-on effect on school rolls and local businesses. Therefore, it was vital to continue to engage with local communities in order to assess their needs, as this was something that had perhaps not been fully appreciated in the past.

Decision:

The Council RESOLVED to endorse the Local Development Plan Vision Statement.

(Mr Cooper left the meeting)

52/17

Constitutional Reform Project

The Council considered a report by the Executive Manager – Executive Services (CE-01-17-F) which updated Members on the Council's constitutional reform project work, and sought input to set a refreshed direction for the project going forward.

The Chief Executive summarised the main terms of the report, advising that approval of appointments to the Constitutional Reform Project Sounding Board, and approval of the Joint Position Statement, was sought.

It was commented that it would be useful for the Project Sounding Board to have a wider membership when any significant pieces of work were being carried out.

On the motion of Mr Coutts, seconded by Mr Thomson, the Council approved the recommendations in the report.

Decision:

The Council RESOLVED to approve the following appointments to the Council's Constitutional Reform Project Sounding Board:

C Smith	Leader
S Coutts	Depute Leader
M Bell	Convener
G Smith	Chair – Education and Families Committee
A Cooper	Chair – Development Committee
R Thomson	Chair – Environment and Transport Committee
A Duncan	Integration Joint Board Vice Chair

The Council RESOLVED to approve the Joint Position Statement reaffirming the Council's support for the work being carried out under the Our Islands: Our Future (OIOF) campaign banner and authorised the Chief Executive, in consultation with the Leader, to finalise its terms with Comhairle nan Eilean Siar and Orkney Islands Council.

(Ms Manson left the meeting)

Zetland Educational Trust: Annual Report and Financial Statements for the year to 31 March 2017

The Council considered a report by the Executive Manager – Finance (F-054-17-F) presenting the Zetland Education Trust annual report and financial statements for the year to 31 March 2017.

The Executive Manager – Finance summarised the main terms of the report, advising that the audited version of the annual report and financial statements would be presented to the Council in September for approval. There had been very limited income to the Trust over the last year due to low interest rates. However, following the decision of the Council in March, the funds had moved to a fund manager, and it was expected that income would now be higher than it had been in the past which would allow for greater disbursement of funds.

In response to queries, he advised that it was expected that investment returns should be in the region of £20,000, but this could not be confirmed. A small working balance had been left in the bank account to allow for disbursement, and an amount from the funds transferred to the fund manager would be distributed to the Trust on a monthly basis. There were currently no costs associated with managing the fund, although it was anticipated that there would be a fee in future. The Council had previously agreed that the auditor's fee would be met by the Council, provided the income remained under £10,000 per annum. This had been the case in the past, but it was expected that this fee would revert to the Trust as income received increased.

Members commented favourably on the current position and thanked staff involved for their efforts in reaching this stage.

Decision:

The Council NOTED the Zetland Educational Trust annual report and financial statements for the year to 31 March 2017, and the information highlighting the key points from the report and financial statements.

(Mr Campbell left the meeting)

Shetland Islands Council 2016/17 Draft Outturn

The Council considered a report by the Executive Manager – Finance (F-041-17-F) presenting the overall draft outturn position for Shetland Islands Council for 2016/17.

The Executive Manager – Finance summarised the main terms of the report, advising that financial performance had been positive. There had been a reduction in funds drawn down to support Council services, and all accounts had achieved their budgets through either lower service costs or increased income, so the full value of contingencies had not been required. This placed the Council in a good position for the new financial year.

Members commented favourably on the current position, highlighting the progress made since the term of the previous Council had commenced in 2012.

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

Decision:

The Council NOTED the 2016/17 draft outturn position and APPROVED the 2016/17 proposed revenue and capital carry forwards as detailed in Section 7 of Appendix 1 “2016/17 Financial Review”.

55/17

Shetland Islands Council Unaudited Accounts 2016/17

The Council considered a report by the Executive Manager – Finance (F-058-17-F) presenting the draft accounts for consideration.

The Executive Manager – Finance summarised the main terms of the report, advising that the draft accounts would be subject to external audit and that the audited accounts would be presented to the Council in September. There were two main changes to the Accounts. As the Comprehensive Income and Expenditure Statement no longer required to be presented, the results shown were in the Council’s directorate structure. The Council’s group no longer included Shetland Charitable Trust as no funds were invested with the Trust, and the Council’s share of the results of the Orkney and Shetland Valuation Joint Board were deemed not to be material, so no Group Accounts had been prepared this year.

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

Decision:

The Council NOTED the 2016/17 Unaudited Accounts for Shetland Islands Council, and the information highlighting the key issues from 2016/17.

56/17

Fund Management Annual Investment Report 2016/17

The Council considered a report by the Executive Manager – Finance (F-060-17-F) advising on the position and performance of the Council’s external investments with fund managers for the financial year 2015/16.

The Executive Manager – Finance summarised the main terms of the report, advising that the report was later than normal due to the local government elections in May. There had been extremely strong growth in the value of investments, with the total investments under management at the end of March 2017 sitting at £334million, with £20million of cash being withdrawn from investments to support capital and revenue. Funds were invested for the longer term, as per the investment strategy, and it was not expected that some of the extraordinary returns achieved over the past year would be repeated. There was confidence that risks could be managed, given that poorer performance in earlier years had now caught up.

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

Decision:

The Council:

APPROVED the Annual Investment Report for 2016/17 for the purposes of the consent issued by the Scottish Ministers by virtue of Section 40 of the Local Government in Scotland Act 2003

NOTED the outperformance of the benchmark, but underperformance of the target by Baillie Gifford in 2016/17

NOTED the performance of BlackRock which was close to the benchmark in 2016/17

NOTED the outperformance of the benchmark and the target by Insight in 2016/17

The meeting concluded at 12.15pm.

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Convener