

MINUTES

B - PUBLIC

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 7 March 2018 at 2pm**

Present:

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

Apologies:

M Bell	J Fraser
R McGregor	A Manson
D Simpson	

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director – Corporate Services
N Grant, Director - Development Services
J Belford, Executive Manager – Finance
A Jamieson, Executive Manager - Housing
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
S Brunton, Team Leader – Legal
S Shearer, Team Leader – Development Plans and Heritage
J Thomason, Management Accountant
C Anderson, Senior Communications Officer
L Malcolmson, Committee Officer

Chairperson

Ms Wishart, Depute Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

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

The Depute Convener made reference to Mr C Smith standing down as Leader and said that she understood his reasons for doing so. She said that the Convener had already commented on the service Mr Smith had given in the Leader role and she joined him in thanking Mr Smith. The Depute Convener said that Mr Smith had personally been a great support to her as a new Councillor and she was pleased to continue working with Mr Smith for the Lerwick South Ward and for Shetland as a whole.

Declarations of Interest

Mr T Smith declared an interest in item 7 “Hjaltland Housing Association – Bridging Finance” as a Member of the Hjaltland Housing Association and advised that he would leave the meeting.

Mr Campbell declared an interest in item 7 “Hjaltland Housing Association – Bridging Finance” as a £1 shareholder and was a former member of the management board but advised that he would remain for that item.

15/18 SIC Overall Management Accounts 2017/18

The Council considered a report by the Executive Manager – Finance (F-022-F) which sets out the overall Council projected financial position for 2017/18, as at Quarter 3.

The Executive Manager – Finance outlined the main terms of the report.

In responding to a question, the Executive Manager – Finance explained that the allocation of £932k to the IJB was a decision for the Council. He said that although this figure represented the anticipated cost pressures there was no certainty. The Executive Manager – Finance advised that this was a base budget for 2018/19 and covers recurring costs of the IJB.

Reference was made to Appendix 3, and to the £474 allocated for the apprenticeship levy, and Officers were asked if it was possible to get that money back. The Director of Development Services explained that the levy is for national skills and infrastructure, and the Council is accessing it for Care but it is not expected that the levy would be returned. It was acknowledged that discussions would continue with CoSLA regarding apprenticeships.

During further questions the Executive Manager – Finance explained that the Pension enrolment requirement was for all staff, and that the estimated figure for budget setting purposes had been set at £800k based on employees that are not already in the Pension Fund at 1 October 2017. He advised that this was not a cost that had been anticipated therefore it would come from contingency for this current year.

In response to a question in regard to vacant posts, the Council were advised on the process to establish whether a vacant post is still needed or whether redesign would provide alternative service delivery options. This is done for all posts before proceeding to recruitment and advertising.

Decision:

The Council RESOLVE to:

- Review the Management Accounts showing the overall projected outturn position at Quarter 3.
- Note the actions proposed set out in the report, and approve the increase in the payment for 2017/18 to the Community Health and Social Care Partnership Integration Joint Board of £0.932m, recognising the transfer of Cost Pressure and Contingency budget held by the Council and miscellaneous budget changes. This will increase the payment for 2017/18 to £20.783m.

16/18 **Annual Investment and Treasury Strategy for 2018/19**

The Council considered a report by the Executive Manager – Finance (F-025-F) which presented the proposed Annual Investment and Treasury Strategy for the Council for the financial year 2018/19.

(*Mr Sandison left the meeting*)

After hearing the Executive Manager – Finance introduce the report, Mr C Smith moved that the Council approve the recommendations contained therein. Mr Coutts seconded.

Decision:

The Council RESOLVED to:

- Approve the Annual Investment Strategy Statement to be followed for the financial year 2018/19, as set out in Appendix 1, section 2.
- Approve the Treasury Management Strategy to be followed for the financial year 2018/19, as set out in Appendix 1, section 3.
- Approve the Treasury Management Prudential Indicators for 2017/18 to 2020/21, as set out in Appendix 1, section 5.

17/18 **Asset Investment Plan – Progress Report**

The Council considered a report by the Executive Manager – Capital Programme (CPS-02-18F) that presented an overview of the full life of projects within the Council's Asset Investment Plan that are currently underway in 2017/18, based on the agreed budget.

In responding to questions, the Executive Manager – Capital Programme advised that overspends on projects are funded, in the first instance through slippage on other projects and carryforwards at the end of the financial year. The Executive Manager – Finance added that projects are reviewed on a regular basis and at different points in order that Officers can build these into the accounts. He advised that other options exist such as to seek external grants and to consider borrowing. He added that reviews are done to ensure that spend ties in with policy and is affordable to the Council.

The Executive Manager – Capital Projects responded to further questions, including the delay in progressing the Library refurbishment project, but could inform that the cost plan was being finalised and an update would be reported before the Council's summer recess. In terms of additional costs on projects, he advised that further works had been required to the Bells Brae School, following exposure of the existing plumbing, and on the Leaside project for sound proofing and to meet building standards requirements.

Concern was expressed in regard to projects that overrun in budget or timescale and Officers were asked whether these instances were in breach of any regulation when that happens. The Chief Executive explained that projects can overrun because of weather or unforeseen circumstances, which can increase the tender cost, however it is possible to add to the cost without breaking tender regulations. The Chief Executive added that Officers constantly check that the Council is achieving compliance with procurement legislation.

Mr C Smith moved that the Council approve the recommendations contained in the report, seconded by Mr Coutts.

Decision:

The Council NOTED the progress of the projects within the Asset Investment Plan.

18/18 **Local Development Plan Supplementary Guidance – North Staney Hill Masterplan**

The Council considered a report by the Team Leader Development Plans and Heritage (DV-10-18F) that presented the supplementary guidance on the North Staney Hill Masterplan.

The Team Leader - Development Plans and Heritage introduced the report and advised on the consultation and responses received. In referring to the concern expressed in regard to the military remains, she confirmed that there had never been any intention to remove the remains. She also advised on a dispute relating to the ownership of one area of land and stated that, following advice from Legal Services, the area of dispute will not be included as part of the development area in the Masterplan.

Mr Cooper moved that the Council approve the recommendations contained in the report. Mr Leask seconded.

Decision:

The Council RESOLVED to adopt the Supplementary Guidance – North Staney Hill Masterplan as supplementary guidance to the Local Development Plan.

19/18 **Review of Textile Facilitation Unit and Charging Proposal**

The Council considered a report by the Executive Manager – Finance (F-31-F) that presented information on the financial performance of the Textile Facilitation Unit and sought approval, by the Council, on proposed charges set out in Appendix 1 of the report.

The Management Accountant introduced the report, and in responding to a query around the figures provided in paragraphs 4.2 and 4.3 she explained that the table in Appendix 1 shows the cost of the whole service and removes the cost of the service to students that have been applied to the general college budget. She explained that the focus of this report was solely on the costs and income associated with the Textile Facilitation Unit and explained what staffing costs were associated and attributed to the Unit for this particular piece of work.

The Management Accountant also confirmed that the schedule of charges had been developed in partnership with the technician in textiles and others involved in the industry. She said that where other organisations provide similar services Shetland College has a much smaller production capacity. She added that all those consulted are content that the charges are in line with the current climate.

In moving the recommendations contained in the report, Mr G Smith advised that he had requested this piece of work and he considered the charges to be reasonable having had direct discussion with staff in the textile unit and industry users. He said that there had been concern that Shetland College would be priced out of the market

but there is also a responsibility for the financial stability of the College. Mr Campbell seconded.

Decision:

The Council RESOLVED to adopt the proposed charges for the Textile Facilitation Unit Services, at Appendix 1, Section 8, subject to confirmation by the Shetland College Board.

20/18 Insurance Project

The Council considered a report by the Team Leader – Legal (GL-07-18) that set out the progress made towards fulfilling the Council's decision of 30 August and presented a Statement of Principles and Policy Framework for the ongoing management of the insurance provisions for inclusion as part of the Council's Strategic Policy Framework.

The Team Leader – Legal introduced the report and advised that since adopting the Optimal Programme it was essential that the roles and responsibilities within the Council are clear.

Mr C Smith moved that the Council approve the recommendations contained in the report. Mr Coutts seconded.

Decision:

The Council:

- Noted the progress towards implementation of the Insurance Project; and
- RESOLVED to adopt the Statement of Principles and Policy Framework for the ongoing management of the insurance provisions for inclusion as part of the Council's Strategic Policy Framework to be managed by the Policy and Resources Committee.

(Mr T Smith left the meeting)

21/18 Shetland Islands Council Response to the Consultation on Shetland's Partnership Plan – Consultative Draft December 2017

The Council considered a joint report by the Director of Development Services and Director of Corporate Services (DV-13-18-F) that presented a proposed response to the Consultation on Shetland's Partnership Plan (SPP), which takes account of the points raised by Members, directorates and service teams.

The Director of Development Services introduced the report and advised that the consultation closes today. He commented on the feedback from consultees and on the next steps in terms of the wider community engagement on SPP that would be undertaken using the eighteen Community Councils, before 1 April 2018. Thereafter work would be undertaken through the project board towards a final date in early June 2018.

(Ms Macdonald left the meeting)

In responding to a question, on what cost there would be to the Council in achieving the outcomes within the SPP, the Director of Development Services explained the difficulty in identifying the specific costs. Following some discussion assurance was sought that all aspects of the Council's work would be directly attributed to the 4

themes, outcomes and targets within the SPP. The Chief Executive advised that there are elements of statutory duties that the Council will always have to do but the SPP will consider how the work is done. She provided examples of how the Council takes opportunities to consider how work can be done differently by changing focus and considering the wider benefits from doing things another way. The Director of Development Services added that it was important how the outcomes are delivered and what can be done to get the community involved to achieve the outcomes. He said that those are the elements that will populate the Council's directorate plans going forward but acknowledged that to explain the plan at a strategic level was difficult.

Concern was expressed in regard to the fifth target set on page 6 of the SPP that indicated that only by 2028 would Shetland be in line with the Scottish Average for the proportion of child protection cases involving alcohol and drug misuse, and that this was unacceptable when dealing with the most vulnerable group of individuals in society. The Director of Development Services advised how the target had been set, and said he welcomed this and any other feedback from Members. The Chief Executive said that the targets were about helping the next generation and work on prevention and on intervention to cover the whole cycle of activity to make outcomes better for children in future, not just the children supported by our services today.

Reference was made to page 9 of Appendix 2 regarding "Work and Local Economy", where it was agreed that clarity was required on the figures for "learning and training" and "employment or full time education" as both are set at 97.4%. The Director of Development Services undertook to update Members by email.

During further discussion concern was expressed in regard to the accuracy of some of the information provided, to which the Chief Executive explained that all information provided has a strong basis of fact behind it and advised that any question on a specific indicator could be emailed to Officers for clarification. The Director of Development Services advised that there are national statistics relevant to Shetland and the link provided in the report contains robust information. He said the development of the information had been a lot of work involving a lot of people and he was confident the information was accurate.

Some Members spoke in support of the SPP and acknowledged that while some comments may be critical, there was support for the approach and that with further development of the SPP there would be further support when presented for adoption.

In moving the recommendations contained in the report, Mr Coutts said that Members needed to lead on this with the Partners and that the SPP was about additionality. Mr G Smith seconded.

Decision:

The Council RESOLVED to:

- Approve a Shetland Islands Council response to the consultation on Shetland's Partnership Plan – consultative Draft December 2017; and
- Instruct the Director – Corporate Services, or her nominee, to submit the response incorporating any changes requested, in consultation with the Leader.

22/18 **Hjaltland Housing Association – Bridging Finance**

The Council considered a joint report by the Executive Manager - Housing & Executive Manager – Finance.

The Executive Manager – Housing and Executive Manager – Finance introduced the report advising that the report had also been presented and its recommendations approved by the Development Committee and Policy and Resources Committee.

Mr C Smith said that the Council had a longstanding relationship with HHA and with the Council's commitment to supply houses this was the route to take. Mr C Smith moved that the Council approve the recommendations contained in the report. Mr Duncan seconded.

Decision:

The Council RESOLVED to approve the recommendations contained in the report, subject to State Aid implications being investigated.

The meeting concluded at 3.35pm.

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Convener