



# Shetland Islands Council

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## MINUTE

## ‘A’ & ‘B’

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Tuesday 22 June 2005 at 10.30 a.m.**

**Present:**

A J Cluness	L Angus
B J Cheyne	C B Eunson
R G Feather	F B Grains
B P Gregson	L G Groat
I J Hawkins	J H Henry
J A Inkster	W H Manson
W A Ratter	J G Simpson
W N Stove	T W Stove
W Tait	

**Apologies:**

J C Irvine	E J Knight
G G Mitchell	J P Nicolson
F A Robertson	

**In Attendance (Officers):**

M Goodlad, Chief Executive  
J Watt, Executive Director Community Services  
I Halcrow, Head of Roads  
A Hamilton, Head of Planning  
A Jamieson, Head of Education  
G Johnston, Head of Finance  
D Lamb, Senior Special Projects Manager  
C Medley, Head of Housing  
J Riise, Head of Legal and Administration  
G Smith, Head of Community Development  
J Smith, Head of Organisational Development  
J Leask, Audit Trainee  
A Cogle, Service Manager Administration

**Also:**

G Neill, representative of Audit Scotland  
R Nicol, representative of Audit Scotland

**Chairman:**

Mr A J Cluness, Convener of the Council, presided.

**Circular:**

The circular calling the meeting was held as read.

98/05      **The Audit of Best Value and Community Planning**

The Council considered a report by the Head of Organisational Development (Appendix 1).

The Convener said that this was probably the most important meeting of this Council for some time. He said that Audit Scotland were looking at every local authority in the country to see how well or poorly they perform, with a view to ensuring that local authorities in Scotland are of a high standard in the future. He said that the Council welcomed their interest and contribution so far, and whilst criticisms had been made, it had resulted in the Council looking very carefully at the way it performs. He said this had given the Council an opportunity to see how the future might be, and although there were a number of specific tasks which the Council felt it should fulfil, these had many similarities with all other local authorities in Scotland, and Shetland was not unique in that respect. The Convener said that most Committees will have similar messages coming their way in the future, and they would have to make difficult decisions. He said that Shetland had been fortunate over the last 30 years, with the advent of the oil industry, and as a result, the funds given for the initial disturbance were now within the Charitable Trust and other contracts with the oil industry which resulted in a Reserve Fund which, over the years, through the wisdom of Councillors and staff, had amassed to a reasonable situation. The Convener said that whilst Shetland was poor for many years, there was a need to derive as much benefit now from available Funds. He said that these funds were not in danger and sustainable, provided that the Council acted with care and caution to make sure that Shetlanders in the future continue to have the quality of life people have now. The Convener said it was recognised that the Council may have become a bit lazy on how it handle some matters, as it was easier to use reserves to boost local services. However, there was a need to ensure that, wherever the funds are derived from, that those funds are used wisely, and in accordance with the law.

The Convener said that this review had been an extremely timely exercise, with staff and Members coming together with proposals which would be useful and which will form the basis of further discussion with the Accounts Commission. He said this should be seen as a partnership with the various agencies involved in order to ensure that Shetland remains a recognisable and proper part of Scottish local government.

The Convener said that the report presented today, along with the public notice, briefly set out the Commission's findings, and whilst these demonstrated that the Council was lacking to a

certain extent, it also set out a plan for where the Council might look at improving the situation as best it could. He concluded by saying that the meeting was open for everyone to contribute and to make comment, and the representatives from Audit Scotland were happy to answer technical questions if necessary.

The Head of Organisational Development introduced the report, stating that the Local Government (Scotland) Act 2003 had made Best Value a statutory requirement, and the principles of best value were heavily involved in Council strategy. He said that the main improvements for the Council to focus on as part of the Best Value Audit Report findings, was the need to demonstrate to the public that the Council was improving service delivery. A number of items related to that, such as management performance, but also some specific issues relating to services. He said that the Action Plan and Improvement Plan, which set out plans for improving in the Best Value sense, were to be looked at the context of an updated Corporate Plan.

*(Mr W H Manson attended the meeting.)*

The Head of Organisational Development outlined the first two findings of the Audit Commission. With regard to the first finding, which referred to a lack of clear strategic planning, he said that there was already substantial activity in this area to try to, at the very least, signpost the key actions that will be delivered within next 12 months. He said that finding was more a comment on performance management rather than on actual service delivery. With regard to the second finding, which referred to planned activity not matching or prioritised with planned resources, the Head of Organisational Development said that this observation concerned the Council's budgeting arrangements and its allocation of resources within service plans for delivering services.

Mr L Angus said he was a bit unclear about how this discussion was going. He said he thought that the discussion would centre on the Council's failure to balance its books, and how this has been constrained particularly by Education spending. He said that comments by the Accounts Commission regarding planned activity and failure to prioritise were well taken. He referred to the abortive BVSR of Education, which gave the impression that the Education budget and services must remain sacrosanct. Mr Angus said it was necessary to review the structure of Education in a way which met the needs of the present day education.

The Convener said that the final finding by the Commission referred to the need for the Council to agree a balanced budget. Mr Angus noted this, but said that greater urgency into this process would have been advisable.

Mrs I J Hawkins referred to the need for improved monitoring, and to the role of the Executive Committee. She said that all Councillors needed to feel involved in the monitoring process. The Convener advised that the role of the Executive Committee was a matter which was being addressed by the Committee Services Review – Member/Officer Working Group.

Mr A Inkster said he was very heartened with what was happening here, and he very much welcomed the Accounts Commission report. He said that the findings were essential elements of any Council and he was delighted to see that these were being addressed. He went on to say that it would be important for the Council to exercise control and monitor what was being done, and whilst the work of all staff involved was excellent, it was up to the Council to make it work.

Mr W Tait said he felt that many of the problems being faced were as a result of the current Committee structure. He said that since the structure was changed, he felt that things had gone downhill, and that combining areas such as Social Care, Education, Community Development and Housing was a retrograde step.

Mrs F B Grains agreed with Mr Inkster that this was a very good report, and there were a number of issues which the Council knew it was already improving on. However, she said she disagreed with the view that the Committee structure was to blame, and the current structure was in fact necessary in terms of the partnerships and overlaps between many of the services. She said that the Committee structure had worked 10 years ago, but things had changed, and the Council had to change with the times.

Mr C B Eunson said he agreed that the Committee structure was not suitable, and that the introduction of the Forums had a particular influence on that. He referred to the third comment from the Audit Commission regarding the need to demonstrate how well the Council was delivering services, but said that this was not necessary in Shetland, as most people were happy with the services, and soon told the Council if they were not.

However, the Convener said that this comment was with regard to the Council demonstrating and publicising the Council's performance.

Mr Nicol of the Accounts Commission, said it was important to note that this was not a comment about the level or quality of services provided by the Council, but concerned the legislative requirement to provide evidence to the public as to how well the services were being provided. He said that with this legal

requirement to improve, then a body of evidence was needed to demonstrate improvements.

Mr W A Ratter said he welcomed the scrutiny by the Accounts Commission, and the report was brief and clear. He went on to say that it was important for the Council to work together, and to understand that the responsibility to ensure that improvements were made fell entirely on the Council. Mr Ratter said it was recognised that, in this community, Councillors came under intense scrutiny from the public the whole time, but with the complexity of the Council's business came a responsibility to make it more efficient. He said that whilst it was natural to look to the past, it was also necessary to look forward, and he hoped that more work would be put into the efficient and modernising government theme, and that by ensuring an overall better delivery of services, changes would need to be made. He said that the Improvement Plan was a useful framework for this, and he remained optimistic about the Council's ability to make changes where necessary.

Mr L G Groat said that the main difficulty was the aspiration and expectations that the people of Shetland had. For example, he said that some could not understand why the Council was trying to reduce costs and services, and yet new projects were being built, such as the new squash courts. Mr Groat said that until such time as the Charitable Trust and Reserve Fund were outwith the Council's remit and attitudes changed, then the Council would never bring itself back operating within its limits.

Mr W H Manson said that he agreed Mr Tait that some of the problems had started around 10 years ago. However, despite constant warnings regarding the Council's funds, the Council still had not got to grips with its spending. He agreed that there were problems with constantly raising expectations within the community, but he disagreed that the solution meant changing the Committee structure. He asked Members to cite any matter which had not been appropriately presented to Committee, and reminded Members that they had the ability to raise a Notice of Motion for any matter to be considered at Council.

Mr B P Gregson said that the problem was that the Council had moved from being a resource-led Council to a lack of resources Council. He said that an important step had been missed out by not seeking what people's needs were. In addition, Mr Gregson referred to the list of priorities within the Improvement Plan, and said he was concerned that the list of 41 priorities needed to be broken down and prioritised in themselves.

The Head of Organisational Development summarised the remainder of the report.

The Convener reminded Members that the final decision on this report would be made at the next Council meeting on 29 June.

Mrs I J Hawkins suggested that it would be useful to go out on the road with Council or Committee meetings, and see and hear what needs to be done.

The Convener agreed, but said that such meetings needed to be targeted carefully and more effort put into ensuring awareness in the community about the Council's operations, and this was effectively what the Accounts Commission were advising.

*(Mr W A Ratter left the meeting.)*

Mr W N Stove said that the Council had duty to consult and that this should be done, via corporate plan, by assessing the quality of services and level of satisfaction. He agreed with Mrs Hawkins that more could be done by going out to people more often.

However, Mr C B Eunson said that very few people complained at Councillor surgeries as, in the main, people were very satisfied with what they were getting.

Mr L Angus said that prioritising and shifting of resources were important factors. However, he said that whilst it was the general view a few years ago that Councils would be shifting resources from Education to Social Care, the reverse was now the case. He agreed that discussions with staff and the public was important, and this was something that the Social Work Task Force was doing. Mr Angus said that some Councillors may be interested to learn that over 40 elderly people were not receiving the services they needed, and in this respect the Council had an important leadership role and had to be prepared to fulfil that role.

*(Mr W A Ratter returned to the meeting.)*

The Convener said that the Task Forces were very important, particularly if they were throwing up difficulties that needed to be addressed.

Mr J G Simpson said he agreed that many people thought the Council was wasting money, and it was important therefore to demonstrate the Council's efficiency.

Mrs B Cheyne said it was well known how the Shetland electoral wards were critical when they needed to be, but the position that the Council was in, and somewhat explained by this audit, was compounded by 30 years of plenty. She said that, therefore,

expectations were high, but it had to be realised that times had changed, the cost of living in Shetland was high, but the Council still had to look forward.

Mr W A Ratter said that the Shetland community funds were large, and some separation of the public sector from these were needed. He said that, in his view, there was room for a system of public sector delivery, with a separate elected body to run it. Mr Ratter said he would welcome further discussion and reflection on that view.

Mr L G Groat said that if the Council was to reduce or stop services, this should be done a little at a time, and take time to prioritise. He said that the Council could not move far forward until something radical was done with regard to the financial structure.

Mrs F B Grains said that she agreed that the Council services here in Shetland were much better than most other places, but the public had to know what they were receiving and how well.

Mr B P Gregson said that the outcome of this report was the inevitable need for change, but it was important to ensure that any change was managed. He agreed that the Council perhaps still had a long way to go in engaging the community, but it was important to put in an appropriate timescale and take the Shetland community along with the Council's improvements.

In response to a request from Members, Mr Nicol of the Accounts Commission said that he was very pleased to have contributed to stimulating this debate today. He said that part of their objective was to make things happen, to look to the future and to address problems. He said he was pleased to have seen that beginning to happen, and a significant amount of activity was already taking place. Mr Nicol said that the Council's response was consistent with other local authorities, but it was important to bring a level of comprehension and discipline to the process. He said that it was important that things did happen, and wished the Council well. Mr Nicol concluded by saying that the Accounts Commission would be meeting with the Council again in the future to see how matters were progressing.

The Convener concluded by thanking everyone for their attendance, and for the contributions made.

A J Cluness  
Convener

