

MINUTES

B - PUBLIC

Shetland Islands Council

Main Hall, Town Hall, Lerwick and Remote via Teams

Wednesday 1 July 2020 at 10am

Present:

M Bell	S Coutts
S Flaws	J Fraser
A Hawick	C Hughson
S Leask	M Lyall
E Macdonald	A Manson
R McGregor	D Sandison
I Scott	C Smith
G Smith	R Thomson

Present via remote link

D Anderson	P Campbell
A Cooper	A Duncan
A Priest	T Smith

Apologies:

None

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
J Smith, Director of Infrastructure Services
T Coutts, Acting Executive Manager – Economic Development
J Manson, Executive Manager – Finance Services
P Peterson, Executive Manager – Executive Services
J Riise, Executive Manager – Governance and Law
A Cogle, Team Leader – Administration
M Hodgson, Solicitor
B Kerr, Communications Officer
L Adamson, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Convener's Opening Remarks

"This year marks 25 years since the genocide in Srebrenica in Bosnia-Herzegovina where 8,372 Bosnian Muslim men and boys were murdered in the worst atrocity on European soil since the Second World War. The disintegration of Yugoslavia, such a seemingly well-integrated country, was ripped open by the politics of division, hatred and ethnic nationalism, and Bosnian Serbs, Bosnian Croats and Bosnian Muslims, turned against each other. However, among this historical fact, there are other stories. Stories that we can draw upon to

understand how people made different choices, and stood up against the ideologies of hatred and divisive rhetoric and built bridges to help one another”.

The Council stood for a minute’s silence, as a mark of remembrance.

Declarations of Interest

Mr Fraser declared an interest in Item 6 “Shetland Seafood Auctions Ltd – Grant Application”, as a close friend is a Director in the company. Mr Fraser would leave the meeting for that item.

Mr Sandison declared an interest in Item 5, “SSQC Ltd – Funding 2020/21” having been until recently a former director of the organisation. Mr Sandison would leave the meeting during that item.

Mr Priest declared an interest in Items 7 and 8, due to his other employment at Sullom Voe. Mr Priest advised that he would leave the meeting after agenda Item 6.

Mr Cooper declared an interest in Item 6, “Shetland Seafood Auctions Ltd – Grant Application” as a Director of the company.

Mr Anderson declared an interest in item 7, due to his other employment.

Minutes

Subject to the following, the Council approved the minutes of the meeting held on 22 January 2020 (am) on the motion of Mr C Smith, seconded by Mr Leask.

- **Deputation – Shetland Climate Action**

In the 2nd paragraph, it was queried whether “two million” should read “two billion”. The Convener suggested the notes would be checked and amended accordingly.

The minutes of the meeting held on 11 March 2020 were confirmed on the motion of Mr G Smith, seconded by Mr Coutts.

The minutes of the meeting held on 22 April 2020 were confirmed on the motion of Mr Sandison, seconded by Mr G Smith.

30/20 Shetland Islands Council 2019/20 Draft Outturn

The Council considered a report by the Executive Manager – Finance (F-029-F) that presented the overall draft outturn position for Shetland Islands Council for 2019/20.

The Executive Manager – Finance gave a PowerPoint presentation, which introduced the four end of year finance reports on the agenda. (A copy of the slides entitled “SIC Draft Outturn for 2019/20” are attached as Appendix 1A). The presentation provided detail on the outturn position of the General Fund, with an overspend of just over £2m, which was mainly due to unexpected expenditure on the ferry fleet and the delay with the College Merger. Further detail on the under and overspends across all service areas were reported in Appendix 2. The Housing Revenue Account had an overspend of £0.393m, and the Harbour Account a surplus of £5.690m. The Capital Programme had an underspend of £4.197m, where there were a variety of reasons for the variances as detailed by Directorate in the appendix to the report. In terms of movement of reserves, the Executive Manager advised on

the draft draw from reserves of £21.722m, against an anticipated total draw of £32.060m, resulting in a reduction in the use of reserves of £10.338m. He went on to advise that with the carry forwards, the overall draw on reserves for the year was £5.459m less than anticipated.

In responding to questions from Members, the Executive Manager – Finance advised on the work being undertaken on the longer-term impact of the reserves position, and he said that another report on the agenda presents the investment performance which will influence any use of Reserves. In referring to Section 1.05 in the Appendix, the Executive Manager – Finance reported on the increased use of reserves year on year, which he said is being monitored by the Council's auditors, who have concerns that the Council is not in a financially sustainable position. The Executive Manager – Finance said that there will still be pressures to deal with next financial year and beyond in terms of service level activity, until such action is taken to rebalance budgets to become financially sustainable. The Executive Manager – Finance advised that the predications on when the reserves could disappear had not taken into account the impact of the Coronavirus pandemic, and therefore the period will be shortened should action not be taken to rebalance and reprioritise spending. In that regard, he advised that he would report on the Medium Term Financial Plan during August/September 2020, which would take into account the latest movement on reserves and the spending plan.

In responding to a question relating to the further £1.3m requested to be carried forward to meet committed capital projects that have slipped, as referred to in Section 2.08 of Appendix 1, the Executive Manager – Finance confirmed that the figure included £1m received from the Crown Estate, to be carry forward into 2020/21. He advised that the carry forward was referenced as a separate budget line in "Table 2 – General Fund", on page 5 of the Appendix.

In response to a question, the Executive Manager – Finance acknowledged the significant carry forward on spend to save, and in particular on capital. He advised, that in the main the carry forwards relate to estates rationalisation and the property management strategy, where projects have not progressed as quickly as had been planned. He advised however that there was genuine commitment to spend in future years. In response to a comment that spend to save was key to transformational change, the Executive Manager – Finance informed on proposals to consolidate and improve reporting on the transformational change programme, where all activities would be brought under one framework, which would provide a more holistic view on spend and savings.

In response to a request, the Executive Manager – Finance undertook to provide Councillor Fraser with figures on the year on year reduction in Scottish Government funding to the Council, and on the cost to the Council to provide the ferry service.

In response to a question regarding the overspend on the Housing Revenue Account, the Executive Manager – Finance referred Members to the Table at Section 4, and he confirmed that the increase in rental charges as set as part of the 2019/20 budget was reflected in the total revenue.

During the discussion, reference was made to the overspend on the General Fund, and further explanation was sought on the additional costs relating to ferry maintenance. The Chief Executive reported on the unexpected and unplanned requirement for maintenance works to be undertaken, advising that it was a key priority to keep the ferries running. She referred also to the aging ferry fleet and on

the continued effort to request funding from the Government. In response to a comment regarding a recent incident on the Yell Ferry, the Chief Executive referred to the unforeseen event in the ferry fleet, and went on to advise that the fire service had praised the ferry staff on how well they dealt with the situation.

During debate, the Leader advised on the importance to reflect on the context of the 2019/20 budget, however he said that the issue was clearly the failure of the Government to fund key elements, including the tertiary sector and ferries. He said that had those elements been funded, the Council has done very well in a challenging context of wage increases and on the additional responsibility that the Government has chosen to impose on the Council without adequate funding. The Leader went on to commend the efforts of the staff who have achieved as tight a budget as was possible, while he acknowledged that there would be further challenges during 2020/21 and beyond. Mr Coutts moved that the Council approve the recommendations in the report.

In seconding, Mr Thomson advised on the tough decisions that had been made by the Council before the Coronavirus, and said that the impact of the pandemic has only made the situation worse and more challenging going forward. He advised on the Council's responsibility to set a sustainable budget, and said that the Reserves were not a "rainy day fund" but were an essential part of the funding to Shetland. Comment was also made that the ferries were a lifeline service and fair funding for ferries was more essential than ever and that the Scottish Government follow up on their commitment for funding.

During further debate, reference was made to the decision taken to limit spend on reserves, and comment made that the reports and analysis have been driven by that determined outcome, and that Members only receive one side of a multi-faceted analysis. The criteria used for "unsustainable" was also questioned. Mr Scott went on to comment that Shetland was in the fortunate position to have huge funds to bolster its future, and in that regard he said that more money should be spent for the benefit of the community.

Comment was made that had ferries and tertiary education been taken out of the equation, that staff should be commended on the budget outturn position and on the services delivered to the most vulnerable in the community.

Reference was made to the final paragraph of Section 6.5 of the report, in terms of the need for the Council to demonstrate the ability to live within its means, and comment was made on the political and difficult decisions that Members will have to make going forward.

Comment was then made that the Reserve Fund was the "Rainy Day Fund" which was set up to help the community during hard times, and that this was currently hard times. In terms of the "Rainy Day Fund" another Member said that for the past 10 years the Reserve Fund has been used to ensure the people of Shetland have been looked after the best that they can.

Decision:

The Council RESOLVED to:

- NOTE the 2019/20 draft outturn position; and

- APPROVE the 2019/20 proposed revenue and capital carry forwards, as detailed in section 7 of Appendix 1 “2019/20 Financial Review”.

31/20 **Annual Pilotage Accounts for 2019/20**

The Council considered a report by the Executive Manager – Finance (F-028-F) that presented the Pilotage Accounts outturn position for 2019/20 as at the end of the financial year.

In introducing the report, the Executive Manager – Finance advised on the statutory requirement to prepare accounts relating to pilotage, and on the positive variances for 2019/20 in line with the overall performance of the Harbour Account.

In response to questions, the Executive Manager – Finance referred to the report, later on today’s agenda, which sets out the work on the future arrangements for services at Sullom Voe Harbour. He explained that the key factor was that the Harbour Account was separate from the Council’s General Fund, and there has never been the intention to use any statutory income to support commercial activity at the harbour. The Executive Manager – Finance added that the pilotage arrangements and operating hours at Sullom Voe are determined by the Council, as Harbour Authority.

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

Decision:

The Council RESOLVED to review the Pilotage Accounts showing the position for 2019/20.

32/20 **Fund Management Annual Investment Report 2019/20**

The Council considered a report by the Executive Manager – Finance (F-027-F) that informed Members on the position and performance of the Council’s external investments with fund managers for the financial year 2019/20.

In introducing the report, the Executive Manager – Finance referred Members to a presentation slide, which illustrated the performance of the Council’s Investments during the period April 2019 to May 2020. (A copy of the slide is attached as Appendix 3A). The Executive Manager – Finance summarised the investment performance over the past 12 months, advising on the volatility in the worldwide and UK markets as a consequence of Coronavirus and that the restrictions and lockdown have had a significant impact on economic activity. He advised on the significant fall in the value of the Council’s investments in January, but since early April asset valuations had started to recover since the markets have responded cautiously and stabilised. He advised however on the need to be mindful for the second peak of coronavirus. The Executive Manager – Finance confirmed that the Council’s investments will continue to be monitored on a monthly basis, and that Council officers are in regular discussion with the Fund Managers.

In response to a comment, the Executive Manager – Finance advised that each Fund Manager take a slightly different view on the markets and forecasts, however

he considered the forecast to be a prudent view that will be monitored going forward. He said that the report informed on the past 12 month period only, but investments are held for the longer-term. In that regard, he added that it was not of too much concern that the investment return of 7.3% had not been achieved in 2019/20.

In response to questions, the Executive Manager – Finance advised that arrangements would be made, later in the year, for Fund Managers to give their investment and performance presentations to the Council. In response to a suggestion for 'Partners' to be the next Fund Manager to present to the Council, the Executive Manager – Finance reminded Members that 'Partners' had been the last Fund Manager who presented to the Council. He went on to advise on the due diligence carried out prior to investments being made, and that there were no areas of concern with 'Partners'. He suggested however that a presentation from 'Partners' could be circulated to Members.

During debate, the Leader commented on the impact that the Coronavirus has had on the investments. Mr Coutts moved that the Council approve the recommendations in the report. Mr G Smith seconded.

Decision:

The Council RESOLVED to:

- APPROVE the Annual Investment Report for 2019/20 for the purposes of the consent issued by the Scottish Ministers by virtue of section 40 of the Local Government in Scotland Act 2003;
- NOTE the outperformance of the benchmark but underperformance of the target by Baillie Gifford in 2019/20;
- NOTE the performance of BlackRock which was close to the benchmark in 2019/20;
- NOTE the underperformance of the benchmark and target by Insight in 2019/20.

33/20 **Irrecoverable Debt 2020/21**

The Council considered a report by the Executive Manager – Finance (F-026-F) that presented information on debts now deemed to be uncollectable and which, therefore, have been written off during 2019/20.

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

In response to a question regarding any record of bad debt increasing year on year to provide comparisons, Mr Bell referred Members to the final column of the tables in Section 4, which reported on the "previous 5 year average write off amounts". The Executive Manager – Finance advised that the level of bad debt had increased by £88k from last year, to £206k in 2019/20. He added that with the impacts of the coronavirus he would expect a further increase in bad debt to be written off in the report next year.

The Executive Manager – Finance advised that with the lockdown there has been no debt recovery undertaken since April, however debt recovery would be reinstated soon. He went on to advise on the very robust and structured programme to recover debt, and it was only when all stages have been exhausted would debts be written off.

In response to a question, the Executive Manager – Finance undertook to provide Councillor Fraser will comparison figures on the percentage of bad debt that has been written off by other Local Authorities.

In response to a comment regarding the variation in the number of cases and sums written off between Non Domestic rates, at Section 4.7, and the Housing Revenue Account, at Section 4.8, the Executive Manager – Finance explained that these were completely different categories where it would be difficult to provide any true comparisons. He went on to advise that the debt recovery process applies equally across all categories.

During debate, and commenting on the recognition that there would be an increase in cases of debt next year as a consequence of the Coronavirus, Mr Duncan advised on the importance when debt problems are foreseen that the individuals are informed on the debt advice available from the Citizens Advice Bureau.

The Council noted the report.

Decision:

The Council NOTED:

- the individual debtors in excess of £5,000 written off during 2019/20;
- the summary of bad debts under £5,000 that have been written off during 2019/20.

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

(There was a brief adjournment from 11.50am to 12 noon).

(Mr Sandison left the meeting).

34/20 SSQC Ltd – Funding 2020/21

The Council considered a report by the Acting Executive Manager – Economic Development, that sought approval of a grant of £90k in the financial year 2020/21 towards funding the activities of SSQC Ltd.

The Acting Executive Manager – Economic Development summarised the main terms of the report, and answered various detailed questions from Members.

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

During debate, a comment was made that as an impact of the coronavirus many businesses in Shetland would be struggling financially, and it would not be possible to give all the businesses the full grant funding requested.

Decision:

The Council RESOLVED to:

- APPROVE a grant of £90k in the financial year 2020/21 towards funding the activities of SSQC Ltd, to be reserved from within the 2020/21 Economic Development revenue budget.
- INSTRUCT the Acting Executive Manager – Economic Development, or his nominee, to engage with SSQC Ltd, and the broader industry, with the objective of establishing a long-term sustainable business model to reduce and eliminate the requirement for grant funding by 31 March 2023.

(Mr Campbell, Mr Cooper and Mr Fraser left the meeting).

(Mr Sandison returned to the meeting).

35/20 **Shetland Seafood Auctions Ltd – Grant Application**

The Council considered a report by the Acting Executive Manager – Economic Development, that sought approval of a 30% grant of up to £58,587 to Shetland Seafood Auctions Ltd (SSA) towards the cost of installing a web based electronic auction system.

The Acting Executive Manager – Economic Development summarised the main terms of the report, and answered various detailed questions from Members.

During discussion and debate, Mr T Smith moved as an amendment the Council approve a 30% unsecured loan of up to £58,587 to SSA towards the cost of installing a web based electronic auction system, and to delegate authority to the Acting Executive Manager – Economic Development to set detailed conditions for the unsecured loan. Mr Thomson seconded.

Following further debate and summing up, voting took place and the result was Amendment 10, Motion 9, and accordingly the amendment to approve a 30% unsecured loan of up to £58,587 to SSA towards the cost of installing a web based electronic auction system, and to delegate authority to the Acting Executive Manager – Economic Development to set detailed conditions for the unsecured loan, was adopted.

Decision:

The Council RESOLVED to:

- APPROVE a 30% unsecured loan of up to £58,587 to Shetland Seafood Auctions Ltd towards the cost of installing a web based electronic auction system.

- DELEGATE authority to the Acting Executive Manager – Economic Development to set detailed conditions for the unsecured loan.

(The meeting adjourned at 12.55pm, and reconvened at 2pm)

Present:

M Bell	S Coutts
J Fraser	A Hawick
C Hughson	S Leask
M Lyall	A Manson
E Macdonald	R McGregor
D Sandison	I Scott
C Smith	G Smith
R Thomson	

Present via remote link

P Campbell	A Cooper
A Duncan	S Flaws
T Smith	

Apologies:

D Anderson	A Cooper (lateness)
A Priest	

In Attendance (Officers):

M Sandison, Chief Executive
 C Ferguson, Director of Corporate Services
 J Smith, Director of Infrastructure Services
 J Manson, Executive Manager – Finance Services
 P Peterson, Executive Manager – Executive Services
 J Riise, Executive Manager – Governance and Law
 D Irvine, Economic Adviser – Energy Hub Project
 A Cogle, Team Leader – Administration
 P Wishart, Solicitor
 B Kerr, Communications Officer
 L Malcolmson, Committee Officer

Also:

A Spence, (Oil and Gas) Management Ltd
 E Mellor, Anderson Strathern
 M Tulloch, Oil and Gas Technology Centre
 G Newcombe, Newbyrne Consultants Limited

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

36/20 Energy Hub Project Progress Report

The Council considered a report by the Economic Adviser – Energy Hub Project (ISD-07-F) that presented an update on progress and plans in regard to the Energy Hub Project.

The Economic Adviser – Energy Hub Project introduced Martin Tulloch, Oil and Gas Net Zero Solutions Manager and Gunther Newcombe, former Director of Oil and Gas Authority who had completed 40 years in the Oil and Gas Industry, which included some time as Terminal Manager at SVT.

The Economic Adviser – Energy Hub Project introduced the report and advised that during the formative phase of the Project it was important to understand what options will work commercially and those that do not meet the commercial standard. He advised that the report sets out two essential future requirements, the first was moving to the formative phase where the ideas identified in the visioning exercise would be researched, tested and feasibility studies undertaken. The second essential requirement followed on from the seminar on 10 June 2020, where Councillors expressed a need to focus more effort on local objectives as opposed to working solely on industrial scale activity. He referred to Appendix 4 and advised that government funding was central to this work and that included Scottish Government, UK Government and HIE. The Economic Adviser – Energy Hub Project said that Officers would advance the necessary private sector commitment through the industry steering group which will be formed later in the summer. He advised that Councillors had expressed the need to focus on a local view, not just at industrial scale, and the delegated authority for this work was set out in paragraph 1.4. The Economic Adviser – Energy Hub Project said that there were links between the Energy Hub and the next item on the agenda, with a better prospect of attracting new business to Sullom Voe Terminal if there are Net Zero production methods and green credentials in place.

In responding to a question regarding the word “resources” referred to in paragraph 1.3, the Chief Executive advised that the Council has experienced officers within its employment that will be needed to prioritise this project.

Reassurance was sought in regard to Scatsta Airport, and the Chief Executive advised that studies were being undertaken including socio economic impact assessments to help understand what future services are required. She said that any consideration for redevelopment would be brought forward in due course. The question of whether a moratorium on any new activity that would affect Scatsta’s airspace was raised, and the importance of ensuring that the Scottish Government does not hamper the reopening of the airport until the impact of the Sullom Voe Hub Project is clear. The Chief Executive advised that Officers were opening the process for expressions of interest to establish what the airport may be used for in part, or in whole. She referred from conversations with Asset and Properties that no moves will be made that would prevent reuse as an airport and that included retaining low level work around the radio equipment, in order that it could be switched back on. She advised that Officers would be open to expressions of interest and she would bring, to the Council, what that exercise has produced. She added that, given the

Council does not own the whole site, that may limit what options there are in how it may be brought back to use.

In regard to representations for an LNG power station, the Chief Executive confirmed that a company had been in contact with the Council and she had sought details on how their model complies with Net Zero targets set by the Scottish Government. Some information had been provided but decisions by OFGEM around the interconnector were expected in the next few weeks.

In responding to a further question on the Community Energy Network and the format of future consultations, the Chief Executive explained that the normal format of consultation through drop in or public meetings was not possible at this time but Officers were looking at the technology to facilitate a participative approach through virtual public meetings.

In terms of Shetland's strengths in its position to become an Energy Hub, the Economic Adviser – Energy Hub Project explained that Shetland is ahead of other areas, but behind one or two. He said that it is critical that Shetland makes progress on the project now because setting the project aside for a month or two would affect the ability to attract government funding into the project, particularly if other areas have been successful in attracting funding to advance their projects. Therefore it was important to keep pace to remain ahead. He said that research was being done to identify any financial risks associated with the various options. He said that most of the risk associated with developing future projects will have to be taken by the major investors in those options which is likely to be the energy industry. There may be options for the Council to invest in and those would be advanced using the five case method.

The Economic Adviser – Energy Hub Project was asked if having the Clair field in the proposal would strengthen Shetland's position. He advised that there had been quite a bit of interest from oil and gas field operators to the West and East of Shetland. He said that those interests were being pursued and it was hoped that the Industry Steering Group would be formed in the middle of this month which would clarify the levels of industry commitments.

In responding to a question in regard to the timescales around the closure of the current power station by 2025 and the time that it will take to develop the energy hub given that some technologies do not even exist, the Chief Executive advised that the two issues are separate. She advised that the Council are not responsible for finding the solution for replacing our current power station. She said that area of work is going through Ofgem at the moment pending a decision in the next few weeks. She said that the Council is responsible for ensuring that no one forgets that we have an end of life power station that needs replacing urgently and the Council's job is to continue lobbying to reach a conclusion about its future. The Chief Executive explained that this project is about how Shetland secures the role of a future energy industry in Shetland for the economy of Shetland moving ahead. In terms of the energy network she explained that Shetland has a long standing issue with fuel poverty that requires a solution that is community based to tackle those issues. There has been some success through initiatives such as District Heating Scheme which has helped to tackle fuel poverty at community level but it was limited and could only support Lerwick. The community focused aspects of the Energy Hub are about finding other ways of tackling issues around the cost of energy and realising the benefits for Shetland from existing assets and new community scale developments.

Comment was made in regard to the one or two areas that are ahead of Shetland, and Officers were asked if any of those had received funding from the Scottish or UK Governments. Mr Tulloch, Oil and Gas Technology Centre (OGTC), confirmed that the two main hubs were Humberside and St Fergus and that Humberside would be the furthest advanced having received UK government funding. He said that no comparable project had yet received Scottish Government funding. He explained that if the UK want to get to a net zero target there would need to be 8 to 15 energy hubs across the country. He said that one of the OGTC's aims is to identify the technology that it will take to make the Shetland Hub work. Mr Tulloch added that the OGTC are aware of some project ideas and they had been approached by other regions for assistance but Shetland would be their sole focus at the moment.

During debate, Mr Cooper said that this project had started in January and he had nothing to add other than to support the project and he moved that the Council approve the recommendations contained in the report. Mr Coutts seconded.

The Leader commented that a lot had happened since January in the global sense and he had been impressed with progress to date. He said that this was a crucial project going forward but it was a project that the Council could not do alone but relied partnership working with the National Governments, Industry and the community. The Leader said that there needs to be significant community benefit around the hub concept which means jobs into the community and a future for all. He said that the Council does not have all the answers at this stage but it was interesting to see where the process leads. There are significant opportunities and the Council needs to be at the heart of the process to ensure all the "dots are joined up", given the complexity of the energy sector. He said that if the project progresses, he was confident that the energy project will benefit everyone into the future.

Decision:

The Council:

- CONSIDERED and COMMENTED on the information provided in the report and Appendices one to four, the Energy Hub Project (the Project) Summary, the Governance Arrangements for the Project, the Vision, Purpose and Values and the Formative Phase Scope and Budget.
- ENDORSED the actions taken by the Project Board and Project Team as detailed in paragraph 2.3, 2.4 and 2.5: and,
- CONFIRMED delegated authority for the Chief Executive to resource the Energy Hub Project until the completion of its Formative Phase.
- DELEGATED authority to the Chief Executive to undertake a range of consultations with local community, business and other relevant interests and develop proposals for a Shetland "Community Energy Network" as described at 2.6 – 2.10. That exercise, and any associated research, would be conducted in partnership with HIE. Findings and recommendations will be reported back to the Council and HIE board during the autumn.

(Ms Hawick, Mr Tulloch and the Press left the meeting).

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

37/20 **SVT – Clair Review – Progress and Next Steps**
The Council considered a report by the Director of Infrastructure Services that presented an update on progress and plans for next steps in regard to the SVT – Clair Review.

The Director of Infrastructure Services introduced the report and industry specialists provided updates on progress to date. There followed lengthy discussion, questions and debate and the Council noted the recommendations contained in the report.

Decision:

The Council noted the recommendations contained in the report.

The meeting concluded at 3.50pm.

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Chair