



Shetland Islands Council

MINUTE

A & B

Executive Committee
Council Chamber, Town Hall, Lerwick
Tuesday 21 March 2006 at 10.30 a.m.

Present:

A J Cluness	F B Grains
J A Inkster	J C Irvine
W H Manson	J G Simpson

Apologies:

W A Ratter

Also:

J Henry

In attendance (Officers):

M Goodlad, Chief Executive
B Doughty, Interim Head of Social Work
G Johnston, Head of Finance
C Medley, Head of Capital Programme Service
W Shannon, Head of Economic Development
G Spall, Executive Director Infrastructure Services
I Millar, Projects Manager
S Pearson, Service Manager – Safety and Risk
P Peterson, Performance Manager Co-ordinator
L Adamson, Committee Officer
A Cogle, Service Manager – Administration

Chairperson

Mr A J Cluness, Chairman of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Minute of Meeting held on 7 February 2006

The minute of meeting held on 7 February 2006 was confirmed, on the motion of Mr A J Cluness.

8/06

The Capital Programme – CPMT Report

The Committee noted a report by the Head of Finance (Appendix 1).

9/06

Housing Revenue Account: Financial Implications of Investment in New Housing Developments

The Committee considered a report by the Head of Finance (Appendix 2).

After hearing the Head of Finance summarise the report, Mr A J Cluness said that successive governments had failed to recognise Shetland's unique position, as result of construction of houses during the oil period, and it had been fully expected that the debt incurred at that time would be written off. Mr Cluness said the problem had been with the insistence of Government and Communities Scotland that local authorities should be removed from the social housing situation, and this was unwelcome in Shetland's case.

(Mr A Inkster attended the meeting.)

Mr Cluness went on to say that the clear message to Communities Scotland and the Scottish Executive was that the SIC would retain its houses where possible, and build whenever possible, to try to meet a huge demand locally. Mr Cluness said that, despite all of this, he welcomed the fact that this was not going to hinder essential repairs to Council housing.

(Mr W H Manson attended the meeting.)

The Committee noted the terms of the report.

10/06

General Fund Revenue Management Accounts 2005/06 for the Period 1 April 2005 to 31 December 2005

The Committee noted a report by the Head of Finance (Appendix 3).

11/06

Treasury Management Strategy Statement

The Committee noted a report by the Head of Finance (Appendix 4).

12/06

Future Management of the Miscellaneous Fund currently Managed by Henderson Global Investors

The Committee noted a report by the Head of Finance (Appendix 5).

Members agreed that Henderson Global Investors' performance had not been impressive, and that they were fortunate in being able to participate in this tendering process, due to their change in personnel.

13/06

Review of Expenditure on Toft and Ulsta Ferry Terminals

The Committee considered a report by the Head of Capital Programme Service (Appendix 6).

After hearing the Head of Capital Programme Service summarise the terms of the report, Mr J C Irvine said that concerns had previously

been expressed regarding the initial overspends, but recognised that the problem escalated due to changes and additions being made. He said he was satisfied that procedures were now in place to avoid this in the future and that, in the end, the Council received good value for what was decided.

Mr J G Simpson agreed, adding that the 'goalposts' had been changed so many times, but he was pleased to see that this was highlighted here, and that lessons had been learned.

Mr A Inkster said that whenever a tendering process was embarked on and submission were received, it was all based upon the best information available at the time, but things can, and do, change. He said that there was no blame on the staff, as it was a difficult situation, but it highlighted the importance of sticking to a design brief and not changing it. In such situations, Mr Inkster said that contractors would exploit the contract changes, and whilst there was perhaps an element of that in this instance, it was not wrong, and an arbiter situation would find in favour of the contractor.

Mr Inkster went on to reiterate that the staff were not to blame, he raised concerns regarding the development of qualifications and expertise for technical staff, and said that it was important for staff to undergo Continuing Professional Development (CPD) training, as this was unlikely to be a one-off situation, and could recur.

The Chief Executive commented that this project had been initiated when the Council had a devolved and fragmented approach to projects, but this had improved with the designation of the Capital Projects Unit, and the resources were being developed, although it had to be recognised that there would be costs associated with increased training and expertise.

The Head of Capital Programme Service confirmed that whilst there was a shortage of resources, there was plenty of experience and degrees amongst technical staff, but it was acknowledged that chartered status was needed, and staff were working towards achieving that. He also confirmed that a programme for structured CPD into the future was also being developed.

In response to a question from Mr A J Cluness, the Committee noted that problems had been experienced because of the cost uncertainties which resulted in delayed consideration of the Fetlar Breakwater. Accordingly, the Head of Capital Programme Service advised that, following the completion of a Project Initiation Document, the Fetlar Breakwater project would have to progress through the CPMT process and the Council.

The Committee considered a report by the Head of Finance (Appendix 7) and after hearing the Head of Finance summarise the report, Members accepted its terms.

- 15/06 **Principles and Weighting for the Selection of Capital Projects and Future Programming**
The Committee considered a report by the Head of Capital Programme Service (Appendix 8) and after hearing a summary of the report, endorsed the recommendations contained therein.
- 16/06 **Statutory Performance Indicators (2004/05) – Comparative Analysis**
The Committee noted a report by the Head of Organisational Development (Appendix 9).
- 17/06 **Interim Policy on the Management of Smoking at Work**
The Committee approved the terms of a report by the Safety Manager, on the motion of Mr J C Irvine, seconded by Mr J G Simpson.
- 18/06 **Forum Notes – Environment and Transport Forum – 28 February 2006; and Social Forum – 2 March 2006**
The Committee noted the minutes of the above meetings.

Some discussion took place concerning issues raised at the Infrastructure Committee on 14 March, which had been discussed earlier at the Environment and Transport Forum, particularly with regard to the consultation on a Marine National Park. Mr Irvine suggested that it would be beneficial for Forum minutes to be presented also to the Services and Infrastructure Services Committees. The Committee agreed, whilst noting that the timing of the Forums would not always permit this. It was also noted that it was the responsibility of lead officers to ensure that comments and discussion at Forum meetings were incorporated in their reports to the Committees.

The meeting concluded at 11.25 a.m.

A J Cluness
Chairperson