

# MINUTES

# B - PUBLIC

**Shetland Islands Council**  
**Council Chamber, Lower Hillhead, Lerwick**  
**Wednesday 13 December 2023 at 10.00am**

## **Present:**

A Armitage	A Duncan
J Fraser	C Hughson
D Leask	S Leask
M Lyall	E Macdonald
R McGregor	A Manson
N Pearson	B Peterson
L Peterson	G Robinson
D Sandison	I Scott
A Wenger	

## **Present (remote link):**

T Morton	R W Thomson
R Thomson	

## **Apologies:**

D Anderson	C Smith
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## **In Attendance (Officers):**

C Ferguson, Director of Corporate Services  
N Grant, Director of Development Services  
J Smith, Director of Infrastructure Services  
T Coutts, Executive Manager – Economic Development  
J Cunningham, Executive Manager - ICT  
P Fraser, Executive Manager – Finance  
A Inkster, Executive Manager – Ferry & Airport Operations  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Assets, Commissioning and Procurement  
J Sutherland, Executive Manager – Children's Social Work  
C Symons, Executive Manager – Environment & Estate Services  
K Allan, Team Leader – Asset & Properties  
C Ferguson, Team Leader – Climate Change Strategy  
J Simpson, Team Leader – Energy Efficiency  
T Anderson, Property Manager  
M Duncan, External Funding Officer  
B Kerr, Communications Officer  
L Shearer, Programme Manager – Inter-Island Transport Connectivity  
S Spence, External Programmes and Policy Officer  
P Wishart, Solicitor  
L Adamson, Committee Officer  
L Geddes, Committee Officer

## **Also in Attendance:**

J Campbell, Audit Glasgow (remote link)  
E Mellor, Anderson Strathern

## **Chairperson**

Ms Manson, Convener of the Council, presided.

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, remote attendance and participation by Members during the meeting was permitted.

### **Circular**

The circular calling the meeting was held as read.

### **Declarations of Interest**

Ms Peterson advised that she would declare an interest in Agenda Item 14 “Energy Developments Overview” and Agenda Item 15 “Scatsta Lease – Heads of Terms” at the appropriate time.

Mr Pearson declared an interest in Agenda Item 3 “Scottish Recommended Allowance – Kinship Care and Foster Care” as his partner was a kinship carer.

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### **Minutes**

The minutes of the meeting held on 27 September 2023 were confirmed on the motion of Mr Peterson, seconded by Mr Sandison.

The minutes of the meeting held on 3 October 2023 were confirmed on the motion of Mr Pearson, seconded by Ms Peterson.

### **74/23 Policy and Resources Committee – Chair’s Addendum:**

#### **SIC Overall Management Accounts 2023/24 Projected Outturn at Q2**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding the SIC Overall Management Accounts 2023/24 - Projected Outturn at Quarter 2 report (F-36-23-F).

Ms Macdonald, Leader, outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendations in the report be approved.

Mr Fraser seconded.

### **Decision:**

The Council RESOLVED to:

- NOTE the Management Accounts showing the overall projected outturn position at Quarter 2 as set out in Appendices 1-9

- NOTE the financial progress on Service Reviews, Vacancy Factor and 1% Savings, details set out in Appendices 1,4 and 5
- APPROVE the virements and re-profiling of budgets in line with the variance analysis set out in Appendix 4 to cover over/underspends as identified and reprofiling of budgets for expenditure due only to occur in future years in line with the process as set out in paragraph 4.14
- APPROVE the adjustments to the 2023/24 budget to reflect the additional funding offered to the Council, as set out in Appendices 6 and 8.

**75/23 Policy and Resources Committee – Chair’s Addendum:**

**Non Domestic Rates Empty Property Relief**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding approval of the Shetland Islands Council Discretionary Rural Rates Relief Policy (F-43-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, advising that there was an error in the report title which should instead read “Rural Rates Relief”.

In response to questions, the Executive Manager – Finance advised that 52 of the 57 properties referred to belonged to the Council, and the scheme allowed 75% of the rates to be offset for these. The Council would pick up the 25% cost for the remaining five properties which were not eligible, but would not be paying 75% of the costs for the other 52 properties. The Council had actively moved businesses on to the Small Business Scheme, but there were certain businesses that did not fit into this category.

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

**Decision:**

The Council RESOLVED that the Shetland Islands Council Discretionary Rural Rates Relief Policy be APPROVED as outlined in section 4.12 of the report.

*(Mr Pearson left the meeting)*

**76/23 Policy and Resources Committee – Chair’s Addendum:**

**Scottish Recommended Allowance – Kinship Care and Foster Care**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding the implementation of the Scottish Recommended Allowance for kinship and foster carers (CS-34-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendations in the report be approved.

Mr Sandison seconded.

**Decision:**

The Council RESOLVED to:

- APPROVE the implementation of the Scottish Recommended Allowance for kinship and foster carers, as set out at Section 4.6 and 4.7 of this report
- NOTE that future Fostering and Kinship Allowance rates will be agreed via the Council's budget setting process.

*(Mr Pearson returned to the meeting)*

77/23 **Policy and Resources Committee – Chair's Addendum:  
Shetland Museum Service Collections Policy 2023-2028**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding the draft Shetland Museum Service Collections Policy 2023-2028 (DV-34-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendations in the report be approved.

Mr Peterson seconded.

**Decision:**

The Council RESOLVED to:

- APPROVE the draft Shetland Museum Service Collections Policy 2023-2028
- In respect of Section 10.3 of the Collections Policy, DELEGATE authority to the Director of Development Services, or his nominee, to approve any acquisitions which have specific storage requirements or are of a value exceeding £5k, in consultation with Shetland Amenity Trust and the Executive Manager – Assets Commissioning & Procurement, or his nominee.

78/23 **Policy and Resources Committee – Chair's Addendum:  
Asset Investment Plan - Progress Report**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding the progress of the projects within the Asset Investment Plan (ACP-13-23-F).

The Leader, outlined the discussion that had taken place at the Policy and Resources Committee, advising that there had been some discussion in relation to the A970 Levenwick Road Improvements project. She also highlighted the addition that had been made to the report since that meeting.

The Director of Infrastructure Services responded to questions in relation to the A970 Levenwick Road Improvements project, and Members noted the following:

- There were particular arrangements in place regarding large loads and outsize vehicles. Further information would be sought from the Roads Service and supplied to Members regarding current vehicle width restrictions, both with and without mirrors.
- The business case for options to upgrade the road were being investigated, and the project was being kept under review. A possible option had emerged for a new

design with a crash barrier and a range of options were being considered in the business case, including widening the road. This would not change the full scheme and associated timetable, but staff were looking at opportunities these changes might have for earlier works and funding implications. It may be possible to bring these forward in an updated Asset Investment Plan. It was possible that some smaller scale works could be accommodated and proceed within the capital maintenance programme until comprehensive works were affordable. This would be brought back for evaluation and the decision would still sit with the Council.

- It was not possible to indicate if funding was likely to be available for the full project. The draft Asset Investment Plan 2024/5 was currently being prepared and would be presented in March. Any projects currently unfunded would be considered as part of that process.

During the discussion that followed in relation to this particular project, reference was made to a recent media article regarding concerns expressed around the road width, and representations received regarding the desire for the road to be widened. It had been suggested that speed limits or a temporary crash barrier would not address the dangerous situation, and that the Council had a duty to ensure people's safety and do everything possible to bring the main road to Sumburgh Airport up to modern standards. The Council was asked to reaffirm its commitment to widening the road, and officers were requested to progress the project and identify funding options without delay so that a final business case could be brought forward as soon as possible. It was noted that the width was an issue for agricultural vehicles and machinery - which were very important to the south mainland and Shetland economy - and that the road was the main route to the airport. There had also been four deaths on the road and a number of accidents and incidents, so it was suggested that the correct solution would be to widen the road.

The Chair pointed out that a report would be coming back to the Council on the project. It was not being suggested that the longer-term improvements would not be made, but instead that short-term improvements could be made until it was possible to get the road widened.

It was noted that the most significant issue was the road width, particularly for larger vehicles. There would be a significant opportunity to reduce this danger by widening the road but there were also opportunities to reduce the danger for smaller vehicles. A speed limit and crash barriers would help the situation regarding smaller vehicles, and this was something that could be done in a shorter period of time. If there were opportunities for mitigating works on the most dangerous stretches of the road, these opportunities should be taken up. It was also pointed out that there were areas of road south of Levenwick that would also require widening.

The efficacy of introducing a speed limit was questioned, given that there were already many signs on the road and the vehicles that were experiencing challenges were unlikely to be going beyond the speed limit.

The efforts and work by officers in relation to the retaining wall in St Olaf Street was acknowledged.

Disappointment was expressed that there was a further delay to the production of the Full Business Case for the Cullivoe road, given that it was the Council's highest priority project. It was requested that the report came forward at the earliest opportunity.

It was also noted that there were road safety issues and road widening required on the west side. This was particularly pertinent in respect of the Haggersta/Cova bend where there had been some near misses with buses, and Walls, where the roads were used by larger vehicles required for the salmon industry.

Given that there were many projects that had been identified, and no other options for funding other than reserves, it was suggested that the Council would have to decide on its priorities for the future. It was noted that not only were there budget constraints, but also constraints on the capacity to deliver projects.

On the motion of Ms Macdonald, seconded by Mr Peterson, the Council approved the recommendation in the report.

**Decision:**

The Council RESOLVED to:

- NOTE the progress of the projects within the Asset Investment Plan
- APPROVE the additional capital budget requirements for updated projected outturn spend in 2023/24 since approval of the 5 Year Asset Investment Plan 2023-28 described at section 4.7
- APPROVE the Business Justification Case attached as Appendix 6 to the report.

79/23 **Policy and Resources Committee – Chair’s Addendum:**  
**ICT & Digital Strategy 2023-28**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding approval of the ICT & Digital Strategy 2023-28 (CRP-32-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendation in the report be approved.

Mr Pearson seconded.

**Decision:**

The Council RESOLVED to APPROVE the ICT & Digital Strategy 2023-28.

80/23 **Policy and Resources Committee – Chair’s Addendum:**  
**Whistleblowing Arrangements**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding approval of the Whistleblowing and Response Policy (CRP-30-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendation in the report be approved.

Mr Duncan seconded.

Members commented that the Policy was welcomed.

**Decision**

The Council:

- CONSIDERED the information presented in this report and the draft Whistleblowing and Response Policy attached at Appendix 1
- CONSIDERED the views and decisions of the Audit Committee and of Policy and Resources Committee in this regard
- RESOLVED to APPROVE the Whistleblowing and Response Policy.

**81/23 Shetland Islands Council Coastal Communities Fund**

The Council considered a report by the Executive Manager – Economic Development (DV-48-23-F) regarding Coastal Communities Fund (CCF) approvals.

The Executive Manager – Economic Development summarised the main terms of the report, and outlined the approval required in respect of the Burra Public Hall. He also advised that the Development Committee now had delegated authority to approve grants, but as application deadlines and meeting schedules had been set to coincide with Council meetings, reports would continue to be presented to the Council for the remainder of the financial year.

*(Mr Fraser declared an interest as a member of Lerwick Boating Club, and left the meeting)*

On the motion of Mr Sandison, seconded by Mr Peterson, the Council approved recommendation 1.1 of the report.

After hearing the Executive Manager – Economic Development outline the application in respect of Fetlar Community Association, Ms Macdonald moved that the Council approve recommendation 1.2 of the report, and Mr D Leask seconded.

The Council noted the delegated approvals made under the CCF at Appendix 1 to the report.

The importance of local halls to their communities and the burdens in accessing funding to keep up to date with maintenance was emphasised.

**Decision:**

The Council RESOLVED to:

- APPROVE a grant of up to £69,702 to Burra Public Hall to upgrade toilet facilities
- APPROVE a grant of up to £100,000 to Fetlar Community Association to upgrade the roof of the Fetlar Hall
- NOTE the delegated approvals made under the Coastal Communities Fund (CCF) at Appendix 1.

*(Mr Fraser returned to the meeting)*

82/23 **Inter-island Transport Connectivity Programme**

The Council considered a report by the Director of Development Services (DV-49-23-F) presenting an update on the Inter-island Transport Connectivity Programme.

The Director of Development Services summarised the main terms of the report, advising that the intended procurement approach to appoint a consultant to deliver the Strategic Business Case and Outline Business Case was set out in the report for agreement.

Responding to questions, the Programme Manager – Inter-Island Transport Connectivity advised that the tender documents relating to the procurement approach for the business cases would be ready in January, and it was hoped to have a consultant appointed by Easter.

The progress was noted and welcomed, but the need to move forward quickly was emphasised, given that it was already nine months into the financial year.

On the motion of Mr Peterson, seconded by Mrs Lyall, the Council approved the recommendations in the report.

**Decision:**

The Council RESOLVED to:

- NOTE the progress that is being made on the Inter-island Transport Connectivity Programme
- AGREE with the intended procurement approach set out in this report to appoint a consultant to deliver the required Strategic Business Case and Outline Business Cases.

83/23 **Climate Change – “SIC Climate Change Strategy and Action Plan”**

The Council considered a report by the Team Leader - Climate Change Strategy (ES-03-23-F) presenting the Shetland Islands Council Climate Change Strategy and Action Plan.

The Team Leader - Climate Change Strategy summarised the main terms of the report, advising that while it was not yet mandatory for local authorities to produce a strategy and action plan, the Scottish Government had recently accepted recommendations put forward to that effect so it would become compulsory. Having a well-planned strategy and action plan increased the chances of leveraging in external funding, and she advised that the Council had recently been successful in securing £4.9 million for a joint decarbonisation project with Orkney, including the implementation of a pilot energy and transport hub in Brae. This was an example of how the strategy would help the Council move forward from the strategic phase to implementation, and begin trialling pilot projects to consider what would work best locally.

The Team Leader – Climate Change Strategy then responded to questions, and Members noted the following:

- The Scottish Government had not yet provided any additional funding to assist with the proposed statutory requirements for reporting. It had asked local authorities to



set up Net Zero frameworks to ensure that they had plans and strategies in place, and what had been done to date would address everything that had been asked of the Council so far.

- The strategy focused on what the Council could do regarding organisational emissions, but also looked to support action in the community. A Shetland Climate Change Strategy was currently being developed by the Shetland Partnership, and this would have a wider focus and include peatland restoration. The Council was a significant landowner in Shetland and there were still a lot of investigative works required around peatland and how to reduce emissions in that area. This was set out within the actions in the report, and there were strategic objectives around peatland and peatland restoration which would require working in partnership with other organisations.
- The Council was ahead of the game and the Scottish Government had requested a potential case study on the framework that had been built up. The Council's Net Zero route map gave a good dataset, and a systems approach had been used to pull together the Strategy and the Action Plan. Resources had been put into the Climate Change team, recognising that it was a Council-wide strategy that was needed, and the Council's performance management system would be used to record actions.
- Scope 3 emissions covered everything from the supply chain, procurement, and resources used as a local authority. Scope 1 and 2 emissions covered electricity and fuel used as an organisation. It had been recognised that it was important for local authorities to look at what they had most control over - namely Scope 1 and 2 emissions - and this had been considered in a significant amount of detail. There were actions in the Action Plan regarding Scope 3 emissions. As other local authorities had not yet gone into that detail, consideration of the methodology would take quite a bit of effort. The Plan therefore pushed this back a couple of years in order to get more detail and clarity on the methodology.
- Consideration could be given to including further classification within Pentana regarding how consequential each action was in assessing progress. Progress was currently structured around the overarching aims and the strategic objectives; the Net Zero route maps; and guidance from the Scottish Government and Audit Scotland. A systems logic model and approach had been used, so all actions had key performance indicators (KPIs), outcomes, timelines, and an allocated lead officer. Those actions worked towards the strategic objectives, and the KPIs helped measure the impact and keep the action plan as a live document. The Annual Report proposed a 'top ten' of climate projects to be agreed each financial year, but the action plan was holistic and covered everything that would be required from an audit and best practice point of view.
- There were no specific figures around the resources required to commit to the 2040 ambitious pathway model, but it would need resourcing and funding. It was a requirement that would need to become part of 'business as usual' for all service areas. There were a lot of actions in the Strategy, but not all were new and already sat within service plans. It was important to bring these together and recognise that they all contributed to the Council's climate goals. Where things did tend to cost additional money, it came from 'whole life' costs. It was often the case that these would require more capital spend upfront – for example, energy efficiency works.

There would be economic savings over time as operational costs reduced and the majority of actions in the Action Plan would lead to economic savings over time.

- Having data, a planned approach, and bodies like the Shetland Peatland Partnership, made it easier to highlight the extent of the challenge around peatland restoration. Doing the work on the Strategy, having the data, and linking up with other areas such as the Western Isles which had similar issues, helped to raise awareness of the extent of the challenge.
- There were actions in the Strategy relating to how the Council could play a part and work with partners in projects relating to peatland restoration. Projects were starting to take place which would assist in looking at the long time management requirements or benefits for crofters. Change was required to reduce emissions, so there was a need to carry out pilot projects and demonstrations to properly understand what the benefits and consequences would be locally rather than relying on central belt solutions. The Council was well-placed to gain this understanding.
- All actions in the Action Plan were recorded on Pentana and would be included in quarterly reporting mechanisms. The annual report would include a wider analysis.

During the discussion that followed, the need to secure funding from the Scottish Government to achieve goals was emphasised, particularly with regard to the emissions related to transport locally which would require fixed links to help resolve. Higher support payments would also be required for the crofting and farming community for peatland restoration, as only a small proportion of agricultural funding was making its way in to this area. The data in the report would assist with the political pressure that would be required.

The Action Plan was welcomed, and the benefits of the actions focusing on carbon reduction for the community were highlighted. It was suggested that it was important to balance the needs and priorities of different sectors, and that local community needs and priorities must be kept in balance with potential energy development in future. The energy sector should not be allowed to dominate to the detriment of people's desire to visit and live in Shetland.

Concern was expressed regarding the suggested potential rating of how actions were addressing progress, as it was felt that this would lead to subjectivity being brought into reports. However it was suggested that officers were instead being asked to identify actions that would give better progress towards the outcomes. It was further suggested that there was a need to prioritise actions that would reduce carbon while helping the people of Shetland - such as prioritising insulation of homes and low cost energy supplies.

Dr Armitage moved that the Council approve the recommendations in the report, and Mr S Leask seconded.

**Decision:**

The Council:

- APPROVED the Shetland Islands Council Climate Change Strategy 2023 – 2027
- APPROVED the associated Shetland Islands Council Climate Change Action Plan

- APPROVED the framework for monitoring and reporting on progress on climate action.

*(The meeting adjourned at 11.55am and reconvened at 12.10pm)*

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

**Members online confirmed to the Convener that there were no other persons present able to hear or record the proceedings.**

**84/23 Policy and Resources Committee – Chair’s Addendum:**

**Office Productivity and Collaboration Suite Business Justification Case**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding an Office Productivity and Collaboration Suite Business Justification Case.

The Leader outlined the discussion that had taken place at the Policy and Resources Committee, and went on to move that the recommendation in the report be approved.

Mr Pearson seconded.

**Decision:**

The Council APPROVED the recommendation in the report.

**85/23 Policy and Resources Committee – Chair’s Addendum:**

**Gigabit Fibre to slow-link School Sites Business Justification Case**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding the Business Justification Case for Gigabit Fibre to slow-link School Sites (CRP-34-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee.

The Executive Manager – ICT responded to questions from Members.

On the motion of Ms Macdonald, seconded by Mr Peterson, the Council approved the recommendation in the report.

**Decision:**

The Council APPROVED the recommendation in the report.

**86/23 Policy and Resources Committee – Chair’s Addendum:**

**Tingwall Airport Staffing**

The Council considered an Addendum setting out the recommendation of Policy and Resources Committee regarding staffing at Tingwall Airport (PH-15-23-F).

The Leader outlined the discussion that had taken place at the Policy and Resources Committee.

The Executive Manager – Ferry & Airport Operations responded to questions from Members.

After some discussion, the Council approved the recommendation in the report on the motion of Mr Leask, seconded by Mr Fraser.

**Decision**

The Council APPROVED the recommendation in the report.

*(Ms Peterson declared an interest in the following two items due to relatives with land interests in areas subject to potential renewable energy developments, and left the meeting).*

87/23 **Energy Developments Overview**

The Council considered a report by the Director of Infrastructure Services.

*(Mr Ryan Thomson left the meeting during the following discussion)*

The Director of Infrastructure Services summarised the main terms of the report and responded to questions from Members.

Following discussion, Members agreed to note the report.

**Decision:**

The Council RESOLVED to NOTE the report.

88/23 **Scatsta Lease – Heads of Terms**

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement.

The Executive Manager – Assets, Commissioning and Procurement introduced Mr Euan Mellor, Anderson Strathern, who gave a presentation to Members.

*(Mr Pearson left the meeting during the following presentation)*

Mr Mellor gave a presentation to Members and responded to questions, along with the Executive Manager – Assets, Commissioning and Procurement.

Mrs Lyall proposed that an alternative recommendation be approved, and Mr Peterson seconded.

Mr Robinson moved that the recommendations in the report be approved, and Ms Macdonald seconded.

*(Mr D Leask and Mr Sandison left the meeting during the following discussion)*

After some discussion, and with the consent of her seconder, Mrs Lyall amended her motion and, with the consent of his seconder, Mr Robinson withdrew his amendment.

**Decision:**

The Council APPROVED an amended recommendation.

The meeting concluded at 2.45pm.

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Chair