



MINUTE

A & B

**Executive Committee
Council Chamber, Town Hall, Lerwick
1 February 2007 at 10.30 a.m.**

Present:

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

In attendance (Officers):

M Goodlad, Chief Executive
G Johnston, Head of Finance
G Spall, Executive Director, Infrastructure Services
C Medley, Head of Housing and Capital Projects
J R Smith, Head of Organisational Development
H Tait, Management Accountant
A Cogle, Service Manager - Administration

Chairperson

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

Circular

The circular calling the meeting was held as read.

Minute

The minute of meeting held on 5 December 2006, was confirmed.

Minute

The minute of meeting held on 5 December 2006, was confirmed.

01/07 **General Fund Revenue Estimates and Council Tax Setting
2007/08**

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

After hearing the Head of Finance summarise the terms of the report, Mr W H Manson said he was quite happy with the figures in the report, and agreed with the course of action being proposed in paragraph 4.2.3 in attempting to reduce the level of underspending. However, Mr Manson referred to paragraph 4.2.4, and questioned whether this level of control was what was required.

The Chief Executive responded by saying that there had been an historical tendency to submit budgets to departments upon which a ceiling had been set, normally the status quo plus inflation. However, he said that the proposal was now to go back to zero based budgeting, and set budgets according to Council policy, and seek comments from Budget Responsible Officers as to whether their service objectives can or cannot be met.

Mr W N Stove referred to comments regarding underspending of budgets due to staffing, and suggested that a percentage should be set to cover the administration and filling of vacancies. Referring to paragraph 5.4, Mr Stove said that he welcomed the move to three-year budgeting for the voluntary sector. Regarding the £1.9m Reserve Fund grant to the NAFC Marine Centre, Mr Stove asked what the Shetland Development Trust would do with the £1.9m if it was not going to meet that deficit grant next year.

The Head of Finance advised that the surpluses on the SDT were paying for the NAFC Marine Centre, but the SDT were not anticipating generating those surpluses, and the background to that would be reported to the SDT. Mr A J Cluness advised that 4 members of the Committee were Trustees of the NAFC, and this matter would be discussed at full Council.

The Committee otherwise accepted the terms of the recommendations to be forwarded to the Council, on the motion of Mr J C Irvine, seconded by Mr W N Stove.

Minute
02/07

Housing Revenue Account (HRA) Estimates and Charge Setting 2007/08

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

After hearing the Head of Finance summarise the terms of the report, Mr W A Ratter said that the accounts were in a creditable position, and that the management of housing stock and budgets should be congratulated for their efforts. He said that the Council was fairly unanimous in the view that the Scottish Executive should engage properly on the issue of the Housing debt.

Mr A Inkster said he welcomed the proposals in the report with regard to the building of additional housing, but asked on what basis the tenants would have a right to buy. The Head of Housing advised that tenants would have the right to buy, based on current legislation relating to the cost of the building.

The Committee approved the recommendations contained in the report, on the motion of Mr W A Ratter, seconded by Mr W N Stove.

03/07

Treasury Management Strategy Statement 2007/08

The Committee considered a report by the Head of Finance (Appendix 3) and approved the recommendations contained therein, on the motion of Mr A J Cluness, seconded by Mr W H Manson.

04/07

Community Councils – Financial Position

The Committee considered a report by the Head of Finance (Appendix 4) and adopted the recommendations contained therein, on the motion of Mr W A Ratter, seconded by Mrs F B Grains.

05/07

2005/06 Statutory Performance Indicators – Comparative Analysis

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

Mr W H Manson noted that the report was being submitted to the Scrutiny Committee, but said it was important that any areas identified with problems should be referred to the Executive Committee, and not left for the Scrutiny Committee.

06/07

Environment and Transport Forum – 6 December 2006

The Committee noted the minute of the aforementioned meeting (Appendix 6).

A J Cluness
CHAIRMAN