



Shetland Islands Council

MINUTE

A

Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Thursday 8 February 2007 at 10.30 a.m.

Present:

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

Apologies

G G Mitchell	W Tait
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In attendance (Officers):

M Goodlad, Chief Executive
W Shannon, Assistant Chief Executive
B Doughty, Executive Director – Education and Social Care
G Spall, Executive Director – Infrastructure Services
M Craigie, Head of Transport
C Ferguson, Head of Community Care
N Grant, Interim Head of Economic Development
G Johnston, Head of Finance
I McDiarmid, Head of Planning
C Medley, Head of Housing/Capital Programme Service
J Riise, Head of Legal and Administration
J Smith, Head of Organisational Development
B Hill, Acting Divisional Manager, Legal Services
M Holmes, Coastal Zone Manager
B Robb, Acting Senior Assistant Accountant
H Tait, Management Accountant
N Watt, Sport and Leisure Services Manager
A Cogle, Service Manager – Administration

Also

P Dryburgh, Director – NAFC Marine Centre
N McDougall, Interim General Manager - SDT

Chairperson

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

Circular

The circular calling the meeting was held as read.

3/07 **Obituary – Mr Ian Millar**

All those present in the Council Chamber stood whilst the Convener paid tribute to Mr Ian Millar, former Projects Manager with the Council.

Mr Cluness said that very soon after taking early retirement, Mr Millar had been diagnosed with cancer, and had regrettably died very suddenly thereafter. Mr Cluness said that Mr Millar had been a well respected member of staff who would be missed. Mr Cluness moved that the Council record its regret at his passing, its appreciation of his service, and that an extract of the minute be sent to his family.

The Council unanimously concurred.

4/07 **Shetland Islands Council – 13 December 2006 and 12 January 2007**

The minutes of meetings held on 13 December 2006 and 12 January 2007 were confirmed, on the motion of Mr A J Cluness.

5/07 **Members Attendance at External Meetings**

The following Members provided details of attendance at external meetings relating to Council business, further details of which can be obtained from the Members concerned:

J G Simpson	Fisheries Council, Brussels Environment and Rural Development Committee, Edinburgh
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B P Gregson	NFLA AGM
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L Angus	Meeting with Head of Scottish Executive European Department and Head of State Aid – Glasgow and Edinburgh
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L Angus J G Simpson	Motorway of the Sea Conference, Kirkwall
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F A Robertson	CoSLA Executive Committee - Development and Planning
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6/07 **Infrastructure Committee – 23 January 2007**

Except as undernoted, the minute of the aforementioned meeting was confirmed, on the motion of Mr J C Irvine.

Min. Ref. 01/07 – Bressay Bridge Update

The Council noted, in the final paragraph, that the Chief Executive would undertake consultation with the Convener or Vice-Convener.

7/07 **Services Committee – 25 January 2007**

The minute of the aforementioned meeting was confirmed, on the motion of Mrs F B Grains.

8/07 **(1) Executive Committee; and (2) Executive Committee - Economic Development – 1 February 2007**

The Council confirmed the minutes of the aforementioned meeting, on the motion of Mr A J Cluness and Mr W A Ratter.

9/07 **Planning Sub-Committee – 8 November 2006**

Except as undernoted, the minute of the aforementioned meeting was confirmed, on the motion of Mr F A Robertson.

2. 2006/242/PCO, 2006/243/PCO, 2006/244/PCO - Erect 3 dwellinghouses and access (in outline), Catfirth, Nesting by Mr Wilbert Sharp

Mr Angus referred to page 4, paragraph 4, second sentence, and explained that this should be amended to state that: *“All of the recent developments in the Nesting area were ribbon development, and if ribbon development had not been allowed there would be no Council housing.”*

10/07 **Harbour Board – 11 January 2007 and 1 February 2007**

Except as undernoted, the minute of the aforementioned meeting was confirmed, on the motion of Mr J G Simpson.

Min. Ref. 04/07 – Ports Project Monitoring Report – Tug Replacement Programme

Mr Simpson indicated his intention to raise this matter at the end of the meeting, as the matter contained exempt information.

11/07 **Marine Development Sub-Committee – 20 December 2006 and 26 January 2007**

Except as undernoted, the minute of the aforementioned meeting was confirmed, on the motion of Mr W H Manson.

12/07 **Reduction of General Fund Revenue Budgets 2006/07 - Charges for Community Care Services**

The Council considered a report by the Head of Community Care (Appendix 1).

The Executive Director – Community Services summarised the terms of the report, highlighting the recommended options in section 4.

Mr C B Eunson said that he noted the content of the report, and the recommendations that were being made, but said that his intention would be to move against the proposals. He said that he saw no reason why pensioners should be charged, and suggested that the Charitable Trust could take care of their needs. Accordingly, Mr

Eunson moved that the Council throw out this report completely. Mrs I J Hawkins seconded.

Mr J P Nicolson referred to paragraph 3.8 of the report, which stated that the community care service “is finding it increasingly difficult to meet the demands for community care services. The service provided for some clients has been reduced on review in order to meet higher priority needs elsewhere.” Mr Nicolson said the Council had to find some means of directing funds to where the need is greatest. He said it had been made clear this was not just a shortage of financial resources. Mr Nicolson went on to refer to paragraph 4.2, and said that this was a priority issue where, for example, clients in supported accommodation and outreach settings, are charged up to the benefits they receive, but those in care at home are not being charged at all. He said that it was also a question of equality, and having listened hard to the Executive Director, Mr Nicolson said he would be supporting the direction proposed.

Mr L G Groat said that he had sympathy for both cases being put forward. Referring to Mr C B Eunson’s motion, Mr Groat said that although he accepted what he said, it could result in people not getting the care required, as they would be prioritised because there was not the staff available to do all the work. He said it was clearly a dilemma and a difficult one to resolve.

Mrs B Cheyne said that she also had some sympathy with Mr Eunson’s motion, but said that she would support option 2, namely to not charge for personal care for any client, regardless of age or type of tenure.

Mr W A Ratter said that Shetland had a privileged community which should be looked after, but human resources had to be applied to those in greatest need.

Mr A Inkster said he also had some sympathy the views of Mr Eunson, and agreed that people should not be charged for the services received. Mr Inkster went on to say that he noticed that at £4 per hour, multiplied by 750 users, would raise a total income of £156k. However, if additional staff were recruited, this would cost £67k, leaving £90k, which he said was a miniscule amount, and the Council should not be pursuing it further.

The Executive Director Community Services advised, for clarity, that there would only be a need to employ additional staff if the Council opted for option 4, to introduce charges for Personal Care for all adults up to age 65 irrespective of type of tenure. He added that the charge of £4 per hour, would not require the Council to undertake any kind of financial assessment.

Mr L Angus said there was increasing number of elderly people needing services, and he was of the view that the Council was not planning strategically for this. Mr Angus said there had to be a shift in

resources, and the Council were in full knowledge of where that had to come from. He said that these proposals illustrated how the Council was focussing on vulnerable people in the community to raise a minimal amount of money, however the Council had to take a decision. Mr Angus said that he could have more sympathy with Mr Eunson's motion if he included where he thought the money should come from, for example, for the Council to make a request to the Charitable Trust to fund the matter until it got sorted. He added that the Council's first mistake had been to agree to a 5% cut across the board.

Mrs I J Hawkins sought clarification from Mr Eunson that his motion would mean that there would be no charges for anybody. Mr Eunson confirmed this.

Mr J P Nicolson moved that the Council approve recommendations 8.1, 8.2, Option 4 of 8.3, and 8.4 and 8.5. Mr W N Stove seconded.

Mrs B Cheyne gave notice of a further amendment.

Mr L Angus gave notice of a further amendment.

Mr F Robertson said that if there was to be a reduction in the amount of funding coming in, there would have to be prioritisation of the services. He said that if Mr Eunson could recommend a source of plugging the gap, that would be some sort of answer for that reduction.

Mr B P Gregson said there seemed to be little distinction between thinking on personal care and domestic care. He said that personal care was a degree more significant and important in terms of people's ability to be maintained in their homes, rather than domestic care. However, he said that it could also be very important. Mr Gregson went on to say that he felt that there was a tremendous opportunity to go back to where things were in the past, where domestic care was done by friends, neighbours and relatives. He asked if there was any potential for any of the elements of social work services to be done by volunteers, such as the WRVS, rather than by trained social workers.

In summing up, Mr J P Nicolson said he had sympathy for the point that Mr Eunson was making. He said the rationale was easy to understand, but it did not go far enough as to how it would meet the shortfall. He said it was often the view that the Council had plenty of money and whilst that may be true, it was misleading, as it was all committed. Mr Nicolson said that to take on additional burdens would mean that by 2016 the Council's reserves would be depleted. He said that sustainability was very critical, and the Council had to learn to respond to where the need is greatest. Mr Nicolson concluded by saying that, given the reality of the situation, the motion in its present form would threaten the position of the most vulnerable.

Mr C Eunson said that the Council had an excellent set up of care homes. He said that individual's finances were taken into

consideration, and with charges of £400 per week, when their money is finished, they were not thrown out, and everything was set in their lap, but quite rightly so because the Council could do it. He said that employing 3 additional staff - 2 full time and 1 part time – the Council would take in only £67k. Mr Eunson said that he did not think this was necessary at all, and there should be some other way of funding it.

Mrs I J Hawkins called for a roll vote and was supported by Mr T W Stove. A show of hands indicated 10 Members in favour, and none against.

Accordingly, voting took place by roll call vote, and the result was as follows:

Motion (C B Eunson)	Amendment (J P Nicolson)	Abstained
C B Eunson R G Feather L G Groat I J Hawkins J H Henry J A Inkster J G Simpson T W Stove	A J Cluness F B Grains W H Manson J P Nicolson W A Ratter F A Robertson W N Stove	L Angus B Cheyne B P Gregson J C Irvine E J Knight
8	7	5

Mrs B Cheyne moved as a further amendment that the recommendations be approved and that in respect of recommendation 8.2, that option 2 be approved, namely that no personal care charges be levied. Mr J Henry seconded.

Voting again took place by roll call vote, and the result was as follows:

Motion (C B Eunson)	Further Amendment (Mrs B Cheyne)	Abstained
C B Eunson R G Feather L G Groat I J Hawkins J A Inkster J G Simpson T W Stove	B Cheyne A J Cluness F B Grains B P Gregson J H Henry J C Irvine E J Knight W H Manson J P Nicolson W A Ratter F A Robertson W N Stove	L Angus
7	12	1

Mr L Angus moved as a further amendment that the Council does not extend the charges as outlined in this report and requests the charitable trust, for this year only, for the sum to meet the 5% gap in the social

care budget. He clarified that the proposals for charges be set aside and a request be made to the charitable trust as a one off. Mr J C Irvine seconded.

Voting took place by a roll call vote, and the result was as follows:

Motion (Mrs B Cheyne)	Further Amendment (L Angus)	Abstained
B Cheyne A J Cluness F B Grains B P Gregson J H Henry W H Manson J P Nicolson W A Ratter W N Stove	L Angus C B Eunson R G Feather L G Groat I J Hawkins J A Inkster J C Irvine E J Knight F A Robertson J G Simpson T W Stove	
9	11	

Accordingly, the further amendment by Mr L Angus, seconded by Mr J C Irvine, was adopted, namely that the Council does not extend the charges as outlined in the report, and requests the Shetland Charitable Trust, for this year only, for the sum required to meet the 5% gap in the Social Care budget.

Mr A J Cluness declared an interest in the following item as a Trustee of the NAFC Marine Centre, and left the meeting.

Mrs F B Grains assumed the Chair.

13/07 **Executive Committee – Economic Development – 1 February 2007**
The minute of the aforementioned meeting was confirmed, on the motion of Mr W A Ratter.

Mrs Grains sought comments from Members on the terms of the minute. There were no comments raised at this time.

14/07 **General Fund Revenue Estimates and Council Tax Setting – 2007/08**
The Council considered a report by the Head of Finance (Appendix 2).

Mr A J Cluness returned to the meeting and re-assumed the Chair.

The Head of Finance summarised the terms of the report. In relation to the Council Tax, he advised that the 3.5% increase would result in a £36 increase in Band D properties to £1053 per annum. The Head of Finance said that figures had been approved by other Councils, and indications were that the average increase was 2.5%. He said that whilst this Council was the highest Council Tax of the three Island Councils, it was the second lowest amongst other Councils in Scotland,

with Dumfries and Galloway being the lowest. He added that any suggestion about reducing that down to the average of 2.5% would cost the Council £70,000 for a full year.

Mr W A Ratter enquired whether the Ferries service had met their target of achieving savings, whilst noting that bus passengers would be subject to a higher charge.

Mr Ratter moved that the Council agree that there be no variation on the money granted to the NAFC Marine Centre, but that this be done in the context of a full strategic review. Mr A Inkster seconded.

Mr B P Gregson, as Chairperson of the Inter Island Ferries Board, advised that the Board was confident that it would meet the 5% budget cuts this year, and would carry that forward to next year. He said the Ferries Service was in the process of reviewing the fare structure, in consultation with the local communities, and actual charges may not be the same as those charges stated in the report for coming into force in April.

Mrs B Cheyne referred to page 6, paragraph 4.4.3 of the report, and enquired as to whether this was the collection rate of this Council. The Head of Finance advised that the first year collection rate was around 96.1%, with the total collection rate holding at 98%. Mrs Cheyne commended the Council Tax payers for paying on time, and the staff of Finance for collecting them.

Mr W H Manson referred to the proposed charges for bus fares, detailed in Appendix Bviii of the report, and said that these proposed increases were considerably in excess of inflation. Mr Manson said that the increase in fares were making people consider going on the dole, rather than travelling by bus into Lerwick to work. He said that quite a number of people travelled by bus, but more effort should be done to increase bus usage. Mr Manson said that he understood there was a report to be presented recommending the introduction of multi-journey tickets, similar to that operated by the Ferries Service. In this regard, Mr Manson moved that the Council approve the recommendations in the report, but in respect of recommendation 9.1(c), that the proposed increase in bus fares be set aside until that report is considered in the next cycle. Mr F A Robertson seconded.

Mr W A Ratter sought clarification regarding the proposal for a grant to the NAFC. Mr Ratter indicated that this matter had been presented to the Executive Committee, but had been referred to the Council for decision because of the number of Members who had declared an interest.

Mrs I J Hawkins declared a non-pecuniary interest as a Trustee of the NAFC Marine Centre.

Mr W H Manson declared a non-pecuniary interest, also as a Trustee of the NAFC Marine Centre.

Mr A Inkster said that whilst he wanted to see the NAFC Marine Centre become a huge success, he agreed that there should be some sort of appraisal to assess the potential that existed. He said that £1.7m per annum was a phenomenal draw on revenue balances.

Mr L G Groat asked who would conduct the appraisal.

Mr J G Simpson declared an interest as a member of the NAFC Marine Centre.

Some Members expressed concern that the report to the Executive Committee on this matter had not been fully debated when the Minute was presented. It was noted, however, that the proposal in that report was included within the estimates being considered in this agenda item.

The Head of Legal and Administration advised that if Members were of the view that they had not made a clear decision on this matter, then it could re-considered at this time, as it was a legitimate item of business for the Council.

The Chief Executive referred to the query from Mr L G Groat, and advised that this review or appraisal had already been planned for. He said it had been agreed that the intention was to fund the NAFC for what it required, but if Members were not satisfied at this stage, then it should be reconsidered.

Mr L G Groat asked for clarification as to who would conduct the appraisal, indicating that it should be an external report, rather than an internal one.

Mr A J Cluness declared an interest in this matter, and left the Chamber.

Mrs F B Grains assumed the Chair.

Mr W A Ratter clarified that this motion was that the funding be granted, but in the context of a full strategic review.

Mr L G Groat moved that the review on the NAFC should be an external report to the NAFC. Mrs F B Grains seconded.

Members noted that this motion was not in contention with the motion by Mr Ratter to carry out the review, nor with the motion by Mr Manson to approve the recommendations in the report, with the exception of the bus fares.

The Chief Executive confirmed that he would look at how the review should be carried out, and bring a report back on this matter for consideration.

Mr A J Cluness returned to the meeting and re-assumed the Chair.

15/07 **Housing Revenue Account Revenue Estimates and Charge Setting – 2007/08**

The Council considered a report by the Head of Finance (Appendix 3) and adopted the recommendations contained therein, on the motion of Mr W A Ratter, seconded by Mr J P Nicolson.

16/07 **Programming of Prioritised Capital Projects**

The Council considered a report by the Head of Housing and Capital Programme Services (Appendix 4).

Mr J C Irvine moved that the Council note and approve the recommendations in the report. Mrs F B Grains seconded.

In response to questions from Members, the Head of Housing and Capital Programme Service advised that a number of feasibility studies were being carried out, and as they were completed, the relevant projects would be fed into the process.

17/07 **Treasury Management Strategy Statement 2007/08**

The Council considered a report by the Head of Finance (Appendix 5) and approved the recommendations contained therein, on the motion of Mr J P Nicolson, seconded by Mr W N Stove.

18/07 **Review of Committee and Decision Making Structures**

The Council considered a report by the Assistant Chief Executive (Appendix 6A).

After hearing the Assistant Chief Executive outline the terms of the report, Mrs I J Hawkins referred to paragraph 6.2. and said that the only remit being left out of the Forums current framework was that required for environmental matters. She said that at the moment there was little consistency or follow through, and many issues were now sitting with the Community Planning Board, and she regretted that this matter had not been addressed earlier.

Mr W A Ratter said that the Working Group had recommended that the Forum structure should be left to the next Council to decide whether or not it was effective. As a general comment, Mr Ratter said that senior positions in the next Council will be doing twice as much work, but for less remuneration. He said that, on a positive note, the Working Group had proposed only minor changes to the existing structure, which

illustrated that it works very well. Regarding the Boards under the Infrastructure remit, Mr Ratter said that felt that the Ferries and Harbour Boards should combine.

Mr L G Groat said that it would be important to ensure that a review of the new structure is also recommended. It was noted that the report recommended that the structure is reviewed not later than after one year, and this would co-incide with the proposed transfer of the ferry services to ZetTrans in 2008.

Mr W A Ratter moved that the Council approve the recommendations in the report, but that further consideration be given to the positions under the Infrastructure Committee. This, however, received no seconder.

Mr F A Robertson referred to the proposals for the Planning Sub-Committee, and said that what was being presented was a much fairer planning system than the present one, and a more transparent decision making process, and he commended it to the Council.

Mr T W Stove advised that, as Chairperson of the Working Group, a lot of good work had been put into the review, and moved that the Council adopt the recommendations in the report. Mr J C Irvine seconded.

19/07 **Bressay Bridge – Emergency Powers relating to Decision not to appeal Interdict Judgement**

The Council noted a report by the Head of Legal and Administration (Appendix 6B).

In order to prevent the disclosure of exempt information, Mr A J Cluness, Mr W N Stove seconded, and the Council resolved, in terms of the relevant legislation, to exclude the public during consideration of the following items of business.

20/07 **Employees JCC – 9 January 2007**

The Council noted the minute of the aforementioned meeting.

21/07 **Shetland Community Development Trust**

The Council considered a joint report by the Assistant Chief Executive and the Interim Head of Economic Development.

The Assistant Chief Executive summarised the report, and Mr W A Ratter moved that the Council approve the recommendations in the report, but also that the Council agree that a further report be presented to Council, within one cycle, with detail of the Community Trust's engagement with Community Planning. Mr B P Gregson seconded.

Mr F A Robertson said the new Planning Act was attempting to bring in integrated services, by promoting local developments rather than being a regulator. He said it was good to look ahead and see the potential

for development, and this should be borne in mind when developing local plans.

Mrs I J Hawkins said it was important that all Councillors are involved, and commended the proposal to have all Councillors as Trustees.

Mr A Inkster left the meeting.

22/07 **Single Status Negotiations**

The Council noted a report by the Executive Director Infrastructure Services.

The Executive Director Infrastructure Services asked Members to note that a briefing for Members on Single Status had been arranged for Monday 19 February.

Mr L G Groat said that he gathered from speaking to some staff that there will be big issues in some areas, particularly those losing out on bonuses, and said that Members should be warned of possible problems ahead.

Mrs I J Hawkins sought confirmation that the cost of Single Status to the Council would be £9.4m, with £500k ongoing annual. The Executive Director Infrastructure Services confirmed this.

Mr W N Stove asked if all staff could be balloted at the same time as the Union ballots. However, the Executive Director Infrastructure Services advised that this matter had been raised before, but the advice was that the Council should not do so, as the Unions would not go to ballot at the same time. He went on to say that Management were anticipating the outcome of the ballots, and were preparing to advise Members in March.

Mr T W Stove and Mr W A Ratter left the meeting.

23/07 **Harbour Board – 11 January 2007 - Min. Ref. 04/07 – Ports Project Monitoring Report – Tug Replacement Programme**

Mr Simpson drew the Council's attention to the recommendation to approve the suspension of Standing Orders relating to Tenders and Contracts in order to permit the use of English Law for contractual purposes. The Council noted that the recommendation of the Harbour Board had been approved.

