



Shetland Islands Council

MINUTE

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Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Thursday 10 February 2005 at 10.30 a.m.

Present:

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

Apologies

| | |
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| L Angus | J C Irvine |
| G G Mitchell | |

In attendance (Officers):

M Goodlad, Chief Executive
G Spall, Executive Director Infrastructure Services
J Watt, Executive Director Community Services
J Dickson, General Manager – Ports and Harbours
I Halcrow, Head of Roads
A Jamieson, Head of Education
G Johnston, Head of Finance
C Medley, Head of Housing
J R Riise, Head of Legal and Administration
W E Shannon, Economic Development Manager
M Craigie, Capital Projects Unit Manager
A Hamilton, Head of Planning
M Holmes, Coastal Zone Manager
I Millar, Projects Manager
S Moncrieff, ICT Unit Manager
A Rolfe, Property Manager
A Scollay, Property Technician
A Cogle, Service Manager – Administration

Also:

N Grant, General Manager – Shetland Development Trust

Chairperson

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

Circular

The circular calling the meeting was held as read.

1/05 **Obituary – Mr W Cumming**

All those present in the Chamber stood, whilst the Convener paid the following tribute.

“We stand today in tribute to our former colleague, Willie Cumming, a man of many talents, who made a massive contribution to this community.

Willie was elected to the first SIC in 1974, and from 1982 to 1990. It would take some time to list details of his involvement in the work of the Council and in his last years he served on 31 Committees including 6 as Chair, and of course he represented this Council on a variety of external bodies.

I consider myself fortunate like others here today to have been able to call Willie a friend. We were directors on Shetland Aggregates, promoters of Shetland Seafood quality control, and along with Willie Tait, early directors of local fish processing companies – whatever the circumstances Willie’s commitment to the local economy was total. We also spent many a long night together in the early Brussels talks. Willie was influential in the creation of the fisheries college and took a keen interest in harbour activities especially through the Blacksness Pier Trust. As Chairman he was hugely influential in the development of the Amenity Trust.

The turnout at Willie’s funeral demonstrated just how well he was regarded by the whole community as the Reverend Ogston said “In every sense of the word Willie was a character. Undergirding his whole life was his strong faith. He was a man who lived out his beliefs to the full he had great strength of character and hated prejudice.

Mr Cumming is survived by Willa, sons John and Jim, daughter Rosemary, eight grandchildren and his sisters Irene and Rachel. I move that an extract from the minute be sent to his family.”

The Council unanimously concurred.

2/05 **Shetland Islands Council – 15 December 2004**

The minute of meeting was confirmed, on the motion of Mr A J Cluness.

3/05 **Members Attendance at External Meetings**

The Convener advised that himself, the Chief Executive and the Lord Lieutenant had been invited as a guests of BP to the opening of the Clair Field and the first oil coming ashore in Aberdeen on 21 February.

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:

| | | |
|---------------|---|---|
| I J Hawkins | - | COWAM - Madrid |
| B P Gregson | - | NFLA - Manchester |
| J Simpson | - | CPMR |
| F A Robertson | - | Economic Development and Planning Committee / CoSLA Executive Working Group |

4/05 **Infrastructure Committee – 12 January and 27 January 2005**

The minutes of the aforementioned meetings were confirmed, on the motion of Mr A Inkster.

5/05 **Services Committee - 28 January 2005**

Except as undernoted, the minute of the aforementioned meeting was confirmed, on the motion of Mrs F B Grains.

Min. Ref. 03/05 – Direct Payments Support Service

Mr L G Groat asked if a Direct Payment Service was set up and something went wrong, for example if all money disappeared, who would be responsible for ensuring ongoing care for the individual. The Executive Director Community Services confirmed that there were safeguards in place, but in the event of those circumstances, or of the care breaking down, the Direct Payments would stop, and the Council would ensure that the care was continued. Mr L G Groat said this was an important issue, and asked that it be minuted. The Council agreed.

Min. Ref. 01/05 – Scottish Social Services Council Registration Requirements

Mr W Tait said that this matter had been voted on at the Services Committee and it was recommended that the issue be looked at by the Task Force. Mr Tait said that the Task Force was not due to report back for another 6 months, and he was of the view that such a delay would be detrimental to the service. In this regard, Mr Tait moved as an amendment that the recommendation be overturned. He added that the matter had also be discussed by the Shetland Welfare Trust JCC, and it had also expressed concern that this delay would have a detrimental affect on the Care at Home Service.

The Executive Director Community Services advised that the implications of reversing the recommendation of the Committee would be an increase of £188,000 on the Social Work budget for 2005/06. She added that in the event that the Task Force did not report for another 6 months, the training would not go ahead until 2006/07. Whilst this could be reversed, it would have an impact on the budget for 2005/06.

Mrs F B Grains said she did not believe it would take the Task Force 6 months to come up with recommendations on this particular matter, and was satisfied with the recommendation of the Committee.

Mr W H Manson said that due to the sheer number of staff that had to be trained up to the SVQ3, there should be no delay, and it would be desirable to make a start at the earliest possible opportunity. Mr Tait agreed, adding that Church of Scotland Care Home staff had been trained already, and if Council staff were not trained up, there would be a shortage of trained staff in care centres and for the Care at Home Service.

Mr L G Groat said that he supported what Mr Tait was trying to achieve. Mr B P Gregson agreed, saying that as this was a statutory requirement, the Council should get on with it. Mr W A Ratter agreed that it was unlikely that the Task Force would take as long as 6 months to come up with the answers, as the fundamentals were well understood.

Mr W N Stove seconded the amendment by Mr Tait.

After summing up, voting took place by a show of hands, and the result was as follows:

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| Amendment (W Tait) | 13 |
| Motion (F B Grains) | 5 |

6.1/05 **Executive Committee - 1 February 2005**

The minute of aforementioned meeting was confirmed, on the motion of Mr A J Cluness.

Min. Ref. 01/05 - Shetland Flag

Members congratulated the Convener for securing official recognition for the Shetland flag. Members unanimously resolved that the Shetland flag would now be flown from the Town Hall when the Council was in session, rather than the flag bearing the Council Crest.

6.2/05 **Executive Committee – Economic Development - 1 February 2005**

The Minute of the aforementioned meeting was confirmed, on the motion of Mr W A Ratter.

7/05 **Executive Committee – 7 February 2005**

The Minute of the aforementioned meeting was confirmed on the motion of Mr A J Cluness, subject to consideration of Min. Refs. 09/05 (General Fund Revenue Estimates and Council Tax Setting) and 10/05 (Housing Revenue Estimates) under separate agenda items later in the meeting.

Min. Ref. 09/05 – General Fund Revenue Estimates and Council Tax Setting 2005/06

Mr W N Stove said he was not happy with the recommendation from the Executive Committee, and should have moved an amendment at the

meeting. However, he said that the matter was to be considered by the Council, although in considering the £5.7m potential overspend, Members had noted a number of growth items, and he did not think it was a good example for any Member to move additional growth items at the Executive Committee. Mr Stove moved that the recommendation for an additional £13k be not approved, but reconsidered between now and the end of the financial year. Mrs B Cheyne seconded.

Mr B P Gregson said that he believed the report had no business being considered by the Executive Committee. He said the report did not ask for the Executive Committee to make a recommendation, and he asked if it was in order for the Committee to consider it, and make a recommendation. Mr Gregson added that further consideration of the role and function of the Executive Committee was required.

Mr A J Cluness said that the role and function of the Executive Committee had already been agreed by the Council, but there was no reason why it could not be revisited.

In response to Mr Gregson, the Head of Legal and Administration said that his understanding of the role and remit of the Executive Committee was that it was able to conclude a view on reports regarding the financial overview of the Council's funds, but that any recommendations would not be approved through the Minute, and that was the reason that these reports were considered separately on the Council agenda.

Mr W A Ratter said it was not a legal matter as to whether or not the Executive Committee could consider these reports, but it was permitted through the role and remit of the Committee. Mr Ratter went on to agree with Mr Stove, adding that the motion should have been taken up at that time, and agreed that it should be removed from the estimates and looked at again at a later stage.

Mr J P Nicolson agreed that the role and remit of the Executive Committee was to oversee and monitoring the Council's funds, and therefore it was entirely appropriate that it should consider these particular reports. Regarding the recommendation for £13k for SCSS, Mr Nicolson said that he had spoken with the Head of Community Development, who was of the view that other sources of funding may be available which would ensure that the requirement for a receptionist could be met.

Mr Nicolson went on to refer to the transfer of £2m of Economic Development funding to the Reserve Fund. He said that his concern related to the relationship between that transfer and the investment required in infrastructure. For example, Mr Nicolson said, the £90m secured for such investment was now reduced by overspends, and £82m was left. He said this demonstrated the clear relationship between the Council's failure to reduce overspends, and the ability of the community to invest in itself. Mr Nicolson moved that this be included within the Council's approach to the matter.

The Head of Finance said that the point made by Mr Nicolson was well made, and as revenue deficits were reducing to amounts available to invest in the future. He said that, as advised at the Executive Committee, he would be bringing forward a report in the Summer regarding the outturn on the Council's funds, which would address those points made and put them into context.

The Chief Executive said the £90m added to the Reserve Fund to provide for infrastructure had a proviso that whatever resources were taken to augment revenue spending, would be taken from that £90m. Regarding the role and remit of the Executive Committee, the Chief Executive said that the Council had specifically agreed that this would include financial and policy monitoring. He said it was right that the Committee consider these reports in terms of its current terms of reference, but that this could be revisited by the Committee Structure Review Member/Officer Working Group.

Mr J P Nicolson said he was satisfied that his points regarding the use of reserves were noted and would be addressed.

Mr W N Stove agreed to make his motion when the Council considered the report separately on the agenda and, accordingly, with the consent of his seconder, withdrew his amendment.

8/05 **Civic Government Licensing Sub-Committee -12 January 2005 and 14 January 2005**

The Minutes of the aforementioned meetings were confirmed on the motion of Mr J P Nicolson, including the recommendation to approve the delay of the 02/05.

9/05 **Planning Sub-Committee - 12 January 2005**

Subject to the following, the Minute of the aforementioned meeting was confirmed on the motion of Mr F A Robertson.

Min. Ref. 01/05 – 2004/271/PCO – To erect three dwellinghouses (in outline), adjacent to Brig House, Weisdale, by Mr M Thomson

Mr F A Robertson advised that this application was outwith Council policy, and would require Council agreement before being sent back to the Sub-Committee for a decision following a hearing. The Council concurred with the recommendation.

Min. Ref. 01/05 – 2004/415/PCD – To erect dwellinghouse, Uradale, East Voe, Scalloway

Mr F A Robertson advised that this application was outwith policy and would require to be advertised. Mrs I J Hawkins moved that this application should be approved, subject to any objections that may be lodged following advertisement. Mr Robertson agreed, and the Council concurred.

10/05 **Harbour Board - 13 January 2005 and 1 February 2005**

With the exception of Min. Ref. 5/05 which had been withdrawn from consideration by Minute of the Executive Committee – Economic Development (Min. Ref. 4/05), the minutes of the aforementioned meetings were confirmed on the motion of Mr J A Simpson.

11/05 **Marine Development Sub-Committee - 14 December 2004**

The Council confirmed the minute of the aforementioned meeting, on the motion of Mr W H Manson.

[The Chief Executive declared an interest in the following item, and left the meeting.]

[Mr J Henry declared an interest in the following item, and also left the meeting.]

12/05 **Notice of Motion**

The Council considered a Notice of Motion submitted by Councillor I J Hawkins, and signed by eleven Councillors (Appendix 1).

Mr A J Cluness said that it was sometimes very difficult in Shetland when it came to declaring interests, but advised that if Members were in any doubt, they should leave the meeting. He went on to say that whilst himself and Mr Tait may declare an interest in this matter due to their own directorships, he did not believe that it was inappropriate to fulfil a representative role to ensure commitment towards maintaining the fishing industry. He said that he did not consider the fact that he was appointed to a Board by a company of SLAP would prevent him from taking part in this particular debate.

Mrs I J Hawkins said that it was important to have this Motion before the Council today. She said that Scalloway had been hit hard recently in terms of unemployment and some action was needed. She advised that the building belonged to the Council, and it was important to keep the complex together for fish processing, and for this reason Mrs Hawkins said she was willing to leave it to Council officials to negotiate. In this regard, Mrs Hawkins moved the terms of her Notice of Motion.

Mr A J Cluness said there was no reason why the Council should not invest in infrastructure for lease to the industry.

Mr W A Ratter seconded, suggesting that Council officials be given leave to negotiate. The Head of Legal and Administration said that it would be desirable to provide some parameters for the negotiations, and suggested that a sounding board of Members be appointed for this particular matter. He added that he had authorised “a noting of interest” in the assets, pending the decision of the Council.

With the consent of her seconder, Mrs Hawkins agreed to accept in the motion that the Economic Development Manager, in consultation with Legal Services, be given delegated authority to negotiate, and that Mrs I J

Hawkins, Mr W A Ratter and Mr T W Stove be appointed as a sounding board regarding the terms of the negotiations. In addition, any decision would be presented to the Council for decision. The Council agreed to accept the motion, as amended.

13/05 **Harbour Board Terms of Reference**

The Council considered a report by the Head of Legal and Administration (Appendix 2) and adopted the recommendation contained therein, on the motion of Mr J Simpson, seconded by Mr W Tait.

14/05 **General Fund Revenue Estimates and Council Tax Setting**

The Council considered a report by the Head of Finance (Appendix 3).

Mr J P Nicolson said that following the last meeting of the Executive Committee, the suggestion had been that the Council was unlikely to get a grip of the overspend. Mr Nicolson said that whilst the appointment of groups of Councillors for Task Groups for Social Work and Ferries, the matter also needed a strong management line to dig into the detail. He added that just because the BVSER Education had failed, no-one was suggesting that there would be no significant savings. Mr Nicolson went on to say that this time last year, the Chief Executive had appealed for clear instruction to progress towards a balanced budget, but that had failed because the belief by Members was that it could be achieved by other means. Mr Nicolson said that the Council was now facing the same circumstances and had a difficult task in hand. He added that, in his view, there were times when he felt that the management of finances were becoming over-politicised, and it was clear to him that the Administrative Regulations did not allow for that. Mr Nicolson said that these problems were being made worse by the number of policy and strategy groups that were meeting, which involved large numbers of staff. He added that whilst some groups clearly did a good job, he believed that much more energy should be placed on implementation. Regarding consultation, Mr Nicolson said that consideration had to be given to the level of consultation being carried out simultaneously on an number of issues, which results in the community being overloaded.

Mr J P Nicolson concluded by saying that in acknowledging the budgetary situation, the Council had no option, and accordingly he moved that the Council adopt the recommendations in the report. In addition, Mr J P Nicolson moved that the Council give a clear instruction and authority to the Chief Executive, supported and assisted by the Executive Management Team and Service Heads, to take the necessary action to achieve early progress towards a balanced budget; and (b) that in the interests of economy, efficiency and as part of a streamlining process, all strategy and policy groups across all sectors of the Council be reviewed, with remits and membership listed, together with a summary of outcomes, and that in order to avoid the creation of yet another study group, this be done by the Executive Management Team as a table top exercise. Mrs B Cheyne seconded.

Mr W H Manson said it was important to recognise that significant progress was being made on the education budget in order to get close to or below the target. He went on to say that he did not agree that there was over-politicisation of the process, and as an independent Council, a certain amount of political involvement was necessary.

Mrs F B Grains said that she agreed with the points put forward by Mr Nicolson added that Members had to stand by their own agreement not to introduce growth items. However, Mrs Grains said there was not a meeting that went by without that agreement being amended, and for this reason, Mrs Grains said she was very concerned about the ability of the Council to make any savings over the next few years, until the reserves run out.

Mr W A Ratter referred to the number of policy and strategy groups, and said that whilst he agreed they should be reviewed, it had to be noted that a lot of strategies were set by the Scottish Executive to deal with large problems. Mr Ratter went on to refer to the earlier amendment by Mr Stove regarding the removal of £13k for SCSS, and suggested that that be addressed now.

With the consent of his seconder, Mr Nicolson indicated that his motion included the amendment by Mr W N Stove, that the £13k identified for SCSS for funding a receptionist's post should be removed from the Estimates. The Council concurred, noting that it was possible that funding could be forthcoming from another source.

Regarding political input, Members agreed that there was no direct political input for finance in terms of a designated Spokesperson for Finance, and it was suggested that this could be looked at in the future.

After further discussion, the motion, as amended, was declared the finding of the meeting.

- 15/05 **Housing Revenue Estimates (HRA) and Charge Setting – 2005/06**
The Council 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 Mr A J Cluness.
- 16/05 **The Capital Programme – CPMT Report February 2005**
The Council considered a report by the Head of Finance (Appendix 5) and adopted the recommendations contained therein, on the motion of Mr F B Grains, seconded by Mr A J Cluness.
- 17/05 **Capital Programme Capacity Review**
The Council considered a report by the Chief Executive (Appendix 6) and adopted the recommendations contained therein, on the motion of Mr W H Manson, seconded by Mrs F B Grains, on the basis that, in conjunction with the Chief Executive the newly appointed Head of Service come forward

with proposals for the structure. The Chief Executive confirmed that this was the understanding, as recommended by the Executive Committee.

18/05 **Council Tax on Second Homes and Empty Dwellings**

The Council considered a report by the Head of Finance (Appendix 7) and adopted the recommendations contained therein, on the motion of Mr L G Groat, seconded by Mr E Knight., on the basis of a 10% discount.

19/05 **Integration of Care Homes – Implementation Plan**

The Council noted a report by the Executive Director Community Services (Appendix 8) and unanimously agreed to appoint Mr L G Groat and Mr J P Nicolson to the Working Group.

20/05 **Scottish Executive Environment Group Review of the Scottish Climate Change Programme**

The Council considered a report by the Head of Planning (Appendix 9).

Mrs I J Hawkins referred to the response to question 48, and the reference to the use of compact fluorescent bulbs. Mrs Hawkins said it was important that people had freedom of choice. The Head of Planning said that this sentence could be removed. Mrs Hawkins went on to refer to the response to question 51, and said that the last two sentences of the first paragraph were inconsistent with the rest of the paragraph should be removed or reconsideration given to providing clarification on the requirement for inclusion within national research. The Head of Planning agreed to clarify this part of the response further, adding that the lack of national research that was relevant to Shetland was a recurring theme throughout the response.

Subject to the foregoing, the Council approved the response, on the motion of Mrs I J Hawkins, seconded by Mr A J Cluness.

21/05 **Tsunami Earthquake Appeal**

The Council considered a report by the Head of Legal and Administration (Appendix 10) and adopted the recommendation contained therein, on the motion of Mr A J Cluness, seconded by Mr B P Gregson.

Members discussed other practical measures that were being considered locally to assist the region. The Convener advised that a possible cash donation as an initial demonstration of the community's support could be made but a further report would be presented to Council in due course regarding other practical measures that the Council could assist with.

22/05 **Regulation of Investigatory Powers (Scotland) Act 2000 - Appointment of a Single Point of Contact**

The Council considered a report by the Head of Legal and Administration (Appendix 11) and adopted the recommendation contained therein, on the motion of Mr W A Ratter, seconded by Mr H Manson. The Head of Legal and Administration agreed to discuss the possibility of a possible source of an external local provider with Mr A Inkster, after the meeting.

23/05 **Nomination of a Replacement Member to the Shetland College Board of Management**

The Council considered a report by the Economic Development Manager (Appendix 12) and adopted the recommendation contained therein, on the motion of Mr L G Groat, seconded by Mrs F B Grains.

24/05 **Civic Government Licensing Sub-Committee Membership**

The Council considered a report by the Head of Legal and Administration (Appendix 13) and agreed unanimously to appoint Mrs B Cheyne to the Sub-Committee.

25/05 **Disposal of Surplus Property Policy**

The Council considered a report by the Head of Legal and Administration (Appendix 14) and adopted the recommendation contained therein, on the motion of Mr L G Groat, seconded by Mr B P Gregson.

26/05 **Lease of Ground for a Special Additional Needs Play Park, Whalsay School**

The Council considered a report by the Head of Legal and Administration (Appendix 15) and adopted the recommendations contained therein, on the motion of Mr J Simpson, seconded by Mr W H Manson.

27/05 **Town Hall – Replacement Furniture and Acoustics Improvement**

The Council considered a report by the Head of Legal and Administration (Appendix 16). On the motion of Mr L G Groat, seconded by Mr J Henry, the Council agreed to proceed with the purchase of those items recommended by the Consultative Committee, and to make the necessary provision within the Capital Programme. In addition, the Council agreed that consideration should be given to purchasing a number of chairs with arms.

[Mrs I J Hawkins declared a non-pecuniary interest in the following item, and took no part in the discussion.]

28/05 **Flooding at Cunningsburgh 2004**

The Council considered a report by the Safety and Risk Manager (Appendix 17), and on the motion of Mr T W Stove, seconded by Mr W Tait, the Council agreed to treat this application in the same manner as those affected by the flooding at Sandwick. The Council noted that this, however, could set a precedent and raise expectations for similar applications in the future, and agreed to receive a report detailing the parameters for any similar funding in the future and, if appropriate, setting criteria.

29/05 **New Telephone System**

The Council considered a report by the ICT Unit Manager (Appendix 18) and adopted the recommendations contained therein, on the motion of Mr W A Ratter, seconded by Mr B P Gregson.

30/05

Smyril Line Negotiations – Verbal Update

The Chief Executive advised that negotiations had taken longer than anticipated. He said that as a result of this delay, there had been a substantial payment due on the Norrona at the end of December. The Chief Executive said that, as advised at the last Council meeting, that had been met by selling additional assets of the company, and from this, the bank payment of £3m was paid. He said that Heads of Agreement had now been drawn up for agreement and the detail was being worked on. The Chief Executive said that the Fjord Line director and staff would be visiting next week to discuss matters, and it may be about a month before the matter reached conclusion.

Mr W A Ratter said it was important anyone who had queries about the impact of the investment in the Smyril Line should approach the General Manager Shetland Development Trust, who would be able to provide detail that the impact was much more positive and bigger than expected. He added that whilst he understood that the Chief Executive had to concentrate on his job, this merger was particularly important and the outcome remained important for Shetland, and Mr Ratter accordingly congratulated the Chief Executive for his work.

In response to a question from Mr E Knight regarding the employment of Shetland seafarers, the Chief Executive confirmed that there was no barrier to any such employment.

Mr W H Manson said there was no doubt that the Norrona visits to Shetland were directly benefiting the local economy and visitors were spending and in sufficient numbers. Mr L G Groat agreed, adding that there were a lot of benefits. However, he suggested that the new schedules were published as soon as possible.

The General Manager Shetland Development Trust added that the Norrona visits had had a £ 5.9m impact on the Shetland economy; £2.3m was cash coming in, and 7400 passengers had arrived last year. The General Manager confirmed that this was three times the numbers quoted for three years ago. He said these numbers were significant, and the report supporting this would be distributed to Councillors.

The Council otherwise noted the update.

In order to avoid the possible disclosure of exempt information, the Council resolved, on the motion of Mr A J Cluness, seconded by Mr B P Gregson, in terms of the relevant legislation, to exclude the public during consideration of the following items of business.

In addition, the Convener ruled that due to the timescale involved, the following item of business was to be considered at this meeting as a matter of urgency in terms of subsection 4 of section 50B of the Local Government (Scotland) Act, 1973. - Court Action - Proposed Settlement. Report by Head of Legal and Administration.

31/05 **Smyril Line Negotiations – Verbal Update**

On the motion of Mr A J Cluness, seconded by Mr B P Gregson, the Council approved the proposal submitted by the Chief Executive.

32/05 **Employees Joint Consultative Committee – (a) 14 December 2004; and (b) 18 January 2005**

The Council noted the minutes of the aforementioned meetings.

33/05 **Inter Island Air Service Contract**

The Council considered a report by the Service Manager – Transport Operations.

On the motion of Mr W H Manson, seconded by Mr B P Gregson, the Council agreed to adopt the recommendation contained in the report, but that the matter be brought back to the Council if further consideration was necessary.

[Mr T W Stove and Mrs I J Hawkins both declared an interest in the following item, and took no part in the debate.]

34/05 **Disposal of Old South Nesting School**

The Council considered a report by the Head of Legal and Administration and adopted the recommendations contained therein, on the motion of Mr F A Robertson, seconded by Mr J P Nicolson.

[Mr L G Groat declared an interest in the following item, and left the meeting].

35/05 **Court Action – Proposed Settlement**

The Council considered a report by the Head of Legal and Administration .

The Council adopted the recommendations in the report, on the motion of Mr J Simpson, seconded by Mr W H Manson.

CONVENER



Shetland Islands Council

MINUTE

‘B’

Infrastructure Committee

St Catherine's Suite, Shetland Hotel, Lerwick

Tuesday 15 March 2005 at 10.30 a.m.

Present:

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| J C Irvine | W H Manson |
| J A Inkster | Capt G G Mitchell |
| L Angus | J P Nicolson |
| B J Cheyne | W A Ratter |
| R G Feather | F A Robertson |
| F B Grains | J G Simpson |
| B P Gregson | T W Stove |
| I J Hawkins | W N Stove |
| J H Henry | W Tait |

Apologies:

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| A J Cluness | L G Groat |
| C B Eunson | E J Knight |

In Attendance (Officers):

G Spall, Executive Director, Infrastructure Services
M Craigie, Capital Projects Unit Manager
J Astwood, Building Control Manager
S Kerr, Building Control Officer
S McLeod, Building Control Officer
I McDiarmid, Planning Control Manager
B Barron, Planning Officer (Development Plans)
S Cooper, Head of Environment
I Bruce, Service Manager - Transport
N Robertson, Network Engineer
W Shannon, Economic Development Manager
H Tait, Management Accountant
L Adamson, Committee Officer

Chairperson:

Mr J C Irvine, Chairperson of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Minutes

The minute of the meeting held on 27 January 2005, having been circulated, was confirmed.

Members' Attendance at External Meetings

The following Members provided a brief synopsis of their attendance at the following meetings:

Captain G G Mitchell 11 March Meeting with Struan Stevenson, MEP

Captain G G Mitchell reported that the meeting discussed the problems arising from the Scottish Executive's proposals for charging for the transportation of livestock. The Head of Planning and representatives from Shetland NFU had also been in attendance. Captain G G Mitchell stated that the Scottish Executive have set the charges so high that farmers would make a loss shipping livestock off Shetland. The Shetland NFU representatives are of the opinion that double-decked containers should be used as this would half the costs, and make the carriage of livestock viable. Captain G G Mitchell explained that the Shetland NFU are to meet with Orkney NFU to discuss the possibility of utilising double-decked containers and their joint plan is awaited. In response to a query, Captain G G Mitchell explained that the Shetland NFU are keen to retain the stock boats as they provide the best method for transporting livestock out of Shetland. Mr W A Ratter advised that as the transportation of livestock affects all the agricultural organisations within Shetland, a broad spectrum of views should be collected. Mr Ratter suggested that the Agricultural Development Officer could be asked to brief Captain Mitchell. The Chairman suggested that, as this issue requires further debate, it be included on the agenda for the next Environment and Transportation Forum.

J C Irvine 2 February RoSPA Road Safety Meeting, Glasgow

Mr J C Irvine advised that he would report the findings from this meeting to the Road Safety Panel.

J C Irvine 2 February Chairman and Chief Executive of Loganair, Glasgow

Mr J C Irvine advised that the meeting focused on the points raised at the Environment and Transportation Forum on 24 January, when the Chairman and Chief Executive of Loganair had been present. Mr Irvine stated that assurance had been given at the Forum meeting that further consultation would take place between Loganair and SIC on the proposed changes to the service, prior to the introduction of the new flight timetable. The Executive Director reported that he was aware that Loganair had agreed their new timetable. The schedule proposes the introduction of a first flight from Aberdeen to Sumburgh at 6.20am, the flight returning from Sumburgh to Aberdeen around 8am. As a result, the plane would be based overnight at Aberdeen Airport, rather than Sumburgh. Members were concerned that a plane would not be based overnight at Sumburgh Airport as this could cause problems during bad weather, with the first flight from Aberdeen being unable to land at Sumburgh. Mr J C Irvine expressed displeasure that Loganair had announced the new timetable without further consultation with the SIC.

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| J C Irvine | 10 February | North Atlantic Cooperation Conference, Reykjavik |
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Mr Irvine reported that he had been very impressed with the presentation ‘North Atlantic Cooperation: The Shetland Perspective’ made by SIC’s Principal Officer - Economic Strategy and Europe. He reported that the presentation would be given at a future meeting of the Shetland Economic Development Forum.

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| J C Irvine | 24 February | CoSLA Roads and Transport Executive Group Meeting, Edinburgh |
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| I J Hawkins | 10/11 March | NFLA Irish/UK Nuclear Conference, Ireland |
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Mrs I J Hawkins reported that the theme of the Conference had been “Nuclear Energy – Does it Have a Future”? Sustainable alternatives to nuclear energy were proposed. It was put forward that renewable energy and energy conservation policies could address energy needs without contributing to climate change.

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| J H Henry | 11 February | CoSLA Environment Executive Group, Edinburgh |
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Mr J H Henry advised that a presentation was made on the Waste and Resources Action Plan (WRAP), which discussed the proposals being introduced for disposing of heavy and domestic waste. The meeting discussed the role of Local Authorities following the introduction of the smoking ban in 2006, and the proposed new drink laws. Extra demands will be placed on the SIC’s Environmental Health officers. Discussion took place on the excessive administrative burden on smaller businesses. A group has been set up to work towards streamlining administration, without affecting what is required.

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| J H Henry | 11 February | KIMO Meeting, Edinburgh |
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Mr Henry reported that the pilot scheme of the “Save the North Sea” project has come to an end. This has been a very worthwhile and successful initiative. A further “Save the North Sea” project is planned. The meeting discussed concerns regarding debris from decommissioning of old oil installations. A report was also presented proposing “Co-ordinated Coastguarders”, to avoid further oil spill incidents.

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| W Tait | 2 March | RoSPA, Home Safety Committee, Perth |
|--------|---------|-------------------------------------|

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| F A Robertson | 3 March | Economic Development and Planning Executive Committee, Edinburgh |
|---------------|---------|---|

Mr F A Robertson advised that a group has been set up to make representation to the Scottish Executive that all issues relating to wind farms are dealt with at a local level.

Building Control Service – New Building Standards System 2005

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

The Building Control Manager took Members through the report and the role of Building Control. He explained that the new Building Standards System includes mandatory standards, performance requirements and guidance documents to enable a more flexible approach. The current standard of applications submitted do not have sufficient information to grant a building warrant. Better quality submissions would result in speeding up the building standards process, benefiting the applicant and Building Control officers. The Building Control Manager added that the new Building Standards system would come into force on 1 May 2005 and operate alongside the existing system until at least 2010.

Mr L Angus referred to the problems with the current Building Control Service that have lead to delays and complaints. He referred to paragraph 4.21 in the report and said that he hoped that the new system would assist members of the public by being more consistent and flexible.

Mrs I J Hawkins said that she had received complaints regarding delays with the Building Control service issuing building warrants. She said it would be helpful if guidelines were drawn up to assist applicants to meet the necessary requirements.

In response to a query, the Building Control Manager explained that Building Standards Assessments would allow someone selling their house to ask for an assessment of the property to be carried out. This could form part of the house-seller's pack. The Building Control Manager advised that this function would be implemented at a later date.

In response to a query, the Building Control Manager advised that following the introduction of the new system there should be no requirement for relaxations to building standards regulations to be presented to Planning Sub-Committee meetings. With the flexibility of the new system, relaxations would only be in unusual cases and would be referred to the Scottish Building Standards Agency, not the verifier.

Mr F A Robertson suggested that due to the complexity of the building regulations plans must be produced by professional staff. He commented that this would be an additional expense to homebuilders. Mr Robertson commented that it is important that applicants employ designers who have professional indemnity insurance cover. Mr L Angus said that the new system would also place an additional burden on builders, who have to obtain the necessary certificates of design/construction.

Mr J A Inkster advised that the staffing resource problem at the Building Control service had improved and this had addressed many of the problems with the backlog of work. Mr Inkster said it is critical that the introduction of the new system is properly resourced and managed.

Mr J A Inkster moved the recommendations in the report, with the additional Recommendation 8.4: "I recommend that this Committee recommend to the Council that the Building Control Service is adequately resourced to ensure the smooth transition to the new system. This will ensure that disruption and delays to the construction industry are minimised". Mr F A Robertson seconded.

With the consent of his seconder, Mr J A Inkster agreed to incorporate the suggestion from Mr L Angus "That officers ensure that the new regulations are interpreted and applied flexibly", into his motion.

12/05

Planning Application Site Inspection Protocol

The Committee considered a report by the Planning Control Manager (Appendix 2).

Mr W A Ratter stated that the report was wholly unnecessary as it implies that Members do not behave correctly. Mr W A Ratter moved that the Committee do not adopt the recommendations in the report. Mr J A Inkster seconded.

Mr J G Simpson said that he finds site visits very useful and the additional information received from people in attendance is often very helpful.

Mr B P Gregson stated that he would not be attending further site visits until such time as a Site Inspection Protocol had been agreed. Mr Gregson said that his issue was not with being lobbied; the problem is the understanding and interpretation of the Code of Conduct as it relates to planning issues. Mr Gregson added that site visits should be controlled and open to invitees only.

Mr W H Manson said that the information received in the planning application itself should be adequate to make a decision. However, should additional information be required, and a site visit agreed, this should be an extension of the Planning Sub-Committee and only Members should be in attendance. No other people should be invited to attend site visits and this would ensure that lobbying does not take place.

Mr J P Nicolson referred to paragraph 3.3 in the report and said that he recognised that other people may be invited to site visits, that only those invited should be in attendance, and that the site visit should not start until such time as that situation pertains. Mr J P Nicolson moved as an amendment that the Committee approve the recommendations in the report. Mrs I J Hawkins seconded.

(Mrs F B Grains gave notice of a further amendment).

After summing-up, voting followed by a show of hands and the result was as follows:

| | |
|--------------------------|----|
| Amendment (J P Nicolson) | 12 |
| Motion (W A Ratter) | 5 |

Mrs F B Grains moved as an amendment that the Committee should only accept paragraphs 1.2 and 1.3 in the draft Planning Application Site Inspection Protocol. Mrs Grains said that the purpose of site visits is for Members to look at the physical characteristics of the site. If there is a particular issue then the relevant SIC official should also be in attendance but no others should be present. This approach will provide consistency at site visits. Mr W Tait seconded.

After summing up, voting followed by a show of hands and the result was as follows:

| | |
|------------------------|---|
| Amendment (F B Grains) | 8 |
| Motion (J P Nicolson) | 8 |

The Chairman used his casting vote in favour of the amendment which was declared the finding of the meeting.

13/05 **Naming Thoroughfares**

The Committee considered a report by the Executive Director – Infrastructure Services (Appendix 3).

(Mrs I J Hawkins, Captain G G Mitchell and Mr T W Stove declared an interest).

Mr J C Irvine suggested that the Lerwick Community Council be asked to suggest names for the roads at the Quoys development. Mr J C Irvine moved that the Committee approve recommendation 7.1(2) in the report. Mr L Angus seconded.

Mr T W Stove stated that this would delay a decision being made. Mr Stove added that Hjaltland Housing Association had involved children at Sound Primary School to suggest names for the roads within the Quoys development and that a prize had been given for the name of 'Quoys Road'.

Mr J C Irvine confirmed that a decision would be made at the next meeting cycle.

14/05 **B9074 Trondra Phase 2B**

The Committee considered a report by the Network Manager (Appendix 4) and approved the recommendation contained therein, on the motion of Mr J P Nicolson, seconded by Mr J G Simpson.

15/05

Germatwatt Footways, Walls

The Committee considered a report by the Network Manager (Appendix 5).

Mr F A Robertson explained that the option recommended in the report would allow for the provision of a footpath half way to the top of the hill, ending at the road leading to the Germatwatt Youth Centre. However, it is the desire of the Community Council, and the residents of Walls, that the footpath is extended to the new housing at the top of the hill.

The Network Engineer said that consultation had taken place with various stakeholders. He explained that the landowner is not willing to sell the land beyond the Germatwatt Youth Centre. He added that although it would be very difficult to provide a footpath to the top of the hill, it is not impossible.

Mr F A Robertson suggested that the improvements should include the provision of the footpath to the top of the hill. Mr F A Robertson moved that the Committee approve Option 4, as outlined in the appendix to the report. Mr L Angus seconded.

16/05

Whalsay Link – Endorsement of Draft Study Objectives

The Committee considered a report by the Capital Projects Unit Manager (Appendix 6)

The Committee approved the recommendation in the report, on the motion of Mr J G Simpson, seconded by Captain G G Mitchell.

Mr B P Gregson paid tribute to the members of the Working Group who have done a tremendous amount of work on this project. He particularly commended the work carried out by the Capital Project Unit Manager.

On the motion of Mr J C Irvine, seconded by Mr J P Nicolson, the Committee resolved, in terms of the relevant legislation, to exclude the public during consideration of the following item of business.

17/05

Extension of Current Glass Collection Contract to 30 September 2005

The Committee considered a report by the Environmental Management Officer (Appendix 7) and approved the recommendation contained therein, on the motion of Mr J H Henry, seconded by Mr B P Gregson.

18/05

Hitrans Funding – Local Bus Services

The Committee noted a report by the Service Manager – Transport (Appendix 8).

The Committee approved the recommendation in the report, on the motion of Mr L Angus, seconded by Mr J A Inkster.

CHAIRPERSON



MINUTE

‘B’

Services Committee

Council Chamber, Town Hall, Lerwick

Thursday 17 March 2005 at 10.30am

Present:

| | |
|---------------|-------------------|
| F B Grains | B J Cheyne |
| A J Cluness | C B Eunson |
| R G Feather | I J Hawkins |
| J H Henry | J A Inkster |
| J C Irvine | E J Knight |
| W H Manson | Capt G G Mitchell |
| J P Nicolson | W H Ratter |
| F A Robertson | W N Stove |
| W Tait | |

Apologies:

| | |
|-----------|-------------|
| L Angus | B P Gregson |
| L G Groat | J G Simpson |
| T W Stove | |

In Attendance:

J Watt, Executive Director – Community Services
C Ferguson, Community Care Manager
A Jamieson, Head of Education
C Medley, Head of Housing
L Robertson, Graduate Trainee
G Smith, Head of Community Development
H Tait, Management Accountant
F Waddington, Head of Social Work
J Wylie, Community Safety Officer
L Geddes, Committee Officer

Chairperson

Mrs F B Grains, Chairperson of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Minutes

The minute of the meeting held on 28 January 2005, having been circulated, was confirmed.

Members' Attendance at External Meetings

There was nothing to report.

Before the formal business of the meeting commenced, the Convener said that he would like to update Members regarding the possibility of the Council making a new investment of up to £3million in Smyril Line. He advised that the Faroese and Icelandic shareholders had decided to fully support the ongoing operations of Smyril Line with an investment of £5.5 million, and that Shetland Development Trust would remain a major shareholder in the company with a share of 20%. A recent study had shown that almost the Norröna had contributed £6million to the Shetland economy last year, and that talks would continue between the Council and Fjord Line regarding future co-operation in developing closer trading and tourist links between Norway, Shetland and the mainland.

16/05 **Use of Long Term Void Sheltered Housing**

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

The Head of Housing summarised the main terms of the report, explaining that the recommendations should provide a flexible response to the problem of low demand and help improve service provision. In response to a query, he confirmed that the Housing Service would be responsible for cleaning houses let on a daily basis.

Captain G G Mitchell moved that the Committee approve the recommendations in the report, and Mr J P Nicolson seconded.

A Member commented that caution would need to be exercised when allocating these houses, as there may be a change of circumstances in the community.

Another Member said that there were a number of long-term voids in his area, and he was aware that the community would like to have community use of a house. He hoped that the department would have discretion to allocate a house for this purpose.

(Mr F A Robertson attended the meeting)

17/05 **Provision of Relocation Housing**

The Committee considered a report by the Head of Housing (Appendix 2) and on the motion of Mr W A Ratter, seconded by Captain G G Mitchell, approved the recommendations contained therein.

In response to a query regarding the “other agencies” referred to in paragraph 8.2, the Head of Housing said that employers often contacted him as they wished to bring workers with specialist skills to Shetland, but were unable to secure accommodation for them. He said that he would like to take this into account, as he could not do this at the moment without bringing a report to Committee on each occasion. He added that the proposals related to increasing flexibility for the short-term let of designated houses in areas where there was no demand, so it would not affect those on the waiting list in other areas.

18/05 **Allocation Monitoring Group**

The Committee considered a report by the Head of Housing (Appendix 3).

The Head of Housing referred Members to paragraph 10.1.4, and advised that the reference in this paragraph should read “4.2”. He went on to summarise the main terms of the report, and pointed out that the main changes proposed were in relation to quota targets and homeless allocations.

On the motion of Mr J C Irvine, seconded by Mr A J Cluness, the Committee approved the recommendations in the report.

A Member said he regularly received representations from people who were at the top of the transfer waiting list who had not received the next available house because it had been allocated to someone on the homeless waiting list. He felt that it was important for the Housing Service to publicise the difference between the two lists, as it was apparent that the public was not aware of this.

The Head of Housing concurred and said that there was difficulty in trying to explain this to people. However it would assist the Housing Service if people understood how the system operated.

The Housing Spokesperson added that the Allocations Monitoring Group looked at allocations where there had been complaints, and almost invariably found that they had been allocated properly. With the change in government policy regarding homelessness, there were now an increased number of people on the homeless list. The parameters had changed, but people found it hard to understand this.

A Member enquired about Government initiatives to provide more houses, and the Head of Housing confirmed that the Scottish Executive had allocated £50million across Scotland for Councils who met the housing quality standards, and had decided not to transfer their stock. The Housing Spokesperson would be speaking to the Scottish Executive in April regarding the conditions that applied to these initiatives.

The Housing Spokesperson added that if a decision had been taken not to transfer stock, money would be available for building houses out of a different fund. However he would attempt to clarify all the conditions that would apply with the Scottish Executive.

The Head of Housing also confirmed that the housing debt issue would be raised with the Scottish Executive at the same time. He pointed out that the Scottish Executive had to pay £3million in housing support grant every year, and were having to pay £3million to Hjaltland Housing Association to build new houses. So there was an argument that the Scottish Executive were paying the Council twice, and that they would save money in the long-term by writing off the housing debt.

19/05

Phone Rental and Community Alarm - Payments

The Committee considered a report by the Executive Director – Community Services (Appendix 4).

The Executive Director – Community Services summarised the main terms of the report and explained that following discussions with the

Social Work Spokesperson, it had been felt that Members were not fully aware of the effects of the decision when budget savings were approved in June 2004.

Mr C B Eunson said that withdrawal of the service would cause anxiety for the people involved, and that the cost to the Council was not significant. Although many clients were in receipt of Disability Living Allowance (DLA), this was expected to pay for a wide range of things in addition to phone rental. He therefore moved that recommendation 7.1(b) be approved, and Mr J H Henry seconded.

The Head of Social Work pointed that a two-tier system was effectively in operation, and this was an attempt to make it equitable. Before the Community Alarm system had come into operation, people had been offered assistance with their phone rental. However the Community Alarm system addressed the problem regarding people being unable to access their phones if they had an accident, and it met everyone's needs. Therefore when the Scheme had been implemented, the Council no longer paid phone rental. However there were a small group of people in receipt of phone rental that predated the Community Alarm scheme. There are now 738 people in the Community Alarm Scheme who did not get their phone rental paid. These people did not always receive DLA, but would be in receipt of a pension. If the earlier decision was reversed, there was potential for these 738 people to challenge the Council and ask for their phone rental to be paid. This could potentially cost the Council between £100,000 and £140,000 each year.

During the discussion that followed, some Members said that only a small number of people were in receipt of phone rental, and that it was not a significant cost to the Council. Many were dependent on their phones for contact with the outside world, and it would be uncaring of the Council to remove this from them. Members commented that as the people involved were generally very elderly, payments would eventually be phased out. It was also questioned if it would be possible to "ring fence" the current situation so that there would be no possibility of a challenge to the Council.

Other Members said that they felt uncomfortable that a two-tier system was in operation, and that the Council should seek to achieve parity. Withdrawal of this service did not imply that the Council, or its staff, are uncaring, and there were means available to help those who may find payment of a phone rental difficult.

Some Members also commented that they would like more information in respect of those in receipt of the payment, and the situation regarding those who might be entitled to the payment if the decision were reversed.

Mr J P Nicolson said he felt there was not a complete understanding of the issue, and that further clarification should be provided so that Members could acknowledge the long-term implications whatever decision was taken. He therefore moved, as an amendment, that consideration of the report should be deferred for a cycle so that further information could be presented, and Mr A J Cluness seconded.

After some discussion, and with the consent of his seconder, Mr J P Nicolson agreed to amend his motion so that consideration of the report was deferred until the Council meeting so that further information could be presented.

Mr W N Stove gave notice of further amendment.

In response to queries, the Head of Social Work confirmed that there was no charge for the Community Alarm Scheme. She understood that most people who applied already had a phone. If it were the case that an applicant did not have a phone, the Council would pay for installation out of the Social Work budget. There was, at present, no charge for the installation and maintenance for Community Alarms. She also confirmed that payment of phone rentals was "closed" to new applicants, and that she could provide further information on the ages of the people involved if required.

The Executive Director added that if household income was low and payment of phone rental would therefore be difficult for an individual, an application could be made to Shetland Charitable Trust under the Social Assistance Grant Scheme.

In view of the amendment to defer a decision in order for further information to be presented, Mr C B Eunson agreed to withdraw his motion, with the consent of his seconder.

Mr W N Stove pointed out that the Social Work Task Force would shortly be meeting to address issues such as this. He expressed concern that the 738 people who were not in receipt of phone rental were being treated unfairly, and that reversal of the decision may have large cost implications for the Council. However he acknowledged that the decision to withdraw the phone rental payment had come as a shock to those receiving the payments from Social Work at present.

In light of this, he moved, as an amendment, that the report be noted and that the Scheme that involved paying phone rental should be stopped as from 31 March 2006.

Mr W Tait seconded.

After summing up, voting took place by show of hands and the result was as follows:

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|--------------------------|----|
| Amendment (Mr W N Stove) | 2 |
| Motion (Mr J P Nicolson) | 13 |

A Member asked for an assurance that in the meantime, those who had received letters saying that their phone rental would no longer be paid would be advised that it would continue to be paid until the issue had been resolved.

The Head of Social Work said that letters had already gone to people informing them of this.

20/05

A Community Safety Strategy for Shetland 2005-2010

The Committee considered a report by the Executive Director – Community Services (Appendix 5) and on the motion of Mr C B Eunson, seconded by Captain G G Mitchell, approved the recommendations contained therein.

With reference to paragraph 7.2, the Chairperson requested that Councillor J P Nicolson was involved in incorporating comments that arise as a result of the consultation.

A Member referred to the events stewarding training on page four of the appendix. She advised that she had been contacted by some Community Halls to say that they had received a letter from Infrastructure Services regarding their catering licences. Attached to this letter was a letter regarding changes to licensing standards in June, and she felt that it was important that the Licensing Board contacted halls to advise them due to the short timescale involved.

Another Member referred to the voluntary sector that were responsible for things such as running community halls, and said that he felt that this was distinct from the voluntary care sector. He had received representations from some halls that felt that they were finding themselves subjected to a degree of condescension. He therefore suggested that in recognition that there were two distinct voluntary sectors, Community Development should become involved in training and also set up an early meeting with the people who operated within the ambit of Shetland Council of Social Service to discuss any misunderstanding about individual roles.

A Member commented that in the appendix young people had been listed alongside anti-social behaviour. Whilst he realised that this was not intentional, he felt that anti-social behaviour was often highlighted in relation to young people. He felt that it was important that emphasis should be put on liaison and links with parents at an early stage.

21/05

Children and Young People's Services Plan 2005-08: Executive Summary

The Committee considered a report by the Head of Social Work (Appendix 6) and on the motion of Mr W H Manson, seconded by Mr C B Eunson, approved the recommendation contained therein.

In response to comments that had been received regarding the diagram on page 4 of the appendix, the Head of Social Work circulated a further option to Members. Members agreed to recommend the second option tabled at the meeting on the motion of Mr J P Nicolson, seconded by Captain G G Mitchell.

A Member commented on the work that had gone into the Plan, and recommended that Members take time to look at the full document.

In response to a query regarding paragraph 4.1, the Head of Social Work said that there were a number of service reviews that would take place. Not all of the actions that resulted would attract additional funding from the

Scottish Executive, but efforts would be made to consider all relevant streams of funding and best use of resources.

A Member commented that she was unsure as to why obesity was included in the key strategic priorities.

22/05

Bell's Brae Nursery Pilot

The Committee considered a report by the Head of Education (Appendix 7).

Mr A J Cluness pointed out that the Member for the Area was unable to attend the meeting today as he was away on Council business. However he had advised that he was still in discussion with the school and parents, and wished to defer the report for another cycle. Mr Cluness accordingly moved that the report be deferred for one cycle, and Mrs I J Hawkins seconded.

A Member added that the report should not be held up for more than one cycle, in order that parents could be informed before the start of the next academic year.

23/05

Primary Provision for Pupils Educated in Lerwick

The Committee considered a report by the Head of Education (Appendix 8).

The Head of Education summarised the main terms of the report, and pointed out that the statistical survey carried out had shown that the current primary provision in Lerwick was sufficient. However the decision of a meeting with Lerwick members was that the short-term problems should be addressed, there was a need to look at long-term provision, and that a group should be formed to take this forward.

Members agreed that there was a need to look at longer-term provision in Lerwick, particularly in view of housing developments, population projections and a possible fixed link to Bressay.

Mr W A Ratter moved that the Committee approve the recommendations in the report, and Mr J C Irvine seconded.

Mr J P Nicolson said that he was concerned that another two working groups involving Members would be created. He pointed out that the Council had good quality staff, and that that the Head of Education and his management team would be capable of looking at these issues and coming forward with solutions to Members. He therefore moved, as an amendment, that the recommendations be altered as follows:

“6.1 the Head of Education examines the current problems being encountered on the Bell's Brae Primary School site and suggest possible solutions to these problems; and

6.2 the Head of Education assesses all relevant information and recommends on ways of providing Primary Education in the longer term for pupils who attend school in Lerwick”.

The Head of Education said that in line with task forces that had been set up in other areas, it was important that those with an interest were consulted. Mr J P Nicolson confirmed that his amendment did not preclude any such consultation.

A Member referred to recommendation 6.1, and said that efforts should be made to address similar problems that were being encountered on the Sound site.

With the consent of his seconder, Mr Ratter agreed to amend his motion so that the reference to “Bell’s Brae Primary School” in the recommendations was replaced with “Lerwick Primary Schools”.

After summing up, voting took place by show of hands and the result was as follows:

Amendment (Mr J P Nicolson) 2
Motion (Mr W A Ratter) 13

24/05 **Shetland Golf Club – Support Grant**

The Committee considered a report by the Head of Community Development (Appendix 9), and on the motion of Mr J P Nicolson, seconded by Mr J C Irvine, approved the recommendations contained therein.

The Head of Community Development acknowledged that the recommendations were somewhat complicated, but pointed out that they would assist in moving towards a situation where the funding was awarded in line with SCT grants, and eventually through a Service Level Agreement, so things would be more straightforward. It was also apparent that the Golf Club were trying to reduce the support required from the Council, and this was a positive step.

(Mr J C Irvine left the meeting)

25/05 **Grants to Voluntary Organisations – Bridge End Outdoor Centre/Unst Youth Centre Trust**

The Committee considered a report by the Head of Community Development (Appendix 10) and on the motion of Mr J A Inkster, seconded by Mr F A Robertson, approved the recommendations contained therein.

26/05 **Scottish Executive Community Safety Partnership Awards Programme 2005-08**

The Committee noted a report by the Executive Director – Community Services (Appendix 11).

Mr J P Nicolson asked that his earlier comments relating to agenda item 5, with regard to Community Development being involved in a meeting between the two distinct voluntary services, be taken onboard.

27/05

Service Developments for People with Learning Disabilities

The Committee noted a report by the Community Care Manager (Appendix 12).

In order to avoid the disclosure of exempt information, Mrs F B Grains moved, and Mr W N Stove seconded, to exclude the public in terms of the relevant legislation during consideration of agenda item 13.

(Representatives of the media left the meeting)

28/05

Sale of HRA Land for the Provision of Affordable Housing

The Committee considered a report by the Head of Housing.

Captain G G Mitchell and Mrs I J Hawkins declared non-pecuniary interests.

Mr W A Ratter moved that the recommendations in the report be approved with the addition that the Head of Housing be asked to consider mechanisms under which he can facilitate engagement between Hjaltsland Housing Association, and other relevant agencies in Shetland, to take this forward.

Mr W H Manson seconded, pointing out that there had never been any explanations from the Government as to how strategies were to be implemented by local authorities when money for housing was put in the hands of housing associations.

The Housing Spokesperson pointed out that this issue could be considered by the Housing Strategy Group, and put on the agenda for the next meeting, and Members agreed that there was a need to have a wider look at developing housing in rural areas.

The Head of Housing said that it was necessary to make a decision on the recommendations, otherwise the money available would be lost. He confirmed that the Council's responsibility at a strategic level was addressed through the local housing strategy. However he felt that more could be done to decentralise services and direct people to rural areas, and that it was a wider issue than just housing. There was not a clear definition of decentralisation in the Corporate Plan, and guidance as to how this could be achieved would be welcomed as he was unsure as to how much influence he would have personally.

(Mr J P Nicolson left the meeting)

A Member concurred and said that whilst Council policy favoured development in rural areas, there was still a drift to the central belt of Shetland. The Council needed to take on responsibility to stem this drift and direct development throughout Shetland. This was something that would have to be done at Chief Executive and policy level.

After some further discussion, and with the consent of his seconder, Mr W A Ratter agreed that reference to the “Head of Housing” in his motion should be replaced by “Chief Executive”.

In response to queries, the Head of Housing explained that development money was currently being directed at housing associations. However there was a conflicting message as small amounts of money were being directed towards the Council. In theory, the Council could build houses and there was currently a pilot project for a development at Rudda Park. The Council owned a number of parcels of land, and they were being used to complement and supplement HHA. HHA had a five-year development programme, and there would be time for the Council to consider a strategic overview of the housing situation in relation to rural areas.

He went on to say that by selling the land, the Council were not offering any guarantees of planning permission and this was reflected in the value of the land. Achieving outline planning permission would enhance the value of the land, however there was no time to do this for the first areas that were prioritised. It could be a consideration for the areas further down the list. Whether or not tenders for the actual developments had to be advertised in Europe was dependent on the size of the contract. He understood that housing associations were not considered as public bodies and therefore would not have to advertise in Europe. However the debate on this issue was not concluded.

.....
F B Grains
Chairperson



MINUTE

A & B

Executive Committee
Council Chamber, Town Hall, Lerwick
Tuesday 22 March 2005 at 10.30 a.m.

Present:

| | |
|-------------|------------|
| A J Cluness | L Angus |
| J A Inkster | J C Irvine |
| W H Manson | W A Ratter |
| W N Stove | |

Apologies:

F B Grains

In attendance:

M H Goodlad, Chief Executive
G Spall, Executive Director – Infrastructure Services
G Johnston, Head of Finance
J Smith, Head of Organisational Development
D Lamb, Senior Special Projects Manager
I Millar, Projects Manager
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.

Members Attendance at External Meetings

| | | |
|-------------|---|---|
| A J Cluness | - | Highlands and Islands Convention, Lerwick |
| | | The Convener expressed his thanks to all those who had attended the Convention, and compliment to the Town Hall staff for all their work in arranging the evening in the Town Hall. |
| J C Irvine | - | Regional Transport Authorities Seminar, Inverness |
| L Angus | - | European Parliaments Regional Development Committee, Stornoway |
| W N Stove | - | SJC Workshops |

Minutes

The Minutes of meeting held on 1 and 7 February 2005, having been circulated, were confirmed.

General Fund Revenue Management Accounts 2004/05 for the Period 1 April 2004 to 31 December 2004

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

The Head of Finance summarised the terms of the report, adding that the main point to bring to the attention of the Committee was that, as at 31 March 2005, the Council could expect to have exhausted the General Fund Revenue balances, as predicted.

Mr L Angus said that there had been considerable debate on all spending, but on Education in particular, and he referred to the £1/2m overspend on the ASN Education budget. Mr Angus said that he had asked for some explanation as to this overspend, which he had been told had been due to extra staffing that had not been authorised, but no explanation had been forthcoming. In response, Mr W H Manson said that he agreed that the overspends on Education were matters of huge concern. He went on to explain that additional staff had not been recruited, but the overspends had been due to a failure to budget for them. The Chief Executive confirmed that there had been a report prepared for the last cycle, but he had not allowed it to progress as he was not fully satisfied with the explanation. He said that it was correct that new staff had not been recruited, but the budgetary figure had not been included. The Chief Executive gave an assurance that a report would be presented clarifying the position.

Mr J C Irvine expressed his disappointment regarding the Council's decision not to provide funding for the receptionist post at the new voluntary centre. He said that he felt that there was some discrimination and victimisation being shown towards the voluntary sector in terms of grant funding, and said that he would be keeping a watchful eye on the situation.

Mr A Inkster referred to section 3 of the report, and said that the limits shown were quite alarming, particularly with regard to controllable expenditure. He said that it appeared that budget procedures and systems were not working. The Head of Finance said that he accepted that budgetary preparation, monitoring and control were not as good as they could be. However, he said that officials had a broad understanding that matters such as budget profiling were still causing difficulties and these would have to be addressed. The Head of Finance went on to confirm that a report would be presented in the next cycle in May which would draw on some conclusions and make recommendations for improvements.

The Capital Programme – CPMT Report – March 2005

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

The Head of Finance said that the situation was that of the £22m budget, £19m would be spent. He said this was due to slippage and projects which would not proceed. The Head of Finance referred Members to the recommendation regarding the Germatwatt Footways project to be extended to take in the new housing development, adding that this was a lesser option than that which was recommended by the Infrastructure Committee. Mr J C Irvine said that the Council should proceed to include the expenditure for this area, adding that there was an impression given that the scheme would take longer than expected. Mr L Angus agreed that it

should proceed, as long as the Capital Programme was able to accede to it. Regarding the Special Needs Unit, Mr Angus asked if the budget shown for the AHS Special Needs Unit included the updated revised estimate. The Head of Finance confirmed that the budget for this project had been increased, but as there had been slippage on another project, the overall programme figure was expected to stay the same. Mr W H Manson said that the profiling for this project that had been revised, and the most recent information received had confirmed that the completion date had not changed. It was noted that the additional works required for a sprinkler system were as a result of recent legislation and guidelines.

13/05 **Treasury Management Strategy Statement 2005/06**

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

14/05 **Prudential Indicators 2004/05 – Monitoring**

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

15/05 **Prudential Indicators 2005/06**

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

16/05 **Local Newspaper Advertising**

The Committee considered a report by the Chief Executive (Appendix 6) and approved the recommendations contained therein, on the motion of Mr J C Irvine, seconded by Mr W H Manson.

17/05 **Quality of Life Funding Award**

The Committee considered a report by the Executive Director – Community Services (Appendix 7) and approved the recommendations contained therein, on the motion of Mr A J Cluness, seconded by Mr W H Manson.

18/05 **Training Update**

The Committee considered a report by the Head of Organisational Development (Appendix 8).

Mr A Inkster said he recognised that training of staff was extremely important, and asked if training was considered to be well co-ordinated, and said that the sharing of information learned was critical. The Head of Organisational Development said that a lot of work had been done on the training strategy over the last couple of years, and Service Training Plans had been developed. He went on to say that one aspect which had arisen was a concern that the Council was not making the most of Train Shetland., and that increased use would assist the Council in many respects, as outlined in the report. In response to a question, the Head of Organisational Development confirmed that a training needs analysis had been carried out, and had assisted towards the development of the corporate and management development training.

The Committee approved the recommendation in the report, on the motion of Mr A J Cluness, seconded by Mr W N Stove.

- 19/05 **Community Councils – Scheme and Financial Position Update**
The Committee considered a report by Head of Finance (Appendix 9) and adopted the recommendations contained therein, on the motion of Mr W H Manson, seconded by Mr A J Cluness.
- [Mr W A Ratter attended the meeting.]
- 20/05 **Community Planning Update Report**
The Committee noted a report by the Head of Organisational Development (Appendix 10).
- Mr J C Irvine expressed his concern at the operation of the Community Planning Board, particular with regard to matters of ‘creeping centralisation’ where the views and policies of other un-elected members of other organisations were representing the views of a wider organisation, and not necessarily addressing the local context. However, Mr Irvine said that whilst there were those who were committed and enthusiastic about Community Planning, he believed that the Council should agree with the initiative, but do nothing to support it further.
- Mr A J Cluness said that whilst he understood the concerns raised regarding centralisation, he felt it was a more a question as to whether the present system of local government in Shetland was right for this community. He said this the matter of future governance was something that the Community Planning board would be looking at. He went on to say that there were benefits in collaborating with local partners, particularly NHS Shetland, and the Community Planning Board was useful tool for consultation and communicating with communities throughout Shetland to find out the best way of providing services.
- Reference was made to representation on the Community Planning Board and it was noted that the Voluntary and Independent Sector Forum would be appointing a representative to the Board.
- 21/05 **Performance Management Update**
The Committee noted a report by the Head of Organisational Development (Appendix 11). The Committee noted that a meeting of the Executive Committee in its Scrutiny Role would be called next cycle.
- 22/05 **Guidelines to Engage and Consult with Communities**
The Committee considered a report by the Head of Organisational Development (Appendix 12) and approved the recommendations contained therein, on the motion of Mr J C Irvine, seconded by Mr W A Ratter.
- 23/05 **Single Status Project Update Report**
The Committee noted a report by the Single Status Project Manager (Appendix 13).
- 24/05 **Forum Minutes: Environment and Transport Forum – (a) 24 January 2005; and (b) 1 March 2005**
The Committee noted the minutes of the Environment and Transport Forum on 24 January and 1 March 2005 (Appendices 14a and 14b).

The Committee noted that the Executive Director Infrastructure Services would be issuing a Press Release today regarding concerns expressed by the Chairperson of the Infrastructure Committee regarding the introduction of Regional Transport Partnerships.

Reference was made to the recent announcement by Loganair regarding their decision that the last flight from Aberdeen would not stay overnight at Sumburgh. Members agreed to record their concern that this situation was likely to lead to a reduction in the number of flights out of Shetland, and agreed to monitor the situation and discuss at a future meeting of the Forum if necessary.

25/05

Social Forum – 3 March 2005

The Committee noted the minute of the Social Forum held on 3 March 2005 (Appendix 14c).

The meeting concluded at 11.50 a.m.

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A J Cluness
Chairperson



MINUTE

B

**Executive Committee – Economic Development
Council Chamber, Town Hall, Lerwick
Tuesday 22 March 2005 at 12 Noon**

Present:

| | |
|-------------|------------|
| A J Cluness | L Angus |
| J A Inkster | W H Manson |
| W A Ratter | W N Stove |

Apologies:

| | |
|------------|------------|
| F B Grains | J C Irvine |
|------------|------------|

Also:

J Simpson

In attendance:

M H Goodlad, Chief Executive
G Spall, Executive Director – Infrastructure Services
A Cooper, Head of Development Resources
D Irvine, Head of Business Development
G Johnston, Head of Finance Services
W Shannon, Economic Development Manager
J Smith, Head of Organisational Development
L Coutts, Area Economic Development/Tourism Officer
J Dunn, Agricultural Development Officers
T Coutts, Research Officer
A Cogle, Service Manager Administration

Also

N Grant, General Manager – Shetland Development Trust

Chairperson

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

Circular

The circular calling the meeting was held as read.

Minutes

The minute of meeting held on 1 February 2005, previously circulated, was confirmed.

Chairperson

Mr W A Ratter, Chairperson of the Executive Committee – Economic Development, presided.

Circular

The circular calling the meeting was held as read.

7/05 Provision of New Lairage Facilities at Holmsgarth

The Committee considered a report by the Agricultural Development Officer (Appendix 1) and approved the recommendation contained therein, on the motion of Mr L Angus, seconded by Mr A Inkster.

8/05 Development of Former Aith Knitwear Factory

The Committee considered a report by the Research Assistant (Appendix 2) and approved the recommendation contained therein, on the motion of Mr A J Cluness, seconded by Mr A Inkster.

9/05 VisitScotland's Shetland Network Office – Tourism Funding Arrangements 2005/06

The Committee considered a report by the Area Economic Development/Tourism Officer (Appendix 3) and approved the recommendations contained therein, on the motion of Mr L Angus, seconded by Mr W N Stove, with the proviso that a review of the arrangements be carried out.

The Area Economic Development/Tourism Officer confirmed that frequent monitoring of the arrangements would be carried out, any problems would be reported back to the Committee as soon as possible, and an update report would be submitted to the Executive Committee after a year.

10/05 Minute of Shetland Economic Development Forum – 3 February 2005

The Committee noted the minute of the Shetland Economic Development Forum held on 3 February 2005 (Appendix 4).

Mr W A Ratter advised that a themed meeting of the Forum had taken place on 14 March regarding digital links. He said that the new Forum was operating extremely well, and this particular Forum meeting had been well attended and a breadth of knowledge had been brought to the meeting. He indicated that future minutes would set out clearly the action points and identify those responsible for taking matters forward, which would enable participants to review progress.

Mr L Angus said that one issue which arose from the last Forum meeting was the concern regarding, not only the lack of mobile phone coverage during the Island Games, but the ability of broadband lines to cope with additional traffic. Mr Ratter agreed, and said it was likely that media companies would have to consider use of satellite ground stations to provide adequate coverage. Mr Ratter added that it had been interesting and useful to hear the views of those involved in telecommunications providing input and advice to this discussion, through which the Forum had learned that BT were commissioning another microwave link, which was something that the Council and other organisations had been unaware of.

11/05 Minute of Shetland College/Train Shetland Board of Management

The Committee noted the minute of the Shetland College/Train Shetland Board of Management meeting held on 20 January 2005 (Appendix 5).

In order to avoid the disclosure of exempt information, Mr W A Ratter moved, Mr L Angus seconded and the Committee resolved, in terms of the relevant legislation, to exclude the public during consideration of the following items of business.

12/05 **Project Feasibility – Extension to Tug Jetty, Sellaness**

The Committee considered a report by the Head of Development Resources. Mr L Angus moved that the Committee approve the recommendations in the report. Mr Cluness seconded the motion, subject to cost savings being identified and achieved where possible.

13/05 **Fishing Vessel Equity**

The Committee considered a report by the Economic Development Manager and approved the recommendation from the SDT on the motion of Mr A J Cluness, seconded by Mr W H Manson.

14/05 **Shetland Development Trust Minutes – (a) 8 December 2004; (b) 17 December 2004; (c) 22 December 2004; (d) 7 January 2005; and (e) 14 January 2005**

The Committee noted the minutes of the aforementioned meetings.

.....
W A Ratter
Chairperson



MINUTE

‘B’

Civic Government Licensing Sub-Committee
Council Chamber, Town Hall, Lerwick
Wednesday 23 February 2005 at 10.00 a.m.

Present:

| | |
|--------------|------------|
| J P Nicolson | B J Cheyne |
| R G Feather | E J Knight |
| W N Stove | W Tait |

Apologies:

Capt G G Mitchell

In Attendance (Officers):

I Bruce, Service Manager, Transport Operations
B C Hill, Acting Divisional Manager, Legal Services
D Haswell, Committee Officer

Circular

The circular calling the meeting was held as read.

Chairperson

Mr J P Nicolson, Chairperson of the Sub-Committee, presided.

Minutes

The minutes of meetings held on 12 and 14 January 2005, having been circulated, were confirmed.

The Service Manager, Transport Operations advised that the Police were unable to attend the meeting today.

On the motion of Mr J P Nicolson, seconded by Mr W Tait, the Sub-Committee resolved, in terms of the relevant legislation, to exclude the public during consideration of the following item of business

3/05

Applications for Grant/Renewal of Taxi Drivers Licences

The Sub-Committee considered a report by the Service Manager, Transport Operations. The Sub-Committee also decided to admit for consideration observations from the Police concerning previous convictions of the applicants. Copies of the Police observations were then circulated to Members.

After a brief discussion, the Sub Committee agreed to grant taxi drivers licences to both applicants for a period of 3 years.

CHAIRPERSON



MINUTE

‘A’ & ‘B’

Planning Sub-Committee

Council Chamber, Town Hall, Lerwick

Wednesday 23 February 2005 at 10.30am

Present:

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

Apologies:

W H Manson Captain G G Mitchell

In Attendance (Officers):

A Hamilton, Head of Service - Planning
I McDiarmid, Planning Control Manager
J Atkinson, Planning Officer - Development Control
V Hawthorne, Development Plans Manager
C Gair, Traffic Engineer
B Hill, Acting Divisional Manager - Legal
L Adamson, Committee Officer

Chairman:

Mr F A Robertson, Chairperson of the Sub-Committee, presided.

Circular:

The circular calling the meeting was held as read.

Minutes:

The minute of the meeting held on 10 November 2004 was confirmed.

02/05

Hearing

The Sub-Committee considered a report by the Head of Planning (RECORD Appendix 1).

1. 2004/271/PCD – Erect three dwellinghouses (in outline), adjacent to Brig House, Weisdale by Mr M Thompson

The Chairman advised that at the Planning Sub-Committee in January, Members had approved this application, contrary to Development Plan Policy. This was considered at the Council meeting on 10 February and a decision was

taken to refer the application back to the Planning Sub-Committee as the objectors are permitted a hearing before a final decision is made at the meeting today.

Mr Victor Drosso, an objector, explained that himself and his wife had lived in Kergord for almost nine years and their house would be the most affected by this development. He said that he was not opposed in principle to developments in Kergord. Mr Drosso felt that the Community Council and the Local Member for the Area had not adequately addressed the issues. He was of the opinion that the Local Member should represent both the objectors and the applicant and come with a balanced decision, instead of a one-sided decision. Mr Drosso added that he had sought legal advice from Brodies Solicitors.

Mr Drosso referred to the Development Plan, Local Plan and Zoning Plans that form the Council recognised policies, during consultation of a planning application. The Development Plan is statutory and Councillors should follow the Plan in making any determination of an application.

Referring to the decision on this application at the Planning Sub-Committee in January, Mr Drosso said that there were no demonstrable reasons to justify the decision to approve the application. He referred to the minute where it stated that the "zoning policy should be set aside as there was no reason for part of the site to be classified as Zone 4". Mr Drosso was of the opinion that this decision was exceeding authority as the zoning policy had only been adopted in 2004 and to set aside the policy or to review the process, needs public approval to do so. To set aside the zoning policy could set a dangerous precedent. Mr Drosso added that Councillors all had input into the zoning policy.

Mr Drosso illustrated a slide showing Brig House and highlighted the surrounding good agricultural land. An outline of the proposed site for the proposed three houses was shown on the slide. A further slide included lines highlighting the zoning areas on the proposed site. Mr Drosso stated that there was no actual change in the land so there was no reason why the all the land could not be classified as Zone 4.

A further slide illustrated a wide picture of the area, showing the entire hillside and the extent of the Zone 4 area. Mr Drosso was of the opinion that the intention of the zoning policy is clear, that the area should have been all Zone 4, allowing no development in the area. Mr Drosso added that more distinctive lines are required and it is obvious that the road is the boundary.

Mr Drosso said that all new developments should be sympathetic with the landscape. He was of the opinion that the three houses proposed are packed close together and are not in keeping with the settlement pattern. Mr Drosso said that he was aware that the developer was proposing to build additional developments in the future.

Mr Drosso urged Councillors to refuse this application, as it is contrary to the Development Plan Policy. Should the application be approved there should be strict conditions to keep the development small.

Mr James Thomason, representing Mr Peter Davis (an Objector), said that Mr and Mrs Davis had been privileged to live in Weisdale for 14 years and they feel

they are witnessing destruction of one of Shetland's beautiful valleys. The houses already built in the area are more groups rather than planned ribbon developments. Years ago there had been many houses in the valley and these houses were low environmental impact compared to the majority of houses in Shetland today. Mr Thomason said that Mr and Mrs Davis are not against people having homes but these homes should be in keeping with the other houses in the area. Should this development go ahead it is against planning officials' recommendation.

Mrs F B Grains, Member for the Area, said that she had been very unhappy with the zoning lines ever since they were approved and she could see problems arising. Mrs Grains referred to the zone lines relating to this application and that part of the third site lies within Zone 4. She then referred to the site visit and stated that neither the Community Council nor the Members in attendance could justify why the line had been drawn through that particular point, as the land was the same throughout the whole site. She said that it has already been agreed that Zoning needs some physical boundaries.

Mrs Grains referred to the objector's view that the proposed development would not be in keeping with the existing settlement pattern. She stated that the modern developments to the North of the site are similar to the three dwellinghouses proposed.

Mrs Grains advised that the Community Council agrees that the zoning lines are without foundation and that the houses proposed mirror the modern developments some metres away. In supporting the views of the Community Council, Mrs F B Grains moved that the application be approved, subject to the usual conditions relating to the public sewer and the requirements of the Roads Section. Mr W Tait seconded.

The Head of Service - Planning clarified that the Zoning Policy is currently under review. He added that should this matter proceed to a public inquiry then the current Zoning Policy would be the adopted local plan referred to.

Mr B P Gregson said that as the zone line cuts across the site there are arguments that can be used on either side of the line. As the application is contrary to the Structure Plan Policy and Development Plan Policy, Mr B P Gregson moved that the application be refused. Mr E J Knight seconded.

After summing up, voting took place by show of hands and the result was as follows:

| | |
|----------------------------|----|
| Amendment (Mr B P Gregson) | 4 |
| Motion (Mrs F B Grains) | 10 |

Mr L Angus suggested that procedures should be developed to guide objectors/applicants at hearings.

03/05

Planning Applications for Decision

The Sub-Committee considered reports by the Head of Planning (RECORD Appendix 2). The Planning Control Manager illustrated the individual planning applications with a PowerPoint display of photographs showing the proposed application sites.

2. 2004/361/PCD - Site portacabin for agricultural storage, Berrybrake, Baltasound, Unst by Anne Inkster

The Planning Control Manager advised Members that this application and the following application, 2004/435/PCD, had been deferred at the Planning Sub-Committee in January, to allow the Local Member to be present. This application has been assessed on planning merits and as the portacabin is for agricultural use, on an agricultural holding, the application has been recommended for approval, subject to a number of conditions. The Planning Control Manager advised that temporary permission has been suggested to allow the application to be reviewed in the future.

Mr B P Gregson advised that as he had been approached by both the applicant and the objector, he would make a statement on the application and take no part in the discussion or voting.

(Mr B P Gregson left the meeting)

Mr L G Groat referred to the information from the Local Member and moved refusal. He left the meeting for a short time. On his return he referred to sections 4.1 (1) and (2) in the report, and moved that the application be refused. Mr W A Ratter seconded.

3. 2004/435/PCD - Site a caravan for residential use, Berrybrake, Baltasound, Unst by Anne Inkster

The Planning Control Manager confirmed that the caravan was for residential use.

Referring to Section 4.1 (5) in the report, Mr L G Groat moved that the application be refused. Mr W A Ratter seconded.

Mrs I J Hawkins stated it was important that decisions on applications are not lumped together. Mrs Hawkins referred to Section 4.1 (2) in the report and was of the opinion that that argument could not be used. She accordingly moved that the application be approved conditionally, as recommended in Section 8 of the report. Mr J A Inkster seconded.

After summing up, voting took place by show of hands and the result was as follows:

| | |
|-----------------------------|---|
| Amendment (Mrs I J Hawkins) | 8 |
| Motion (Mr L G Groat) | 7 |
| Abstention (Mr L Angus) | |

4. 2004/341/PCD - Extend dwellinghouse and erect garage with ancillary living accommodation, Brekka, Fladdabister by Mr and Mrs G Keith

(Mr B P Gregson returned to the meeting)

The Planning Control Manager drew Members' attention to concerns regarding the scale of the proposed garage, as it would resemble two houses side by side. Refusal of the application was being recommended, in terms of visual impact in a Local Protection Area.

Mr T W Stove referred Members to the photograph of the application site and the map attached to the report, and advised that there are other similar houses on the other side of the road that are not included on any of the illustrations. Mr Stove commented that local residents have produced a booklet "Draft Fladdabister and Odraquoy Settlement Design Statement", to ensure better use of the landscape in the area. Mr Stove went on to say that this was a modest extension to the house, was similar to the houses nearby and not out of keeping with the area. Mr T W Stove accordingly moved that the application be approved and Mr W Tait seconded.

Mr L Angus advised that the house had been built for a single person and there was now a requirement to expand. Mr Angus felt that this was by no means excessive, the proposed development was subservient to the original house and would be in keeping with other developments in the area.

Mrs I J Hawkins stated it was important that the illustrations for each application show the full picture, to allow an accurate decision to be made.

5. 2004/400/PCD - Erect garage, South Voe, Dunrossness by Mr John Graydon

The Chairman advised that the Member for the Area had requested that a site visit be arranged in order for Members to appreciate the contours of the land.

Mr W A Ratter moved that a site visit be arranged, and Mr L Angus seconded.

6. 2004/406/PCO - Erect three dwellinghouses (in outline), (re-application – amended site location), South Ustiness, South Whiteness by Mrs C Kelly

The Chairman advised that the Member for the Area had requested a site visit.

Members were of the opinion that consistency is required for site visits and protocol requires to be produced for Members, Community Council representatives and for the applicant and objectors, should they be in attendance.

Mr W A Ratter moved that a site visit be arranged for Members to familiarise themselves with the site. Mr T W Stove seconded.

7. 2004/417/PCO - Erect dwellinghouse (in outline), Smuggins, East Isle, Burra by Ms M Thomason

(Mr J A Inkster declared a non-pecuniary interest in this application).

The Head of Planning asked Members to note that a member of staff in the Planning Service had an interest in this application, as landowner. The Planning Control Manager advised Members that this application had received four letters of objection. The proposal is contrary to the Development Plan Policy, as it clearly lies within a Zone 4 area where housing can only be granted in exceptional circumstances. The proposed development is also in an elevated position, creating an unacceptable visual impact.

(Mr J A Inkster left the meeting)

Mr J P Nicolson said that he had visited the site and was of the opinion that this was an ideal location for a house. He commented that zoning was again the

main concern and that the review was currently being carried out. Mr Nicolson moved that in order for Members to familiarise themselves with the site, a site visit be arranged. Mr W Tait seconded.

8. 2004/431/PCD - Erect garage (domestic use), adjacent to Solbrekke, Sandwich by Mr R Jamieson

(Mr T W Stove declared a non-pecuniary interest and left the meeting)

(Mr J A Inkster returned to the meeting)

The Chairman advised that the site visit had taken place. Mr B P Gregson said that he had attended the site visit and that he interpreted the site visit as lobbying from both parties involved. Mr Gregson was of the opinion, that by no stretch of the imagination, could the garage be classed as for domestic use.

(Mr B P Gregson left the meeting)

Mr J P Nicolson commented that, in relation to the scale of the house, the proposed garage was not out of proportion.

Mr W Tait said he was of the opinion that the proposed garage was out of proportion to the house and he had sympathy for the house owners adjacent to the application site.

Mr E J Knight referred to paragraph 8.3 in the report, namely "If Members are minded to approve the development I would request that this be conditional on ensuring that the building is set back 6 metres from the edge of the public road". Mr E J Knight accordingly moved that the application be conditionally approved, including the condition set out in paragraph 8.3. Mr J G Simpson seconded.

Mr C Gair, Traffic Engineer, reported that he had visited the site and was of the opinion that in no way would the proposed garage affect visibility.

Mrs B J Cheyne said that she had concerns that the materials for the proposed garage are not conducive with the house. She suggested that the garage could be relocated to the back corner of the site.

In response to a query, and referring to the site plan attached to the report, the Head of Service – Planning clarified that the proposed garage would have to move a further two metres back.

Mr W Tait moved that the application be refused. Mrs B J Cheyne seconded.

After summing up, voting took place by show of hands and the result was as follows:

| | |
|------------------------|---|
| Amendment (Mr W Tait) | 6 |
| Motion (Mr E J Knight) | 6 |

The Chairman used his casting vote in favour of the amendment which was declared the finding of the meeting.

9. 2004/440/PCD – Construct access road and linked footpath to Heathery Park, Phase 2 to serve five dwellinghouse development and erect dwellinghouse on Plot 5, Phase 3, Central Park, Setter, Gulberwick by Mrs S Stevenson and Mr C Gair

2004/464/PCO – Erect four dwellinghouses (in outline), Plots 1-4, Phase 3, Central Park, Setter, Gulberwick by JHB Ltd

The Planning Control Manager advised that these two applications are linked as they have a certain amount of issues in common and have shared infrastructure. Concerns have been raised from the Community Council regarding the importance of retaining some distance between housing developments. He went on to say that the applications were recommended for refusal, as they do not meet with the Council's policy in terms of development in a Zone 3 area.

(Mr L G Groat left the meeting)

(Mr B P Gregson returned to the meeting)

The Head of Service – Planning asked Members to note that in relation to the first application an applicant was a member of the staff of the Roads Service at Toll Clock. In relation to both applications, another member of the Roads Service had an interest, as landowner.

The Head of Service - Planning expressed concern at the initial comments from the Community Council who were of the view that there was no point in objecting as planning permission had continued to be granted for each extension. The Head of Service – Planning advised that the Community Council have subsequently made other comments regarding the need for open space between the developments. The Head of Service – Planning said that judgements have to be made in relation to policies. Planning's opinion is that there needs to be more open space between and within developments in this area, in accordance with policy and the wishes of the community.

Some Members expressed concern that small buffer zone areas of land could become wasteland, neglected and potential dumping grounds. The question of who had responsibility for any area of open amenity space was also raised.

Mr L Angus said that it was unfortunate that the application for the one house had got tied up with the adjacent application to build four houses. He moved that application 2004/440/PCD should be taken on its own merits and accordingly moved the approval of that application. Mr J P Nicolson seconded.

Mr R G Feather, Member for the Area, said he was not aware of any objections to the proposed development and he was totally in favour of the next phase of housing at Central Park. Mr W Tait said, that in his opinion, it was common sense to build houses on this site, as the road was already there.

Mr J A Inkster said that he would like to support the single site application and the application for the further four houses. He was of the opinion that Planning policies, plans and systems are often too restrictive and that in time these policies change. Mr Inkster commented that some restrictions could be interpreted in other ways and there was sufficient flexibility to make a decision.

Taking into account Mr Inkster's views, Mr L Angus, with the consent of his seconder, moved that both applications be approved.

The Chairman said that it was important that dialogue continues between the Community Council and Planning officials, particularly in regard to zoning in this area.

(Mr J P Nicolson, Mr A J Cluness, Mr E J Knight and Mr L Angus left the meeting)

There was concern raised by Members that no clear planning reason had been given for the decision. The proposer and seconder had by that time left the meeting and could not be found. It was concluded that as the decision would be reported to the SIC, the reasons could be minuted then.

10. 2004/454/PCO - Erect dwellinghouse and garage (in outline), Utnabrake, Scalloway by Miss Melanie Henderson

The Planning Control Manager advised that this application lies within a Zone 4 area and does not meet the criteria. However, there are material planning reasons to recommend this application for approval, contrary to the development plan policy.

Mrs I J Hawkins referred to paragraph 6.6 in the report, and said that this is the only site in the area where the applicant can build a house to be near to her family members. Mrs I J Hawkins moved that the application be approved conditionally, as recommended in Section 9 of the report. Mrs F B Grains seconded.

11. 2004/459/PCD - Provide sewage treatment plant, ultra violet disinfection chamber and sea outfall pipe (amended application) for the workshops adjacent to Sellafirth Hall, North Yell by Shetland Enterprise

The Planning Control Manager explained that the applicant had worked towards a solution to the proposal. Although one letter of objection had been received, this application is recommended for approval as the development will not have an unacceptable impact.

Mr B P Gregson said that he would like some assurance that every attempt has been made to help the Objector come to terms with the proposal. The Planning Control Manager explained that all parties have been involved throughout.

Mr J G Simpson moved that that application be approved conditionally, as recommended in Section 10 of the report. Mr J H Henry seconded.

12. 2004/465/PCD - Erect dwellinghouse, Marrister, Whalsay by Mr G A Williamson

The Planning Control Manager advised that the issue concerning this application is the road access and lack of visibility splay, therefore refusal of this application had been recommended.

Mr J G Simpson, Member for the Area, explained that he had visited the site and had observed cars approaching from the North. He advised that he could see cars approaching all the way down the road although he could not see the road itself. Mr Simpson added that this is not a new access and leads to another

house. Mr J G Simpson moved that the application be approved. Mr W Tait seconded.

In response to a query, Mr J G Simpson said that it is envisaged that the road would be widened in the future.

In response to a query, Mr C Gair, Traffic Engineer, advised that to cut back the embankment would not notably improve the visibility at the end of the road.

13. 2005/021/PCD - Extend a dwellinghouse (re-application, amended design), Breck, Pier Road, Walls by Ms Bessie Barron

Members noted that this application was presented to the Planning Sub-Committee for consideration, as the applicant is an employee of the Planning Service.

The Sub-Committee resolved, on the motion of Mrs I J Hawkins, seconded by Mr F A Robertson, to approve the application conditionally as recommended in Section 9 of the report.

Mrs B J Cheyne commented that the site plan attached to the report was not adequate and it would have been helpful for a detailed plan of the proposed conservatory to be attached as an appendix to the report.

CHAIRPERSON



MINUTE

‘A’ & ‘B’

Harbour Board

Meeting Room, Port Administration Building, Sella Ness

Thursday 24 February 2005 at 10.30 a.m.

Present:

J G Simpson

E J Knight

W Tait

I J Hawkins

C Smith

Apologies:

J C Irvine

W A Ratter

N McCracken

J Smith

In Attendance (Officers):

J T Dickson, General Manager, Ports & Harbours Operations

A Cooper, Head of Development Resources

S Summers, Administration Manager

D Haswell, Committee Officer

Chairperson:

Mr J G Simpson, Chairperson of the Board, presided.

Circular:

The circular calling the meeting was held as read.

Minutes:

The minutes of meetings held on 13 January and 1 February 2005, having been circulated, were confirmed.

Members' Attendance at External Meetings

There was nothing to report.

8/05

Ports Project Monitoring Report

The Board noted a report by the General Manager (Appendix 1).

The General Manager took Members through the report and provided updates on various projects, as follows.

The Harbour pilot unit had arrived and pilots were currently being trained on how to use it. It had been well used this week due to the number of tankers in Sullom Voe Harbour.

In relation to the Dolphin at Symbister, the Chairperson said that this had been a very worthwhile exercise and had greatly improved the entrance to the harbour.

Members noted a typographical error in section 5.1 of the report whereby the reference should be to the Foula ferry service, not Papa Stour.

Members otherwise noted the report.

9/05

Port Operations Report

The Board noted a report by the General Manager (Appendix 2).

Members were pleased to note that 5 tankers had been berthed at Sullom Voe Harbour yesterday and 4 were berthed today. The General Manager provided Members with information in relation to an incident that had happened since the report was written. A problem had occurred with the propeller drive shaft of the tanker, the "Gerrita" and she had been required to be brought into port in very poor weather conditions. The first attempt to berth her "bow first" was unsuccessful. However, a further attempt to berth her stern first had gone like clockwork. The Chairperson said that all staff involved in berthing the vessel had done an excellent job and should be congratulated.

The General Manager advised that one ship-to-ship transfer of Brent oil had taken place and was pleased to advise that there had been a lot more enquiries for ship-to-ship transfers. Mr C Smith confirmed this point.

Referring to section 3.2 of the report, Mrs I J Hawkins said she was disappointed to learn of Mr Bryant's resignation. Having seen the advertisement for his replacement in "The Shetland Times" last week, Mrs Hawkins said that it was important that Mr Bryant's replacement had a great deal of business acumen given that the Board had agreed to promote all ports in Shetland and had established a Member/Officer Working Group for that purpose. Mrs Hawkins also expressed concern about the additional duties it appeared would be placed on the postholder.

The General Manager explained that Officers were currently examining the issue of marketing it was hoped a report would be presented to the Board in late summer. He added that, at the moment, 3 members of staff shared the on-call rota. It was not possible to have any less than 3 members of staff sharing the rota but, until Mr Bryant's position had been filled, the remaining 2 members of staff would have to double-up.

10/05

Extension to Tug Jetty, Sella Ness

The Chairperson advised that the report had been withdrawn. However, the Head of Development Resources would provide Members with a verbal update on the project.

The Head of Development Resources reminded Members that at the last meeting, the proposal had been for the facility to be built at Scatsta Ness. However, there were a number of environmental concerns with this site

which could result in an escalation of the budget. Discussions were held with the developer and it was agreed that the facility could be sited on the Sella Ness Industrial Estate. There were still some environmental concerns with this site but these were a lot less than if the factory was built at Scatsta Ness. The cost of the project would be refined within the next few days and a report would be presented to the Executive Committee on 22 March 2005.

In this regard, the Board unanimously agreed that the Chairperson should attend the Executive Committee on 22 March 2005.

The Board otherwise noted the information provided.

CHAIRPERSON



MINUTE

‘A’ & ‘B’

Inter-Island Ferries Board

Conference Room, Infrastructure Services, Grantfield, Lerwick

Friday 4 March 2005 at 11.30am

Present:

B P Gregson

Capt G G Mitchell

J G Simpson

E J Knight

J P Nicolson

F A Robertson

Apologies:

There were no apologies.

In Attendance (Officers):

G Spall, Executive Director, Infrastructure Services

K Duerden, Ferry Services Manager

L Adamson, Committee Officer

Chairperson:

Mr B P Gregson, Chairperson of the Board, presided.

Circular:

The circular calling the meeting was held as read.

Minutes

The minute of meeting held on 30 November 2004, having been circulated, was confirmed.

Members' Attendance at External Meetings

The Chairperson advised that he and Mr J G Simpson had attended a further meeting of the Whalsay Link Working Group, last night. Work was steadily progressing through the service appraisal guidelines for the Whalsay service. The meeting had been very useful and productive.

Mr J G Simpson explained that the study being carried out follows Scottish Transport Appraisal Guidance (STAG) guidelines, an important and obligatory process, providing useful benchmarks. The Chairperson advised that STAG is a requirement of the Scottish Executive for major infrastructure projects. The STAG process is fairly thorough and robust, a staged process of elimination. He added that it is necessary to have evidence that the whole process has been followed. The Executive Director advised that in order to apply for external funding for an infrastructure project, it is a requirement to have carried out a STAG appraisal.

The Board agreed that representatives from the Capital Projects Unit be invited to attend the next Board meeting to provide an update on the Whalsay Link project.

The Chairperson advised that a series of meetings had taken place with users of the three North Isles ferry services and the ferry crews to produce updated timetables for the ferries. The timetables will be published next week, with an implementation date of 4 April 2005. The Chairperson said it is evident that the point is being reached, where satisfying the needs and wants for transport links to the North Isles, will not be met much longer by ferries. He added that the Inter Island Links Strategy Working Group would have to investigate alternative options. Mr J P Nicolson commented that appreciation be given to the Group involved in producing the updated timetables.

01/05 **Improving Bridge Management on Inter Island Ferries**

The Board considered a report by the Ferry Services Manager (Appendix 1).

The Ferry Services Manager briefly summarised the report. He advised that the CPMT meeting in January had requested additional information on the financial benefits of upgrading the bridge simulator at the NAFC. At the CPMT meeting on 28 February, the benefits were reported, and approval of the funding was given.

Captain G G Mitchell moved that the Board approve the recommendation in the report. Mr E J Knight seconded. The Ferry Services Manager advised that he would report this decision to the CPMT.

02/05 **Extending Cadet Training Scheme**

The Board considered a report by the Ferry Services Manager (Appendix 2).

The Ferry Services Manager briefly introduced the report.

The Board approved the recommendations in the report, on the motion of Mr J G Simpson, seconded by Mr J P Nicolson.

Mr J P Nicolson referred to paragraph 5.5 in the report, and asked the Executive Director whether it would be possible to identify funding for the extension of this scheme from another budget area within his Department. The Executive Director advised that there was no existing budget where funding for the extension of the Cadet Training Scheme could be sourced. He explained that as the Board had approved the recommendations in the report, that prior to the SIC meeting, he would meet with the Chief Executive to identify funding for this scheme.

A Member commented that there could be a danger that cadets would not work on the ferries, or within Shetland, once they had completed the training. The Ferry Services Manager said he was not convinced it was a good idea to retain people against their will. He added that it could be beneficial to the ferry service, and Shetland as a whole, should the cadets gain work deep sea and come back to Shetland with the additional experience and qualifications.

The Ferry Services Manager stated that there is currently an industry wide shortage of engineers. Mr J G Simpson commented that as there is a shortage of engineers in the fishing industry as well as the ferry service, the funding for this scheme is better justified at a Council level.

03/05

Future Provision of Foula Ferry Service – Verbal Update

The Executive Director reported that work has been carried out on the requirements for the Service Specification for the Foula Service and the process that requires to be followed to procure services from an external provider. The Executive Director advised that the Service Specification is not an issue, however the SIC will have to carry out a formal procurement due to the value of the service. This information had been provided to Mr F A Robertson, Member for the Area, who has forwarded the information to the Foula community. Feedback is awaited from the community.

The Chairperson reminded Members that the Board has a watching brief over the Foula service and can offer advice and help when requested. It was noted that updates on the service would continue to be reported at Board meetings.

CHAIRPERSON



MINUTE

‘A’ & ‘B’

Marine Development Sub-Committee
Council Chamber, Town Hall, Lerwick
Thursday 17 February 2005 at 2.15pm

Present:

| | |
|------------|-------------|
| L Angus | J H Henry |
| F B Grains | R G Feather |

Apologies:

| | |
|-------------|---------------|
| B P Gregson | F A Robertson |
| E J Knight | J G Simpson |

In attendance:

M Holmes, Coastal Zone Manager - NAFC
R Leask, Marine Development Officer - NAFC
J Rosie, Marine Development Officer - NAFC
L Adamson, Committee Officer

Circular:

The circular calling the meeting was held as read.

Chairperson:

On the motion of Mrs F B Grains, seconded by Mr J H Henry, Mr L Angus was appointed Chairman pro tem.

Minutes

The minute of the meeting held on 14 December 2004 was confirmed.

23/04 – Review of Works Licence Policy

The Sub-Committee noted that the returns from the public consultation on the draft Works Licence Policy were due back by 4 March.

01/05 **ZCC Act 1974 - Works Licence Application 2004/077/VF - To vary existing works licence 2004/036/TF by changing species to include cod at Aith Voe East, Aith Voe by Johnson Marine Limited.**

The Sub-Committee considered a report by the Marine Development Officer (RECORD Appendix 1).

The Coastal Zone Manager summarised the main terms of the report. He confirmed that the variation to the existing licence was to farm cod as an additional species at the site and there would be no alteration to the licensed equipment. The Coastal Zone Manager added that although there had been objections to the variation, there were no legal reasons to refuse this application.

Mrs F B Grains, Member for the Area and speaking on behalf of one of the Objectors, the Sandsting and Aithsting Community Council, explained that the Community Council's objections arose as the size of the site on the chart appeared larger than the existing licensed site in the voe. The Community Council is now aware that the size of the site will not be increasing.

Mr N Duncan, representing Johnson Marine Ltd., confirmed that there would be no physical change to the size of the site and advised that all sites operated by them would be seeking variations to farm cod.

Mr G Johnson, Johnson Marine Ltd., suggested that representatives of Johnson Marine Ltd. meet with the whole community to discuss the situation and to come up with an amicable solution. Mrs F B Grains welcomed the offer of a meeting and suggested that the meeting be held with the Community Council.

Mr I Anderson, an Objector, said that the sites have devastated the voe from a social point of view and urged Members to consider the implications for Shetland when approving works licences in the future. He was aware that objections should have been made when the original licence was advertised. Mr Anderson welcomed the meeting with Johnson Marine Ltd.

The Sub-Committee approved the recommendation in the report, on the motion of Mr R G Feather, seconded by Mr J H Henry.

02/05

Scottish Sustainable Marine Environment Initiative

The Coastal Zone Manager advised that the consultants from Royal Haskoning were unable to attend the meeting and he would make the presentation on their behalf. (Copy of slides attached as Appendix 2). The presentation outlined the progress with the SSMEI project following the meeting with the Consultants in August 2004.

The Coastal Zone Manager advised that the four pilot schemes selected under the SSMEI would be rolled out through the whole of Scotland on completion.

In response to a query, the Coastal Zone Manager advised that the Shetland project would be carried out under the ZCC Act and the Town and Country Planning Act as there was a crossover of legislation.

The Sub-Committee noted the proposed contributions to the project from the Scottish Executive and the Scottish Executive's estimates for the minimum financial requirement and suggested requirement for each year. The Scottish Executive is hopeful that Local Authorities from each of the four pilot scheme areas will contribute financially towards this project, on a yearly basis. Financial assistance from industry stakeholders is also anticipated. The Coastal Zone Manager advised that there is commitment from Scottish Natural Heritage of £50,000 per year spread across the four projects.

The Coastal Zone Manager said that it is proposed that the recruitment process for a Project Officer will commence soon with the Project Officer in post at the NAFC hopefully by the end of April.

The Coastal Zone Manager advised that the Consultants from Royal Haskoning have offered to come to Shetland next month to give a final update on the SSMEI project. Mr J H Henry said it was important to get as many people on side, and suggested that the industry should be involved. The Chairman suggested that representatives from the Association of Shetland Community Councils be invited to attend. The Coastal Zone Manager said that members of the informal SSMEI Steering Group would also be invited to the meeting.

CHAIRPERSON



MINUTE

‘A’ & ‘B’

Marine Development Sub-Committee
Council Chamber, Town Hall, Lerwick
Friday 18 March 2005 at 10.30am

Present:

| | |
|---------------|------------|
| F A Robertson | E J Knight |
| B J Cheyne | J H Henry |
| R G Feather | |

Apologies:

| | |
|------------|-------------|
| L Angus | B P Gregson |
| F B Grains | J G Simpson |

In Attendance:

M Holmes, Coastal Zone Manager - NAFC
B Hill, Acting Divisional Manager, Legal
K Hall, Scottish Natural Heritage
L Adamson, Committee Officer

Circular:

The circular calling the meeting was held as read.

Chairperson:

Mr F A Robertson, Vice-Chairperson of the Sub-Committee, presided.

Minute

The minute of the meeting held on 17 February 2005 was confirmed.

01/05 - ZCC Act 1974 - Works Licence Application 2004/077/VF - To vary existing works licence 2004/036/TF by changing species to include cod at Aith Voe East, Aith Voe by Johnson Marine Limited.

The Coastal Zone Manager reported that appeals have been lodged by an objector and a non-objector, to the decision made on the above application.

03/05 Scottish Sustainable Marine Environment Initiative. Presentation and Update by Posford Haskoning

The Chairman welcomed Mr Alex Proctor, from Royal Haskoning. Mr A Proctor advised that Shetland's SSMEI pilot project had reached the final stages of Phase II and would be progressing on to Phase III. Phase III would involve the actual implementation of the project.

Mr Proctor gave a short presentation titled "Review of the Shetland Project – SSMEI Update" (attached as Appendix A). The presentation included a general update on the project tasks and set up, funding, management and monitoring, and detailed the way forward.

Mr Proctor explained that Royal Haskoning have produced the SSMEI final report, to be agreed by the SSMEI Steering Group by 22 March. The final report would then be presented to the Scottish Executive for their approval.

Mr Proctor said that it was hoped there would be a broad range of funding sources for the Shetland SSMEI project. He advised that Shetland Enterprise have indicated they would be willing to assist financially and there is also a possibility of funding through the Leader+ programme. The Shetland Fishermen's Association, Shetland Development Trust, and the NAFC have also indicated that they would contribute financially. Mr Proctor advised that he was still to meet with the RSPB to discuss funding. Mr Proctor added that BP at Sullom Voe Terminal have been contacted to see if they would be willing to assist financially, in addition to providing data from SOTEAG for the GIS.

The Chairman said that Shetland is working towards achieving marine sustainability in Shetland waters, however the current problem is the lack of policing and supervision. The Chairman then referred to the Marine Management Plan, and stated that Shetland is keen to be at the forefront, providing input into the Plan.

In response to a query, Mr Proctor advised that the Crown Estate in Edinburgh had been included in the consultation for the SSMEI project. They have shown significant interest in the project and are keen to be involved. Mr Proctor added that following the approval of the SSMEI report by the Scottish Executive, a presentation would be made to the Crown Estate in Edinburgh.

In response to a query, Mr Proctor stated that the Scottish Executive is very keen for the project to develop further following the initial three years of the project.

A Member enquired what action would be taken should any Project Team under perform. Mr A Proctor explained that the Project Teams report to the SSMEI Steering Group who has set performance criteria including milestones, timescales and targets. The Project Teams must aim to keep as close as possible to the performance criteria although there may be deviations and some flexibility. The Coastal Zone Manager stated that each pilot project has an end product and there is nothing to stop the bar from being lowered if necessary, to achieve some outcomes, value and benefit to Shetland and to the wider Scottish environment. The Coastal Zone Manager added that failure is not a possibility with this project. The Chairman said that the performance and success of the projects depend very much on the local Project Officer. He added that there is an excellent marine research department in Scalloway to input into the Plan and Shetland has a head start due to the amount of expertise and information readily available to feed into the Plan. Ms K Hall, SNH said that the success of any project often depends on the strength of the local steering group, local support and resources.

Mrs B J Cheyne stated that it was important to include tourism/marine related initiatives into the SSMEI for Shetland, for example, wrecks and diving. Mr A Proctor said that recreation and tourism would be taken into consideration and consultation would take place with the Shetland tourist industry and VisitScotland.

(Mrs B J Cheyne left the meeting).

The Chairman stated that it is the intention to extend planning control below the high water mark, which would result in planning legislation replacing the ZCC Act with respect to the aquaculture industry. Mr A Proctor said that he envisaged the Marine Plan and the GIS data would provide useful frameworks to assess applications made under both the ZCC Act and the Town and Country Planning Act.

Mr Proctor said that as part of the Shetland SSMEI project, work would be undertaken to log information held by fishermen.

Mr F A Robertson moved that the Sub-Committee recommend to the SIC to look favourably at supporting the Shetland SSMEI project and to look at the question of funding. Mr J H Henry seconded.

In response to a query regarding the timescale for the report to SIC, the Coastal Zone Manager advised that the minute from this meeting would be presented to the SIC on 30 March. Assuming a favourable outcome at the meeting, a report detailing funding requirements would be prepared for the SIC on 18 May.

Mr A Proctor advised that following approval of this project by the Scottish Executive, the SIC's Chief Executive would be receiving a letter from the Scottish Executive outlining their commitment and funding for the SSMEI project.

The Chairman thanked Mr Proctor for his presentation.

CHAIRPERSON

Revenue Expenditure by Service

**Shetland Islands
Council**

(General Fund, Recharged Services & Support Services)

| | Annual Budget | Year to Date Budget | Year to Date Actual | Year to Date Variance (Adverse)/ Favourable |
|--|-------------------|------------------------|------------------------|--|
| | £ | £ | £ | £ |
| Executive Services (sub total) | 9,383,467 | 7,041,569 | 6,576,838 | 464,731 |
| Executive Management | 684,374 | 503,412 | 481,413 | 21,999 |
| Council Members | 537,838 | 401,798 | 458,270 | (56,472) |
| ICT Unit | 1,436,128 | 1,018,341 | 973,554 | 44,787 |
| Organisational Development | 937,315 | 733,538 | 673,165 | 60,373 |
| Finance | 2,532,117 | 1,979,916 | 1,850,551 | 129,365 |
| Legal & Administration | 3,255,695 | 2,404,564 | 2,139,885 | 264,679 |
| Community Services (sub total) | 46,622,308 | 34,909,274 | 34,469,041 | 440,233 |
| Executive Director | 1,776,579 | 1,333,351 | 1,218,214 | 115,137 |
| Community Development | 3,809,226 | 2,742,320 | 2,266,364 | 475,956 |
| Education | 27,792,958 | 21,127,366 | 21,401,721 | (274,355) |
| Housing | 1,772,728 | 1,208,376 | 1,590,136 | (381,760) |
| Social Work | 11,470,817 | 8,497,861 | 7,992,606 | 505,255 |
| Infrastructure Services (sub total) | 26,795,028 | 18,631,264 | 18,202,661 | 428,603 |
| Directorate | 1,030,473 | 770,813 | 674,010 | 96,803 |
| Building Services Unit | 660,546 | 494,773 | 492,522 | 2,251 |
| Capital Projects Unit | 312,728 | 233,098 | 189,043 | 44,055 |
| Environment | 3,566,768 | 2,560,069 | 2,678,692 | (118,623) |
| Roads | 6,562,498 | 4,893,150 | 4,939,647 | (46,497) |
| Transport | 13,999,559 | 9,129,573 | 8,673,487 | 456,086 |
| Planning | 662,456 | 549,788 | 555,260 | (5,472) |
| Economic Development Unit (sub total) | 2,569,589 | 2,120,117 | 1,903,181 | 216,936 |
| TOTAL | 85,370,392 | 62,702,224 | 61,151,721 | 1,550,503 |

NOTE: Harbour, Reserve Fund and HRA figures are not included here, as



REPORT

To: **Executive Committee**
Shetland Islands Council

22 March 2005
30 March 2005

From: **Head of Finance**

The Capital Programme – CPMT Report – March 2005
Report No: F-013-F

1. Introduction

- 1.1 Adjustments to the Capital Programme and proposals by the Capital Programme Management Team (CPMT) since the previous report in February 2005 are presented in this report.
- 1.2 ***Note, item 2.8 (Air Conditioning ICT, Garthspool) in Appendix C was added after presentation to Executive Committee.***

2. Individual Projects

- 2.1 Revisions to budgets agreed by CPMT under delegated authority (min ref 122/03) and the reasons for these are given in Appendix A.
- 2.2 Rolling Programmes for Community Services for 2005/06 are given in Appendix B.

3. SCT Capital Project Transfers

- 3.1 The capital rolling programme previously funded by SCT have been included in the Council's capital programme from 1 April 2005 onwards. See Appendix A.

4. CPMT Recommendations

- 4.1 These are given in Appendix C. Particular attention is drawn to section 2.7 therein to the conflict between the Roads Member/Officer Working Group and CPMT's recommendations in respect of Germatwatt Footways (Option

C) and Infrastructure Services Committee's recommendation of (Option D) of 15 March 2005.

Option C at a cost of £735,000 is to "realign the Footway with two lane visibility" together with replacement of the existing bridge. Option D would intend the Footways to include the new housing development at an additional £75,000.

5. Financial Implications

5.1 The implications in 2004/05 are as follows:-

5.1.1 Slippage (since February report)

| | £ |
|--|--------------------|
| Special Needs Unit AHS | (400,000) |
| Kantersted New Build | (390,000) |
| Geographic & Citizens Information System | (54,000) |
| Ferry Ticketing System | (26,000) |
| Sumburgh Airport Extension | (98,000) |
| Fair Isle Toilets (Jetty) | (40,000) |
| | <u>(1,008,000)</u> |

5.1.2 Additions (2004/05 since February report)

| | |
|-----------------------|---------------|
| NAFC Bridge Simulator | <u>35,000</u> |
| | 35,000 |

5.1.3 Revisions (since February report)

| | |
|--|-------|
| Community Development SE Funded (Appendix A) | 6,000 |
|--|-------|

5.1.4 Change in 2004/05 Budgets (since February report)

| | |
|-----------|--------------|
| Slippage | (1,008,000) |
| Additions | 35,000 |
| Revisions | <u>8,000</u> |
| | (965,000) |

5.1.5 Overall change in 2004/05 Budgets since year start (General Fund)

| | £,000 |
|--|--------------|
| Original Budget (including carry forwards) | 21,674 |
| New Projects Added | 1,468 |
| Reduced by Approved Slippage | (5,289) |
| Increased to take account of overspends | 1,411 |
| Reduced to take account of underspends | <u>(381)</u> |
| Revised Budget | 18,883 |

6. Policy and Delegate Authority

6.1 This report is submitted to the Executive Committee in terms of its remit for financial monitoring, and may make comment to Council as necessary.

- 6.2 All matters regarding the Capital Programme are referred to Council, however, CPMT has delegated authority to regulate and adjust the programme from time to time, as it considers necessary to accommodate additions and fluctuations (min ref 122/03). CPMT is required to report such changes to Council as Programme updates as stated in report.

7. Recommendations

- 7.1 I recommend that Executive Committee note this report and pass their comments to Council
- 7.2 I recommend that Council approve Sections 3, 4 and 5 of this report together with Appendices A,B and C (excluding Section 2.7).
- 7.3 I recommend that Council approve Option C for the Germatwatt Footways Project ie that proposed by the Roads Officer/Member Working Group, (ref Section 4 of this report).

Date: 18 March 2005
Ref: ICM/DMC

Report No: F013-F

1. Introduction

- 1.1 A number of revisions to projects have been made by CPMT under delegated authority and are reported here to Council for homologation.

2. Slippage

- 2.1 Special Needs Unit AHS, Gressy Loan: This project started late (September 2004) due to Train Shetland not being able to move out as planned. The project is progressing as planned and is due for completion in the summer. However, the budget needs to be rescheduled (Slippage £400,000).

| £,000 | 2004/05 | 2005/06 | 2006/07 | Total |
|----------|------------|------------|-----------|-------------|
| Original | 833 | 252 | 32 | 1117 |
| Revised | <u>433</u> | <u>652</u> | <u>32</u> | <u>1117</u> |
| | (400) | 400 | 0 | 0 |

- 2.2 Kantersted New Build: See Appendix C, Section 2.1

- 2.3 Geographic & Citizens Information System: Staff constraints have resulted in delay and £54,000 is deferred to 2005/06 where the project will be combined with the Modernising Government Initiative which will provide additional grant aid by the Scottish Executive.

| £,000 | 2004/05 | 2005/06 |
|----------|-------------|-----------|
| Original | 55 | 65 |
| Revised | <u>(54)</u> | <u>54</u> |
| | 1 | 119 |

- 2.4 Ferry Ticketing System: Training and implementation have taken longer than expected and the equipment was delayed in delivery thus £26,000 is deferred to 2005/06.

| £,000 | 2004/05 | 2005/06 |
|----------|-------------|-----------|
| Original | 100 | 33 |
| Revised | <u>(26)</u> | <u>26</u> |
| | 74 | 59 |

- 2.5 Sumburgh Airport Runway Extension: The Council has committed services/material/cash to this project to the amount of £800,000. Following the withdrawal of the £200,000 contribution by Shetland Enterprise it is proposed that the Council increase its share to £900,000. The budget for 2004/05 was originally estimated at £200,000 but a recent review suggests that this is too high. Thus,

£98,000 has been deferred to 2005/06 and the budget has been revised as follows:

| £,000 | 2004/05 | 2005/06 | 2006/07 | Total |
|-------|---------|---------|---------|-------|
| | 102 | 65 | 733 | 900 |

- 2.6 Fair Isle Toilets: There is a budget of £46,000 in 2004/05 for a toilet block in Fair Isle at the jetty. This will not now be committed until spring thus £40,000 is deferred, the balance being held for fees.

3. Additions

- 3.1 Transfer of SCT Capital Rolling Programme to SIC: SCT has asked the Council to fund and directly administer their capital rolling programme, with effect from 1 April 2005.

| | £ |
|--|----------------|
| Shetland Amenity Trust – Architectural Heritage Scheme | 245,000 |
| Independence at Home Scheme | 344,000 |
| Independence at Home Scheme, Design & Monitoring Fees | 25,000 |
| Specialist Aids | 267,000 |
| Capital Grants to Voluntary Bodies | <u>200,000</u> |
| Price base (2004/05) | 1,081,000 |

This has been provided for in 2005/06 and subsequent years.

It is proposed that SCT policies/criteria for expenditure under these headings be adopted by Council.

- 3.2 Community Development Grant Aided Projects: The following new projects that are funded in total by grants from the SE:

| | <u>2004/05</u> | <u>2005/06</u> |
|--|----------------|----------------|
| Mid Yell JHS Adventure Trail | 2,000 | 44,000 |
| Skeld Primary School Adventure Trail | 2,000 | 19,000 |
| Hamnavoe Primary School Play Equipment | 2,000 | 29,000 |
| Sandwick JHS Games Hall Store | 2,000 | 67,000 |

1. Introduction

The sub-division of Rolling Programmes for Community Development, Education and Social Work are given below for approval. These include responsibilities assumed from SCT where appropriate.

2. Community Development:

| | £ | |
|---|----------------|----------------|
| Drystone Dykes | 50,000 | |
| Multicourts | 10,000 | |
| Play Areas | 100,000 | |
| General | 20,000 | |
| Footpaths | <u>11,000</u> | |
| | 191,000 | |
| Grant to Voluntary Organisations (SIC) | 111,000 | |
| Grant to Voluntary Organisations (ex SCT) | <u>206,000</u> | |
| | 317,000 | <u>508.000</u> |

3. Education:

| | | £ | |
|-------------------|---------------------------|---------------|------------------|
| Schools Fund (SE) | Aith Heating & Vent | 123,000 | (Named Project) |
| | Scalloway Science | 20,000 | (Named Project) |
| | General | 100,000 | |
| | Bells Brae Render | 50,000 | |
| | Kitchen Refurbishment | 200,000 | |
| | Mossbank Boiler | 45,000 | |
| | Hamnavoe Boiler | 90,000 | |
| | AHS Internals | <u>64,000</u> | |
| | | 692,000 | |
| | | | |
| SIC General Fund | Re-Roofing – Brae | 250,000 | |
| | Health & Safety (General) | 75,000 | |
| | Access Audits | 75,000 | |
| | Lighting Replacement | 50,000 | |
| | AHS Roofing | 25,000 | |
| | Playground Surfacing | 50,000 | |
| | AHS Health & Safety | 25,000 | |
| | Fire Alarm Replacement | 50,000 | |
| | General | <u>26,000</u> | |
| | | 626,000 | <u>1,318,000</u> |

Note: £175,000 from original budget vired to ICT for School Computer Programme.

£100,000 from original budget vired to Social Work for General Refurbishment.

4. Social Work:

| | | |
|--------------------------------------|----------------|----------------|
| | £ | |
| Building Fabric | 10,000 | |
| Electrical Systems Upgrade | 35,000 | |
| Mechanical Systems Upgrade | 15,000 | |
| Plant Equipment Replacements | 20,000 | |
| Safety Surfaces | 20,000 | |
| Health & Safety General | <u>19,000</u> | |
| | 119,000 | |
| Independence at Home Scheme (ex SCT) | 353,000 | |
| Fees for above (ex SCT) | 26,000 | |
| Specialist Aids (ex SCT) | <u>274,000</u> | |
| | 653,000 | |
| | | <u>772,000</u> |

1. Introduction

- 1.1 A number of projects have been submitted to CPMT for their consideration since the last report (F006) was submitted in February 2005.
- 1.2 Those that CPMT recommends for approval are detailed below together with slots for inclusion in the Capital Programme.
- 1.3 Each project has been, or will be, submitted via the appropriate committee/board with their recommendation for final approval by Council before inclusion in the Programme.

2. Projects Recommended by CPMT

- 2.1 Kantersted New Build: This project has been in the programme for some years but the extent has changed as service requirements were defined.

Tenders received were significantly over budget by more than CPMT's delegated authority (10% over budget) to accept.

The reasons for this are as follows:-

- The addition of extra roads/footpaths, for safety purposes: £40,000
- The addition of a sprinkler system to satisfy recent health & safety requirements: £60,000
- Higher than expected bids for services installations, reflecting market prices.
- The 'one-off' nature of the building

CPMT considered re-tendering the project but were advised that with the favoured bid being significantly lower than the others that it was unlikely that this would yield a lower tender.

CPMT also considered postponing the project but was advised that the Care Commission continued to licence Craigielea only on the basis that the construction of Kantersted was imminent.

Review of the specifications should yield savings of some £165,000. However the original budget of £2,164,000 needs to be increased to £2,644,000.

It is proposed that the additional funding be found from the Community Services Education Rolling Programme that is presently supported to a significant extent by Scottish Executive grant aid.

| £,000 | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Total |
|---------------|----------|------------|-------------|------------|------------|-------------|
| Education | Current | 578 | 900 | 923 | 946 | 3347 |
| Rolling Prog. | Proposed | <u>578</u> | <u>900</u> | <u>503</u> | <u>886</u> | <u>2867</u> |
| | | 0 | 0 | (420) | (60) | (480) |
| Schools | Current | 549 | 725 | 759 | 0 | |
| Fund | Proposed | <u>549</u> | <u>725</u> | <u>759</u> | <u>0</u> | |
| | | 0 | 0 | 0 | 0 | |
| Kantersted | Current | 540 | 1592 | 32 | 0 | 2164 |
| | Proposed | <u>140</u> | <u>1870</u> | <u>574</u> | <u>60</u> | <u>2644</u> |
| | | (400) | 278 | 542 | 60 | 480 |

CPMT agreed that the project should proceed on the above basis that no additional resource is required.

- 2.2 Town Hall Furniture: CPMT approved a revised estimate of £34,325 to cover an alternative style of table/chair, the extension of the PA system and the provision of an induction loop to be added to the 2005/06 Accommodation Budget.
- 2.3 Car Parking at Train Shetland, Gremista: There is a shortage of parking at the FE College/Train Shetland complex at Gremista. There is a plot of land adjacent to the Train Shetland premises suitable for additional parking. CPMT approved the expenditure of £9,500 to be added to the 2005/06 Accommodation Budget. 2.3 and 2.4 will increase the 2005/06 Accommodation Budget to £355,000.
- 2.4 Shetland Welfare Trust – Care Centre Vehicles: With the transfer of management of the Welfare Trust Care Centres to SIC, CPMT recommend that the Council's Fleet Management Unit assume responsibility for the management and maintenance of the existing fleet. CPMT also recommend that future replacement vehicles be procured under the Fleet Management Unit's Rolling Programme. This will add £70,000 to the 2005/06 budget.
- 2.5 Narrow Rural Road Maintenance and Improvement: A proposal was submitted to CPMT seeking to establish a new roads rolling programme at £500,000 per annum to fund an ongoing programme of rural roads improvements. This proposal centred upon strengthening carriageway edges, provision of verges for pedestrian use and ditches for drainage.

CPMT considered that such schemes should be considered and funded on a project by project basis but accepted that the basic principle of works of this nature would in the long-term result in reduced structural maintenance and reduce pressure on revenue budgets.

CPMT asked the Network Manager to take a holistic view of capital and revenue construction/re-construction and maintenance over the next 10 years or so and discuss this with the Member/Officer Working Group and return to the next CPMT meeting with an integrated proposal.

- 2.6 NAFC Bridge Simulator: CPMT received an update to the proposal to upgrade the NAFC simulator to allow it to be used for the bridge crew training. This demonstrated that there would be significant revenue savings through not having to send bridge crews to the mainland for training. Cost is £35,000. CPMT thus confirm this recommendation made in principle to Council in February.
- 2.7 Germatwatt Footways, Walls: In CPMT's report to Council in February 2005 (F-006) they supported the Member/Officer Working Group's selected option (Option 3) of "realigning the footway with two lane visibility" together with replacement of the existing bridge at an estimated cost of £735,000 and noted that the final recommendation would be presented via the Infrastructure Services Committee. At the Infrastructure Services Committee meeting on 15 March 2005 a different option (Option 4) was selected to extend the footways to include the new housing development. This would be at a cost of £810,000 or an extra £75,000.
- 2.8 **Air Conditioning ICT, Garthspool**: *The existing air conditioning system for the computer server room at Garthspool is obsolete and prone to failure. CPMT recommended temporary measures in August 2004 while a full feasibility study into the long-term solution was undertaken.*

The temporary installation provides cooling but not filtration to remove salt from the air at the sea front location and, indeed, does not have the cooling capacity that would be needed in a hot summer.

The risks are server failure and data loss plus downtime for the Council's critical data processing and other critical computer systems. The proposals covered in the feasibility study would provide a long-term tailor made solution that will also increase fire compartmentalisation, proper environmental conditions for the staff that work in the buildings and will comply with Health and Safety requirements.

The cost is estimated at £120,000 and the scheme is recommended by CPMT.

The equipment will be maintained by local agents and will take some three months for final design and installation.

The temporary units can be redeployed elsewhere.



REPORT

To: Executive Committee
Shetland Islands Council

22 March 2005
30 March 2005

From: Head of Finance
Executive Services Department

TREASURY MANAGEMENT STRATEGY STATEMENT 2005/06 Report No: F017-F

1. Introduction

- 1.1 This Treasury Management Strategy Statement sets out the Council's policy in relation to its strategy for borrowing and investing, in connection to the cash reserves and funding resources of the Council for the financial year 2005/06.
- 1.2 The Treasury Section within Finance carries out all the daily cash management functions, which is crucial for the day-to-day operations of the Council. There have been strict internal guidelines in place for many years, which control the operation of this function and these are set out within this report. The Treasury Section also deals with external fund management as well as co-ordinating the Council's relationship with their banker, but these functions are out with the scope of this report.

2. Background

- 2.1 This report complies with CIPFA's Code of Practice for Treasury Management in the Public Services, which the Council formally adopted on 10 July 2002 (minute reference 120/02). The objective of this code is to provide guidance on the best practice for treasury management.
- 2.2 Cash management involves the two main areas of cash reserves and debt management, and these are specifically dealt with in this report. Cash reserves include amounts held in accounts with the Council's bank and deposited with other approved institutions, but not invested in shares, long term bonds, property, etc.

- 2.3 The Council at present has no external borrowings, although there is an agreed overdraft facility with the Council's bank to cover any short-term situations if required. The Council is debt free on all internal accounts except the Housing Revenue Account. The Housing Debt is currently financed from internal reserves, and does not require external borrowing.
- 2.4 Set out at Annex A is the suggested Treasury Management Strategy Statement document for 2005/06 which encompasses:
- Treasury Management Prudential Indicators
 - Approved Lending Organisations
 - Capital Borrowing Strategy
 - External Fund Management
 - Delegation and Reporting

3. Financial Implications

- 3.1 The Treasury Management Strategy adopted will have consequences for the daily operating cash capabilities of the Council.

4. Policy and Delegated Authority

- 4.1 The Head of Finance currently has delegated authority for Cash and Debt Management, which was approved following consideration of a report by the Shetland Islands Council on 10 July 2002 (minute reference 120/02).
- 4.2 This report complies with CIPFA's Code of Practice for Treasury Management in the Public Services, which the Council formally adopted on 10 July 2002 (minute reference 120/02).
- 4.3 This report is being presented to the Executive Committee in terms of its remit for financial policy and monitoring. The Committee may make comment to Council where necessary, but the report is presented to Council for approval.

5. Conclusions

- 5.1 This report proposes the Treasury Management Strategy Statement for the Shetland Islands Council to be followed for the financial year 2005/06.
- 5.2 The Strategy Statement meets the requirements of best practice as per CIPFA's Code of Practice on Treasury Management in the Public Services.

6. Recommendation

- 6.1 I recommend that the Executive Committee considers this report and makes comment to Council where necessary. Thereafter, I recommend that the Council adopt the Treasury Management Strategy Statement set out in Annex A, for the financial year 2005/06.

Date: 11 March 2005
Our Ref: CAB/DMC

Report No: F-017-F

SHETLAND ISLANDS COUNCIL

TREASURY MANAGEMENT STRATEGY STATEMENT

2005/06

1. Introduction

- 1.1 This Treasury Management Strategy Statement details the activities and guidelines to be followed by the Treasury Section for all areas of cash management in the forthcoming financial year (2005/06). Its production and submission to the Shetland Islands Council is a requirement of the CIPFA Code of Practice for Treasury Management in the Public services.
- 1.2 Cash Management for the Shetland Islands Council is carried out within the Treasury Section of the Finance Department, and consists of the daily management of ten bank accounts (including those for the Pension Fund and the Shetland Charitable Trust) and the associated short-term lendings. On the 28th January 2005 the Treasury Section had £28 million invested between the Council's bank and on short-term loans.
- 1.3 Debt Management is also carried out within the Treasury Section, and currently there is no external borrowing. There is an agreed overdraft facility with the bank of £800,000 that can be used to cover the accounts managed by Treasury, for any short-term situations if required. The Council is debt free on all internal accounts except the Housing Revenue Account. The Housing Debt is currently financed from internal reserves, and does not require external borrowing.
- 1.4 The Local Government in Scotland Act 2003 requires the Council to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Act also requires the Council, in conjunction with this, to set out its treasury strategy for borrowing and investment. The suggested strategy for 2005/06 covers the following:
 - Treasury Management Prudential Indicators
 - Approved Lending Organisations
 - Capital Borrowing Strategy
 - External Fund Management
 - Delegation and Reporting

2. Treasury Management Prudential Indicators for 2005/06 –2007/08

2.1 The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.

2.2 CIPFA Code of Practice for Treasury Management

Shetland Islands Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services in July 2002 (minute ref: 120/02).

2.3 Upper limit on fixed interest rate exposure

| | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Upper limit - fixed interest rate exposure | -77,000 | -89,000 | -93,000 |

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

2.4 Upper limit on variable interest rate exposure

| | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|---|-------------------------|-------------------------|-------------------------|
| Upper limit - variable interest rate exposure | -67,000 | -74,000 | -78,000 |

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

2.5 Amount of fixed rate borrowing, maturing in each period

The Council has a no fixed rate borrowing.

2.6 Upper limits on sums invested for longer than 364 days

At the 31st March 2004 the Council had around £280 million invested with external fund managers. It is not possible to predict when each of these will mature as it will be dependent on conditions in the stock market.

The purpose of this indicator is to contain the local authority's exposure to the possibility of loss arising as a result of having to seek early repayment or redemption of principal sums invested to cover current commitments. It is not anticipated that early repayment or redemption of principal sums invested will be required.

3. Approved Lending Organisations

3.1 It is paramount that the Council safeguards any surplus funds that it may have from time to time. The Council, Shetland Charitable Trust plus its related companies and the Pension Fund will only lend to:

- A Bank or Building Society with at least a -AA long term Fitch IBCA rating,
- Bank of Scotland - Council's own bank,
- Any bank which is a wholly owned subsidiary of the above,
- Any Local Authority.

The –AA long term rating is defined by Fitch IBCA (International Bank Credit Association) as a “low expectation of investment risk.... adverse changes in business, economic or financial conditions may increase risk, albeit not very significantly”.

3.2 The Cash Management Officer will maintain an approved lending list of the financial institutions that meet the above criteria, which will be displayed in Treasury.

3.3 In addition the following guidelines will apply:

- No more than £3 million to be lent to any single organisation from one account, apart from the Council's own bank.
- No more than £6 million to be lent to any one organisation in total from all accounts, apart from the Council's own bank.

4. Capital Borrowing Strategy

4.1 As per the Prudential Code there will be no capital borrowings required during 2005/06.

5. External Fund Management

- 5.1 All surplus funds with a projected life span of 5 years or more and a book value exceeding £5 million should be invested with Fund Managers, where statute permits.

This has the advantages of:

- allowing diversification of fund investment instead of relying on cash deposits;
- the funds are in the best position to take account of market movements;
- better long term returns for the fund.

6. Delegation and Reporting

- 6.1 The Council recognises that, in order to best manage the risks involved in Cash and Debt Management and to permit the making of the immediate daily decisions required by the money markets, it is inappropriate and impractical to pursue a system of Council (or Committee) involvement in the decision making process. The Council, therefore, delegates all matters relating to Cash and Debt Management, except where prohibited by law or where these matters relate to Externally Managed Funds, to the Head of Finance and his nominees. The delegated authority will cover any borrowing and lending transactions within the approved policy parameters for the year 2005/06.
- 6.2 The Head of Finance will report annually before the start of each financial year on the proposed Treasury Management Strategy Statement to be followed for the forthcoming year.



REPORT

**To: Executive Committee
Shetland Islands Council**

**22 March 2005
30 March 2005**

**From: Head of Finance
Executive Services Department**

Report No: F-016-F

Prudential Indicators 2004/05 - Monitoring

1.0 Introduction and Key Decisions

- 1.1 The purpose of this report is to update Members on the current position for the Prudential Indicators that were set for 2004/05.
- 1.2 Members are asked to approve some changes to the Indicators.

2.0 Background

- 2.1 The Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in taking their decisions on capital spending. Local authorities are required by the Local Government in Scotland Act 2003 to have regard to the Prudential Code.
- 2.2 The key objectives of the Prudential Code are to ensure that:
 - ❖ the capital spending plans of local authorities are affordable, prudent and sustainable;
 - ❖ treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability; and
 - ❖ local strategic planning, asset management planning and proper option appraisal are supported.
- 2.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account.
- 2.4 The prudential indicators required by the Code are designed to support and record local decision making. They are not designed to be comparative performance indicators across authorities and the

use of them in this way would be likely to be misleading and counter productive.

3.0 Prudential Indicators 2004/05

3.1 The Table below shows the current position on the Prudential Indicators 2004/05:

| Prudential Indicator | Indicates | Significant Changes For 2004/05 |
|---|---------------|--|
| Ratio of financing cost to net revenue stream | Affordability | Non HRA +27.99% HRA -5.22% |
| Council Tax – incremental impact for the next 3 years based on spending plans | Affordability | None |
| Rents – incremental impact for the next 3 years based on spending plans | Affordability | None |
| Net external borrowing and the Capital Financing Requirement | Prudence | + £18.8 million |
| Total capital expenditure | Affordability | None |
| Capital Financing Requirement | Affordability | Non HRA no change HRA -£4.1 million |
| Authorised limit for external debt | Affordability | +£4.0 million |
| Operational boundary for external debt | Affordability | +£4.3 million |
| Actual external debt | Affordability | None |
| CIPFA Code of Practice for Treasury Management | Prudence | None |
| Limits on fixed interest rate exposure | Prudence | None |
| Limits on variable interest rate exposure | Prudence | None |
| Amount of borrowing that is fixed rate maturing in each period | Prudence | None |
| Limits on principal sums invested for periods longer than 354 days | Prudence | None |

3.2 As you are aware, this is the first year of operating under the Prudential Code and all of the changes to the original prudential indicators for 2004/05 relate to:

- ❖ refinements in the method of calculation;
- ❖ improved data collection procedures being implemented during the year; and
- ❖ a more thorough understanding of the component parts of the indicators.

- 3.3 Appendix A details the revised 2004/05 Prudential Indicators for Shetland Islands Council.
- 3.4 These show that:
- ❖ capital expenditure plans for 2004/05 are still affordable;
 - ❖ external borrowing and other long term liabilities are still minimal and well within prudent and sustainable levels; and
 - ❖ the basis for treasury management decisions is set at prudent levels.
- 3.5 For the 'Authorised limit for external debt' and the 'Operational boundary for external debt', the Head of Finance has delegated authority to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with securing best value for money for the authority, subject to the total limits for any individual year agreed (min ref 36/04).
- 3.6 Any movements between these agreed limits would be reported to Executive Committee and Shetland Islands Council at the next meeting following the change. No movements have been required so far in 2004/05.

4.0 Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5.0 Policy and Delegated Authority

- 5.1 Any matters relating to the Prudential Indicators and specifically any change to the 'Authorised limit for external debt' and the 'Operational boundary for external debt', requires approval from the same body that takes the decisions for the local authority's budget. For Shetland Islands Council any such changes will be reported to Executive Committee for overview and presented on to Shetland Islands Council for approval.
- 5.2 The Head of Finance has delegated authority to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with securing best value for money for the authority, subject to the total limits for any individual year agreed (min ref 36/04).
- 5.3 Any movements between these agreed limits would be reported to Executive Committee and Shetland Islands Council at the next meeting following the change.
- 5.4 This report is being presented to the Executive Committee in terms of its remit for financial policy and monitoring. The Committee may make comment to Council where necessary but the report is presented to Council for approval.

6.0 Conclusion

- 6.1 The revised 2004/05 Prudential Indicators for Shetland Islands Council still meet the objectives of the Prudential Code.

7.0 Recommendations

It is recommended that:

- 7.1 the Executive Committee consider this report and make comment to Council where necessary. Thereafter, I recommend that the Council approve the revised 2004/05 Prudential Indicators for Shetland Islands Council as detailed in Appendix A;
- 7.2 note that any movements between agreed limits for the 'Authorised limit for external debt' and 'operational boundary for external debt' will be reported to Executive Committee and Shetland Islands Council at the next meeting following the change.

Date: 16 March 2005
Our Ref: Accountancy/DGF

Report No: F-016 -F

2004/05 Revised Prudential Indicators (March 2005) Appendix A

Ratio of financing costs to net revenue stream

| | 2003/04 Actual | 2004/05 Estimate | 2005/06 Estimate | 2006/07 Estimate |
|---------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Non HRA | -15.38% | -15.51% | -15.92% | -17.11% |
| HRA | 52.33% | 54.29% | 57.45% | 57.90% |

The estimates include current commitments and the proposals that were agreed as part of the revenue budget setting report 2005/06. They also include the proposals in the latest capital programme review (March 2005) which is being presented to committee in this cycle.

The Non HRA indicators are negative because of the substantial investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

Council Tax incremental change levels for the next 3 years

| | 2004/05 | 2005/06 | 2006/07 |
|--------------------|----------------|----------------|----------------|
| Band D Council Tax | £0.00 | £0.00 | £0.00 |

Rents incremental change levels for the next 3 years

| | 2004/05 | 2005/06 | 2006/07 |
|----------------------------|----------------|----------------|----------------|
| Average weekly house rents | £0.38 | £0.28 | £0.36 |

Net external borrowing & the Capital Financing Requirement

| | 2002/03 Actual £000 | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 |
|---------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Council | -382,578 | -367,355 | -366,432 | -365,812 | -364,925 |

This indicator should always be negative as the Council's net external borrowing must not, except in the short term, exceed the total of the capital financing requirement. It is a key indicator for prudence.

Capital Expenditure

| | 2002/03 Actual £000 | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 |
|--------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Non HRA | 23,034 | 35,247 | 19,601 | 23,110 | 29,741 |
| HRA | 2,148 | 1,620 | 2,220 | 2,547 | 2,324 |
| Total | 25,182 | 36,867 | 21,821 | 25,657 | 32,065 |

The estimates include current approved commitments and also include the proposals

in the latest capital programme review (March 2005) which is being presented to committee in this cycle.

The above estimates are prudent and affordable and well within any maximum determined under section 35 (1) of the Local Government in Scotland Act 2003. The Capital Programme is regularly reviewed and it is established practice to report any changes to Members on a regular basis.

Capital Financing Requirement

The capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose.

| | 2002/03 Actual £000 | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 |
|--------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Non HRA | 0 | 0 | 0 | 0 | 0 |
| HRA | 53,510 | 53,018 | 52,095 | 51,475 | 50,588 |
| Total | 53,510 | 53,018 | 52,095 | 51,475 | 50,588 |

The capital financing requirement for non HRA capital expenditure nil because it is all resourced immediately from a combination of capital receipts, revenue and from capital grants / contributions. No borrowing is required.

HRA capital expenditure is financed from capital receipts and internal borrowing from the loans fund. No external borrowing is currently required.

Authorised limit for external debt

The 'Authorised limit for external debt' is based on the estimate of the most likely need for borrowing, allowing for all possible transactions, not just the probable ones that are included in the 'Operational boundary for external debt' (see the next prudential indicator). It represents a level of debt that is still affordable, but not necessarily desirable, and any changes to this limit would be reported to Executive Committee and to Council at the next meeting following the change.

The Prudential Code requires that borrowing is identified separately from other long term liabilities.

| | 2004/05 £000 | 2005/06 £000 | 2006/07 £000 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Borrowing | 1,000 | 1,000 | 1,000 |
| Other long term liabilities | 4,231 | 4,180 | 4,185 |
| Total | 5,231 | 5,180 | 5,185 |

There is very occasionally a need to borrow short term to cover an unusual cash flow position.

The Head of Finance has delegated authority within the total limit for the year to effect movement between the separately agreed limits for borrowing and other long

term liabilities in accordance with option appraisal and best value for money for the authority (Minute ref: 36/04). Any such changes will be reported to Executive Committee and to Council at the next meeting following the change.

Operational boundary for external debt

The 'Operational boundary for external debt' is lower than the 'Authorised limit for external debt' because this indicator is only concerned with monitoring the need for debt based on probable transactions that may occur during the year, it does not allow for the possible transactions that could occur in unusual circumstances which are allowed for in the 'Authorised limit for external debt'. This is a key management tool for in year monitoring.

The Prudential Code requires that borrowing is identified separately from other long term liabilities.

| | 2004/05 £000 | 2005/06 £000 | 2006/07 £000 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Borrowing | 550 | 550 | 550 |
| Other long term liabilities | 3,931 | 2,398 | 3,210 |
| Total | 4,481 | 2,948 | 3,760 |

There is very occasionally a need to borrow short term to cover the cash flow position.

The Head of Finance has delegated authority within the total limit for the year to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with option appraisal and best value for money for the authority (Minute ref: 36/04). Any such changes will be reported to Executive Committee and to Council at the next meeting following the change.

Actual external debt

The Council's actual external debt at 31st March 2004 was £3.243 million relating to other long term liabilities and no borrowing.

CIPFA Code of Practice for Treasury Management

Shetland Islands Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services in July 2002 (Minute ref: 120/02).

Upper limit on fixed interest rate exposure

| | 2004/05 £000 | 2005/06 £000 | 2006/07 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Upper limit - fixed interest rate exposure | -85,000 | -77,000 | -89,000 |

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous funds.

Upper limit on variable interest rate exposure

| | 2004/05 | 2005/06 | 2006/07 |
|---|----------------|----------------|----------------|
| | £000 | £000 | £000 |
| Upper limit - variable interest rate exposure | -78,000 | -67,000 | -74,000 |

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous funds.

Amount of fixed rate borrowing, maturing in each period

The Council has no fixed rate borrowing.

Upper limits on sums invested for longer than 364 days

At the 31st March 2004 the Council had around £280 million invested with external fund managers. It is not possible to predict when each of these will mature as it will be dependent on conditions in the stock market.

The purpose of this indicator is to contain the local authority's exposure to the possibility of loss arising as a result of having to seek early repayment or redemption of principal sums invested to cover current commitments. In view of the Council's ratio of financing costs to net revenue stream it is not anticipated that early repayment or redemption of principal sums invested will be required.



REPORT

**To: Executive Committee
Shetland Islands Council**

**22nd March 2005
30th March 2005**

**From: Head of Finance
Executive Services Department**

Report No: F-015-F

Prudential Indicators 2005/06

1.0 Introduction and Key Decisions

- 1.2 This is a statutory report setting out the Prudential Indicators for 2005/06 for review and approval by Members.

2.0 Background

- 2.1 The Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in taking their decisions on capital spending. Local authorities are required by the Local Government in Scotland Act 2003 to have regard to the Prudential Code.
- 2.2 The key objectives of the Prudential Code are to ensure that:
- ❖ the capital spending plans of local authorities are affordable, prudent and sustainable;
 - ❖ treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability; and
 - ❖ local strategic planning, asset management planning and proper option appraisal are supported.
- 2.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account.
- 2.4 The prudential indicators required by the Code are designed to support and record local decision making. They are not designed to be comparative performance indicators across authorities and the

use of them in this way would be likely to be misleading and counter productive.

- 2.5 The setting of the prudential indicators is required to be done by the same body that takes the decisions for the local authority's budget. For Shetland Islands Council the prudential indicators will be reported to Executive Committee for overview and presented on to Shetland Islands Council for approval.

3.0 Prudential Indicators 2005/06

- 3.1 The Prudential Code sets out the Prudential Indicators which must be used by local authorities to demonstrate they have fulfilled the key objectives of the Code (see 2.2 above). The Prudential Indicators are:

| Prudential Indicator | Indicates |
|---|------------------|
| Ratio of financing cost to net revenue stream | Affordability |
| Council Tax – incremental impact for the next 3 years based on spending plans | Affordability |
| Rents – incremental impact for the next 3 years based on spending plans | Affordability |
| Net external borrowing and the Capital Financing Requirement | Prudence |
| Total capital expenditure | Affordability |
| Capital Financing Requirement | Affordability |
| Authorised limit for external debt | Affordability |
| Operational boundary for external debt | Affordability |
| Actual external debt | Affordability |
| CIPFA Code of Practice for Treasury Management | Prudence |
| Limits on fixed interest rate exposure | Prudence |
| Limits on variable interest rate exposure | Prudence |
| Amount of borrowing that is fixed rate maturing in each period | Prudence |
| Limits on principal sums invested for periods longer than 354 days | Prudence |

- 3.2 Appendix A details the 2005/06 Prudential Indicators for Shetland Islands Council.

- 3.3 These show that:

- ❖ capital expenditure plans for 2005/06 are affordable;
- ❖ external borrowing and other long term liabilities are minimal and well within prudent and sustainable levels; and
- ❖ the basis for treasury management decisions is set at prudent levels.

- 3.4 For the 'Authorised limit for external debt' and the 'Operational boundary for external debt', the Head of Finance has delegated authority to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with securing best value for money for the authority, subject to the total limits for any individual year agreed (min ref 36/04).
- 3.5 Any movements between these agreed limits would be reported to Executive Committee and Shetland Islands Council at the next meeting following the change.

4.0 Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5.0 Policy and Delegated Authority

- 5.1 The setting of the prudential indicators is required to be done by the same body that takes the decisions for the local authority's budget. For Shetland Islands Council the prudential indicators will be reported to Executive Committee for overview and presented on to Shetland Islands Council for approval.
- 5.2 For the 'Authorised limit for external debt' and the 'Operational boundary for external debt', the Head of Finance has delegated authority to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with securing best value for money for the authority, subject to the total limits for any individual year agreed (min ref 36/04).
- 5.3 Any movements between these agreed limits would be reported to Executive Committee and Shetland Islands Council at the next meeting following the change.
- 5.4 This report is being presented to Executive Committee in terms of its remit for financial policy and monitoring. The Committee may make comment to Council where necessary, but the report is presented to Council for approval.

6.0 Conclusion

- 6.1 The 2005/06 Prudential Indicators for Shetland Islands Council meet the objectives of the Prudential Code.

7.0 Recommendations

It is recommended that:

- 7.1 The Executive Committee consider this report and make comment to Council where necessary. Thereafter, I recommend that the Council

approve the 2005/06 Prudential Indicators for Shetland Islands Council as detailed in Appendix A;

- 7.2 note that any movements between agreed limits for the 'Authorised limit for external debt' and 'operational boundary for external debt' will be reported to Executive Committee and Shetland Islands Council at the next meeting following the change.

Date: 14 March 2005
Our Ref: Accountancy/DGF

Report No: F-015-F

2005/06 Prudential Indicators

Appendix A

Ratio of financing costs to net revenue stream

| | 2003/04 Actual | 2004/05 Estimate | 2005/06 Estimate | 2006/07 Estimate | 2007/08 Estimate |
|---------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Non HRA | -15.38% | -15.51% | -15.92% | -17.11% | -16.5% |
| HRA | 52.33% | 54.29% | 57.45% | 57.90% | 61.69% |

The estimates include current commitments and the proposals that were agreed as part of the revenue budget setting report. They also include the proposals in the latest capital programme review (March 2005) which is being presented to committee in this cycle.

The Non HRA indicators are negative because of the substantial investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

Council Tax incremental impact for the next 3 years

| | 2005/06 | 2006/07 | 2007/08 |
|--------------------|----------------|----------------|----------------|
| Band D Council Tax | £0.00 | £0.00 | £0.00 |

Rents incremental impact for the next 3 years

| | 2005/06 | 2006/07 | 2007/08 |
|----------------------------|----------------|----------------|----------------|
| Average weekly house rents | £0.28 | £0.36 | £0.30 |

Net external borrowing & the Capital Financing Requirement

| | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 | 2007/08 Estimate £000 |
|---------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Council | -367,355 | -366,432 | -365,812 | -364,925 | -363,978 |

This indicator should always be negative as the Council's net external borrowing must not, except in the short term, exceed the total of the capital financing requirement. It is a key indicator for prudence.

Capital Expenditure

| | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 | 2007/08 Estimate £000 |
|--------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Non HRA | 35,247 | 19,601 | 23,110 | 29,741 | 26,789 |
| HRA | 1,620 | 2,220 | 2,547 | 2,324 | 2,317 |
| Total | 36,867 | 21,821 | 25,657 | 32,065 | 29,106 |

The estimates include current approved commitments and also include the proposals

in the latest capital programme review (March 2005) which is being presented to committee in this cycle.

The above estimates are prudent and affordable and well within any maximum determined under section 35 (1) of the Local Government in Scotland Act 2003. The Capital Programme is regularly reviewed and it is established practice to report any changes to Members on a regular basis.

Capital Financing Requirement

The capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose.

| | 2003/04 Actual £000 | 2004/05 Estimate £000 | 2005/06 Estimate £000 | 2006/07 Estimate £000 | 2007/08 Estimate £000 |
|--------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Non HRA | 0 | 0 | 0 | 0 | 0 |
| HRA | 53,018 | 52,095 | 51,475 | 50,588 | 49,641 |
| Total | 53,018 | 52,095 | 51,475 | 50,588 | 49,641 |

The capital financing requirement for non HRA capital expenditure nil because it is all resourced immediately from a combination of capital receipts, revenue and from capital grants / contributions. No borrowing is required.

HRA capital expenditure is financed from capital receipts and internal borrowing from the loans fund. No external borrowing is currently required.

Authorised limit for external debt

The 'Authorised limit for external debt' is based on the estimate of the most likely need for borrowing, allowing for all possible transactions, not just the probable ones that are included in the 'Operational boundary for external debt' (see the next prudential indicator). It represents a level of debt that is still affordable, but not necessarily desirable, and any changes to this limit would be reported to Executive Committee and to Council at the next meeting following the change.

The Prudential Code requires that borrowing is identified separately from other long term liabilities.

| Authorised limit | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Borrowing | 1,000 | 1,000 | 1,000 |
| Other long term liabilities | 4,180 | 4,185 | 4,186 |
| Total | 5,180 | 5,185 | 5,186 |

There is very occasionally a need to borrow short term to cover an unusual cash flow position.

The Head of Finance has delegated authority within the total limit for the year to effect movement between the separately agreed limits for borrowing and other long

term liabilities in accordance with option appraisal and best value for money for the authority (Minute ref: 36/04). Any such changes will be reported to Executive Committee and to Council at the next meeting following the change.

Operational boundary for external debt

The 'Operational boundary for external debt' is lower than the 'Authorised limit for external debt' because this indicator is only concerned with monitoring the need for debt based on probable transactions that may occur during the year, it does not allow for the possible transactions that could occur in unusual circumstances which are allowed for in the 'Authorised limit for external debt'. This is a key management tool for in year monitoring.

The Prudential Code requires that borrowing is identified separately from other long term liabilities.

| Operational boundary | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Borrowing | 550 | 550 | 550 |
| Other long term liabilities | 2,398 | 3,210 | 3,210 |
| Total | 2,948 | 3,760 | 3,760 |

There is very occasionally a need to borrow short term to cover the cash flow position.

The Head of Finance has delegated authority within the total limit for the year to effect movement between the separately agreed limits for borrowing and other long term liabilities in accordance with option appraisal and best value for money for the authority (Minute ref: 36/04). Any such changes will be reported to Executive Committee and to Council at the next meeting following the change.

Actual external debt

The Council's actual external debt at 31st March 2004 was £3.243 million relating to other long term liabilities and no external borrowing.

CIPFA Code of Practice for Treasury Management

Shetland Islands Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services in July 2002 (Minute ref: 120/02).

Upper limit on fixed interest rate exposure

| | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Upper limit – fixed interest rate exposure | -77,000 | -89,000 | -93,000 |

The indicator for Shetland Islands Council is negative because of the substantial investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous funds.

Upper limit on variable interest rate exposure

| | 2005/06 | 2006/07 | 2007/08 |
|---|----------------|----------------|----------------|
| | £000 | £000 | £000 |
| Upper limit - variable interest rate exposure | -67,000 | -74,000 | -78,000 |

The indicator for Shetland Islands Council is negative because of the substantial investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous funds.

Amount of fixed rate borrowing, maturing in each period

The Council has no fixed rate borrowing.

Upper limits on sums invested for longer than 364 days

At the 31st March 2004 the Council had around £280 million invested with external fund managers. It is not possible to predict when each of these will mature as it will be dependent on conditions in the stock market.

The purpose of this indicator is to contain the local authority's exposure to the possibility of loss arising as a result of having to seek early repayment or redemption of principal sums invested to cover current commitments. In view of the Council's ratio of financing costs to net revenue stream it is not anticipated that early repayment or redemption of principal sums invested will be required.



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Finance

IRRECOVERABLE DEBT 2004/2005 REPORT No: F-010-F

1. INTRODUCTION

- 1.1 As part of the closure of the 2003/04 account provision has been made under a heading for potentially irrecoverable debt.
- a) A provision of £134,331 relating to uncollectable housing debt;
 - and
 - b) A provision of £445,753 relating to sundry debts, Rates, and Council Tax.
- 1.2 As usual the appendices have not been reproduced with this report. This has the advantage of enabling this report to be discussed in public but if any member wishes to know the identity of particular debtors they should contact the Income and Recovery Manager.

2. HOUSING REVENUE ACCOUNT

- 2.1 A detailed review of all outstanding rent account's has been carried out.
- 2.2 A review of all former tenant arrears balances have been carried out. There are twelve cases to the value of £18,128 which require to be written off. Appendix 1 details these balances.
- 2.3 In addition to this there are 3 balances totalling £6,476 relating to irrecoverable debts for tenants repairs to Council housing etc, details of which are contained in Appendix 2.

2.4 Housing Revenue Account Summary:

| | No of Cases | Total £ |
|--------------------------|--------------------|----------------|
| Former Tenants | 12 | 18,128 |
| Other Balances (Formers) | 3 | 6,476 |
| Totals | 15 | 24,604 |

3. GENERAL FUND

- 3.1 A review of outstanding sundry debt balances has been carried out. There are 6 cases with balances amounting to £37,010 which requires to be written off, details of which are contained in Appendix 2.
- 3.2 A review of outstanding rates balances has also been carried out. There are some 11 balances amounting to £58,760 which require to be written off, details of which are contained in Appendix 3.
- 3.3 Similarly, a review of all outstanding Council Tax balances has been carried out. There are 10 balances amounting to £16,262 which require to be written off, details of which are contained in Appendix 4. A charge of £11,846 should be carried against the General Fund and £4,416 against Scottish Water.
- 3.4 The overall position, as detailed above, is summarised in the following table:

General Fund Summary

| Type of Debt | No of Cases | General Fund | Scottish Water | Total £ |
|---------------|-------------|----------------|----------------|----------------|
| Sundry Debtor | 6 | 37,010 | | 37,010 |
| Rates | 11 | 58,760 | | 58,760 |
| Council Tax | 10 | 11,846 | 4,416 | 16,262 |
| Totals | 27 | 107,616 | 4,416 | 112,032 |

4.0 HARBOUR ACCOUNTS

- 4.1 A review of all outstanding Harbour Accounts sundry debts has been carried out. There are 4 balances amounting to £18,103 which require to be written off, details are contained in Appendix 2.

5 PROVISIONS

5.1 Housing Revenue Accounts

There is currently a provision of £134,331 to cover potentially irrecoverable debts relating to the Housing Revenue Account. The write off of £24,604 will leave £109,727.

5.2 General Fund

There is currently a provision of £464,753 to cover potentially irrecoverable debts relating to the General Fund. The write off of £107,616 will leave £357,137 remaining. A provision figure will be calculated as part of the closure of accounts for 2004/05.

6. POLICY – DELEGATED AUTHORITY

- 6.1 The S.I.C. financial regulations states “that no assets shall be written out of the main accounts or subsidiary records of the Council except by the Executive Director Corporate Services who shall report all sums written off. This policy was amended by the Policy & Resources Committee on 9 March 1998 when the Executive Director of Corporate Services was given delegated authority to write off debt under £250. This was further amended 28 March 2000 when the Executive Director Corporate Services was given delegated authority to write off debts under £1000. There are no detailed policies which apply and, therefore, a decision to write off the debts is required by the Council.

7. RECOMMENDATIONS

7.1 I recommend that the Council: -

- (1) Approve the write off of £24,604 against the current provision for bad debts in relation to Housing debt detailed in 2.4, against the Housing Revenue Account provision.
- (2) Approve the write off of £107,616 of sundry debts, Rates and Council Tax balances against the General Fund Provision.
- (3) Approve the write off of £4,416 against Scottish Water.
- (4) Approve the write off of £18,103 against the Harbour Accounts.



REPORT

**To: Employees JCC
Shetland Islands Council**

**26 April 2005
30 March 2005**

From: Service Manager, Train Shetland

Report No: CE-14-F

Modern Apprenticeship Training Scheme

1.0 Introduction

- 1.1 The Council's Corporate Plan sets skills development as a priority for sustainable economic development and states that the correct skills are required to match new work opportunities.
- 1.2 This can be achieved by developing the workforce into one, which is highly motivated and capable, with a high degree of transferable skills. This report presents one way of achieving this by the promotion of a Modern Apprenticeship Training Scheme within Shetland Islands Council.

2.0 Background

- 2.1 The usual entry route into Modern Apprenticeships is through local employers recruiting apprentices either through Train Shetland, Careers Scotland, Industry Training bodies or the Local Press. Employers fully employ the apprentices, pay their wages and the training is provided and delivered in the form of Scottish Vocational Qualifications by the relevant Industry Standard training provider. The Training costs are funded by Shetland Enterprise
- 2.2 The Government Funded Training Programmes of Modern Apprenticeships are designed to encourage employers to recruit young people and provide the support and work based experience throughout the apprenticeship. The consequence of this is that employers have to fully employ the apprentices and pay their wages even while they are on block release to college thus the cost of hiring and training an apprentice is high. Once the apprentice has completed training the employer normally retains them as a fully qualified tradesman employed within the company.

- 2.3 Due to the upsurge in local construction and engineering activities it has been highlighted that there is a shortfall in qualified tradesmen within these industries therefore there is a requirement to increase the skills base available. The Shetland Islands Council recognises this problem and also recognises that small local businesses cannot sustain the high costs of employing apprentices, therefore restricting the employment opportunities for young people to pursue a career within these trades.
- 2.4 The Council is well placed to support the initiative to provide young Shetlander's' with trade skills and can help plug the skills gap that the local (and national) industry is not managing to provide. But if the Council is to be in a position to pump prime the local industry with skilled workers then a stable follow of suitable work will be required. If the apprentices are to get the necessary breadth of experience then a mix of work will be needed. The greater challenge will be to ensure continuity of work for all the trades.

3.0 Proposals

- 3.1 It is proposed that the Shetland Islands Council recruit and train maximum of ten apprentices within various occupational disciplines to increase the skills base available to local industry. (See appendix 1)
- 3.2 The apprentices would be employed on a fixed term performance related training contract of 4 years during which time they will be trained to industry standards and gain the necessary experience to gain further employment or personal development within the sector
- 3.3 It is proposed by the Chief Executive that the employment costs for this programme is to be met from the Reserve Fund. Training costs , including travel and accommodation while at college are funded by Shetland Enterprise. This proposed scheme is similar in concept to that of the Council's successful graduate placement scheme.
- 3.4 The training placement will also have elements of work experience with local companies as appropriate. This will supplement the specialist training required, allow the apprentice to gain a knowledge of local business practices and gain a wider overview of how the industry operates.
- 3.5 It proposed that Train Shetland monitors and manages the entire programme to meet with the contractual and funding requirements placed on Modern Apprenticeship programmes by Highlands and Islands Enterprise
- 3.6 It is also proposed that the Shetland Islands Council readdress the recruitment of apprentices every two years to sustain the training need and skills base for local industry.

- 3.7 To ensure there is continuity of suitable work for the apprentices some maintenance work would have to be retained in-house. The work would have to be identified on a Best Value basis: the appropriate balance between quality and cost struck and clear performance targets set (and achieved) on each project. An overall limit of £500k per year should be set on the value of work that can be retained in-house. This would not preclude in-house bids for other capital works.

4.0 Financial Implications

- 4.1 Each trainee will receive an anticipated salary as listed below inclusive of islands Allowance, which is increased in line with pay awards.

| | |
|--------|--------|
| Year 1 | £9000 |
| Year 2 | £12000 |
| Year 3 | £14000 |
| Year 4 | £17000 |

- 4.2 Each trainee will cost an anticipated £52,000 therefore a total cost of £520,000 will be required to be met from the Reserve Fund spread over a 4 year period.

- 4.2 A budget for the cost of the programme will be required to be established in the Reserve Fund.

- 4.3 There are no financial implications to maintenance budgets.

5.0 Policy and Delegated Authority

- 5.1 Corporate personnel matters stand referred to Council (min ref 84/89)
- 5.2 The establishment of the Modern Apprenticeship training programme fulfils one of the objectives the Council set itself in the Corporate Plan under the heading of Working in Partnership, sustainable economic development, Skills development.

6.0 Recommendation

- 6.1 It is recommended that the Modern Apprenticeship Training Scheme detailed on the appendix to this report, commence as soon as possible to fit in with normal school leaver recruitment process.
- 6.2 Up to £500k per year of maintenance work is retained in-house to support the apprenticeship programme. This work is selected on a Best Value basis.
- 6.2 To fund the payroll costs of the apprenticeship programme from the Reserve Fund.

Ref: EKS/IB
Date: 18 March 2005

Report No: CE-14-F



SHETLAND ISLANDS COUNCIL MODERN APPRENTICESHIP TRAINING SCHEME

This scheme is designed to offer young people the opportunity to embark on apprenticeship and gain the necessary skills and experience to become a fully qualified tradesman meeting industry standards. Apprentices will be trained to SVQ Level 3 standard and will receive a Modern Apprenticeship Certificate on successful completion of training.

The Council will provide a 4 year training opportunity for young people within various trade related disciplines as listed below:

- 2 x Electricians
- 2 x Plumbers
- 1 x Painter
- 1 x Bricklayer
- 2 x Heavy Vehicle Mechanics
- 1 x Electrical Engineering Fitter
- 1 x Mechanical Engineering Fitter

Various departments within the Council will provide all the training placements with the opportunity for apprentices to be placed with local business to further develop specialist skills and gain an experience of the industry within the private sector.

At the end of the 4 year training period there is no guarantee of continued Council employment however trainees may apply competitively for posts within the Council throughout their training and will be subject to normal recruitment and selection procedures.

Train Shetland will coordinate the recruitment and selection of apprentices and it will be the decision of the respective department to interview and recruit onto the scheme.

Train Shetland will thereafter coordinate, monitor and manage the training as per normal contractual agreements with Shetland Enterprise who in turn will provide the funding for the training element of the scheme.

Eligibility

Young people within the age group of 16 – 21 who have achieved the industry standard requirements which include both assessment exams and a required level academic achievement.

Applicants must be resident in Shetland.

Applicants must complete the normal Train Shetland application and interview process.

Selection of applicants onto the scheme will be made on the basis of the information provided from the application form, successful completion of industry related assessment exam and a selection interview by the respective employing department.

College Attendance

The college elements for programmes are delivered on a block release basis through approved industry standard courses offered by colleges affiliated with the relevant Industry Training Board. These include: Inverness College for Painting, Plumbing, Bricklaying and Electricians, Moray Firth Training Group for the Heavy Vehicle Mechanics and North Atlantic Fisheries College for the Engineering Fitters. These colleges have been sourced in liaison with the Industry Standard Training Boards and meet the required quality standards required by the Training Boards, Train Shetland and the employing departments.

Costs

The anticipated costs for the programme will be the payroll costs of each apprentice. This will be approximately £52,000 inclusive of Island Allowance for each trainee over the 4 year period. This is based on current apprentice rates within the Council and may alter with the introduction single status.

Costs of the training element of the scheme will be met from Shetland enterprise under normal contractual agreements with Train Shetland.

Induction onto Scheme

Trainees will be fully inducted onto the scheme initially by Train Shetland who will conduct an induction into the actual training programme and general Health and Safety. Subsequently each employing department will provide an induction relevant to the workplace in line with normal procedures.

Monitoring

As per normal contractual arrangements with Shetland Enterprise monitoring of apprentices will be conducted initially at 2 weeks and thereafter on a sliding scale to a maximum of 13 week intervals by Train Shetland staff. Apprentices will also be monitored during their college phases of training and college reports are received from college tutors and kept on personal file and forwarded to supervisors.

Review

Each apprentice will be reviewed during each monitoring visit and on completion of training each apprentice and employer will be asked to complete a feedback questionnaire on the effectiveness of the training.

Sustainability

It is intended to offer this scheme on a two yearly basis at which time the disciplines offered and numbers of trainees will be readdressed thus sustaining the development of the skills base and meeting industry demands without overloading the employing departments



REPORT

**To: Executive Management Team
Special Employees JCC
Shetland Islands Council**

**8 March 2005
22 March 2005
30 March 2005**

**From: Personnel Manager
Executive Services**

Report No:

Equality and Diversity Policy

1. Introduction

- 1.1. This report introduces the Equality and Diversity Policy, which will apply to all staff.
- 1.2. The purpose of this report is to seek approval of this policy document as a replacement for the existing Equal Opportunities Policy.

2. Background

- 2.1. The existing policy on Equal Opportunities was agreed by Council on 27 March 1992.
- 2.2. The attached policy has been renamed and revised in light of changes to legislation, best practice advice and cognisance of comments and concerns raised by managers, employees and trade unions.
- 2.3. Significant research has been undertaken looking at the policies of other local authorities and employers. Account has been taken of most recent ACAS guidance, recent Commission for Equal Opportunities guidance and employment law advice.
- 2.4. Prior consultation has taken place with managers and trade unions.
- 2.5. A further document is attached for information only. This leaflet; Equality and Diversity – Our Commitment, will be sent to all new staff in their induction pack and will be made available to all existing employees through copies being on display in their various places of work. A copy of this leaflet will also be made available on the Council's Intranet site and forms part of an on-going promotional strategy from Council's Ensuring Equalities group.

3. Proposal

3.1. It is proposed that the Council agrees the policy attached to this report.

4. Financial Implications

4.1. There are no financial implications arising from this report.

5. Policy or Delegated Authority

5.1. All personnel policy matters are referred to the Council (min.ref: 70/03) and accordingly a decision from the Council is sought on this matter.

6. Conclusions

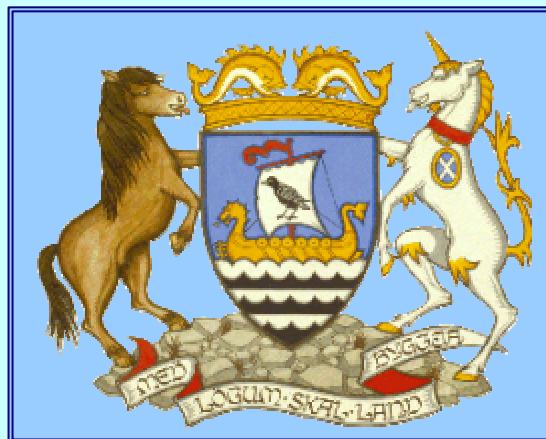
6.1. Following legal changes, consultation and research the attached policy is being presented for agreement to replace the existing Equal Opportunities Policy.

7. Recommendations

7.1. I recommend the Council agree to implement the attached policy on Equality and Diversity with effect from 30 March 2005, with a review date of 29 March 2008.

SHETLAND ISLANDS COUNCIL

EQUALITY AND DIVERSITY



Applies to: All Staff
Effective from:

Shetland Island Council

EQUALITY AND DIVERSITY

Operational Date:

Review Date:

| | | |
|----|---|----|
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1 INTRODUCTION

- 1.1 The Council's commitment to equality and diversity is not just about treating employees and job applicants fairly and equally. It is also about managing a diverse workforce, providing equality of access to our services and promoting equality in everything the Council does.

This commitment is to ensure that no employee or job applicant receives less favourable treatment on grounds of gender, age, disability, race, ethnicity, marital status, sexual orientation, and religious belief. The Council recognises that differences between people in the workplace should be respected and valued.

Our commitment is to:

- Ensure that no unlawful discrimination occurs in the workplace;
- Ensure that the Council complies with equal opportunities legislation and best practice in areas of gender, race, disability, age, sexual orientation and religious belief;
- Ensure that all employees are aware of what types of behaviour may constitute as discrimination, racism and harassment and that such behaviour is unacceptable;
- Promote and encourage diversity amongst our workforce;
- Promote equality of opportunity to all in respect of the services we deliver;
- Ensure that communication and accessibility issues are considered at all stages of Service planning and delivery;
- Ensure that managers and employees are aware of their responsibilities in terms of equality and diversity.

This policy should be read in conjunction with the Council's Race Equality Scheme.

Any breaches of this policy will be dealt with through the Council's Disciplinary procedure.

2 SCOPE OF POLICY

- 2.1 This policy applies to all employees and potential employees of Shetland Islands Council.

External contractors providing goods and services are expected to adhere to the principles of this policy.

3 POLICY STATEMENT

- 3.1 The Council's aim is to be an equal opportunities employer and service provider, and has an Equality and Diversity Policy for this purpose. Our long-term aim is that the composition of our workforce will reflect that of the community.
- 3.2 This policy covers all aspects of employment, from recruitment and training to conditions of service and dispute resolution.
- 3.3 To ensure that this policy is operating effectively the Council maintains records of employees' and applicants' gender, age, disability, race, ethnicity and marital status. Ongoing monitoring and regular analysis of such records provide a basis for appropriate action to eliminate unlawful direct and indirect discrimination and promote equality of opportunity.
- 3.4 To ensure implementation of the Race Equality Scheme and to address all Equal Opportunity issues across Shetland, the Council has joined other agencies in Shetland to develop a joint Action Plan. These agencies include the Council, NHS Shetland, Northern Constabulary, Shetland Council of Social Services, the Procurator Fiscal and Shetland Enterprise Co. Ltd.
- 3.5 This 'Ensuring Equalities Group' is a sub group of the Community Planning Board and is working towards 'mainstreaming' all policies and services in Shetland by taking account of the different needs of the population and genuinely promoting equal opportunities in a consistent way across organisations and the community.
- 3.6 It is important that Equality and Diversity is not seen as 'just another initiative' but as an evolving approach by which we genuinely try to keep improving. In this regard, the Council will use an 'Equality Impact Assessment' when developing and reviewing internal policies and during service planning and delivery.
- 3.7 The Council will also maintain its own Equalities Action Plan, which will ensure timetabled activity in relation to delivering on the Race Equality Scheme and on this policy.
- 3.8 Every employee will be made aware of equality and diversity through this policy and through the promotional leaflet; Equality and Diversity - Know the Facts and also through specific corporate training and development activities.

4 LINKS TO OTHER POLICIES

- 4.1 Whilst equality and diversity impacts on every existing Council policy and every service the council provides, the main Council policies it affects are:
 - Recruitment and Selection;
 - Employment of Disabled People;
 - Harassment and Bullying;
 - Code of Conduct for Employees;
 - Grievance Procedure;

- Disciplinary Procedure;
- Shetland Islands Council Race Equality Scheme.

Copies of these policies are available on the Personnel intranet site, in booklet form at Personnel, 4 Market Street, Lerwick, or from administration staff within service areas.

5 LEGISLATION

- 5.1 The Council has a legal responsibility to ensure that no unlawful discrimination occurs in the workplace. In that respect we will adhere to all current anti-discrimination legislation. This policy aims to achieve a consistent approach in order to comply with employment legislation and recognised best practice.

The main pieces of legislation that impinge on this policy are:

- **Disability Discrimination Act 1995** prevents people from being treated less favourably on grounds of their disability and also requires employers to make reasonable adjustments to workplaces to accommodate a person with a disability. As well as covering employment, this Act also covers access matters for members of the Public. 'Access' includes providing public information in accessible formats;
- **Sex Discrimination Act 1975 and 1986** prevents employers from discriminating on grounds sex, marriage or because someone intends to undergo, or has undergone, gender reassignment;
- **Race Relations Act 1976 and Race Relations (Amendment) Act 2000** makes it illegal to treat anyone less favourable on racial grounds. It also requires public authorities to promote equality of opportunity, provide fair and equitable treatment and good race relations at all times. The Councils Race Equality Scheme sets out how we will meet the specific and general duties of this act;
- **Equal Pay Act 1970 and Amendment Regulations 1983** outlaws discrimination between men and women in respect of pay and terms and conditions of employment;
- **Human Rights Act 1998** requires public authorities to comply with rights set out in the European Convention of Human Rights;
- **Employment Equality (Religion or Belief) Regulations 2003** protects people from discrimination on grounds of all religions and beliefs.
- **Employment Equality (Sexual Orientation) Regulations 2003** gives protection from discrimination on grounds relating to sexual orientation.

Legislation is pending which will provide minimum standards for legal protection from discrimination in respect of age.

6 RESPONSIBILITIES

6.1 The Council as employer will:

- Ensure that all employees are aware of this policy and their responsibilities as a result of it;
- Take all reasonable steps to prevent discrimination in the workplace;
- Promote equality of opportunity whenever possible;
- Consult with recognised Trades Unions regarding the implementation, monitoring and review of this policy; and
- Provide training and guidance to managers and other staff as appropriate on the content of this policy and also raise awareness of equality and diversity issues.

6.2 All managers and supervisors will:

- Ensure that they and their staff are fully aware of this policy and its contents;
- Establish and maintain a working environment which is free from discrimination and promote equality of opportunity; and
- Set a personal example by ensuring that they do not conduct themselves in a discriminatory manner.

6.3 All employees will:

- Comply with this, and other, Council policies to ensure equality of opportunity and avoid discrimination;
- Set a personal example by ensuring that they do not, through their own words or actions, discriminate another employee on any grounds not objectively based;
- Ensure that they do not, through their own words or actions, harass another employee on any grounds;
- Not victimise anyone who has made an allegation, or who has provided information about any allegation;
- Be encouraged to draw specific acts of discrimination to the attention of the relevant manager or supervisor; and
- Be entitled to challenge behaviour that is clearly causing distress or offence to others, by expressing disapproval or supporting colleagues who are experiencing such behaviour.

7 RECRUITMENT AND SELECTION

- 7.1 Employees should refer to the policy on Recruitment and Selection, as well as this policy.
- 7.2 All vacancies will be advertised through internal bulletin, and where agreed local and national media. There are several exceptions where posts will not be advertised, for example, to re-deploy an employee to avoid compulsory redundancy or ill health retirement. All exceptions to advertising are outlined in Section 3.8 of the Recruitment and Selection Policy.
- 7.3 The method of advertising should relate directly to the skills and experience needed to do the job and to equality of opportunity.
- 7.4 All posts are regarded as suitable for job-share unless an exemption is agreed for job related reasons. This must be made clear in the advertisement.
- 7.5 All applications must be made on a Shetland Islands Council application form. Curriculum vitae will not be accepted, unless in the case of visually impaired applicants. The application form will not request information on the applicant's sex, age, marital status or race. However this information is requested in an Equal Opportunities Monitoring form at the back of attached to the application form. This form will be removed and sent to Personnel for monitoring purposes and will not be seen by the shortlisting panel. Council application forms will be reviewed regularly to ensure that inappropriate information is not requested.
- 7.6 Wherever possible shortlisting and interview panels should be gender balanced.
- 7.7 Where some form of selection testing is seen as beneficial, Personnel must be consulted to ensure that the tests are appropriate and will not unfairly disadvantage any group.
- 7.8 As part of our commitment to equality of opportunity the Council has determined that if a disabled applicant meets the minimum stated requirements they will be guaranteed an interview. When two candidates are equally suited for the post, one being disabled, the disabled candidate should be appointed.
- 7.9 The selection of applicants shall not be based on information beyond that necessary for assessing a candidate's suitability for the post. Applications forms and selection procedures will conform to this requirement. Selection criteria will be consistently applied.
- 7.10 Qualification and experience requirement must be relevant to the principal functions of the post, and reflect job evaluation statements where these exist.
- 7.11 All appointments must be made on merit and must reflect the candidate who most closely meets the essential requirements of the job as set out in the person specification and/or the career grade where it applies.
- 7.12 Detailed reasons for rejections, short listing, or appointing candidates must be recorded. It is insufficient to record merely that a candidate is unsuitable.

- 7.13 All selection panel members should have received training on Recruitment and Selection procedures and on this policy, and its practical implementation.
- 7.14 Any alleged breaches of the Recruitment and Selection Policy may result in suspension of the recruitment process and/or investigation by an Executive Director or nominee. Breaches of this policy will normally be addressed through training. However, in exceptional circumstances, disciplinary action may be necessary.

8 TRAINING AND DEVELOPMENT

- 8.1 All new employees to the Council will receive departmental induction training and wherever possible corporate induction training.
- 8.2 All Council employees are entitled to apply for training and development opportunities through application to their Line Manager, who will consider all applications on its merit and relevance to the Council as a service provider.
- 8.3 The Council will take all reasonable steps to ensure that wherever possible, training courses will be delivered in Shetland to enable the full participation of those with family care responsibilities.
- 8.4 The Council will provide a programme of equality and diversity training relevant to individual employee's responsibilities to ensure that the objectives of this Policy are fulfilled.
- 8.5 The Council will provide training and development opportunities to employees to assist those who may be otherwise disadvantaged in achieving progression, for example, management development training for women.
- 8.6 All Corporate Training and Development opportunities are advertised on Council notice boards and on the Council's Intranet pages. Training Directories are also made available to all staff within each department through the appropriate training representative or by contacting Train Shetland directly.

9 PAY, GRADING AND APPLICATION OF CONDITIONS OF SERVICE

- 9.1 This policy applies to all matters concerning the applications of pay, grading and conditions of service generally.
- 9.2 Where the Council employs a scheme of job evaluation this will be non-discriminatory in its application.
- 9.3 It is an underlying principle that the Council will seek to provide equal pay, grading and conditions of service for both men and women who are undertaking work that is:
- The same or broadly similar;
 - Has been rated as equivalent under a job evaluation scheme or;
 - Is of equal value in terms of the effort, skills, knowledge and responsibility required.

- 9.4 All part-time employees will be paid on a pro-rata basis and will have an entitlement to pro-rata annual leave.
- 9.5 In recognition of employees' need to integrate their caring responsibilities and working life more effectively, the Council operates two flexible working policies, the Flexible Working Statement and the Job Share Policy. Employees should refer to these policies as well as this policy.
- 9.6 Applications for flexible working arrangements from employees who meet the specific set criteria will be considered on an individual basis. Changes made to an individual employee's conditions of service under these policies will be permanent.

10 DISPUTE RESOLUTION

- 10.1 The Council has several dispute resolution policies and procedures, which include:
- Grievance Procedure;
 - Disciplinary Procedure;
 - Harassment and Bullying Policy;
 - Complaints Procedure; and
 - Policy for Reporting Concerns at Work.
- 10.2 Employees should refer to these policies and procedures as well as this policy, depending upon the nature of the issue being raised.
- 10.3 Grievances raising equality and diversity issues are normally dealt with through the Grievance Procedure, with the exception of issues to do with harassment, which would be dealt with under the Harassment and Bullying Policy.
- 10.4 Employees who have concerns that the Council has failed to comply with legal obligations in relation to this policy can report these through the Policy for Reporting Concerns at Work.
- 10.5 Breaches of this policy will be dealt with under the Council's Disciplinary Procedures. In some circumstances it will be necessary to suspend an employee on full pay while a disciplinary investigation is carried out. Suspension from duty should be regarded as a neutral act and it is not intended to imply guilt on any party but to ensure a fair investigatory process can take place.
- 10.6 Disputed equality and diversity matters must be dealt with promptly, as any unnecessary delay can exacerbate problems. Therefore, the Council's policies and procedures are designed to encourage the early identification of areas of conflict as near to the point of origin as possible and provide a structured framework to guide management and employees towards resolving these at the earliest possible opportunity.
- 10.7 Members of the public can raise concerns on equality and diversity issues under the Council's Complaints Procedure.

10.8 The Council will ensure that its dispute resolution policies and procedures are available to all staff. These policies and procedures are available on the Council's Intranet, in booklet-form from Personnel and at each departmental administration office.

11 EMPLOYMENT OF EX-OFFENDER

11.1 Employees should refer to the policy on Disclosure of Criminal Records and Employment of Ex-offenders, as well as this policy.

11.2 Applications for employment from ex-offenders will be considered on its merits.

11.3 Spent convictions will not be taken into account in employment decisions, except where applications of employment are for occupations covered by the Rehabilitation of Offenders Act 1974 (Exclusions and Exemptions) (Scotland) Order 2003.

11.4 Unspent convictions will be taken into account in employment decisions only where they are relevant to the duties of the post.

11.5 Records/information concerning employee or applicants convictions are confidential and are to be communicated only for legitimate managerial purposes.

11.6 Disclosure information will not be held in employees' personal files but stored in a lockable, non-portable storage container with limited authorised access.

11.7 Employees are required to inform their Head of Service when they are notified of any criminal proceedings against them. No action shall be taken on this information unless the Head of Service considers the proceedings relevant to their employment and protection of Council property, employees, or those in receipt of Council services is required.

12 PEOPLE WITH DISABILITIES

12.1 Employees should refer to the Managers Guide to Employment of Disabled Persons, as well as this policy.

12.2 The Council will ensure that the methods they use to attract job applicants will not discriminate against disabled people. All selection panel members will be trained on this policy and its practical implementation and on disability awareness.

12.3 Applications for employment from people with disabilities will be considered on their merits.

12.4 The Council will endeavour, whenever possible, to retain the services of any employee who becomes disabled during the course of their employment. If as a result of disability, an employee finds himself at a disadvantage in doing his existing job for example, as a result of the layout of the Council's premises, the Council will consider any reasonable adjustments, which could be made to resolve this difficulty.

13 MONITORING

- 13.1 In order to ensure effective operation of this policy a record will be kept for monitoring purposes of all employees' and job applicants' gender, age, disability, race, ethnicity and marital status.
- 13.2 Most of the monitoring data is collected through a computerised Human Resource and Payroll system (CHRIS). As this system is being implemented in stages we will continue to cross reference CHRIS data with manual and other IT systems already in place.
- 13.3 CHRIS can produce comprehensive data reports, which allow the Council to analyse the results. The data contained within these reports will be analysed against national and local census data in order to determine if any underlying trends exist. The results of this analysis will be used to identify the appropriate action needed to eliminate discrimination and promote equality of opportunity.
- 13.4 Summary information will regularly be made available to the Employees Joint Consultative Committee (EJCC) and full reports be presented to the Executive Management Team with recommendations for any remedial 'positive action'.
- 13.5 In line with our partners in the Community Planning led 'Ensuring Equal Opportunities Group' a commitment is in place between all partners to annual reporting of monitoring data during October each year.
- 13.6 In order to ensure effective implementation of the Race Equality Scheme and to comply with the specific duties of the Race Relations Act, the Council will annually monitor and publish by ethnic group the number of:
- Staff working for the Council;
 - Applicants for employment, training and promotion;
 - Staff who receive training;
 - Staff who receive performance reviews; and
 - Staff who exit employment with the Council;
 - Staff who are involved in grievance procedures; and
 - Staff who are the subject of disciplinary actions.
- 13.7 Because of the size of our community the Council will take extra care when publishing these results not to publicly identify individuals. Where race equality monitoring produces data that could possibly identify individuals the Council will make an overarching statement on what the results have revealed rather than publish the data.

14 CONSULTATION

- 14.1 The prime forum for consultation and monitoring of equality and diversity matters will be the EJCC. In this regard, the first item to be discussed on each agenda shall be equality and diversity issues.
- 14.2 One of the main functions of the EJCC is to provide a formal mechanism for open and constructive consultation to take place between the Council and its

employees. It should also positively influence the mainstreaming of equality and diversity issues across the Council and ensure, as far as possible, that this is incorporated into any policies and practices, which affect employees.

15 DEFINITIONS

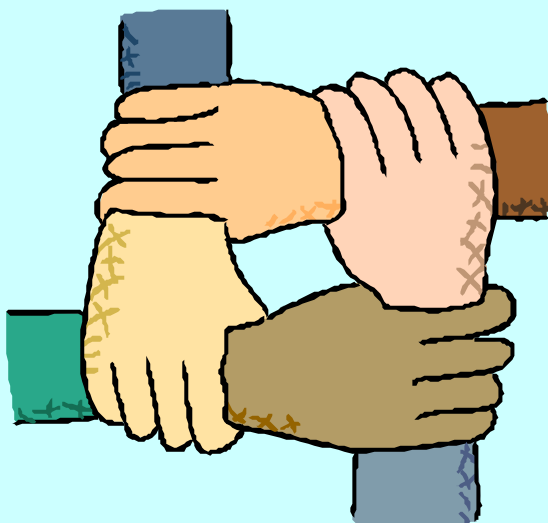
- **Equality** is about ensuring that people are treated equally and fairly and that decisions on such matters as recruitment and selection, training and promotion are based solely on objective relevant criteria.
- **Diversity** is a broader term, which is about valuing the different contributions that people make, regardless of their abilities, background and beliefs. It is about giving individuals the opportunity to make their fullest contribution.
- **Discrimination** is the process by which an individual or group of people are treated less favourably than others for a reason that cannot be objectively justified. It often results from underlying prejudices and assumptions or through applying stereotypes to groups of people regardless of whether it is positive or negative.
- **Positive Action** is often taken to mean a variety of measures designed to counteract the effects of past discrimination and to help eliminate stereotyping on the grounds of sex or race. However, the term also applies specifically to two provision of the Sex Discrimination Act 1975 and the Race Relation Act 1976 allowing for positive action in particular circumstances. These circumstances are defined in the Acts and relate to the provision of training, including vocational training, education or instruction, and encouragement to persons from a particular racial group or sex to apply for employment where they are not represented or are under-represented. It should not be confused with positive discrimination on grounds of sex or race, which is illegal under both these Acts.
- **Mainstreaming** can be defined as 'the systematic consideration of the differences between the different conditions, situations and needs of disadvantaged groups in all policies, at the point of planning, implementation and evaluation. It should aim to ensure that opportunities are genuinely available and accessible to the spectrum of potential participants and that the current initiatives do not have a negative impact on disadvantaged groups'.

Mainstreaming aims to make the delivery of services and opportunities to the whole community a reality. It is about recognising that any policy that affects people is unlikely to be 'equality neutral'. It is not about treating everybody the same, but about taking account of different needs and different realities and, through that process, developing policies that are sensitive to the diversity of the community.



EQUALITY & DIVERSITY

OUR COMMITMENT



The Council's commitment to equality and diversity is not just about treating employees and potential employees fairly and equally. It is also about developing a culture that recognises the diverse needs of our community through promoting equality of opportunity and access in everything the Council does.

OUR COMMITMENT TO EQUALITY AND DIVERSITY



No longer is the Council's responsibility to equal opportunities just about treating people fairly and equally in the workplace. It is also about providing equality of access to our services, promoting equality of opportunity and promoting good relations in everything the Council does.

It is now recognised that celebrating equality and incorporating the diverse needs of the Shetland population is important to the way we plan and deliver services and management. It must not be seen as 'just another initiative' but as an evolving approach by which we genuinely try to keep improving.

There are a number of different policies and initiatives that we use to try to ensure that staff and members of the public are treated fairly and that differences between people are recognised and valued.

Your attitude will make the difference to how your colleagues and customers perceive and understand equality of opportunity and diversity within the Council and whether there is a genuine commitment to the underlying values.

EQUALITY? DIVERSITY? KNOW YOUR TERMS

People often use these terms interchangeably but it is useful to have an understanding of how these terms are generally used.



- **Equality** is about ensuring that people are treated equally and fairly and that decisions on such matters as recruitment, selection, training, promotion etc are based solely on objective relevant criteria.
- **Diversity** is broader term, which is about valuing the different contributions that people make, for example to team working, regardless of their abilities, background, beliefs etc. It is about giving individuals the opportunity to make the fullest contribution. Which just doesn't mean treating people differently sometimes. Examples could be changing the time of a staff meeting to enable someone with caring responsibilities to attend, or changing the way the meeting runs to enable a person with visual or hearing disabilities to contribute.
- **Discrimination** is the process by which an individual or group of people is treated less favourably than others for a reason that cannot be objectively justified. It often results from our underlying prejudices and applying stereotypes to groups of people (eg 'all young people are lazy', or 'all woman with children are unreliable employees').

WHAT ARE MY RESPONSIBILITIES AS AN EMPLOYEE?

Every member of staff has responsibilities, whether temporary or established, full or part-time.

- Know what is required from you, by law and by the Council. Read the rest of this leaflet.
- Understand the relevant policies, such as Harassment and Bullying, Recruitment and Selection, Employment of Disabled Persons and the SIC Race Equality Scheme. Read the relevant policy booklet or access the policy on the intranet.
- Never discriminate against a colleague or member of the public for any reason that is not objectively based. Talk to your line manager if you have any concerns.
- Recognise and acknowledge your own prejudices (we all have them) and work out how you will overcome them. Never behave in a way that can be seen as discrimination.



WHAT ARE MY RESPONSIBILITIES AS A MANAGER?

- Tell your staff about equality and diversity. Make sure they read and understand the Policies relevant to this topic.
- Ensure they understand their personal responsibilities and are committed to meeting them.
- Ensure they understand the relevant implications for their areas of work.
- Encourage your staff to learn more – could they do a relevant course through Train Shetland?
- Make sure your staff know that they can come to you and discuss any matter relating to equality and diversity and know you will take them seriously. If someone raised an equality or diversity issue with you, would you know how to manage the situation?
- Regularly review or audit work practices in your area of responsibility to make sure that you understand the various needs of your customers and that you have taken appropriate measures to meet them. Use the Equality Impact Assessment when reviewing services and policies.
- Involve your staff and customers in making decisions about matters which affect them. Speak to Community Learning and Development about consulting and engaging with 'Hard-to-Reach Groups'.
- Ensure that external contractors providing services to the Council also adhere to the principles of equality and diversity contained within this leaflet.



EQUALITY LAWS IN THE WORKPLACE

There are various laws which protect individuals and certain groups from discrimination in the workplace.

The main Acts and Regulations are:



- **The Disability Discrimination Act (1995)** prevents people from being treated less favourably on the grounds of their disability and also requires employers to make reasonable adjustments to workplace to accommodate a person with a disability. This Act also covers access matters for members of the public.
- **The Sex Discrimination Act (1975)** prevents employers from discriminating on grounds sex, marriage or because someone intends to undergo, or has undergone, gender reassignment.
- **The Race Relations Act (1976) and Amendment Act (2000)** makes it illegal to treat anyone less favourable on racial grounds.
- **Equal Pay Act (1970) and Amendment Regulations (1983)** outlaws discrimination between men and women in respect of pay and terms and conditions of employment.
- **Human Rights Act (1998)** requires public authorities to comply with rights set out in the European Convention of Human Rights.
- **The Employment Equality (Religion or Belief) Regulations (2003)** protects people from discrimination on the grounds of all religions and beliefs.
- **The Employment Equality (Sexual Orientation) Regulations (2003)** gives protection from discrimination on grounds relating to sexual orientation.

A new law is likely to come into effect in late 2006 to protect employees from discrimination on the grounds of age. There is already a Code of Practice with good practice principles to support age diversity in employment.

All our employment policies aim to achieve a consistent approach in order to comply with current employment legislation and recognised best practice. These policies are reviewed every three years.

AND THE SERVICE WE PROVIDE?

We must never lose sight of the fact that we are here to provide efficient and effective services to the people of Shetland and those who visit the islands. An underlying principle of equality of opportunity is that we consider the various and diverse needs of everyone in Shetland and strive to meet them.

- **The Race Relations Act (1976) and Amendment Act (2000)** introduced a special responsibility for every single member of staff in the public services to promote equality of opportunity, provide fair and equitable treatment and good race relations at all times. The Council's Race Equality Scheme sets out how we will meet the specific and general duties of this Act.
- **The Duty of Best Value and Community Planning** includes the need to have regard to the equal opportunities requirement by mainstreaming them in all the Council's work and recognising that all groups in the community do not have the same resources, situations and needs, and that this is reflected in the planning, designing and improving of services.
- **The Disability Discrimination Act (1995)** as well as covering employment, this Act also covers access matter for members of the public. You should note that 'access' includes such things as providing public information in accessible forms.

In recognition on the importance of this agenda, ensuring equality and diversity is a key priority of both the Shetland Community Planning Framework and the Council's Corporate Plan 2004-2008. In order to ensure that leadership is at the highest levels within the organisation the Chair of the Council's Social Forum and the Executive Director – Community Services are providing leadership to this agenda.



In response to these changes, methods of assistance have been put in place:

- **Consulting and Engaging with 'Hard-to-Reach' Groups:**
 - Training is now available in this area through the Community Planning Board, please see notice boards and the Intranet for more details
 - Methods to gather opinions from these groups have been developed, please contact the Community Planning Board for more information
- **Training:**
 - Training on Equality and Diversity is delivered through Train Shetland, please see notice boards and Intranet for more details
- **Providing Access to Information**
 - Resources such as Ensuring User Friendly Writing and a list of translation services are available on the Intranet
- **Assessing Services and Policies**
 - An easy to use Equality Impact Assessment, covering all aspects of equality, has been developed, to suit Shetland's circumstance, for the assessment of services and policies, please contact Policy for more information



Please use the Contact details below for more information:

Policy
13 Hill Lane, Hillhead
Lerwick
Tel: 01595 744511

Personnel
4 Market Street
Lerwick
Tel: 01595 744550

Community Planning
13 Hill Lane, Hillhead
Lerwick
Tel: 01595 744511



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Planning
Infrastructure Services Department

A SHETLAND FESTIVAL OF THE SEA

1 Introduction

- 1.1 This report proposes that the Council should support, in principle, a proposed annual festival in Shetland with the sea as its theme.

2 Background

- 2.1 Members will be aware that the Planning Service has, over recent years, offered extensive support to efforts to regenerate Lerwick's historic town centre. There were good reasons for doing so. From the Planning Authority's point of view, turning the area's fortunes around was essential if its outstanding heritage was to be conserved. Thanks to the efforts of many organisations and individuals, much has been achieved. Lessons learned are being applied elsewhere in Shetland.
- 2.2 One recurring feature of those efforts was the value of promoting a range of events in increasing activity and confidence. However – as we have explained on previous occasions – we must ensure that regeneration is successfully pursued throughout Shetland, not only in one part of Lerwick, and to that end we have had to scale down the level of practical support we have offered in the past to events in Lerwick.
- 2.3 That said, I have believed for some time that there was an opportunity (and arguably a need) to create a substantial annual event, probably in the form of a festival, that would:
- Continue the tradition of a midsummer event.
 - Continue to stimulate activity, not just in Lerwick but right across Shetland.
 - Offer a showcase for Shetland, its culture and its produce.
 - Contribute to economic development, both directly through an expansion of tourist activity and indirectly through supporting many other forms of enterprise through development of the brand and through building community confidence.

3 The Proposal

- 3.1 I believe that there is scope to develop a substantial annual event in Shetland that would have at its core the celebration of our maritime traditions and heritage. A number of others have expressed similar views, particularly after the success of the Tall Ships Race. I think there is a good argument for having a consistent theme, because that will provide a focus, assist public understanding and provide cues for the branding of the event. However, the theme should be both relevant to Shetland and sufficiently broad to encompass a very wide range of events and activities. A festival of the sea would be wholly appropriate. Many other coastal communities around the world have something of that kind.
- 3.2 On the instruction of the Convener, I convened a meeting of interested parties on 3 March 2005 for an initial discussion of these ideas. Those present at the meeting (listed in Appendix 1) were enthusiastic about the notion of some form of annual festival, whilst of course recognising the substantial organisational effort that any relatively ambitious event would entail.
- 3.3 Incidentally, Members will be interested to know that one direct result of that meeting was that an opportunity was identified for Shetland to become the major sponsor of the 2006 Round Britain and Ireland Race. An approach to the race organisers made through Shetland Islands Tourism appears to have borne fruit. This will, of course, be a major international event and the sponsorship will bring favourable publicity, and promotional opportunities both before and after the event, for what is considered to be a very modest investment.
- 3.4 The scope of an annual festival of the sea is probably limited only by our imagination. One would hope that the concept would provoke a wide range of creative responses. The event would probably develop over a number of years, eventually reaching a mature stage and then continuing to evolve. The event should extend to every part of Shetland and should seek to involve all sections of the community.
- 3.5 The proposition discussed at the initial meeting was that the festival should probably occur over a period of one or (more likely) two weeks and that it should include the weekend of the Shetland Race, which is generally the weekend closest to midsummer. It would probably be better to have the festival end with the Shetland Race, because that will mean that the festival occurs earlier in June rather than running towards the end of the month and into July. This may have some benefit in terms of attracting visitors outside the busiest months of July and August.
- 3.6 Beyond the core event, the Shetland Race, there would be many other possible ingredients, some of which might well be festivals in their own right. The following ideas, listed in no special order, represent a taste of what might be possible, though of course only some of these could be implemented from the outset.

- a food festival that would particularly feature Shetland seafood. All our catering establishments would be encouraged to participate and there would no doubt be barbeques and the like. The festival could provide an opportunity for food producers to test or launch new products;
- music events providing a showcase for Shetland musicians in every genre but perhaps incorporating a strong focus on a particular musical genre, such as jazz, blues or classical;
- a maritime heritage festival in which our main new museum and all the local history centres would stage special exhibitions on a maritime theme. Archaeological sites and appropriate historic buildings could also be highlighted;
- A wooden boat festival that would be a magnet for enthusiasts from all parts of Europe and beyond
- A commercial boat show that, among other things, would demonstrate the range of boats produced in Shetland;
- A science and technology festival that would feature current developments, particularly those with a marine connection such as wave and tidal energy, navigational and communications technology, fishing technology and the like;
- a gathering of Tall Ships, which would hopefully respond to an invitation to include Shetland's event in their programmes; there could also be a general invitation to boat owners and yachts people to head for Shetland;
- a film festival, with at least some maritime flavour;
- art exhibitions, perhaps including both local material and a touring exhibition from, say, the National Maritime Museum;
- a book festival highlighting writing about the sea and coastal communities
- a showcase for any community with which Shetland is 'twinned'.

3.7 In its mature form, the event would hopefully be sufficiently big and interesting to amount to a significant attraction on a scale capable of generating national media attention. The appeal of the event would extend not only to those with maritime interests but to many others. In its content and execution, it would be essential that the event adopted the values inherent in the Shetland brand, for example quality, distinctiveness and integrity, which are those that count for our target market.

3.8 There was some discussion of possible names for the festival, recognising that 'festival of the sea' was only ever envisaged as the subtitle for the event. A suggestion made at the meeting was that the tradition of the Johnsmas Foy should be revived. Johnsmas was traditionally celebrated on 24 June and it might well be appropriate to call the Festival the Johnsmas Foy, with 'Shetland's Festival of the Sea' as the subtitle. There are good arguments for a title that echoes tradition and is unique and distinctive.

3.9 No-one doubts that a mature event of this kind would involve a substantial organisational effort, but it could start from relatively small beginnings. Indeed, the possibility was raised at the initial meeting that it would be feasible to launch it this summer. I had not originally

envisaged this, given that the available time is so limited, but I believe that a few simple steps could be taken this year, provided that the aim is sufficiently clear and properly understood.

3.10 Taking that into account, there are perhaps three identifiable stages:

- For 2005, creating a title for the festival, identifying a start and end date and incorporating all appropriate events occurring within the chosen period, subject of course to the agreement of the organisations promoting the events concerned. In effect, this would create an 'umbrella' within which these events would occur and which would hopefully stimulate other events of the kind that can be set up at relatively short notice, such as local dances or seafood evenings in local restaurants. However, management activity would in essence be limited to some basic local promotion including the production of banners, a flyer with a programme and repetition of that information in the press and on the radio. Any such activity would be limited to what is realistically possible within existing resources. The most appropriate dates would appear to be Saturday 11 to Sunday 26 June 2005 and, using the information on the visitshetland.com website, I have identified a programme of events already arranged that would fall within that period; these are set out in Appendix 2. The North Sea Triangle race falls within the second week and the Shetland Race occurs over the third weekend in the period.
- For 2006, a strategy for the festival would be developed in more detail. More detailed aims, standards and measures of success would be established. The festival would be actively promoted to local businesses and the voluntary sector. A proper, coherent programme would be prepared. To do this properly, it would be necessary to have someone undertake the necessary work, probably on a part-time but paid basis.
- In 2007 and beyond, the event would continue to mature. The festival organisation (whatever form it took) would continue to rely mainly on stimulating interest in promoting events among the local commercial and voluntary sectors, and the decentralised approach within a clear overall framework would be strongly emphasised. However, the festival administration would increasingly encourage the development of new ideas and in particular identify gaps that presented opportunities. The event would begin to be more actively promoted beyond Shetland, both by the tourism organisations and in its own right. In mature form, there would be a need for a permanent, if perhaps still part-time, festival administrator and some temporary, seasonal administrative support.

3.11 The proposal fits very well with the Shetland Cultural Strategy. For example, Aim 3.2 aims to 'exploit the potential of cultural activity to contribute to the economic regeneration of Shetland and promote widespread usage of and participation in these activities'. This

section of the Strategy refers to the need to 'support environmental, economic and social regeneration led by cultural and creative enterprises' (3.2.1); 'encourage the Shetland population and visitors to the islands to value and participate in the diverse range of cultural facilities throughout the islands' (3.2.2); and 'place cultural factors at the heart of the marketing and promotion of Shetland' (3.2.3).

4 Practical Arrangements

- 4.1 If Members are inclined to support this proposal, some work will be needed to:
- a) Put the limited arrangements envisaged for 2005 in hand.
 - b) Develop the festival concept further and make more detailed proposals for 2006 and beyond.
 - c) Co-ordinate necessary fund-raising and promotion.
- 4.2 In the first instance, I believe that a small Steering Group needs to be established to develop the proposal. I would wish to establish such a Steering Group at a second meeting of interested parties, which would be convened if Council support for the proposal is forthcoming today. Invitations to that second meeting would be extended to a wider range of organisations, including representatives of private sector organisations not previously contacted.
- 4.3 The Steering Group should not be excessively large, but should be representative of key interests, which I would suggest are:
- Marketing/Promotion of Shetland
 - Community development
 - The arts
 - Environment and heritage
 - The food industry (particularly the seafood industry)
 - Harbours
 - Sailing and boating
 - Fishing
- 4.4 The core membership should include representatives of the Council services relevant to these themes (Economic Development Unit, Community Development and Planning); Shetland Arts Trust; and Shetland Amenity Trust. Representation from the Lerwick Port Authority and from the Council's Ports and Harbours Operations Service would be essential. It is suggested that in the first instance the Lerwick Boating Club be invited to represent sailing and boating interests, recognising that for the time being they will need to take the whole of Shetland's boating and sailing sector on board. The choice of a representative for the food industry is more difficult, because a diverse range of interests is involved, but I am hopeful that a volunteer can be identified. Personal enthusiasm and commitment to the event are, I think, the key qualifications.
- 4.5 I would ask Members to consider today whether or not they wish to nominate a representative or representatives to the Steering Group.

- 4.6 I do wish to emphasise that whilst I am personally very enthusiastic about the project, I cannot commit significant amounts of Planning Service staff time to the proposal because the demands being made of us in so many other directions simply do not make that possible.

5 Financial Implications

- 5.1 For 2005, the costs of creating an 'umbrella' brand for events during the proposed period are likely to consist of:
- Production of flyers, posters and banners, which I would suggest be contained within a budget of £4,000.
 - A limited amount of press and radio advertising, contained within a budget of £1000.
- 5.2 For this year, help in kind, in the form of graphic design and reprographic services, can be offered by Infrastructure Services and the limited amount of administrative support likely to be needed can be offered by the Council services involved. Other organisations may be willing to offer other kinds of support in kind, for example the use of rooms for meetings.
- 5.3 The total cost for the 2005 event is therefore estimated at £5,000 plus some assistance in terms of staff time. It is proposed that this cost be shared equally between existing budgets held by the three Council services most involved. The relevant codes for this expenditure are RRY83812402 (Planning), RRD15202402 (Economic Development Unit) and GRL41132402 (Community Development).

6 Policy and Delegated Authority

- 6.1 There is no existing policy covering support for this event and a decision accordingly rests with the Council.

7 Conclusions

- 7.1 The organisation of an annual early summer festival, probably on a maritime theme, would bring benefit to Shetland. It would provide opportunities to promote particular categories of product, it should (if well-managed) support our work on branding, it should help to increase visitor numbers away from the busiest part of the tourist season and it should be an event that strengthens and builds confidence in the community.
- 7.2 It is suggested that the event should run for two weeks, concluding on the weekend of the Shetland Race. It is envisaged that the Festival will develop and grow over a number of years, but that it would be possible to launch it in 2005. It will need appropriate administrative and financial support, but for this year the costs and administrative work can be contained within existing resources. It is suggested that the Festival be entitled *The Johnsmas Foy* and that it be subtitled *Shetland's Festival of the Sea*.

8 Recommendation

8.1 I recommend that the Council:

- a) Endorses in principle the proposal that a substantial festival of the kind outlined in this report be developed in the years ahead and that it should be called *The Johnsmas Foy: Shetland's Festival of the Sea*.
- b) Agrees that a start be made in 2005 with the creation of an 'umbrella' covering events within the period from Saturday 11 to Sunday 26 June 2005.
- c) Authorises appropriate Council officials to assist through the provision of appropriate administrative and graphic services in connection with the 2005 event, including the development and preparation of all necessary publicity material.
- d) Notes that the likely costs for 2005 can be met from existing resources.
- e) Authorises me to form a Steering Group including appropriate interests in order to oversee arrangements for 2005 and bring forward more detailed proposals for 2006 and subsequent years, on the understanding that reports from the Group will be brought back to the Council when appropriate.
- f) Considers the possible nomination of a Member or Members to the Steering Group.

Report Number : PL-08-05-F

List of Those Attending Initial Meeting on 3 March 2005 :

| | |
|--|--|
| Allan Wishart, Lerwick Port Authority | Katrina Wiseman, Shetland Enterprise |
| Andy Steven, Shetland Islands Tourism | Councillor Eddie Knight |
| Stephen Johnson, Shetland Race Committee | George Smith, Service Manager, Community Development |
| Tommy Allan, Lerwick Boating Club | Douglas Irvine, Economic Development Service |
| Suzanne Shearer, Shetland Race Committee | Alastair Hamilton, Planning Service |
| Neil Grant, Shetland Development Trust | Vic Hawthorne, Planning Service |
| Davie Cooper, Shetland Amenity Trust | |
| Jimmy Moncrieff, Shetland Amenity Trust | |

Others Invited:

Arthur Watt, Shetland Arts Trust

Johnsmaas Foy 2005

Shetland's Festival of the Sea

Saturday 12 – Sunday 26 June 2005

| | |
|---------------------|---|
| June 14, 2005 | Lerwick: Traditional Music Session in Douglas Arms |
| June 14 - 15, 2005: | Lerwick: Evening Sail on the <i>Swan</i> |
| June 17 - 19, 2005: | Sail on the <i>Swan</i> to Fair Isle! |
| June 17, 2005 | Unst: Knitting & Spinning "Have a Go" Sessions |
| June 21, 2005 | Lerwick: Traditional Music Session in Douglas Arms |
| June 22 - 24, 2005: | The North Sea Triangle Race |
| June 22 - 28, 2005 | Lerwick: The Bergen - Shetland Races |
| June 22, 2005 | Yell: Evening Sail on the <i>Swan</i> from Mid Yell |
| June 22, 2005 | Unst: Evening Sail on the <i>Swan</i> from Unst |
| June 24 - 26, 2005: | Shetland Blues Festival |
| June 24, 2005 | Unst: Knitting & Spinning "Have a Go" Sessions |
| June 25 - 26, 2005: | Sail on the <i>Swan</i> to Out Skerries! |



REPORT

To: Shetland Islands Council 30 March 2005

From: Head of Legal and Administration

**Provision of Social Housing in Lerwick
Grant Assistance from the Scottish Executive
Transfer of Land from the General Fund to the Housing Revenue Account
(HRA)**

Report No: LA-18-F

1.0 Introduction

1.1 This report seeks Council approval to transfer land from the General Fund to the HRA at market value to provide land for the future development of social housing.

2.0 Background

2.1 The Scottish Executive is leading an initiative to encourage the development of social housing throughout Scotland. Part of this initiative involves the opportunity to apply for grant assistance towards the development of social housing. The Council's Housing Service has pursued this and has been advised that it would be eligible to apply for up to around £300,000 of grant aid in this financial year (ending on the 31st March 2005). The monies may be incurred on land or new construction works.

3.0 Proposal

3.1 Realistically, because of the very short time-scale for spending money in this financial year, the only feasible expenditure would be to transfer suitable land from the General Fund to the HRA on the basis that the land in question genuinely has potential for social housing development.

3.2 A substantial parcel of General Fund land at North Staney Hill adjacent to Hoofields has been identified as having the potential for the development of social housing shown by black verge on the attached plan. It was originally purchased in 1992 as part of a much larger parcel of land that was to form a land bank for the

long-term future development of Lerwick. Being part of a much larger parcel of land, the parcel in question was retained on the General Fund as an interim measure.

3.3 It is proposed therefore that a sufficient amount of the land to use up the Scottish Executive funding be transferred to the HRA. The Asset & Properties Manager in consultation with the Head of Housing and the Head of Finance would determine the price and amount of land to be transferred. Any parcel transferred would be configured to maximise its suitability for social housing development.

3.4 The future development of social housing in Shetland is an important issue to address in the light of the predicted shortage of such accommodation into the future, particularly within easy travelling distance of Lerwick. In order to assist with the process of implementing the development of social housing schemes it is further proposed that the Asset & Properties Manager, in consultation with the Head of Housing, Head of Finance, the Convenor, the Housing spokesperson and the local Member, be authorised to agree further transfers of land and/or buildings from the General Fund to the HRA provided that:-

The transfer is at market value.

The Housing Service sources funds to pay for the transfer (either from the HRA or externally).

The transfer does not conflict with the Council's accommodation strategy or other operational needs.

There is a reasonable prospect of obtaining planning consent for social housing.

4.0 Financial Implications

4.1 If the transfer from the General Fund to the HRA proceeds, up to around £300,000 would accrue to the General Fund budget GCB 6004 4205. If the Housing Service can source funding for further transfers of suitable land or buildings, the market value of those transfers would also accrue to the General Fund.

5.0 Policy & Delegated Authority

5.1 The Asset & Properties Unit is responsible for the management of the Council's non-housing estate (min ref 36/03) and any non-delegated matters relating to this estate requires a Council decision (min ref 84/99).

6.0 Recommendation

6.1 I recommend that the Council adopt the proposal in paragraph 3.

Report No: LA-18-F
ADH/RM



REPORT

To: Shetland Islands Council 30 March 2005

From: Head of Legal and Administration

Equal Opportunities and Disability Awareness.
Disability Discrimination Act 1995 (DDA) – Reasonable Alterations to Property.
Rolling Programme of DDA Works – Prioritisation System.
Report No: LA-17-F

1.0 Introduction

1.1 This report seeks Council approval for a prioritisation system to prioritise works in the DDA capital-rolling programme to help enable the Council to comply with its obligations under the DDA.

2.0 Background

2.1 In my report to the Executive Committee on the 7th December 2004 a summary of the requirements of the DDA and its implications for the Council was provided, together with details of progress with the implementation of those requirements by the Council to that point in time; and a recommended way forward.

2.2 In the context of the Council's estate, the next major issue to be addressed was to systematically implement works to make the necessary reasonable adjustments to the building stock to comply with the Act. This required: -

DDA Capital Rolling Programme. The establishment of a DDA capital-rolling programme to fund the works.

Prioritisation System. The establishment of a prioritisation system that prioritises the works so that the most pressing projects are tackled first.

3.0 Progress to Date

3.1 Since the 7th December 2004 a capital-rolling programme of £225,000 per annum for DDA works commencing in the 2005/6 financial year was recommended by the Capital Programme Management Team on the 1st December 2004. This was endorsed by the Council as part of its Capital Programme Review on the 10th February 2005 (Min ref 16/05).

3.2 The DDA capital-rolling programme is designed to tackle DDA projects across the Council's non-domestic estate (domestic properties are excluded from the DDA) up to the value of £50,000 excluding those projects that can be accommodated within existing maintenance budgets.

4.0 Proposal

4.1 The Council's two DDA Access Auditors (of the Asset & Properties Unit) in consultation with the Capital Projects Unit and the Building Services Unit have developed a proposed prioritisation system that is designed to prioritise the DDA projects of the DDA capital rolling programme, so as to help ensure that the most pressing projects are tackled first. (Appendix A provides a detailed over-view).

4.2 In essence, the prioritisation system scores the DDA Projects identified in the DDA Access Statement of each building using the criteria of risk, usage, benefit and end user expectation. The resultant scores of each project are then adjusted by an impartial weighting system and the weighted scores are then averaged to produce a final score. The final scores are then used as the basis to compile the rolling programme of works.

4.3 A Panel comprising the two Access Auditors, plus a representative from the Capital Projects Unit and the Building Services Unit and a representative from an external local organisation that represents the interests of disabled persons would undertake the scoring of the DDA projects.

4.4 Prioritisation would occur no less than annually, and the Panel would have the discretion to carry out an extraordinary review at any time should the need arise. The Panel may also adjust the prioritisation system from time to time to meet the needs of the DDA.

4.5 This is a scientifically orientated approach that in addition to tackling the worst problems first would help enable the Council to mount a robust defence in the event that proceedings are raised against the Council for non-compliance with the DDA because of property related issues.

4.6 The basic alternative to the proposed prioritisation system is to have one that is based solely upon the intuition/professional judgement of the Panel or a group of individuals with no formal system in place for compiling the programme. This would seriously weaken the Council's ability to defend its position if challenged on a property related DDA issue and is not an approach that I would recommend.

4.7 If this proposal is approved, I would further propose, following my report to the Executive Committee of the 7th December 2004, that an appropriate representative of the Asset & Properties Unit reports on progress in the implementation of DDA works to the Equal Opportunities Forum and provides the Forum with advice relating to items on their agenda that consider property related DDA issues, as and when required by the Forum.

5.0 Financial Implications

5.1 A capital-rolling programme of £225,000 per annum for DDA works commencing in the 2005/6 financial year was recommended by the Capital Programme Management Team on the 1st December 2004. This was endorsed by the Council as part of its Capital Programme Review on the 10th February 2005 (Min ref 16/05).

5.2 Adoption of the prioritisation system would ensure that the financial resources allocated to the DDA capital-rolling programme are used to maximum effect.

6.0 Policy & Delegated Authority

6.1 The Asset & Properties Unit of Legal & Administrative Services is responsible for the management of the Council's non-housing estate (min ref 36/03). This includes taking the lead on resolving issues that affect the estate as a whole, such as DDA legislation. On the 10th February 2005 the Council endorsed a recommendation of the Capital Programme Management Team to establish a DDA capital-rolling programme (min ref 16/05).

7.0 Recommendation

7.1 I recommend that the Council adopt the proposal in paragraph 4.

Report no: LA-17-F
ADH/RM

Disability Discrimination Act Prioritisation System

1. The prioritisation system will apply to Disability Discrimination Act (DDA) related projects across the non-domestic estate up to the value of £50,000 excluding those projects, which can be accommodated within existing maintenance strategies. Works above £50,000 would be treated as major capital projects in their own right and led by the relevant service head, following the Capital Programme Method under the guidance of the appropriate Capital Projects Officer.
2. Prioritisation is a two dimensional process informed firstly by the outcome of the DDA Access Statements completed for each individual building and secondly by a prioritisation assessment that impartially categorises buildings against each other according to a scoring based on pre-determined criteria.
3. The scoring will be carried out by a Prioritisation Panel consisting of: -

Grant Gilfillan – Access Auditor, Asset & Properties Unit
 Alan Scollay – Access Auditor, Asset & Properties Unit
 Carl Symons – Technical Support Manager, Building Services Unit
 Lawson Bisset – Capital Projects Officer, Capital Projects Unit
 Third Party Representative – Possibly from Disability Shetland or another locally based voluntary organisation that represents the interests of disabled persons.
4. Each project is scored against each criterion by each Panel member, each criteria being given a score out of 100. The scores are then adjusted by the pre-determined weighting for each of the criteria. The weighted scores of each project are then added up to arrive at a final weighted score out of 100. The final weighted scores of each Panel member in respect of each project are then averaged to arrive at a final score for the project.
5. The Pre-determined weighted criteria set to assess the DDA projects are to be as follows.

| | Criteria | Weighting |
|------------|--|------------------|
| CT1 | Risk An assessment of the perceived risk of claims under the DDA. | 35% |
| CT2 | Usage An assessment of the user profile of the service. | 30% |
| CT3 | Benefit An assessment of the actual benefit to service delivery of proposed project. | 25% |
| CT4 | End User Expectation An assessment of the end user expectation for service delivery. | 10% |

5. On completion of the prioritisation assessment the final scores for each project are then used as the basis for compiling the DDA capital-rolling programme of works.
6. The prioritisation will be renewed no less than annually. The Panel may exercise the discretion to carry out an extraordinary review at any time should the need arise.
7. The Panel may adjust the prioritisation system at any time to meet the needs of the DDA.



REPORT

To: Shetland Islands Council

30 March 2005

From: Executive Director – Community Services

INTEGRATION OF CARE HOMES

1. Introduction

- 1.1 The purpose of this report is to keep Members up to date with progress made on the transfer of staff and services from Shetland Welfare Trust to Shetland Islands Council.

2. Issues

- 2.1 Members have already seen a project plan which was appended to the last report (SIC minute ref: 19/05).
- 2.2 Progress against all targets on the project plan is good. The issue of individual members of staff and TUPE has been resolved with the result that all SWT staff have either been transferred to matching posts, found other permanent solutions through redeployment of voluntary severance or have been offered acceptable medium term holding posts until suitable permanent opportunities can be found.
- 2.3 Plans are well advanced to absorb this work within the Community Services department of Shetland Islands Council.
- 2.4 Further reports will be brought later in the year to members and the Shetland Charitable Trust identifying savings which have been made and costs of new integration of services.

3. Conclusions

- 3.1 Project plan and work to integrate care home services is progressing well. The Council is on target to take these services back in house by 1 April 2005.

4. Policy and Delegated Authority

- 4.1 As this report is for noting only, there are no policy and delegated authority issues to be addressed.

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report.

6. Recommendations

- 6.1 I recommend that Members note the contents of this report.

March 2005
Our Ref: JW/sg

Report no: CMSD-04-D1



REPORT

To: Shetland Islands Council
Employees JCC
Shetland Charitable Trust

30 March 2005
26 April 2005
4 May 2005

From: General Manager, Shetland Charitable Trust, on behalf of Working Group

Council Created Organisations Working Group Proposals for Islesburgh Trust and Shetland Arts Trust

1 Introduction and Key Decisions

1.1 This Report presents the detailed findings from the consultation stage of the Working Group's proposals with regard to the current business of Islesburgh Trust and Shetland Arts Trust. For the arts development and facilities management functions, I am recommending that the current arrangements be combined into a new arts development agency. Otherwise, the Working Group's general finding is that Islesburgh Trust and Shetland Arts Trust need no longer exist in their current formats. This includes an estimate of the savings which can be achieved, which are in the order of £248,000 per annum.

1.2 I have set out each topic in a separate section of the Report:

| | |
|-----------|---|
| Section 3 | Staffing Issues and the Practical Application of the principles of TUPE |
| Section 4 | Facilities Management |
| Section 5 | Community Learning and Youth Work |
| Section 6 | New Arts Development Agency |
| Section 7 | Childcare |

1.3 In this Report, I ask Members / Trustees to agree in principle to proceed with the proposals for a New Arts Development Agency, based on community development principles and including arrangements for facilities management. For Youth Work and Community Learning, I am recommending that we proceed with these proposals, subject to detailed reports on the staffing implications being

agreed through the Employees JCC and the Council in the next cycle of meetings. On a related but separate topic, the Report asks Members / Trustees to note that the management arrangements for Childcare are being addressed separately through the Childcare Partnership.

- 1.4 I am recommending a phased approach to the implementation of the proposals and I ask Members to note the Briefing Note of TUPE, attached as Appendix, which explains how the transfer process will work.

2 Background

- 2.1 In February 2004, in response to the Shetland Charitable Trust's significant budget difficulties, a Joint Council / Charitable Trust Working Group was set up with the following terms of reference.

To review:

- the purpose of each of the Council created organisations;
- the range of services delivered and the balance between work done by the Council and work done by the Council created organisations; and
- the relationship and arrangements between the Council, the Shetland Charitable Trust and the organisations receiving funding

and to make recommendations with regard to:

- the most efficient and effective model to deliver "value added" services for the Shetland community (this will include the number of organisations and governance, management and administrative arrangements);
- the funding arrangements to support the service delivery model; and
- the implications of any change.

- 2.2 The agreed objectives of the Working Group are set out below.

- Any duplication of activity between organisations will be removed to create "expert organisations" in each of the key sectors.
- There will be an individual within Shetland who is publicly recognised as being the manager / director of that service.
- there will be in place a seamless method of service delivery, not restricted by organisational or professional boundaries – modelled on a "one-stop-shop" method of service delivery – with ease of access to services, with clear understanding within the community of who to contact and where to go.
- Locally delivered – where possible, decisions about the level and standard of service should be determined at a local level.

- Public and voluntary sector buildings are accessible and available for multi-use by all agencies to ensure that community resources are maximised.
- Any unnecessary duplication, bureaucracy and managerial or administrative overheads will be removed from the system.
- We need to develop affordable and sustainable models of service delivery.
- Where possible, the savings need to be made on overheads.
- While we need to deliver services which the community need and want, we need to actively manage that expectation in terms of what we can now afford.

2.3 In general terms, the role of the Working Group was to:

- look at the possibility of reducing the number of organisations, where it makes sense to do so; and
- look at eliminating any duplication and look for ways to join up work, particularly in terms of reducing overheads; and
- reduce costs, to contribute solutions to the budget deficit; and
- to protect services, and where possible make the savings on overheads.

2.4 One of the key objectives of the Working Group was to have in place unified management structures, where possible. The Working Group identified 3 areas within the remit of Islesburgh Trust where they perceived dual management arrangement to exist:

- Youth Work
- Community Learning
- Arts Development

2.5 The Working Group had 3 tests of whether or not it made sense for the management and delivery of services to be outwith the Council. The only circumstances in which they feel it makes sense not to deliver the services directly in-house is where, either:

- It is **cheaper** to do so (and where wage levels are protected for staff who deliver the services, this can only be achieved through having more efficient management systems); or
- The service can be done **better** (in the sense that the private and voluntary sector should be able to provide more flexible and innovative solutions outwith a formal statutory agency setting); or
- The statutory agencies **cannot** deliver the service (for example, advocacy services must be provided outwith the statutory agencies to ensure independent and objective support).

- 2.6 For Youth Work and Community Learning, the public purse in Shetland is paying for two lots of management and administrative arrangements. The Council will always exist (in whatever form) and the costs will not vary as a result of absorbing this level of activity. There are organisational costs associated with running local trusts (and these can be saved by merging the management of services and without impacting on service delivery). For the management of service delivery, there is no evidence to suggest that any organisation is better than the other; the proposal was based on the objective of saving money through management and administrative costs and to provide consistency in approach across Shetland.
- 2.7 For Arts Development and Delivery, the working group wish to see a single organisation responsible for the development and programming of arts events, in line with the strategic direction which remains the Council's responsibility.
- 2.8 Another objective of the working group was to ensure that public and voluntary sector buildings are accessible and available for multi-use by all agencies to ensure that community resources are maximised. The Working Group therefore proposed that all facilities available for community development related activities be managed by one organisation. In terms of scale of current operation and expertise, the Working Group originally proposed that this work be managed by Shetland Recreational Trust.
- 2.9 In July 2004, the Working Group set out their proposals on the management of a range of community services in Shetland, which were:

Youth Work / Community Learning

- Youth work and community learning should be managed by one organisation.
- To save money on organisational costs, youth work and community learning should be managed by the Council's Community Development service

Arts Development

- All arts development and programming should be amalgamated into one organisation to develop arts and cultural activities within Shetland

Buildings

- The facilities currently run by the Shetland Recreational Trust, Islesburgh Trust and the Shetland Arts Trust should be managed by the Shetland Recreational Trust

Organisational and Structural Changes

- The Islesburgh Trust would not be required to manage services in its current format
- The Shetland Arts Trust and Islesburgh Trust would be re-formed to address all Arts and Cultural Development issues

- The Shetland Recreational Trust would take on a facilities management role for the properties currently operated by the Shetland Recreational Trust, the Islesburgh Trust and the Shetland Arts Trust
- 2.10 Over the past months, the detailed implications of the proposals have been worked up between the Working Group and Shetland Recreational Trust, Shetland Arts Trust and Islesburgh Trust staff and trustees. During this time, the Working Group have found out more information and refined their thinking in a number of areas, specifically with regard to governance arrangements and the facilities management proposals.
- 2.11 The Working Group have debated issues of governance on a number of occasions over the past 6 months. Their proposals for the new Arts Development Agency encompass their thinking. There are some fundamental changes to the relationships which currently exist between the Council and the special purpose trusts, which it helped to create. Specifically, we are recommending that the Council does not make any nominations or appointments to the new Arts Development Agency.
- 2.12 The original proposals involved Shetland Recreational Trust providing a facilities management service for all buildings providing a community development service and funded through Shetland Charitable Trust. The Working Group has, however, moved on this original proposal. For a number of reasons, discussed in detail in Section 4, the final proposal suggests that the new Arts Development Agency should also manage the associated facilities for the time being (Islesburgh Community Centre, Islesburgh House, the Garrison Theatre and the Bonhoga Gallery). A review will be built in once the new organisation is operational to ensure that this model is working effectively.

3 Staffing Issues and the Practical Application of the principles of TUPE

- 3.1 The Working Group may recall that in July 2004, the Council accepted the following key principles to facilitate any organisational change, namely:
- no compulsory redundancies;
 - the application of the principles of TUPE throughout the process; and
 - TUPE transfer of employment, where a change of employer is involved.

and that any staffing changes will be based on these key principles.

- 3.2 A great deal of work has gone into the marrying the principles adopted by the Council, the legal requirements of TUPE with a practical application that suits the circumstances of this change management process. Key to the thinking behind practical application of the principles has been to ensure that, as far as possible, the negative

effects of change are minimised (one of the stated aims of the Council's Corporate Plan). This has meant that we need to ensure that SIC staff in established full time posts are not unduly affected by these changes.

- 3.3 Appendix 1 contains the Briefing Paper which sets out the Council's practical approach to staff who are affected by these restructuring proposals. This paper is already being used in the integration of management arrangements for care homes and subsequent changes to Shetland Welfare Trust. The Employees JCC has seen this paper and the changes suggested by them have been incorporated into the version before you today.
- 3.4 The paper is not presented for approval. It sets out how to marry the principles adopted in July 2004 and set out at paragraph 3.1 with the relevant policies and procedures. I do, however, ask Members to note the paper.

4 Facilities Management

- 4.1 The intent of the combined facilities management idea was that this would cover all aspects of making a building available for hire (for whatever purpose). The philosophy behind this proposal was based on two principles:
- That organisations which deliver services should be free to concentrate on service delivery and development, without having to concern themselves with "building" issues; and
 - That "facilities management" is a specialist skill in its own right.
- 4.2 The types of activities which would be part of a complete "facilities management" service are:
- Building maintenance (inspection, management of works)
 - Health and Safety and Risk Assessments related to letting of property
 - Bookings
 - Cleaning
 - Equipment Set Up
 - Stewarding
 - Catering (casual, event and commercial)
 - Licences
 - Legal requirements
 - Hostel bookings and
 - Equipment bank
- 4.3 The idea was based on an extended role for Shetland Recreational Trust in terms of managing more "recreational facilities" than their current business of running leisure centres and sports fields. This would have left the new arts development agency to concentrate on delivering and developing arts programmes, in a whole variety of venues and locations.

- 4.4 A full facilities management service means ensuring that the buildings or facilities are “ready for let” for whatever purpose. This means ensuring that:
- The fabric of the buildings are maintained in a “fit for purpose” condition, with regular maintenance inspections and a planned programme of maintenance work put in place and emergency/response repairs carried out to ensure the safety of customers
 - All health and safety requirements relating to the use of the building are fulfilled.
 - Regular risk assessments are carried out to protect staff and users
 - There is in place a single point of booking, from which customers can book any one of the buildings / facilities and be offered options for space to suit their needs
 - Premises and equipment are kept in a clean and tidy condition and available for let
 - Rooms / spaces are set up with the necessary equipment and resources to meet the needs of that customer
 - Catering facilities are made available, as required, be that on a casual, planned or commercial basis
 - The equipment bank is maintained in a fit for purpose condition and the lets to individuals and community organisations are well managed.
- 4.5 Shetland Recreational Trust staff have worked up a proposal for managing the additional facilities. Shetland Recreational Trust would not require any additional general management or administrative (finance, personnel, etc) support to take on this additional work. Their proposed structure put together a new post of centre manager, supported by a team of centre assistants, housekeepers, maintenance workers, receptionists, theatre attendants, lighting technicians, cleaners, café assistants and kitchen assistants.
- 4.6 In developing these proposals, a number of issues came to light which meant that the Working Group have now made an alternative suggestion on facilities management.
- 4.7 It became apparent in working up the proposals that the staff terms and conditions are different between Islesburgh Trust and Shetland Recreational Trust. In light of the principles which the Council had agreed to adhere to and the application of TUPE regulations, it became apparent that the original proposals had a potentially destabilising effect on the operation of the Shetland Recreational Trust. This was in terms of the SRT potentially ending up paying different rates of pay to staff undertaking broadly the same jobs. Furthermore, Shetland Recreational Trust asked that any detailed work on the proposal be delayed until after the Island Games, which must be their priority project over the coming months. The Working Group was happy to accept that priority had to be given to ensuring the success of the event.

- 4.8 Trustees of Islesburgh Trust then came forward with an alternative proposal and suggested that the management of the facilities be combined with the new Arts Development Agency. This has two key benefits from the information made available during consultation. Firstly, it helps to explicitly include an underpinning principle of community development into the brief for the new arts agency. Secondly, it avoids any destabilising effects caused by the application of TUPE principles on the current SRT operations.
- 4.9 There is the potential to generate the same level of savings. The Working Group is therefore content that this proposal contributes significantly to the overall objectives set out at paragraph 2.2 (predominantly protecting services, saving money and avoiding duplication) whilst also over-coming some of the concerns associated with Shetland Recreational Trust taking on a clinical facilities management role (for example, how specialist buildings such as the Garrison Theatre would have been best managed). It is envisaged that SRT will still provide advice and guidance on best practice in the field of facilities management and that, over time, partnership working on areas of common interest will become the norm. As this is a change to the original proposals, the Working Group wish to build in a review process, once the new organisation is operational, to ensure that these recommendations are working effectively.

5 Community Learning and Youth Work

- 5.1 The Head of Community Development has stated that his current management structure can absorb the management and administration of the current **community learning** programmes within the existing structure with no additional staff so at no additional cost. None of the Council's corporate services will require additional staff in order to absorb this activity (Finance, Personnel, Legal, and so on).
- 5.2 The following posts could be removed from the current structure
- Islesburgh Trust, Community Work Assistant, AP3, 17.5 hours
Islesburgh Trust, Assistant Manager, PO1-4, 65%
- 5.3 A detailed management structure has been worked up with a remit to continue the junior and senior **youth work** programmes at current levels (for both the SIC and Islesburgh Trust).
- 5.4 The Head of Community Development has stated that he would require the following posts:
- SIC, Youth Services Team Leader post, AP3-4
(this post is currently a temporary appointment, funded from external sources)
Youth Development Worker for Lerwick and Bressay, AP2
(from a part time post of 20 hours per week to one full time equivalent post)

- 5.5 At the moment, the Team Leader post is a temporary post, secured through external funding. The Youth Development Worker is a part time post of 20 hours and the proposal is to make this into one full time equivalent post. None of the Council's corporate services will require additional staff in order to absorb this activity (Finance, Personnel, Legal, and so on).
- 5.5 The following posts could be removed from the current structure:
- Islesburgh Trust, Co-ordinators, AP4 posts, 30 hours per week x 2
Islesburgh Trust, Assistant Manager, PO1-4, 35%
(so, a total of 100% of this post when combined with the community learning proposals).
- 5.6 Overall, the net savings from the Community Learning and Youth Work proposals are estimated to be in the region of £68,000 per annum.
- 5.7 In this instance, from a staffing point of view, several post-holders will be eligible to compete for a limited number of posts. Therefore, a small pool of suitable candidates will be drawn up from SIC and Islesburgh Trust staff to compete under a restricted recruitment exercise to fill the new posts.
- 5.8 I am recommending proceeding with this proposal, to take effect from the new session from 1 September 2005. A detailed staffing report will be presented to the next cycle of meetings, including the Employees JCC. That Report will also outline the communication process which will apply to any staff affected by the proposed changes.

6 New Arts Development Agency

- 6.1 The original proposal was that all arts development and programming should be amalgamated into one organisation to develop arts and contribute towards cultural activities within Shetland.
- 6.2 The proposed Statement of Intent reads,
- “Arts development recognises that all art forms are continually evolving and encourages this through supporting development in existing work, encouraging new artistic initiatives and improving access to the arts. It creates opportunities for the community to participate in and enjoy a diverse range of arts activity and for professional artists through residencies, workshops, performances, etc, all produced to the highest possible standard. When appropriate, current activity is nurtured to fully develop its potential and fresh ideas and new imaginative approaches are positively encouraged. Arts development recognises the need for excellence in artistic quality and the need for the work to cater for many different age ranges, interests and levels of

experience. It promotes the quality of experience and the quality of life for the community and aims to develop the skills and experience of artist practitioners and participants.”

- 6.3 The arts development service areas to be covered will be: crafts; dance; drama; film; literature; music; theatre; and visual arts.
- 6.4 The facilities management services to be provided will cover: health and safety and risk assessments, bookings, cleaning, equipment set up, stewarding, catering, licences, hostel bookings, equipment bank and arranging building maintenance
- 6.5 A specific aspect of the proposal put forward is that building maintenance inspections and arranging the work will be out-sourced to another specialist provider. The Council’s building services team have indicated a willingness to take on this work, within the capacity of their current team. This, however, will require further research and advice subject to the legal status of the proposed new agency
- 6.6 As mentioned, the Working Group has spent a great deal of time debating appropriate governance arrangements for the new organisation. The next section sets out the proposals for the creation of a new special purpose vehicle to deliver arts development activities on behalf of the Council and Shetland Charitable Trust.
 - 6.6.1 This will be a new special purpose organisation, set up to improve the quality of life for Shetland residents, and visitors to the isles, through the arts. The focus will be on arts development, with services and projects delivered using the principles of community development. The new organisation, along with many others, will contribute to cultural issues.
 - 6.6.2 I am recommending that the new organisation be a trust, in order to retain a degree of flexibility over its operations. It is proposed that the new organisation include the phrase “community arts”.
 - 6.6.3 It is recognised that the current nomination / appointment system places Councillors in an impossible situation where a conflict situation arises. Councillors are expected to fulfil their Councillor role, Charitable Trust trustee role and act on behalf of the organisation to which they have been appointed / nominated. The Working Group therefore propose that there should be no Council appointments / nominations to the new Trust. Councillors will, of course, be free to seek nomination as individuals within the community. There is one exception to this, set out at paragraph 6.6.5 below.
 - 6.6.4 Furthermore, it is proposed that the Spokesperson for Culture and Recreation and the Head of Community Development be named advisers for the new Trust. This retains good

communication links and performance monitoring arrangements between the two bodies. The Head of Community Development acts as a Service Co-ordinator for Shetland Charitable Trust funding as well.

- 6.6.5 In order to retain the strategic link between the Council and the special purpose vehicle which it is proposing to create, it is proposed that the Convener, or his/her nominee, be an ex-officio Trustee of the new Trust.
- 6.6.6 The Working Group suggest that the number of trustees be limited to 10, plus the ex-officio appointment of Convener or his/her nominee.
- 6.6.7 A job description for the role of Trustee has been drawn up and is set out below. It is suggested that appointments be made on merit based on this job description and subject to interview by a panel.

“Name” is a newly formed Arts Development Agency, to focus on developing arts and cultural activities within Shetland. The business will cover: Dance; Drama; Theatre; Film; Literature; Music; Craft; and Visual Arts as well as providing a facilities management role for Islesburgh Community Centre, Islesburgh House, the Garrison Theatre and the Bonhoga Gallery.

“Name” is an independent organisation, which is managed, on behalf of the people of Shetland, by 11 Trustees.

The Trust is looking to recruit 10 new Trustees from the local community, who have an interest in the arts, combined with experience or knowledge of business and financial management.

Trustees will be expected to have experience or knowledge in any of the following areas:

- An interest in the arts and culture of Shetland and a willingness to actively engage in its work for the benefit of the inhabitants of Shetland
- Ability to communicate effectively about the work of the Trust and act as an ambassador for arts and cultural activities
- A good understanding of how the arts can provide social, health and economic benefits to individuals and to local communities

- An understanding of how the arts can help to promote Shetland on a national and international stage
- An enterprising and imaginative approach, with an ability to seek out new opportunities and ideas
- Experienced at partnership working
- An understanding of the strategic, legal and financial responsibilities of being a trustee.

Potential candidates must be resident in Shetland.

Trustees will be expected to take an active role in the running of the Trust.

The time commitment for this post is estimated to be about 2 days a month.

6.6.8 It is suggested that the interview panel consist of the following individuals:

- Representative of Scottish Arts Council
- Representative of local arts scene
- Chair (or Vice Chair) Services Committee
- Chair (or Vice Chair) Shetland Charitable Trust
- Spokesperson Culture and Recreation
- Head of Community Development

Thereafter Interviews for replacement Trustees will be made by the remaining trustees (with appointments made on a rotational basis).

6.6.9 In keeping with the principles of the Nolan Committee, it is suggested that the duration of appointment be as follows:

- 3 year rotation cycle
- maximum duration 2 x 3 year terms
- after a break of 3 years, trustees free to serve another 2 x 3 terms
- all new appointments to begin with then stagger to obtain a rolling programme of rotation.

6.6.10 The range, quality and level of arts services and projects will be set out in a Service Level Agreement, which will form the basis of a bid for funding from Shetland Charitable Trust. The new agency will be able to develop additional services beyond that service level agreement where the organisation has the capacity and has secured additional funding to do so.

6.6.11 Monitoring of performance against the Service Level Agreement will be undertaken monthly between the Head of Community Development and the Arts Development Manager and quarterly

to include the Spokesperson for Culture and Recreation and the Chair of the new agency.

- 6.7 Initial costings suggest that this proposal will save in the order of £180,000 per annum.
- 6.8 At this stage, the Working Group are proposing that the Council agree in principle to establishing a new arts agency, using the framework outlined at paragraphs 6.6.1 – 6.6.11 above. A consequence of that decision will be that there is no longer a need for the current Islesburgh Trust and Shetland Arts Trust to exist in their current format so we will need to work with the trustees of both organisations to wind up those existing organisations. An indicative timescale for the proposals to take effect from will be 1 April 2006.

7 Childcare

- 7.1 Recently, Shetland Childcare Partnership presented a report to Services Committee on the future direction for Childcare in Shetland. As a result of that report, a study is being undertaken to identify “sustainable” models of childcare in Lerwick, with an indicative reporting timescale of June 2005.
- 7.2 The Working Group chose not to make recommendations with regard to the most appropriate management models for Childcare, on the understanding that this parallel study was to be done. The Working Group have, however, concluded that it is not cost effective to retain Islesburgh Trust just to employ the staff to deliver the childcare programmes. Therefore, the Childcare Partnership are tasked with identifying more affordable management models to take on the role of managing the current range of services delivered through Islesburgh Trust.

8 Financial Implications

- 8.1 The overall potential savings are in the order of £248,000 per annum, on the following service areas:

Table 1: Estimated Savings at 2004-05 prices

| Service Area | Estimated Savings £000 |
|--|-----------------------------------|
| Youth Work and Community Learning | 68 |
| Arts Development and Facilities Management | 180 |
| Total Estimated Savings | 248 |

- 8.2 Shetland Charitable Trust have budgeted for the full cost of the current services in 2005-06. There will be some one-off costs of change (for legal fees, pension fund costs, and so on) which I hope to meet from the

approved 2005-06 overall budget. It is expected that savings will be realised in 2006-07.

- 8.3 In order to progress the Community Learning and Youth Work proposals, funding will need to be transferred between Shetland Charitable Trust and Shetland Islands Council for the cost of some of the management arrangements and the direct costs of services and programmes. This is estimated to cost £135,000 per annum (which includes the cost of the two posts mentioned at paragraph 5.4) and progresses the exercise of ensuring that the Council pays for core services and Shetland Charitable Trust pays for value added services.
- 8.4 The Council does not have budgetary provision for the direct cost of youth work and community learning in 2005-06, estimated half year cost to be in the region of £75,000. The value of the transfer will need to be met from reserves and added onto the total sum to be met from the budget working groups. The detail of this proposal will be reported in the next cycle, along with the staffing implications.
- 8.5 The overall savings to Shetland Charitable Trust from the proposals in this report will be a reduction in ongoing commitments of £385,000 (£250,000 of savings and £135,000 of transfers to the Council).
- 8.6 The details of the estimated savings on the new Arts Development Agency and the facilities management proposal will be reported at a later date, if the proposals are agreed in principle.
- 8.7 Overall, therefore, the Council Created Organisations Working Group has put forward proposals to secure ongoing savings in the region of £530,000 per annum (£280,000 from the integrated management of care homes and £250,000 from changes to the management structures for arts development, facilities management, community learning and youth work). These proposals do not impact on front line services.

9 Policy and Delegated Authority

- 9.1 The terms of reference for the Working Group was set by the Council so the recommendations from the Group need to be presented to Council for a final decision.
- 9.2 Personnel issues require the approval of the Council. The recommendation for the Council to agree in principle to employ youth work and community learning staff under TUPE arrangements requires a decision of the Council.

10 Recommendations

- 7.1 I recommend that Shetland Islands Council:
 - (a) note the Practical Application of Progressing Integrated Management Arrangements Note, set out in Appendix 1; and

- (b) agree to take direct responsibility for the management of all community learning and youth work services currently operated by Islesburgh Trust, with effect from 1 September 2005; and
- (c) agree to create the following permanent and full time posts within the Community Development Service in order to integrate the management of youth work services:

Youth Services Team Leader
Youth Development Worker (Lerwick and Bressay); and
- (d) agree to fund the direct costs of community learning and youth work from the General Fund from 1 September 2005; and
- (e) agree that the 18 part time youth workers who are currently employed by Islesburgh Trust be transferred to the employment of Shetland Islands Council with effect from 1 September 2005 and in accordance with TUPE regulations; and
- (f) note that a detailed report on the staffing and financial implications, together with the communication framework for the staff affected by the changes to the management of youth work and community learning, will be presented to the next cycle of meetings; and
- (g) agree in principle to create a new arts development agency, which also has responsibility for facilities management services, in line with the proposals at paragraphs 6.6.1 to 6.6.11, to take effect from 1 April 2006; and
- (h) agree that the detailed implications of this decision will be presented to the June cycle of meeting, including likely timescales and monitoring arrangements to ensure that the arrangements are effective.

7.2 I recommend that Trustees of Shetland Charitable Trust:

- (a) note that it will secure ongoing savings in the order of £250,000 per annum as a result of the changes to the management arrangements for youth work, community learning, arts development and facilities management; and
- (b) agree to ask Shetland Islands Council to fund the direct costs of youth work and community learning from 1 September 2005 (full year cost estimated at £135,000); and
- (c) agree to fund any one-off additional costs incurred to ensure the smooth transition of the integration of the management arrangements; and

- (d) Note that more detailed reports will be presented on the financial implications and the cost of change on an ongoing basis.

General Manager
Shetland Charitable Trust
Report Number CT-007-F

24 March 2005

**Council Created Organisations Working Group – Briefing Note
Practical Application of Progressing Integrated Management Arrangements
Final Version 8 March 2005**

Purpose

This Briefing Note explains how the Council will progress the integration of management arrangements including the application of TUPE guidelines in practice to the proposals from the Council Created Organisations Working Group.

SIC Commitment

In July 2004, the Council agreed:

- that all staff affected by the structural changes be offered the same protection as given to Council staff during a change process.
- In line with the Council's internal restructuring exercises, first established in May 2000, the following key principles to facilitate any organisational change be applied:
 - no compulsory redundancies
 - the application of the principles of TUPE throughout the process
 - TUPE transfer of employment, where a change of employer is involved
- In order to facilitate this change process, that authority be given to the Chief Executive to:
 - Ensure the smooth and efficient handling of any voluntary redundancy or early retirement requests; and
 - Flexibly apply the terms of the Council's Redeployment and Redundancy policy to staff affected by the changes, where staff have the necessary skills and experience to be able to do the job; and
 - Flexibly apply the Council's Recruitment and Selection policy in terms of the matching or redeployment of staff affected by the change balanced against the impact that might have on temporary appointments.
- In effect, this extends the application of the Council's Redeployment and Redundancy policy to staff affected by the change who work for Council created organisations for a period of time.

SIC Corporate Plan

The Council's Corporate Plan sets out the following commitments to staff:

- Treat employees fairly, courteously and consistently
- Work to reduce any undesirable effects of change.

These principles will be adhered to for any staff affected by this structural change from within the Council and the Council Created Organisations.

Practical Application of TUPE

The following process will be followed in any restructuring exercise brought about as a result of the proposals from the Council Created Organisations Working Group.

As appropriate, the Council's Organisational Development staff will:

- Review existing and proposed job descriptions or job profiles to determine if posts are a complete match or subject to an open or restricted recruitment exercise through redeployment or advertisement; and / or
- Interview individuals to find out their skills, experience and knowledge and their expectations for future employment opportunities.

Where a significant degree of similarity exists between the current post and the new post, individuals will be matched into the new posts, without interview.

Where a significant degree of similarity exists between the skills, knowledge and experience of the current postholder and the requirements of the new post, individuals will be redeployed into the new posts.

Where necessary, a small pool of suitable candidates will be drawn up to compete under a restricted recruitment exercise to fill new posts.

Where a direct match does not occur and individuals wish to leave, a voluntary redundancy package will be offered, using the Council's discretionary payments scheme.

Where a direct match does not occur, individuals are eligible and circumstances meet the efficiency criteria laid down by the Council's scheme, individuals will be able to apply for early retirement.

The Council will flexibly apply its Recruitment and Selection policy and, where suitable, will restrict recruitment to other SIC posts to redeployment by postholders affected by the proposed changes.

For any postholders who remain without a substantive post at the agreed date of transfer, the Council will flexibly apply its Redeployment policy to create holding posts in suitable service areas to utilise the skills and knowledge of those individuals. The timescale for the duration of these holding posts will be agreed on a one to one basis. Attempts will continue to re-deploy individuals to suitable posts.

Acceptance of a temporary or fixed term contract (of duration less than one year) will not affect rights accruing under the application of TUPE or the Council's redeployment policy. At the end of such a contract the Council's redeployment policy will still be applied flexibly to that situation whenever arising

Where individuals remain unsatisfied and without a substantive post, a further Report will be presented to the Council outlining their circumstances and possible ways forward. This could include compulsory redundancy as one alternative. In that case the report would also set out the criteria for pooling, including staff currently employed by the Council if appropriate. This option would only be considered if all other measures to find suitable posts have been exhausted.



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Education

ZETLAND EDUCATIONAL TRUST

1. Introduction

- 1.1 In February 2004, it was recommended by the Services Committee that an amended scheme for the Zetland Educational Trust should be developed (Min Ref: SIC 05/04). This would make better use of the resources by making provision for applying the funds under a 'general educational purposes' heading in addition to the existing categories of the small individual awards. This report proposes a course of action to achieve this.
- 1.2 The Head of Education should continue to have delegated authority to make awards under the existing scheme, but the decision will be based on advice from a small Officer Group which will be formed to recommend how the free income from the Trust should be spent on an annual basis.

2. Background

- 2.1 In 1998, a report went to Shetland Islands Council recommending a review of the Zetland Educational Trust. This review was never completed. However, pending the review of the Scheme, authority to make awards from the Scheme as it currently stood was delegated to the Director of Education.
- 2.2 The Zetland Educational Trust comprises a number of endowments as specified in the Zetland Educational Trust Scheme 1961 to 1965 which are vested in the Council as the governing body. After a detailed review of the scheme, it has been identified that the terms are broad enough to cover most, if not all, scenarios where funding may be required. This report therefore proposes that the Zetland Educational Trust should continue to operate under the existing scheme.

- 2.3 The Head of Education, in consultation with officers from Legal and Administration, were to decide on the terms of the amended scheme and report back to Members for the approval of the amended grant scheme.

3. Proposals

- 3.1 Following a recent review of the present scheme by Education, in consultation with officers from Legal and Administration, it is proposed that the scheme as it stands is sufficient to cover most scenarios where funds would be required and would be in keeping with the intent of the original donors.
- 3.2 It is recommended that the Head of Education is given delegated authority to make the necessary awards, taking advice from a Group made up of a representative from Education, Legal and Finance, and the Spokesperson for Education, Children and Young People. The Group would meet twice a year to consider applications.
- 3.3 The Group will have to consider the position regarding the investment of the Zetland Educational Trust once the timetable for applications has been agreed and the likely number of applications and payments has been quantified.
- 3.4 The headings under which awards may be made from the Zetland Educational Trust are outlined in Appendix A. The ethos of the Zetland Education Trust is that available funds should benefit pupils attending schools and further education centres across Shetland. It is important that any monies available through the Zetland Educational Trust is not generally available from any other source.
- 3.5 The application process will involve applicants submitting a written outline of their project and estimated budget to the Head of Education. Monitoring procedures will be put in place to ensure that any awards made are spent in accordance with the terms of the application and any further conditions imposed by the Head of Education.
- 3.6 The Head of Education will report to Members on an annual basis as to how monies have been spent.

4. Financial Implications

- 4.1 The Trust currently has an annual income of approximately £25,000.
- 4.2 There are no financial implications arising from this report as it is intended that only the revenue generated annually from the Zetland Educational Trust is made available on an annual basis.

- 4.3 Consideration is needed in respect of which is the most appropriate account required to both maximise interest available but also allow flexibility in spending.

5. Policy and Delegated Authority

- 5.1 All matters relating to Education stand referred to the Services Committee (Min Ref: SIC 70/03). The Services Committee only has delegated authority to make decisions on matters within approved policy, and for which there is a budget.
- 5.2 The Council delegated authority to the Head of Education on 22 April 1998 (Min Ref: EC 26/98) while the review was ongoing. This was not clear in February 2004 (Min Ref: SIC 05/04; SC 04/04) therefore this report aims to clarify delegation and implement accordingly.

6. Conclusions

- 6.1 The Zetland Educational Trust is suited to the needs and aspirations of a modern Education Service and should remain as it stands. Expenditure across the headings outlined in Appendix A should be at the discretion of Head of Education on advice from a small Officer Group. Final delegated authority should be with the Head of Education who will report to Members on an annual basis as to how monies have been spent.

7. Recommendations

I recommend that the Services Committee recommends to the Council that:

- 7.1 the proposals with respect to the Zetland Educational Trust set out in section 3 above are adopted.

March 2005

Our Ref: AJ/NH/ME

Report No: ED-08-F



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Legal and Administration

Report No. LA-13-F Employees Joint Consultative Committee Reschedule of Meeting Dates 2005

1.0 Introduction

- 1.1 The purpose of this report is to seek Members' approval to reschedule the dates of the Employees JCC meetings for the remainder of 2005.

2.0 Background

- 2.1 Discussions have taken place at the Employee JCC meetings regarding the timing of the meetings within the Committee cycle. One of the issues was that the Employee JCC meetings are not held close to the Council meetings, and this has resulted in some reports being submitted last minute and has made the clearance of reports more difficult.
- 2.2 The possibility of moving the dates of the meetings to later in the Committee cycle has been discussed at Employees JCC and is supported by the Employee representatives and Council Members. This would allow the meetings to be held closer to the service Committee meetings.

3.0 Proposal

- 3.1 It is proposed that the dates of the Employees JCC be generally moved by two weeks to the Tuesday, a week before Infrastructure Committee.
- 3.2 The proposed dates for meetings of the Employees JCC, in 2005, are:
- Tuesday 26 April at 10.30am
Monday 6 June at 10.30am
Tuesday 23 August at 10.30am
Tuesday 11 October at 10.30am
Tuesday 22 November at 10.30am

4.0 Policy and Delegated Authority

- 4.1 Approval of amendments to the Council's diary of meetings requires a decision of the Council.

5.0 Financial Implications

- 5.1 There are no financial implications associated with the recommendation in this report.

6.0 Recommendations

- 6.1 I recommend that the Council adopt the revised diary dates for meetings of the Employees Joint Consultative Committee, as detailed in section 3.2 above.

LA
23 March 2005



REPORT

**To: Shetland Islands Council
Harbour Board**

**30 March 2005
14 April 2005**

**From: Ferry Services Manager
Infrastructure Services Department**

EXTENDING CADET TRAINING SCHEME

1. Introduction

- 1.1 This report is to ask members of the Shetland Islands Council to endorse the Inter Island Ferries Board recommendation for extending the existing Cadet Training Scheme and to identify the funding for this.

2. Background

- 2.1 The Inter Island Ferries Board considered report TR-20-03-F proposing establishing a Cadet Training Scheme at a meeting on 4 November 2003. The proposal was accepted. Minute Reference 6/03 refers. The Shetland Islands Council endorsed the Inter Islands Ferries Board recommendation at a meeting on 17 December 2003.
- 2.2 The first intake of two Deck and two Engineering Cadets sponsored by Ferry Services started at the North Atlantic Fisheries College (NAFC), Scalloway in September 2004. These cadets are employed and managed by Ship Safe Training Group Ltd (SSTG).
- 2.3 The Inter Island Ferries Board, during its consideration of report TR-20-03-F, asked Ferry Services management to consider extending the Cadet Training Scheme when the first intake was established. This report addresses that request.
- 2.4 The Inter Island Ferries Board considered report TR-06-05-F proposing extending the Cadet Training Scheme at a meeting on 4 March 2005. The proposal was accepted. Minute Reference 02/05 refers.

3. Present Position

- 3.1 The initial intake of Cadets is performing satisfactorily and initial funding and management detail has been addressed.

- 3.2 There is now clarity about the management and financial implications to Ferry Services of sponsoring cadets. The costs have been established as higher than the initial estimate and the profiling of the cost is spread over four financial years rather than the predicted three. There is a significant release of grant funding in the fourth year that partly balances the additional costs in the earlier years. See Appendix 1.
- 3.3 The costs for Engineering Cadets are slightly higher than for Deck Cadets.
- 3.4 This report proposes extending the Cadet Training Scheme. The proposal to extend the scheme is consistent with the Shetland Islands Council's Graduate Placement Scheme.
- 3.5 There is a worsening industry shortage of certificated officers, especially of engineers. This situation is making it difficult to recruit and retain certificated staff for the inter island ferries.. For example, additional posts for engineers on Yell Sound, created from report TR-15-04-F considered by the Inter Island Ferries Board in June 2004, remain unfilled. This is making it difficult to man the ships on Yell Sound. There have been occasions when one of the new vessels has been withdrawn from service due to shortage of engineers. On numerous other occasions, the service has only been maintained with engineers called back from leave at overtime rates.
- 3.6 Ferry Services do not propose to employ another group of Trainee Seafarers when the current scheme terminates in October 2005. The previous schemes have cost the service some £180,000 per annum in staff costs and training. These schemes produced Deckhands with an EDH qualification at the end of two years. This is no longer sufficient for Deckhands on inter island ferries who now require AB qualifications.
- 3.7 The percentage of certificated officers to deckhands required in the inter island ferries has increased with the introduction of new tonnage and changes in legislation. The Cadet Training Scheme is, therefore, seen as more appropriate to the future needs of the service. It is also more cost effective.

4. Proposal

- 4.1 It is proposed that an additional two intakes of four Officer Cadets be sponsored starting in autumn 2005 and 2006 respectively. It is further proposed that the initial intake of cadets be replaced in 2007 and each year thereafter. This would provide a rolling programme of 12 cadets over a three year cycle.
- 4.2 Intakes of cadets could be less frequent than annually but the benefits to the service will be proportionately reduced. Also, an annual intake provides continuity of placements and supports the NAFC programme.

- 4.3 It is proposed that funding be arranged for the cadets to be for the slightly more expensive Engineering Cadets but that a decision be taken each year on the actual mix of Engineering and Deck cadets.
- 4.4 The additional intakes of cadets would attend NAFC in Scalloway supporting its newly established cadet programme. They would be employed and managed by SSTG.
- 4.5 There are currently discussions taking place on the proposal to transfer the Sullom Voe tugs from Shetland Towage to Ports & Harbours. If this transfer takes place, the operation of the tugs could benefit from a similar Cadet Training Scheme to that proposed in this report.

5. Financial Implications

- 5.1 There is approved expenditure of £20,000 in each of 2004/05, 2005/06 and 2006/07 for the existing Cadet Training Scheme.
- 5.2 The cost of the Cadet Training Scheme in 2004/05 will exceed the allocated budget by an estimated £8,000. This will be absorbed within the Ferry Service Training Budget.
- 5.3 The estimated cost of the Cadet Training Scheme, if it is extended, in 2005/06 and 2006/07 will exceed the allocated budget by £42,000 and £72,000 respectively. This is partly due to the cost of the existing intake of cadets being higher than expected, the profiling of this expenditure in early years and the proposed extension of the scheme. See Appendix 1.
- 5.4 An additional cost of approximately £80,000 will be incurred in 2007/08 and each year thereafter for the ongoing Cadet Training Scheme.
- 5.5 The additional costs in 2005/06 mentioned in 5.3 above could not be included in the Revenue Estimates as they had not been approved when the estimates were being prepared. Ferry Services do not believe that this proposed expenditure can be accommodated within the approved budget.
- 5.6 Similarly, the costs from 2006/07 mentioned in 5.2 and 5.3 above would require additional funding in these years if the extension of the Cadet Training Scheme is to proceed.
- 5.7 The Chief Executive has indicated that consideration could be given to funding being made available from the Reserve Fund for this project.
- 5.8 Funding of a similar scheme from the Reserve Fund for Ports & Harbours will be considered separately.

6. Policy and Delegated Authority

- 6.1 Responsibility for the inter island ferry service transferred to the Infrastructure Services Department in accordance with the Chief Executive's Report Number CE-06/03 Min. Ref. SIC 19/03. The Inter Island Ferries Board was established in accordance with the Chief Executive's Report Number CE-04/03 Min. Ref. SIC 17/03. The recommendation was approved by the Council at its meeting on 21 May 2003 giving the Board responsibility for operating the service in accordance with overall Council policy and agreed budgets Min. Ref. SIC 70/03.

7. Conclusion

- 7.1 The Inter Island Ferries Board and Ferry Services believe that it is important for the future of the Merchant Navy and the manning of the inter island ferries to extend the existing Cadet Training Scheme.
- 7.2 The Inter Island Ferries Board and Ferry Services do not consider that the cost of this can be accommodated within existing budgets and that additional funding would be required if it is to proceed.

8 Recommendation

- 8.1 I recommend that:

- 8.1.1 The Shetland Islands Council accept the Inter Island Ferries Board recommendation to extend the Cadet Training Scheme.
- 8.1.2 That the additional funding requirement identified in paragraphs 5.3 to 5.6 be met from the Reserve Fund.
- 8.1.3 The Harbour Board be asked to consider the benefits of a Cadet Training Scheme if the tugs are transferred from Shetland Towage.

Report Number : TR-11-05-F

FERRY SERVICES

APPENDIX 1

Estimated costs of Officer Cadet Sponsorship Programme

Each cadet is sponsored for 3 years September to September
Costs incurred in 4 financial years

Estimated cost per cadet in £000s (net of training grants)

| | Year 1 | Year 2 | Year 3 | Year 4 | Total |
|-------------------|--------|--------|--------|--------|-------|
| DECK CADET | 7 | 9 | 7 | -4 | 19 |
| ENGINEERING CADET | 7 | 8 | 9 | -4 | 20 |
| 2 DECK + 2 ENG | 28 | 34 | 32 | -16 | 78 |
| 4 ENG | 28 | 32 | 36 | -16 | 80 |

TOTAL COST OF PROGRAMME £000s

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | Balance | TOTAL |
|----------------|---------|---------|---------|---------|---------|---------|---------|-------|
| CURRENT INTAKE | 28 | 34 | 32 | -16 | | | | 78 |
| INTAKE 2 | | 28 | 32 | 36 | -16 | | | 80 |
| INTAKE 3 | | | 28 | 32 | 36 | -16 | | 80 |
| INTAKE 4 | | | | 28 | 32 | 36 | -16 | 80 |
| INTAKE 5 | | | | | 28 | 32 | 20 | 80 |

| | | | | | | | | |
|---------------------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|
| INTAKE 6 | | | | | | 28 | 52 | 80 |
| Sub Total | 28 | 62 | 92 | 80 | 80 | 80 | | |
| Already authorised | -20 | -20 | -20 | | | | | |
| TOTAL | 8 | 42 | 72 | 80 | 80 | 80 | | |



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Legal and Administration

Registration Services (Scotland) Bill - Consultation

Report No. LA-16-F

1.0 Introduction and Background

- 1.1 The Registration Service in Scotland is a partnership between the General Register Office for Scotland (GROS) and all 32 Scottish Local Authorities. Registrars are employees of the Council, but their registration work is governed by the GROS.
- 1.2 This partnership has worked well and there are no plans to change this, but the GROS has recognised the need to update and modernise the service. In November 2001, the GROS consulted widely on a number of proposed changes to modernise the service. Whilst some of those were implemented, some require a change in the law, and this consultation paper seeks views on the necessary legislation, including some additional provisions to improve the service.
- 1.3 The purpose of this report is to seek Council's views on the issues raised in the consultation paper and to provide an opportunity for Members to make comment on how modernisation may impact upon the service in Shetland.

2.0 Key Proposals

- 2.1 The key proposals within the Registration Services (Scotland) Bill are as follows:
 - adjust boundaries and opening times to make them more convenient for customers;
 - permit registration of births and deaths at any registration office in Scotland;

- allow electronic notification of registered events to government departments and local authorities and at the specific request of those registering the events, to other bodies;
- open up opportunities for local authorities to provide family history search centres;
- provide the existing change of name procedures at an earlier point in time;
- set up a new arrangement for the solemnisation of marriages in the territorial waters adjacent to Scotland; allow people with a Scottish connection to have events occurring abroad recorded in a book in Scotland held by the Registrar General; and
- set up an all-Scotland website list of forthcoming marriages, to supplement existing local advertisement.

2.2 The consultation paper also seeks views on an alternative way for people to register births and deaths other than by going to a registration office.

3.0 Proposed Response

3.1 The proposed responses to the consultation proposals are set out in Appendix A. Members are asked to provide comment, and amend where necessary. A copy of the consultation document is attached as Appendix B.

4.0 Local Registration Service Provision

4.1 The Council is asked to note that whilst the GRO is moving ahead with modernisation, it is appropriate that the intended review of the Registration Service in Shetland is now progressed. I would intend, in the first instance, to consult with local Registrars and with community councils on the local Service, and address some of the aspects raised in the consultation paper, and report back to the Council in September with regard to the outcomes.

5.0 Financial Implications

5.1 There are no financial implications associated with the terms of this report.

6.0 Policy and Delegated Authority

6.1 Matters relating to the Registration Service have not been delegated, therefore a decision of the Council is required.

7.0 Conclusions

7.1 It is clear that improvements in transport and developments in information communications technology have underpinned the GRO's desire to progress the modernisation of the Registration Service in Scotland, as well as the need to improve services to the public. Such progress is welcomed, but should be matched with the

need to maintain the personal and important historical function that the Registration Service provides.

8.0 Recommendations

- 8.1 I recommend that the Council adopts the content of Appendix A as the Council's response on the Consultation Document relating to the Registration Services (Scotland) Bill, and note that a report on the review of the Shetland Registration Service will be presented to the Council in September 2005.

18 March 2005
Report No. LA-16
AC

Consultation Desk
General Registration Office for Scotland
New Register House
EDINBURGH
EH1 3YT

The following comments from the Shetland Islands Council are based upon the views of local management of the Registration Service, and take account of the Council's response to the earlier consultation in 2001 on Civil Registration in the 21st Century. These comments were endorsed by Members of the Shetland Islands Council at its meeting on 30 March 2005.

3.1 Reorganisation of Local Registration Services - Adjust boundaries and opening times to make them more convenient for customers

The Council agrees with the proposal to amalgamate districts into one for each local authority area. The Council also appreciates that the ability for Councils to continue to operate registration offices at a number of different sites will be maintained and will enable Councils to retain the flexibility to review the extent of the service within an area. Given the rural nature of Shetland, and the number of parlour registrars particularly on islands, it is agreed that allowing different opening hours makes the service more accessible to customers.

3.2 Registration of Births and Deaths - Permit registration of births and deaths at any registration office in Scotland.

The Shetland Islands Council agrees with these proposals, believing that this would be practical and convenient for customers, and provide a wider choice. However, it is recognised that this would hasten the need to review the number of registration offices within a district.

3.3 Notification of Births, Deaths, Marriages, Etc - Allow electronic notification of registered events to government departments and local authorities and at the specific request of those registering the events, to other bodies.

The Council believes that notification to Government and other public bodies would be beneficial to those bodies, would enable additional income to local authorities, and would be convenient for many customers.

However, whilst it is believed that many customers imagine that such information is shared, consideration should be given to ensuring that customers are made aware of the extent of this provision.

With regard to notifying other bodies at the request of the informant, the Council agrees that this service should be made available upon payment of a fee. However, Registration Offices should not be involved in providing any follow-up information.

It should be recognised that an electronic notification service would be limited to computerised offices, and may require new procedures to be implemented to ensure transfer of information from non-computerised offices for these purposes.

3.4 Register, Searches, Etc - Give local registration authorities access to all Scotland's registers, to open up opportunities for local authorities to provide family history search centres.

The Shetland Islands Council agrees that this provision would provide opportunities to improve efficiency and provide new fee-paid services and would be welcomed by local family history and genealogical groups.

3.5 Change of Name and Correction of Errors - Provide the existing change of name procedures at an earlier point in time.

The Shetland Islands Council agrees with these provisions. Whilst the Council was originally of the view that Registrars should not be involved in automatically advising organisations of a change of name, as legal responsibility lies with the person concerned, it is accepted that this service should be provided upon the request of the person concerned, and on payment of a fee.

3.6 Registration of Events Occurring Outwith Scotland - allow people with a Scottish connection to have events occurring abroad recorded in a book in Scotland held by the Registrar General.

The Shetland Islands Council is of the view that these provisions would provide an invaluable source of information, particularly given the ever increasing popularity in genealogy.

3.7 Marriage – Set up an all-Scotland website list of forthcoming marriages, to supplement existing local advertisement; Set up a new arrangement for the solemnisation of marriages in the territorial waters adjacent to Scotland.

The Shetland Islands Council would express some caution with regard to an all-Scotland website list of forthcoming marriages. Given that local notices will continue, and the fact that no known sustainable legal objections have ever resulted from a member of the public viewing a marriage list, the question is raised as to the benefits or purpose of such a provision. If the GRO are to continue with the proposal, again the Council would emphasise the need to clearly inform customers of the extent to which advertisement would be made.

Regarding marriage in Scottish waters, the Shetland Islands Council have some concerns with regard to this provision, particularly given our geographical location. The Council has previously authorised a vessel as an approved place for a marriage, but in this instance the vessel was a large P&O ferry, berthed in Lerwick harbour. The matter of licensing, inspection and seaworthiness become much more important in the event that the vessel would be 'at sea' up to 12 miles out. This proposal raises questions as to the qualifications of the person in charge of the vessel, and health and safety implications for the celebrant. It would be hoped that such matters would be clarified at the licensing stage, and statutory minimum requirements would be stipulated, however the time permitted to complete the licensing process may have to be extended if other organisations such as the MCA were to be involved. Fees would have to be reviewed, not only for the licensing process, but the solemnisation fee and payments to the celebrant. Consideration would also have to be given to an alternative location in the event that the vessel was unable to sail due to weather – this could mean that the legislation would have to ensure that the registration process required the marriage to be registered in the adjoining district so that in the event that the Scottish waters registration district could not be entered, the event could take place elsewhere.

Whilst the Council can recognise the marketing potential for such a provision, given the potential safety implications, further consultation is required, particularly with Registrars. For example, there may be a reluctance by some Registrars to venture 12 miles South of Fair Isle in a small craft.

3.8 E-Registration

The Shetland Islands Council recognises the increasing convenience of internet and telephone services. However, the Council believes that the disadvantages of e-registration, many of which are outlined in your consultation paper, far outweigh the advantages. The Registration Service provides an extremely important historical record service, and the advantages of face-to-face interaction between the Registrar and the informant should not be under-valued. The high level of accuracy required by the GRO may well deteriorate through e-registration, and this will not necessarily be overcome by on-line help facilities or call centres. The need to ensure accuracy, and its importance, is already well understood by many citizens, and the infrequency of visits to the Registrar should not inconvenience citizens to a great degree throughout their lifetime. It could also be argued that the time spent at the Registrar's would not take as long as on-line registration, bearing in mind that not all rural areas have the advantage of broadband communication. However, there may be a level to which e-registration could be carried out, for example by allowing customers to complete forms on line, which must then can be e-mailed ahead or printed out, and followed up by a short interview – similar to other local authority application process, such as planning and grant applications. Technical considerations such as security and reliability are also important factors for all areas. The Shetland Islands

Council would welcome further specific consultation on this provision if the Registrar General proposes to take this forward at a later stage.

Shetland Islands Council
March 2005



REPORT

To: Shetland Islands Council

30 March 2005

From: Head of Legal and Administration

Local Government Boundary Commission for Scotland – Review of Boundaries – Progress Report

Report No. LA-19-F

1.0 Introduction and Background

- 1.1 The Local Government Boundary Commission for Scotland has begun its review of electoral arrangements within the Shetland Islands Area, as part of the wider review of electoral arrangements in Scotland to facilitate the introduction of Proportional Representation for Local Government elections in 2007.
- 1.2 The Commission has adopted a general approach, primarily in response to the reports of McIntosh and Kerley, to consider how multi-member wards might be designed, and what could be done to better reflect natural communities.
- 1.3 Members will recall that Mr Brian Wilson, Deputy Chairman of the Local Government Boundary Commission and Mr Andrew Inglis, Casework Manager, attended Shetland on 26 October 2004, and discussed with the officer group, and a large number of Members, the basis for the review, the general approach to be taken and the methodology to be used.
- 1.4 Subsequently, the Council, at its meeting on 30 November 2004, agreed to give me delegated authority to:
 - agree data figures and statistics with the Local Government Boundary Commission; and
 - once agreed data has been received, to begin consultation with individual Members and with Community Councils on options for consideration.

2.0 Current Position

- 2.1 Following the submission of figures and the Council's initial recommendation, the Commission has submitted its initial proposal to the Council. A copy of the Commission's letter is attached. The maps are subject to Crown Copyright, but are available for inspection at Legal and Administration, 4 Market Street. The Council has until 11 May 2005 to respond.
- 2.2 The Officer Working Group met on 21 March 2005 to consider the initial proposal from the Commission and considered the following issues:
- whether there were any apparent anomalies at this stage in terms of splitting natural communities;
 - whether there were any apparent anomalies at this stage in terms of combining areas that have no natural or community links; and
 - whether the number of electorate for each Ward was reasonably similar.
- 2.3 In considering these issues, the Group concluded that whilst the majority of the Council's recommendation submitted in November had been followed, it was clear that the Commission had used postcode areas to devise the new proposed boundaries and this had resulted in some minor anomalies. These anomalies did not affect any electorate, until the areas of Gott and North/South Lerwick were considered in more detail, along with some areas in the Tingwall and Scalloway electoral divisions. In these areas it was found that in some instances the postcode boundaries were so different that it resulted in an unnatural alignment. For instance, one house in the middle of a cluster of 5 has been separated into a different electoral division, and a proposed boundary line crosses through the middle of Tingwall airstrip. However, the Officer Working Group are confident at this stage that further discussion with the Commission could result in these anomalies being rectified without distorting the issue of parity.
- 2.4 There were no concerns with regard to the combination of areas in terms of community or natural links, and there were no concerns regarding the electorate numbers at this stage. However, further detailed consideration will be required in order for me to form a final view of these matters.
- 2.5 As stated above, it is recognised that the apparent anomalies at this stage are most likely attributable to the postcode datasets used by the Commission. Accordingly, I have invited the Commission's Secretariat to Shetland for a meeting towards the end of April to consider the matter in more detail. The Commission's Secretariat has provisionally indicated their willingness to attend a meeting to discuss the initial proposal in more detail with me, prior to the Council making a formal response to the initial proposal.

3.0 Proposals

- 3.1 In order to carry out my earlier delegation with regard to consultation with Members, the Officer Working Group proposed that a Sounding Board of 2 Lerwick and 2 Landward Members be appointed by the Council in order to assist me in considering the initial proposal in more detail prior to my meeting with the Commission. Given the areas in question at this time (Gott, Tingwall, Scalloway, Lerwick), I would recommend that the Council appoint Mr J C Irvine, Mrs I J Hawkins, Mr L Angus and Mr L G Groat to assist me with the detailed points for discussion with the Commission. I will consult with other individual Members in the event that any further anomalies affecting other areas becomes apparent during this detailed consideration.
- 3.2 The next Council meeting is scheduled to take place on 18 May, after the date on which a response is required. Therefore, I propose that, in consultation with the Convener, a special meeting of the Council be called following my meeting with the Commission, in order to formalise the Council's response. Such a meeting will, for convenience, be likely to be scheduled to co-incide with another scheduled meeting, e.g. immediately before or after Infrastructure Committee on 3 May.

4.0 Policy and Delegated Authority

- 4.1 Delegated authority for matters relating to administrative and technical information and consultation has been delegated to the Head of Legal and Administration. However, final determination of the Council's formal response to the Commission's proposals at all stages, are reserved to the Council.

5.0 Financial Implications

- 5.1 There are no financial implications associated with the recommendations in this report.

6.0 Conclusion

- 6.1 The Commission's initial proposals appear largely acceptable at this stage, although they contain some minor anomalies which could result in a degree of confusion for the electorate if they were to be adopted. Input from Members is required at this stage in order to confirm the issues to be raised by me with the Commission.

7.0 Recommendation

- 7.1 I recommend that the Council adopt the proposals contained in section 3 above, and proceed to appoint the required Members.

21 March 2005
AC

Mr Morgan Goodlad
Chief Executive
Shetland Islands Council
Town Hall
Lerwick
SHETLAND
ZE1 0HB

7 March, 2005

Dear Mr Goodlad

**Shetland Islands Council Area
Local Governance (Scotland) Act 2004 – Review of Electoral Arrangements**

As required by Section 4 (1) of the Local Governance (Scotland) Act, the Commission has prepared its initial proposals for 7 multi-member wards within your Council area. The table at Appendix A shows the ward number, forecast of electorate in each ward at 2009, and the number of elected members. The following maps which illustrate the Commission's proposals are enclosed:

- o an A0 print showing the complete Council area; and
- o an A2 print showing Lerwick and surrounding area.

(A CDROM containing PDF images of these maps and the geographic information shapefiles of the ward boundaries has been sent under separate cover. All of the material on the CD is Crown copyright.)

You will note that Section 4(3) of the Act states that the Commission should also inform your Council of the reasons for any differences between its initial proposals and proposals which would have been made had they been formulated on the basis that each multi-member ward consisted of a combination of existing electoral wards. Section 4(3) also makes it clear that the rules set out in Schedule 6 to the 1973 Act should be disregarded in as far as they conflict with multi-member wards formulated on the basis of aggregations of existing wards. As a consequence, I also enclose an A2 schematic map showing possible multi-member wards created by aggregating existing wards without reference to the rules set out in Schedule 6 of the 1973 Act. The coloured polygons depicted on the schematic map show the extent of each ward created by aggregating

existing wards, the extent of each of the existing wards is shown by a thin black bounding line. The proposed ward boundaries set out in the Commission's initial proposals are depicted by a heavier red line. Appendix B sets out the reasons for any differences between the multi-member wards depicted on the enclosed schematic map and the Commission's initial proposals.

You will no doubt be aware that Section 4 (5) of the Act requires that the Commission inform the Council of its draft proposals for that area at least two months before taking steps to inform other persons. The Commission is required to take into consideration any representation made to them by the Council within 2 months of the receipt of the Commission's initial proposals. Any comments on, or proposed amendments to, the Commission's initial proposals should, therefore, be provided to the Commission no later than 2 months from the date on which this letter and the enclosed maps and other documents are received. Similarly any substantial alternative proposals which reflect the views of your Council should be submitted within the same timescale. It would be helpful to the Commission if a written statement setting out the reasons for any proposed changes to its initial proposals could also be provided. As has been the practice throughout the development of the Commission's initial proposals, staff of the Commission's Secretariat would be happy to meet with Council officials during the 2 month period. The Secretariat has found exchanges with officials particularly useful.

Because of the extensive changes to ward geography necessary for the introduction of STV PR the Commission has referenced each proposed ward by number only. The Commission would, therefore, also be grateful if your Council would provide names for the wards set out in the Commission's initial proposals and for wards where the Council suggests amendments or substantial changes.

After it has fully considered any opinions expressed with regard to its initial proposals and considered any amendments or alternatives submitted by your Council, the Commission will publish its provisional proposals and invite representations from members of the public and other interested parties. The statutory period for consultation will be 12 weeks.

I look forward to hearing from you within the next two months.

Yours sincerely

Bob Smith
Secretary
Local Government Boundary Commission for Scotland



REPORT

To: Shetland Islands Council

30 March 2005

From: Principal Officer - Marketing

DV010-f

NatWest Island Games: Shetland 2005 – Publicity and Media Project

1.0 Introduction

- 1.1 Between 09 and 15 July the 11th NatWest Island Games will be held at sporting venues throughout Shetland. The scale of the games is significant; it will represent the largest participative sporting gathering in Scotland in 2005, involving an estimated 2,000+ competitors, 650 officials and additional spectators.
- 1.2 The purpose of this report is to present a publicity and media project which will greatly enhance Shetland's profile around the event.
- 1.3 This report is being presented directly to the Council because staff were only made aware of the main part of this project in outline during a meeting held on 8 March between SportScotland, Scottish Media Group, Shetland Island Games Ltd 2005 and Shetland Islands Council representatives. There is a need to make a decision in this cycle of meetings to enable adequate planning of the publicity to take place.

2.0 Background

- 2.1 Prior to the opening of the games, consideration had been given to the possibility of promoting the Games throughout the UK in a general way to raise the profile of the event.
- 2.2 Upon early analysis however it became obvious that, owing to severe accommodation shortage for tourists during Games week, this would be an impossible task and would only generate negative publicity and should be avoided.
- 2.3 The main aim of Shetland Island Games Ltd 2005 is to organise and execute a professionally delivered sports event to the detailed requirements of the International Island Games Committee and to promote this to a domestic audience.
- 2.4 The organising company does not have a remit or resource to sell Shetland as a tourist destination during the games.

3.0 Proposal

- 3.1 At the meeting detailed above at 1.3, Council Officers became aware of a significant project being tabled by EventScotland in connection with the Island Games. This project seeks to provide an infrastructure to promote the Games and the host Island to an extent which has not been seen in any of the preceding 10 games events.
- 3.2 The proposal involved Scottish Media Group (SMG), SportScotland and Podge Publicity working together to provide a powerful range of complimentary services as a package aimed at promoting individual games events and aspects of Shetland culture, environment and industry.
- 3.3 Specifically this would comprise:
- Host Broadcaster Services - a hub for all visiting media to edit and transmit media reports along with an infrastructure for results and footage to be relayed and viewed via video monitors at specific locations in Lerwick;
 - Brand Style Media Footage – SMG would create footage aimed at reflecting Shetland culture, environment and industry in line with the strategic requirements of Brand Shetland and available to all media to supplement individual Island daily news reports to centres around the world;
 - Event Footage - SMG would dedicate a team which would travel around Shetland capturing exclusive footage of individual events which would be edited and made ready available for broadcast;
 - Targeted Publicity – Via Podge Publicity and SportScotland's press and media team, a professionally executed publicity campaign would be undertaken;
- 3.4 In addition, staff at the Economic Development Unit have been investigating the possibility of hiring a large screen which would be used to highlight results, games highlights (live footage as the games progress), tourism footage and showcase Brand Shetland at a central location in Lerwick. Additionally, this could also provide an opportunity for local businesses to advertise their products or services.
- 3.5 Massteknik , a Swedish company with a good track record for delivering projects of a similar nature in the UK, has been identified and has confirmed that a large 16m² Modular Mobile LED screen with a small team of technicians could be made available for the duration of the Games events.

4.0 Financial Implications

- 4.1 The total cost of the above proposals amounts to some £168,000. This is broken down and detailed at Appendix 1.
- 4.2 The required Council commitment to enable all aspects of the project to happen amounts to £37,500 (22%). Funding is broken down and detailed at Appendix 1.
- 4.3 Should the Council decide to approve funding for the project, the sum would be costed to RRD15202402 which is Other General Assistance

5.0 Policy and Delegated Authority

- 5.1 It is essential that Shetland derives as much high standard publicity as possible from the Island Games. The capturing of quality footage will help the future Shetland promotional effort under Brand Shetland. In this context, the following economic development policy is relevant to the project:-

- Establishment and Implementing a Shetland Brand

This policy is contained in the Council's Economic Policy Statement approved by Executive Committee on 9 December 2003 (34/03) and by the Council on 17 December 2003 (161/03)

- 5.2 Policy justification exists to enable the Council to consider the project.

6.0 Observations

- 6.1 EventScotland have committed a high level of funding towards the project and this therefore provides good leverage to any Council funds approved towards the project.
- 6.2 No budgets for promotional projects in direct connection with the Island Games event were identified by Council when it was initially agreed that a bid should be launched to host the games.

7.0 Conclusions

- 7.1 The NatWest Island Games present a significant challenge and opportunity for Shetland to present itself to the world.
- 7.2 This project is particularly important as it will enable Shetland to be presented to visiting Games participants, supporters and external audiences in a highly professional and brand compliant manner.

8.0 Recommendations

- 8.1 I recommend that the Council approves £37,500 for the project outlined in this report to enable it to proceed.

Our Ref: NH/KS
Date: 23 March 2005

Report No: DV010-f

| |
|---|
| NatWest Island Games 2005 - PR/Media Costs |
|---|

| <u>COSTS</u> | (£) |
|---|-----------------------|
| Host Broadcaster Services + Pool Filming/Editing (Scottish Media Group) | 100,000 |
| PR Campaign (Podge Publicity) | 18,000 |
| Sports Writing/Press Releases (SportScotland) | 10,000 |
| Media Centre (Various suppliers) | 20,000 |
| Reporting and Miscellaneous expenses (SIG2005 Ltd.) | 5,000 |
| 16m² Modular Mobile LED screen (Massteknik) | 15,000 |
| TOTAL COST | <u>168,000</u> |

FUNDING

| | | |
|----------------------------|-----------------------|-----|
| EventScotland | 105,500 | 63% |
| Shetland Island Games Ltd. | 15,000 | 9% |
| SportScotland | 10,000 | 6% |
| Shetland Islands Council | 37,500 | 22% |
| TOTAL FUNDING | <u>168,000</u> | |



REPORT

To: Shetland Islands Council

30 March 2005

From: Economic Development Manager

DV009-F Nominations to Shetland Development Trust

1.0 Introduction

- 1.1 This report seeks four Councillor nominations to become trustees of Shetland Development Trust.

2.0 Background

- 2.1 The administrative regulations of Shetland Development Trust provide that member trustees “shall hold office for periods of not more than 2 years but shall be eligible for reappointment. The appointment of member trustees shall be an item of business transacted by the Council at its statutory meeting following every ordinary election and thereafter following any two year period in office”.
- 2.2 The current member trustees of Shetland Development Trust were appointed at the statutory meeting of the Council following the last local government election in May 2003.
- 2.3 Shetland Development Trust is made up of eight trustees, four councillor and four “independent trustees”. Non-member trustees are also appointed for a two-year period from the respective dates of their appointment for election.

3.0 Proposals

- 3.1 I would propose that Council nominates four elected members to take up office as trustees of Shetland Development Trust. From the date of today’s Council meeting I would propose that those Councillors who are to take up office as trustees in May of this year have a period of induction on the role and processes of Shetland Development Trust.

- 3.2 I would also indicate to members that a detailed report on the management of all of our economic development functions both from an operational and structural perspective will be presented to members during the next cycle of meetings. This report will address a number of key areas including the action to be taken in respect of state aids, governance of Shetland Development Trust as the Council's commercial wing and the external auditors views on following the public pound and the source of funds.
- 3.3 The external auditors initial view was that the Council should seek to distance itself and reduce its influence with connected bodies such as SDT. Their position now is that the Council is obliged to set clear objectives for the funds which are given to Shetland Development Trust and to monitor how those funds are used. These do not sit easily together; by virtue of setting objectives and monitoring which are entirely appropriate there will be by implication a level of influence.
- 3.4 These issues will be addressed together with the operational and overall management structures as well as the best use of targeting resources to promote economic development.

4.0 Policy and Delegated Authority

- 4.1 Appointment of member trustees is not delegated to any committee of the Council and a decision of Shetland Islands Council is required.

5.0 Financial Implications

- 5.1 Membership of the Shetland Development Trust does not incur the payment of expenses by Shetland Islands Council for member trustees as these are met directly by the Shetland Development Trust

6.0 Recommendations

- 6.1 I recommend that Council nominate four elected members to take office as trustees of Shetland Development Trust for a two-year period commencing in May 2005.

Our Ref: WES/KS/D10
Date: 23 March 2005

Report No: DV009-F