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Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 24 March 2010 at 10 a.m.

Present:

A J Cluness	L Angus
J Budge	A T J Cooper
A T Doull	A G L Duncan
E L Fullerton	F B Grains
I J Hawkins	R S Henderson
J H Henry	A J Hughson
W H Manson	C H J Miller
R C Nickerson	F A Robertson
G Robinson	J G Simpson
C L Smith	J W G Wills
A S Wishart	

Apologies:

L F Baisley

In Attendance:

H Sutherland, Depute Chief Executive
G Greenhill, Executive Director, Infrastructure Services
W E Shannon, Assistant Chief Executive
N Grant, Head of Economic Development
G Johnston, Head of Finance
C Medley, Head of Housing
M Craigie, Head of Transport
R Sinclair, Head of Capital Programming
J Riise, Head of Legal and Administration
J Smith, Head of Organisational Development
D Bell, Human Resources Manager
A Cogle, Service Manager, Administration
L Gair, Committee Officer

Also

C Hislop, Audit Scotland
M Walker, Audit Scotland

Chairperson

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

Circular

The circular calling the meeting was held as read.

Declarations of Interest

Mr A T C Cooper, Mr W H Manson, Mrs C H J Miller and Mr A S Wishart declared an interest in item 13 – Community Benefit Fund – Update

Dr J W G Wills declared an interest, as his wife is an Education Officer

Mr J H Henry declared an interest in items 6 – Funding of New Build Housing and 12 – Nominations to Lerwick Port Authority

33/10 **Minutes of the Special Shetland Islands Council, 4 February 2010; Shetland Islands Council, 17 February 2010 and Reconvened Special Shetland Islands Council, 19 February 2010**

Subject to the following, the Council confirmed the minute of the aforementioned meeting on the motion of Mr A J Cluness.

4 February 2010 & 19 February 2010 - Dr J W G Wills said that he had questions to raise on the accuracy of the minutes and the Convener agreed that these would be discussed when the meeting moved into private session.

17 February 2010

Min. Ref. 15/10 - General Fund Revenue Estimates and Council Tax Setting – 2010/11 - Mrs F B Grains referred to Appendix E of the report and the proposed reduction of grant funding. Mrs Grains sought clarification on whether Community Councils were now expected to apply for this funding. A number of Members confirmed that the Community Councils in their own wards were also under the impression that the process had changed. The Head of Finance explained that no process of application was required and the procedure remained the same. He confirmed that he would write to all Community Councils to clarify this.

Dr J W G Wills said that he had concerns regarding the change to instrumental tuition fees and asked for an early report on the administration and cost of tuition fees. The Depute Chief Executive confirmed that a report would be presented at the next cycle of meetings.

Min. Ref. 06/10 – Infrastructure Committee – 2 February 2010 – The Executive Director – Infrastructure confirmed to Dr J W G Wills that a report on the Whalsay Transport Link would be presented a special meeting of the Infrastructure Committee.

Min. Ref. 16/10 – Page 17 – Interim Report on Ports for the Future Project - In response to a query from Dr J W G Wills, the Executive Director – Infrastructure advised that once a review of the simulation trials was complete the Risk Assessment would be finalised.

Min. Ref. 8/10 - Services Committee – 20 January 2010 – Mr R C Nickerson referred the Council's decision not to support participation in the Delhi Commonwealth Games Flag Handover Ceremony and informed Members that Glasgow City had advised that every Local Authority in Scotland will receive three funded places to attend this event.

34/10 **Members Attendance at External Meetings – Update**

Mr A G L Duncan	Meeting with Housing Minister – Edinburgh, 4 March 2010 and CoSLA – Edinburgh, 11 March 2010. Mr Duncan provided an update and advised Members that he would be meeting with Ms Pauline Innes, Scottish Government's Head of Regional Team for the North at 11.30am today and the Minister for the Highlands and Islands Mr D
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Thomson would be holding a surgery in Islesburgh on 1 April 2010. He further advised that the Housing Minister also wished to meet again. The Convener thanked Mr Duncan for the effort given to this issue.

Mrs I J Hawkins

Tier 2 Meeting – Orkney – 17 March 2010. Mrs Hawkins gave a summary of the proposed Changes to the NorthLink Service and the meetings being held to discuss the issue. Members expressed their support for the work being done to protect this lifeline service.

35/10 **Petitions**

The Council received three petitions, and the Convener advised as follows:

Whalsay Pro-Tunnel Petition

A petition with 478 names has been received in favour of a Tunnel linking Whalsay to the Shetland Mainland. It is noted that this is not a final submission but has been presented to the Council as an indication of ongoing support.

The Council notes the support expressed by the signatories of this petition. The Council has a policy to pursue the development of fixed links where they can be shown to be a viable alternative to ferries.

In the specific case of Whalsay the Infrastructure Committee has instructed that a thorough examination of the latest experience from Scandinavia is carried out to determine the cost of building and operating tunnels in Shetland along with the time it would take to develop projects. There will also be a detailed financial appraisal conducted by the Head of Finance.

The combination of these two pieces of work will ensure the Council is as well informed as it can be and will consider these matters in detail at a special Infrastructure Committee meeting currently planned for 20th April.

Traffic Calming – Breiwick Road

A petition with 34 names has been received from residents in Breiwick Road, Lerwick, objecting to the proposal to install road humps on Knab Road on the basis that it may encourage more traffic to use Breiwick Road. The petition also asks for serious consideration to be given to safety measures in Breiwick Road. The Petition has been passed to the Roads service, and a report on the issues raised will be brought to the next meeting of the Infrastructure Committee.

Instrumental Tuition Fees

Two online petitions using “Go Petition” and “Facebook” has been received with 1,200 and 2,837 names respectively registering their support for the campaign to Keep Instrumental Tuition free in Shetland. It is noted that this is not a final submission but has been presented to the Council as an indication of ongoing support. There is also a paper petition still in circulation.

The Petition has been passed to the Schools Service who will be submitting a report to Services Committee.

36/10 **Audit and Scrutiny Committee - 1 March 2010**

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

37/10 **Development Committee, 4 March 2010; Special Development Committee, 16 March 2010; Reconvened Special Development Committee, 18 March 2010**

The minutes of the aforementioned meetings were confirmed on the motion of Mr J G Simpson.

38/10 **Infrastructure Committee - 9 March 2010**

Except as undernoted, the minutes of the aforementioned meeting was confirmed on the motion of Mr A S Wishart:

Min. Ref. 20/10 - A971 Haggersta to Cova – Report on Progress, February 2010 – Replace the word “should” with “would”.

39/10 **Services Committee - 11 March 2010**

Min. Ref. 32/10 - Update on Private Investment Opportunity for Care Services – Mr Angus referred to the fifth paragraph and advised that Mrs E L Fullerton drew attention to the comparative costs referred to in paragraph 5.4 and commented that these service costs could not be compared like for like.

40/10 **Planning Board - 24 February 2010**

The minutes of the aforementioned meeting was confirmed on the motion of Mr F A Robertson.

41/10 **Harbour Board - 5 March 2010**

Except as undernoted, the minutes of the aforementioned meeting was confirmed on the motion of A T J Cooper:

Min. Ref. 14/10 – MCA Consultation – Ship-to-Ship – Mr R C Nickerson referred to paragraph 5 and advised that “ Mr Toby Jones” should read “Mr Toby Stone”.

42/10 **Licensing Sub-Committee - 15 March 2010**

The minutes of the aforementioned meeting was confirmed on the motion of Mr C L Smith.

43/10 **Strategic Planning, Service Planning and Budget Savings: A Way Forward**

The Council considered a report by the Deputy Chief Executive, attached as Appendix 1.

The Deputy Chief Executive provided a summary of the main terms of the report. Mr A T J Cooper said that this was a really important report that Members should sign up to. He said that Members had to further consider and prepare for 4% cuts over the next few years to 2014. He said that Officers had to be tasked to find cuts whilst maintaining service delivery. Mr Cooper moved that the Council approve the recommendations contained in the report with the addition to paragraph 8.1.d that the Council deal as well with the 4% anticipated real cut in expenditure up to 2014.

The Deputy Chief Executive agreed that it was important to plan ahead and not make rash decisions.

Mr L Angus said that this report could not be separated from the Single Status Report on the agenda and said that there were several important budget issues to be addressed. He also said that there were growth items mitigating attempts to maintain

budgets and then listed a number of one off payments to be made, amounting to £20m, which he said left the Council with nothing to show for it. Mr Angus advised Members that the Council had recruited 440 staff since the Single Status process had started and said that this was unsustainable. Mr Angus moved that the Council approve the recommendations contained in the report with the addition that the Council resolves to introduce an immediate halt on recruitment and further resolve to make cuts while maintaining services. Mr G Robinson seconded.

The Head of Finance agreed that there were a number of things to attend to and these had been given due allowance and cognisance in the long term financial planning. He said that on the matter of stopping staff recruitment his own feeling was that, at the start of a process, this course of action might be premature.

During lengthy discussions a Member suggested that the reference in paragraph 4.11 - "recruitment freeze on non-essential posts" should be "deletion of non-essential posts". In response to a query the Head of Finance said that 4% was based on anticipations of reductions in Central Government funding and it would therefore be prudent for the Council to take that into consideration.

The Depute Chief Executive provided clarification on the different roles of the Senior Member/Officer Liaison Group and the Financial Resources Member/Officer Working Group. She also confirmed she would provide a report to the next meeting with a breakdown and location of the 440 additional staff recruited. She briefly explained that the bulk of this growth was mostly in the care services namely community care, independent living and outreach services as well as at the new Montfield facility.

In response to questions from Mrs E L Fullerton, the Depute Chief Executive said she agreed with the assessment that the Single Outcome Agreement should form the basis of the Council's corporate and service planning activities.

Dr J W G Wills commented on problems he had with regard to structural, political, numbers and language issues. In response to a query, the Head of Finance explained that the cuts discussed related to the General Fund Revenue Budget and did not include the £8.3m for the introduction of Shetland Towage into the pension fund, but this had been set aside. He said that it did not include the contingency liability yet to be quantified, in regard to the Lerwick Port Authority action. The Head of Finance advised that the Council could cope with the situation if preparation is made for these costs and budget cuts. He added that the measures contained in the report were proportionate to the problem.

Mr A S Wishart said that this was a good report but he was concerned about implementing a freeze on recruitment without understanding the impact that would have on services. He said that a review of services should be carried out and a freeze on recruitment would come from that process. He said that there needed to be a more measured outcome.

Mrs C H J Miller agreed and expressed her concern that there was no mechanism for the "back benchers" to feed into the Senior Member/Officer Liaison Group and the Financial Resources Member/Officer Working Group. Mrs Miller said that this report provided a way forward and moved as an amendment that the Council approve the recommendations contained in the report, as they stand, seconded by Mr W H Manson.

Mr A T J Cooper gave notice of a further amendment.

The Depute Chief Executive referred to paragraph 8.1(d) and advised that the Human Resources policy framework to support staff savings would put in place measures to reduce staff and there would be a report to the next meeting in May.

After summing up, voting took place with a show of hands and the results were as follows:

Amendment (Mrs C H J Miller)	12
Motion (Mr L Angus)	9

In response to Mr A T J Cooper's comments that these issues should be considered beyond 2010/11, Mrs Miller, with the support of her seconder agreed to include within her motion that the Council look at budgets to 2011/12.

44/10 Audit Arrangements

The Council noted a report by the Depute Chief Executive, attached as Appendix 2.

45/10 Audit Scotland Annual Audit Plan 2009/10

The Council considered a report by the Head of Finance, attached as Appendix 3 and approved the recommendations contained in the report, on the motion of Mr C L Smith, seconded by Mrs E L Fullerton.

(Mr C L Smith left the Chamber)

46/10 Progress Report – Capital Programme

The Council considered a report by the Capital Programme Service Manager, attached as Appendix 4.

The Head of Capital Programming introduced the report and in response to a query from Mr A S Wishart, he said that £50m spend in 2010/11 was a challenge and advised that a report on the final outturn for 2009/10 would be presented to the next cycle of meetings. Some Members expressed the view that this sum was unrealistic.

Mrs F B Grains expressed her concern that no funds had yet been used for the detailed design of the Haggersta project and sought clarification that the detailed design was yet to be done. The Executive Director – Infrastructure confirmed that her understanding was correct.

Mr R C Nickerson referred to paragraph 4.2 Ferry Terminal Structural Improvements, and queried whether these repairs would be claimed upon the Council's insurance. Mr J G Simpson said that he understood that an insurance claim would be pursued.

(Mr C L Smith returned to the Chamber)

In response to a query regarding the completion of the 20mph speed limits at schools, the Executive Director – Infrastructure advised that the project had been delayed due to technical issues with the units purchased, together with changes in climatic conditions. He advised that progress had been made and it was anticipated that works at all schools would be complete by Summer 2010.

Mrs C H J Miller expressed concern that a £50m spend this year would leave £50m for next year and indicated that she had previously requested a 30 year ferry replacement programme and asked what plans there was to incorporate the this into the capital

programme. The Head of Capital Programming advised that ferry terminals had already been identified for prioritisation and the provisional sums for Whalsay had already been included within the £100m figure.

Mr A J Cluness moved that the Council approve the recommendations contained in the report, seconded by Mr A T J Cooper.

(Mr A G L Duncan left the Chamber)

47/10 **Capital Programme – Way Forward Gateway Process**

The Council considered a report by the Head of Capital Programming, attached as Appendix 5.

The Head of Capital Programming introduced the main terms of the report and advised that a report on prioritisation would be presented to the next cycle of meetings.

Following comments from Mr L Angus, Members considered whether there was a need for Members involvement at an earlier stage in the process. In response to queries during this debate, the Head of Capital Programme advised that it was difficult to give a timescale for the process as each project was different, but it could take approximately 6 months for the feasibility stage. Mr G Robinson advised that during discussions at the Audit and Scrutiny Committee it was felt that Member involvement may lead to them becoming a supporter of a project and it was important to have an impartial view of things up to the point where the project team report on a project's feasibility. The Head of Capital Programming referred to the first bullet of paragraph 4.5 and confirmed that projects would be identified for the process as a result of Council aspiration or by a service need identified by an officer.

Mr A S Wishart said that this was a good process, which sets out the method in a clinical process. Mr Wishart moved that the Council approve the recommendations contained in the report, seconded by Mr J G Simpson.

(Dr J W G Wills left the Chamber)

In response to comments made by Mrs C H J Miller regarding the Council's building assets, the Head of Capital Programming advised that the asset strategy was within his remit and this would be brought forward with the capital programme.

(Dr J W G Wills returned to the Chamber)

(Mr J H Henry left the Chamber)

Mr Angus expressed his concern that in the past projects were given higher priority by officers and moved ahead of other priorities. He also stated that there were projects that had taken 8 years to complete the feasibility study stage.

The Head of Capital Programme confirmed to Mr A T J Cooper that he was confident that there were sufficient resources to cover the work required for years 2-5.

48/10 **Funding of New Build Housing**

The Council considered a report on by the Head of Housing, attached as Appendix 6.

The Head of Housing introduced the report and the Convener confirmed that a report would be brought to the Services Committee regarding the Housing Support Grant.

(Mr J H Henry returned to the Chamber)

Mr L Angus moved that the Council approve the recommendations contained in the report and confirmed that this included recommendation 7.1.4. Mr A T J Cooper seconded.

(Mr J G Simpson left the Chamber)

49/10 Irrecoverable Debt

The Council considered a report by the Head of Finance, attached as Appendix 7.

The Head of Finance introduced the report and in response to specific queries from Members he advised that there was no alternative to writing off the debt and that this was a regular process of reporting. Following a brief discussion, the Head of Finance was asked to provide answers to the questions before the end of the meeting, when in private session.

50/10 Integrated Services – Single Public Authorities

The Council considered a report by the Assistant Chief Executive, attached as Appendix 8.

During consideration of this report, Mrs I J Hawkins referred to paragraph 3.5 and said that joint working with Orkney may not be a problem but the Western Isles was too far away. Mrs Hawkins said she was not happy with spending £6,000 on this piece of work and moved that the Council do not approve the recommendations contained in the report. Mr R C Nickerson seconded.

Mr W H Manson said that this proposal followed on from the efficient government bid and a body of work had been carried out at that time. He said that someone should push ahead with this and although £6,000 should not be wasted, there was a need to be part of the process to influence the outcome. Mr Manson moved as an amendment that the Council approve the recommendations contained in the report, seconded by Mr L Angus.

The Assistant Chief Executive advised that the work done in the past on efficient government meant that the Council were ahead in the process at that time and he confirmed that this piece of work which is about public sector reform linked closely with that.

During further discussions, some Members spoke in support of the recommendations. Mr J H Henry suggested that there were services that the Islands had in common such as transport, particularly by air. Mrs E L Fullerton said that she had some concerns but sought reassurance that the previous work on efficient government would be used. Mr Angus referred to the time when the local authority lost control of the now Scottish Water service and said that this may be a way of improving services and that there was an opportunity here.

Mr R C Nickerson expressed his concern that the last administration considered reducing Scotland's local authorities from 31 to 13 and was of the view that this was another way of achieving that.

Mr R C Nickerson said that linking with other local authorities was a good idea, but Shetland has closer links with Aberdeen and Edinburgh. He said that the model was wrong and asked that the links be further considered.

After summing up, voting took place with a show of hands and the results were as follows:

Amendment (Mr W H Manson)	16
Motion (Mrs I J Hawkins)	4

51/10 **Community Councils – Financial Position**

The Council considered a report by the Head of Finance, attached as Appendix 9.

Mr A T J Cooper declared a non-pecuniary interest as the Chairperson for Delting Community Council.

In response to concerns raised by Members regarding the condition described at paragraph 4.3. The Head of Finance advised that the grant allows Community Councils to retain 10% of the grant at the end of the financial year. He said that exemptions could be made and noted that only Whalsay were affected this year by £328.

Mr R S Henderson moved that the Council approve the recommendations contained in the report, seconded by Mrs E L Fullerton.

Mrs I J Hawkins suggested that a Community Council Liaison Group be held to discuss this matter first.

In response to a query from Mr W H Manson, the Head of Finance said that he would provide a report to the next meeting on the maintenance budgets and the opportunity for them to vire across budgets.

52/10 **Shetland's Single Outcome Agreement (SOA) 2010/11**

The Council considered a report by the Head of Organisational Development, attached as Appendix 10.

The Head of Organisational Development outlined the main terms of the report.

In response to comments from Mrs E L Fullerton, the Head of Organisational Development said that he would provide information on the target figures mentioned on page 21. He also advised that he had focussed on a manageable number of important indicators so they could be monitored.

Mr A T J Cooper said that the announcement of the Total decision, would bring a lot of work for construction services and other agencies, however it was important to focus on the development and public sector to get as much work as possible.

Mrs C H J Miller referred to a television documentary regarding the development of heat solutions and the Westray wind farm. She said that once the turbine had been paid for, the community could be given £200,000/yr for the energy produced. She said that she would like to see this kind of initiative progress for communities in Shetland. Mr R S Henderson confirmed that the initiative for the Cullivoe wind farm would be presented for planning permission and advised that the turbines were 5 times bigger than the project in Westray. Mr W H Manson added that projects in Shetland could not go ahead and achieve that scale of income, until the grid connection is in place.

Mr A S Wishart referred to the decline in the number of young people staying in Shetland and that to alter this there was a need for new industry. He commented that Total was a good start but in time he hoped there would be more work through renewables. Mr Wishart referred to the list of logos on the first page of the document and said that ZetTrans should also be included.

Mrs I J Hawkins referred to paragraph 4.9 bullet 4 and commented that this should be monitored. She noted that the reference to fuel poverty indicated the percentage of those not in fuel poverty and that this would have more impact if it showed the 35% figure of those in fuel poverty commented that this problem should be looked at seriously now. Page 41 regarding transport issues, Mrs Hawkins said that the Council should continue to support the Air Discount Scheme but commented that a Public Service Obligation would attract visitors into Shetland at a better price.

Mr R C Nickerson referred to the last page of the “Community (Stronger)” section of the Appendix and said that he would prefer that “Sport and Culture” be separated. The Head of Organisational Development said that it was harder to measure Culture but it was not impossible.

(J G Simpson left the Chamber)

Mr L Angus referred to the executive summary and the heading “Preparing Shetland for Public Sector cuts” and said that nothing in the Corporate Plan confirms this. He also commented that Shetland has the highest fuel poverty in Shetland but the Council was 80% compliant, therefore the problem was largely in private dwellings. He said that the Council could address this if it chooses to put resources there.

Mrs E L Fullerton moved that the Council approve the recommendations contained in the report, seconded by Mr C L Smith.

(Mrs C H J Miller declared an interest and left the Chamber)

53/10 **Chief Executive Recruitment and Selection**

The Council considered a report by the Head of Organisational Development, attached as Appendix 11.

During discussions, Members expressed the need for stability during the period of an interim appointment. It was suggested that the interim period be beyond the life of the current Council term to provide consistency during the introduction of a new Council.

Some Members spoke in support of a smaller interview panel, with the support of appropriate Officers to ensure that a rapport is established with the candidates and to allow Members to pursue a particular line of questioning. It was also considered that CoSLA’s involvement would provide necessary expertise.

Dr J W G Wills expressed concern regarding Member involvement in view of the ongoing investigation by Audit Scotland. Dr Wills moved that the Council request CoSLA to conduct a “head hunting” exercise to identify candidates who meet the following criteria:

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|-------------|---|
| Essential A | Have experience of a Local Authority as Chief Executive |
| Essential B | Have a record of achieving a Good Best Value Report from Audit Scotland/England |

Desirable A Experience of working in an Independent Council
Desirable B Affinity with or knowledge of Islands

Dr Wills continued that the full Council would conduct the interviews and the interim period would be for the remaining term of this Council plus 6 months to November 2012. Mrs I J Hawkins seconded.

Mr R C Nickerson expressed the importance of having an appraisal scheme in place before an appointment is made. Members concurred.

Mr L Angus agreed with Dr Wills' suggested person specification however he supported the smaller interview panel. Mr Angus moved as an amendment that the Council approve the recommendations in the report, with the inclusion of the person specification criteria described by Dr Wills. Mr C L Smith seconded.

(Mr J G Simpson returned to the Chamber)

Following further discussions regarding the interview panel Dr Wills said that he would change his motion to accept that a smaller group would interview candidates but there would be a recommendation to Council to make a final appointment. Dr Wills also amended the essential criteria to be desirable and included that an appraisal and performance review process be put in place.

Mrs I J Hawkins removed her support as seconder.

Mr L Angus withdrew his amendment and seconded Dr Wills revised motion. There being no further amendment, the motion, as amended, was declared the finding of the meeting.

Nominations were received for the establishment a selection panel and the following Members were duly appointed:

Mr A J Cluness	Mrs F B Grains
Mr R S Henderson	Mr W H Manson.
Mr G Robinson	Mr C L Smith
Mr A S Wishart	

54/10 **Nominations to Lerwick Port Authority**

The Council considered a report by the Head of Legal & Administration, attached as Appendix 12.

The Head of Legal and Administration introduced the report and explained that the term of three years would take the period of the appointment beyond the next election. He explained that as this was a nomination for an independent Trustee, anyone appointed by the Lerwick Port Authority (LPA) is not expected to represent the Council. He also confirmed that, unless they resigned as a Trustee, their appointment would continue to the end of the three-year term.

Mr C L Smith moved that the Council approve the recommendations contained within the report and nominated the three existing Members for reappoint. Mr A J Hughson seconded.

Mr A T J Cooper said that he had reservations about this and said that the nomination did not have to be a Councillor. Mr Cooper moved, as an amendment, that the Council should take time to consider the issue, as the Council had been in opposition with the LPA and an appointment at Councillor level had not worked. Mrs E L Fullerton seconded.

Dr J W G Wills concurred and in referring to Appendix 1 paragraphs 5i) and 5ii) said that someone should be appointed with knowledge, experience and abilities as described.

(Mr G Robinson and Mr R S Henderson left the Chamber)

Mr A S Wishart said that it was essential that the Council appoint to the LPA and commented that the opposition with the LPA could have been worse if there had not been Councillors on the Board.

In response to queries regarding the timescale involved in providing nominations, the Head of Legal & Administration confirmed that nominations had to be submitted by 28 May 2010, which would allow deferral for the next cycle.

Mr C L Smith said that removing Councillors from the LPA would not help the relationship with the harbour and said that the three current Trustees, namely, Mr J H Henry, Mrs C H J Miller, Mr J Budge, should be reappointed.

Voting took place with a show of hands and the results were as follows:

Amendment (Mr A T J Cooper)	6
Motion (Mr C L Smith)	10

(Mr G Robinson returned to the Chamber)

55/10 **Community Benefit Fund – Update**

The Council considered and approved a report by the Head of Legal & Administration, attached as Appendix 13, on the motion of Mr L Angus, seconded by Mr A J Cluness.

The Convener called for a short break, therefore the meeting adjourned.

The meeting adjourned at 1.00 p.m.

The meeting reconvened at 1.10pm.

Present:

A J Cluness	L Angus
J Budge	A T J Cooper
A T Doull	E L Fullerton
F B Grains	I J Hawkins
R S Henderson	A J Hughson
W H Manson	C H J Miller
R C Nickerson	F A Robertson
G Robinson	J G Simpson
C L Smith	J W G Wills
A S Wishart	

Apologies:

L F Baisley
J H Henry (for lateness)

A G L Duncan (for lateness)

In Attendance:

H Sutherland, Depute Chief Executive
G Greenhill, Executive Director, Infrastructure Services
G Johnston, Head of Finance
J Riise, Head of Legal and Administration
J Smith, Head of Organisational Development
D Bell, Human Resources Manager
A Hall, Revenue Services Manager
A Cogle, Service Manager, Administration
L Gair, Committee Officer

Also

C Hislop, Audit Scotland
M Walker, Audit Scotland

(Mr A T J Cooper declared a pecuniary interest, he explained that his wife is a beneficiary of Single Status, and he left the Chamber

Mrs C H J Miller declared a pecuniary interest as her son is employed by the Council, but because she was nominated to the Single Status Board she would remain.

Mr L Angus declared an interest due to his daughter's involvement. He left the Chamber

Mrs F B Grains and Mr R S Henderson declared an interest but remained in the Chamber.

Mr C L Smith and Mr A J Hughson declared an interest and left the Chamber

Mrs E L Fullerton declared an interest as her sister-in-law was a beneficiary, but she remained in the Chamber

Mr J Budge declared an interest and left the Chamber).

56/10 **Single Status Update**

The Council considered a report by the Head of Organisational Development, attached as Appendix 14.

The Head of Organisational Development circulated paper illustrating the proposals for Early Years Workers, attached as Appendix 14A, and introduced the main terms of the report and asked for Members to provide guidance on the prioritisation of the Cost Recovery Options.

In response to questions, the Head of Organisational Development advised that the job redesign process highlighted at paragraph 10.3(ii) would relate to senior posts where they could be redesigned down without affecting the service, however he added that this had to be managed carefully. The Head of Organisational Development confirmed that appeals would be carried out in groups where posts were the same. With regard to the 1-year timescale allowed for appeals, the Head of Organisational Development said that information from other Local Authorities indicated that a number of appeals are withdrawn throughout the process. He said the appeals process should be ready to begin within the next month and Members would continue to be updated.

Members were advised that the information from the old and new agreements would be discussed with Unions, where it was hoped that a consensus would be achieved, following which a report would be presented to the next cycle of meetings. Mr R C Nickerson was advised that the overall financial implications relating to the Early Years

Worker/Assistant would be standstill. An increase would depend on whether there was a change in hours worked. The Head of Organisational Development confirmed that the bottom figure would be zero and the objective was to maintain income where possible. He added that it was hoped to convert the spreadsheet to provide detailed figures.

The Head of Finance advised that the additional cost in 2010/11 would create a budget difference of £5.3m, but this would not continue into future years and commented that progress was being made through the cost recovery route.

In response to a request for clarification, the Head of Finance confirmed that the process started with a baseline figure of £3.5m three years ago based on what costs were in 2006. He said that since then there had been pay awards and progression of staff through the pay scale. He said that the impact of this amounts to £5.3m.

Mrs E L Fullerton said that this was a good report that had looked at different options and it was now time for Members to provide guidance to officers on the priority of the cost recovery options. Mrs Fullerton moved that the Council approve the recommendations contained in the report with the following prioritisation being given to the cost recovery options:

1. A) Deletion of Current vacant posts
The analysis required should be carried out immediately and as many deletions made as feasible without affect on front line services.
2. B) Non recruitment to vacant posts.
Non recruitment to new posts to be implemented and a further report on the future handling of vacant posts with a report on future vacant posts and how decision to recruit is made for which there needs to be a formal agreed method.
3. F) Reduced Overtime.
Should be introduced immediately as described in the report
4. H). Review of essential car user payments, telephone allowances and clothing allowances, this review should be delivered by March 2011
5. E) Reduced Consultancy Costs must be delivered over the next 6 months and wherever possible during that time and in future our partner organisations who can offer these services should be considered first before any outside consultancy can be considered.
6. D) Increased Hours/ Fewer posts.
This will take time to deliver therefore not the highest priority.
7. G) Higher Efficiency / Productivity of Redesign Posts.
This should happen anyway in normal course of events.
8. C) Regrading downward of posts as they become vacant.
This will be part of the treatment of vacant posts recruitment process in future.

Mrs Fullerton asked that a report be brought back to Council noting progress and setting out how these changes will be effected and savings achieved. Mr W H Manson seconded.

In response to a query from Mr A S Wishart, the Depute Chief Executive advised that the process of approving new posts was not reported to Members separately. She explained that it was correct in that not all new posts were explicitly authorised by Council but are implicit within the revenue implications for new projects. The Depute Chief Executive added that new posts are required to provide services that are agreed and gave the new care home in Lerwick as an example of this.

(Mr J H Henry attended the meeting)

At the request of Mrs I J Hawkins, the Depute Chief Executive confirmed that she would provide a breakdown of where the 440 new posts are located.

(Mr A G L Duncan attended the meeting)

(Mr A T J Cooper, Mr L Angus, Mr J Budge and Mr A J Hughson returned to the Chamber)

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

[Representatives of the press and public left the meeting.]

57/10 For information – Minutes of Pension Fund Management Consultative Committee – 15 February 2010.

The Council confirmed the Minutes of the Pension Fund Management Consultative Committee held on 15 February 2010.

58/10 Irrecoverable Debt

The Council considered a report by the Head of Finance.

The Revenue Services Manager provided an explanation to Members on their queries in relation to specific debts included in the report.

Mr R C Nickerson thanked the Revenue Services Manager for this clarification and moved that the Council approve the recommendations contained in the report, seconded by Mr J G Simpson.

59/10 Minutes of the Special Shetland Islands Council, 4 February 2010 and Reconvened Special Shetland Islands Council 19 February 2010

The Council confirmed the minutes of the Council meetings held on 4 February 2010 and 19 February 2010.

The meeting concluded at 1.50 p.m.

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A J Cluness
Convener