

**Shetland Island Council
Council Chamber, Town Hall, Lerwick
Wednesday 27 October 2010 at 10 a.m.**

Present:

A J Cluness	L Angus
L F Baisley	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	

Apologies:

A Wishart

In Attendance:

A Buchan, Chief Executive
H Sutherland, Executive Director Education and Social Care
G Greenhill, Executive Director – Infrastructure
G Johnston, Head of Finance
N Grant, Head of Economic Development
D Irvine, Head of Business Development
I McDiarmid, Head of Planning
J R Riise, Head of Legal and Administration
R Sinclair, Head of Capital Programming
K Foster, Accountancy Officer
P Peterson, Policy Manager
M Holmes, Service Manager – Marine Planning
R Moore, Head of Ports and Harbours Operations
J Mouat, Environmental Liaison Officer
A Cogle, Service Manager – Administration
L Gair, Committee Officer

Also:

N Stewart
K Yates

Chairperson

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

Circular

The circular calling the meeting was held as read. The Convener advised that as Members of the public were present to hear consideration of item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation”, this item would be taken as the first item on the agenda.

Declarations of Interest

Mr A T J Cooper declared a non-pecuniary interest in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as a Director of Viking Energy and a non-pecuniary interest in item 10 “Staffing Matter” as this related to his brother-in-law and he would leave the Chamber during consideration of this item.

Mrs C H J Miller declared an interest in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as a Director of Viking Energy and advised that she would leave the Chamber during consideration of this item.

Mr A T Doull declared an interest in item 6 “Monitoring Officer Report – Outcome of Standards Commission Hearing July 2010” as he is mentioned in the report and advised that he would leave the Chamber during consideration of this item.

Mrs E L Fullerton declared a non-pecuniary interest in item 4 “Review of SIC Crofting Estates – Interim Progress Report” and stated that she has a croft where the Council owns an apportionment. She advised however this was not a significant interest and she would remain in the Chamber.

Mrs I J Hawkins declared a pecuniary interest in items 7 “Funding of Filtration Plant at NAFC Marine Centre” and 10 “Staffing Matter” as she is a Director of the NAFC and receives an honorarium payment. She advised that she would leave the Chamber during consideration of these items.

Dr J W G Wills declared an interest in any reference to the Education department or its budget, as his wife is a member of staff in the Education department. He also declared an interest in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as a Trustee of the Shetland Charitable Trust.

Mr W H Manson declared an interest in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as a Director of Viking Energy and advised that he would leave the Chamber during consideration of this item.

Mr J Budge declared an interest in item 6 “Monitoring Officer Report – Outcome of Standards Commission Hearing July 2010” as he is mentioned in the report and advised that he would leave the Chamber during consideration of this item.

Mr R C Nickerson declared a non pecuniary interest in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as a Trustee of the Charitable Trust and a pecuniary interest for item 8 “Removal of Emergency Towing Vessels” as a consultant for KIMO but advised that he would take part as this particular item was not part of the work he does for KIMO.

Mr G Robinson, Mr J H Henry, Mr C L Smith, Mr A G L Duncan, Mr R S Henderson, Ms L F Baisley and Mr A J Cluness declared non-pecuniary interests in item 5 “Viking Energy Limited – Windfarm Consent Application Addendum – Consultation” as Trustees of the Shetland Charitable Trust.

141/10 Minutes – 15 September 2010

Subject to the following, the Council confirmed the minute of meeting held on 30 June 2010, on the motion of Mr A J Cluness, seconded by Mr C L Smith.

124/10 - Minutes – 30 June 2010 – Mr R C Nickerson referred to page 2 of 14 and advised that the sub-heading should read “Min. Ref. 94/10 – Services Committee - Min. Ref. 49/10 - Instrumental Music Instruction in Schools – Charges”

131/10 – Planning Board – 7 July, 4 August and 1 September 2010 – Min. Ref. 51/10 – Mrs I J Hawkins advised that she did declare an interest in this item.

134/10 - Corporate Improvement – Initial Actions – Mr L Angus said that during this item he had wished the group well. He said that he was concerned, as this group seemed to be a replacement for the Executive Group. Mr Angus added that he understood that the group would meet every cycle, as this was part of the remit. The Convener said that he would undertake to do that. Mrs I J Hawkins stressed the importance of holding a meeting of all Councillors, once a month.

142/10 **Members Attendance at External Meetings**

Mr A T J Cooper CoSLA Community Safety Group – Edinburgh – 18 October 2010.

Northern Joint Police Board – Inverness – 22 October 2010.

Mr L Angus, Mr A J Cluness and Mr J G Simpson CPMR General Assembly – Aberdeen - 29 September - 1 October 2010

Dr J W G Wills (In a personal capacity) Hearing at the House of Commons Select Committee on Energy – London – 26 October 2010

Mr A J Cluness Highlands and Islands Convention – Orkney – 26 October 2010

143/10 **Petitions**

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

Two petitions totaling 1011 signatures, and one on-line petition with 169 names, was received by the Council on 5 October 2010, ‘opposing any plans to close the Scalloway Junior High School’. The petitions were referred to the Schools service and given due consideration as three written responses as part of the formal consultation process.

144/10 **Audit and Scrutiny Committee – 27 September 2010**

The Council confirmed the minute of meeting held on 27 September 2010, on the motion of Mrs F B Grains.

145/10 **Development Committee – 30 September 2010 and 7 October 2010**

The Council confirmed the minute of meetings held on 30 September 2010 and 7 October 2010, on the motion of Mr J G Simpson.

Development Committee – 30 September 2010 – Exempt Min. Ref. 62/10 – Non-Public Activity Report: August 2010 (item relating to “between Weathers”) – At the request of Mrs F B Grains, the Council agreed that this matter be considered further when the Council retires to private session.

146/10 **Infrastructure Committee – 5 October 2010**

The Council confirmed the minute of meeting held on 5 October 2010 on the motion of Mrs I J Hawkins.

147/10 **Services Committee – 7 October 2010**

The Council confirmed the minute of meeting held on 7 October 2010, on the motion of Mr L Angus.

148/10 **Planning Board – 6 October 2010**

The Council confirmed the minute of meeting held on 6 October 2010, on the motion of Mr F A Robertson.

149/10 **Harbour Board – 13 October 2010**

The Council approved the minute of meeting held on 13 October 2010, on the motion of Mr A T J Cooper.

(Mrs C H J Miller, Mr W H Manson and Mr A T J Cooper left the Chamber)

150/10 **Viking Energy Limited – Windfarm Consent Application Addendum - Consultation**

The Council considered a report by the Executive Director - Infrastructure Services (Appendix 1).

The Executive Director – Infrastructure provided a brief introduction of the main terms of the report.

Mr R C Nickerson moved that the Council approve the recommendations contained in the report, seconded by Ms L F Baisley.

Mrs F B Grains moved as an amendment that public consultation take place as it could be seen that the addendum is of little importance to the Council and that was not the case. Mr A G L Duncan seconded.

During summing up, Mrs Grains reiterated the need for public consultation.

Mr Nickerson said that in this time of economic constraints, the Council was only a consultee in this process and the Energy Consents Unit Ministers would make the decision. He said that he had attended one of the public meetings previously held and heard a clear message from both sides. He said that the addendum had not significantly changed the impact on the environment or communities and he did not think that there should be any more officer time or Council money spent on public meetings at this time. Mr Nickerson added that someone else could run a consultation and if Viking Energy wished to do so they could, but he was clear what his constituents felt.

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

Amendment (Mrs F B Grains)	7
Motion (Mr R C Nickerson)	10
Abstention	1

(Mrs Miller, Mr Cooper and Mr Manson returned to the Chamber)

Revenue Management Accounts for the Period 1 April 2010 to 30 September 2010 – General Fund, Harbour Account, Housing Revenue Account and Reserve Fund

The Council noted a report by the Head of Finance (Appendix 2).

The Head of Finance provided a detailed introduction to the main terms of the report. He advised that he would present a report to the next meeting of the Council so that the situation could be viewed alongside the budget for next year and the Scottish Government's settlement for Local Authorities.

Members expressed their concern with regard to the savings achieved to date and were concerned with the amount yet to be achieved within the remainder of the year. Members felt strongly that the small amount of £0.3m identified for year on year savings was not enough and felt that more should be done to get this message out to staff.

The Chief Executive reassured Members that he treated this matter most seriously, but this was a process that would take some time and explained that he and officers were working on policy to be debated that sets out 3 or 4 options, of varying degrees of severity, acknowledging the position at national level. The Chief Executive advised that the Head of Finance had provided BROs with direction for the remainder of the year and into next year. He said that this needs to be refined but the building blocks were in place to take matters forward.

Mr J G Simpson referred to the last Infrastructure Committee meeting where Mr Budge had requested a breakdown of overtime costs within infrastructure services. He said that it made interesting reading but he said that this should be done across all departments before any action is taken.

Dr Wills asked whether the figures provided included the planned drawings from the reserves and what that figure was, as there was a policy to reduce the amount from the reserves each year. The Head of Finance said the figure for the draw from Reserves was £2m and was part of the reducing trend and policy objectives of reaching a zero draw on reserves, and an overall objective to make savings of £9.9m this year.

Dr Wills queried how that figure compared against what the reserves earned in dividends. He commented that the Council should only draw what the reserves generate and that taking capital only makes the situation worse. Dr Wills said that he was concerned that £2m was too much however if it earned £5m that could be used. The Head of Finance said that the policy had always taken a long-term view over time and it had never been the Council's intention to be at the mercy of fluctuating investments. He said that if the Council were to fluctuate spending the funds would have gone down spectacularly in 2008 and then up within the last few months.

Dr Wills agreed that the Council should look at the average over several years but said that the Council had to make sure that it does not draw more than it should. Dr Wills asked for details of the average earnings made on the reserves for the next meeting of the Council.

During further discussions, Members commented that the targets had to be realistic. Members also agreed that spending was correctly averaged out over a number of years and not dependent upon the stock market.

On the issue of a report on overtime across all services it was suggested that the level of information reported to Infrastructure on overtime had been sufficient and well presented and that this level should be provided for other services. It was acknowledged that there had been an impact from Single Status and that this should be considered when seeking savings. Members agreed that to change the use of overtime there would have to be a change in working practices and this would have a financial impact on the staff affected.

The Executive Director – Infrastructure advised that the vast majority of Single Status impacts had now been reflected in the revenue budgets with only a few groups still to be assimilated.

Mrs Fullerton sought reassurance that the services most affected by Single Status in this way do not get hit for the biggest savings. The Chief Executive confirmed that this would be looked at during the process.

Mr W H Manson referred to Dr Wills' comments regarding the savings made on reserves and said that Members receive consolidated weekly report on performance of funds. He said that he agreed that the Council had to find long-term sustainable savings, but also reminded Members that some savings that BROs could make would be unpalatable to the public. He reminded Members, however, that whether cuts to staff or services, Officers' recommendations would have to come before the Council for decision.

Mr G Robinson commented that there appeared to be little improvement since the quarterly report. He said that Members were aware that there was work being done but part of the problem was that Members had no contact with BROs. Mr Robinson moved that the Council approve the recommendations contained in the report but added that a seminar be set up so Members could meet with BROs and Heads of Service to drive this forward to the end of the financial year. Mr Robinson added that the £250m reserves should be index linked.

Mrs C H J Miller agreed that the reserves should be ring fenced. She asked the Chief Executive and the Head of Finance to look at what impact this would have on budgets in the future. Mrs Miller also asked how the half year budget problem was going to be resolved. She also recalled that recommendations had been made that a Finance Committee to be set up and said that this was needed. Mrs Miller also said that she had not seen any reports from the Financial Resources Member/Officer Working Group and asked that all Members received these and the Chief Executive agreed that this would be provided to Members.

The Chief Executive said that it was clear that the Council was not yet equipped to offer savings at the level of previous decisions, and until an integrated way of working is put in place it won't get to that stage. He advised that there were specific actions being taken and the Council was looking at 2011/12 and beyond which was the correct approach with policy options to pitch efficiencies in years to come. The Chief Executive said that there was no question that changes would be made with Member involvement. He said that to achieve what needed to be done would have to be done collectively and would be led by Members. The Chief Executive reassured Members that presentations from each service area would be made to the Financial Resources Member/Officer Working Group but if a wider approach was required then that would be done.

Ms Baisley said that some departments work smarter and leaner than others. She said that the LEAN process may not create savings but they do create more efficient services. She said that another way to save would be redundancies but felt that those who worked for the Council would also be likely to find savings. Ms Baisley agreed that it was not good to set unrealistic targets.

The Head of Finance confirmed to Mr A T J Cooper that the 2011/12 budget assumes that the Council has successfully met the £9.9m savings in the current year. Mr Cooper commented that if the Council does not achieve this there would be a “double whammy” when further economies are sought by the Scottish Government.

The Head of Finance said that there had been some substantial savings so far but most were not recurring. He said that the situation at the end of the year might not appear as bleak. The Head of Finance said that he hoped to give Members a more balanced view at the next meeting of the Council.

Ms L F Baisley seconded Mr Robinson’s motion.

In response to a call from Mr A G L Duncan for a ban on overtime, it was understood by Members that this could not be actioned across the board as overtime was necessary in some service areas. The Chief Executive advised that he had already instructed Officers for the remainder of the year to critically review overtime and temporary posts. He said that to change working practices would take some time. The Head of Finance said that the Council was resolved to tackle the challenges however radical reform would take time to effect and manifest itself.

Mr Angus said that he was reassured by the Chief Executive’s comments as he wasn’t aware of his instruction to staff and said that no criticism was intended. Mr Angus said however that if the Council had invested reserves in solving the housing problem at least the money would not be lost in two stock market crashes. He said that these crashes had diminished the Council’s reserves. Mr Angus said that long-term investments in equity and bonds had not brought dividends but infrastructure projects had also brought dividends in community benefits. Mr Manson commented that the investments in equity and bonds had also been the reason that the reserves were there to lose.

Dr Wills said that he shared Mr Duncan’s concerns and was pleased to hear from the Chief Executive. The Head of Finance confirmed that the current position was that £4.6m had been achieved so far. Dr Wills commented that it seemed therefore that £4m had yet to be saved before the Scottish Government imposes further cuts. The Head of Finance advised that targets would be tighter next year but he expected that proposals would give Members an opportunity to address these challenges.

Mrs I J Hawkins commented that the Head of Finance had not let the Council down yet and £4.5m had been identified at the half year point so Members should put their faith in officers to see what can be achieved.

Mr R S Henderson referred to comments made by Mr Duncan on overtime and advised that following single status, 5 hours overtime, per person, had been added to the overtime bill within the ferry service. He said that work was being done to review working practices so that there is no overtime involved but until that was complete there was no way of getting away from that cost.

(Mr C L Smith left the Chamber)

152/10 **Proposed 5 year Capital Programme**

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

The Head of Capital Programming introduced the main terms of the report and the Appendices.

(Mr C L Smith returned to the Chamber)

Mr L Angus advised that the Chairpersons of the main committees had been involved in trying to establish priorities and it was useful to have Mr F A Robertson's technical background to keep Members from not being too optimistic which had been necessary to drive forward. He said that within Social Care projects the Isleshavn Care Centre was the only project that could be dropped to a lower priority. Mr Angus explained that Isleshavn had reached the top of the priority list as there were several things in place including an available site but other projects within social care had more, quite urgent needs. He added that NHS Shetland provided a lifeline that allowed the refurbishment of Montfield.

Mr Angus moved that the Council approve the recommendations contained within the report in the hope that it could achieve the programme.

(Dr J W G Wills left the Chamber)

Mr F A Robertson said that previously the Council had a wish list that exceeded £300m and he congratulated the Head of Capital Programming who had now got some control on this. He said that control was based on a programme that is achievable and planned in such a way to sustain the local economy of Shetland. Mr Robertson explained that the Council was not here to support the construction industry but it was a big part of the economy and all the work recently had been done locally. He said that in pushing too many projects there would be a point where the economy would be overheated. This programme he explained was 30% specialised and would require external contractors but two thirds could be achieved locally. Mr Robertson expressed his concern however for the Whalsay Link. Having been involved in the whole STAG process, 6 years ago that lasted 2 years, in Whalsay there was concern at that time for the state of the ferry terminal and the capacity of vessels. He said that the Council had now decided upon investigating the Fixed Link avenue, for which he is an advocate. However Whalsay was a question of reality and the money in the programme was being ring fenced for the project. Mr Robertson said that he had been involved in many projects however once a project is given the go ahead it takes 5 years before anything happens. He asked if there was sufficient money in the programme for design, land acquisition and enough information for the Whalsay project to be retrieved from the shelf in the event that a tunnel cannot be financed. He said it was important to not lose time in achieving a design on the North Voe proposal that was previously approved.

The Head of Capital Programming advised that if the policy decision were changed from fixed link to terminals, Laxo would be first on the programme. He said that work on Laxo was substantially complete however no work had been done on Whalsay.

Ms L F Baisley said that she believed in spending to save however one thing not on the programme was a new Council headquarters and she was sure there were efficiencies to be made in the long term.

Mr W H Manson said that in the North Ward there were very few capital projects. He referred to paragraph 4.10 where it stated that savings within the rolling programmes would be explored as a separate exercise. In seconding Mr Angus' motion, he asked that Mr Angus add a paragraph 9.1.4 "that immediate commencement of a savings exercise be carried out on the rolling programmes across the Council." Mr Angus agreed to include this within his motion.

Mr R C Nickerson stated that there was no deadline in place for the review of the rolling programme and with the support of his seconder, Mr Angus agreed that this be reported back to the Council before late 2011.

With regard to Whalsay, Mrs I J Hawkins advised that this was discussed at the last Infrastructure Committee where she advised of the three stages to be followed, firstly there would be a visit to the Scottish Government again to see what funding is available including EU funding. She said that there was also a study that would soon go out to Tender that would give a clear picture of the state of the Whalsay terminals. This work should be complete by June 2011. Mrs Hawkins explained that depending upon the study report it would feed into the review and if something major came out of that report it would have to be considered. She said that in the meantime work was being done to look at the capacity issue, which includes looking at timetables.

Mrs Hawkins then referred to an issue at the Scalloway School and advised that a temporary solution that had been agreed appeared now to be set back. She stressed the importance of getting this temporary measure in place, as this was now a safety matter.

Mr J G Simpson referred to the Whalsay capacity issue and replacement ferry and said that the only way to solve the problem in Whalsay was to address capacity and that changing the timetable would not be enough. He said that £10m would have to be spent in order to increase capacity.

Mr A T J Cooper referred to page 2 of 8 in Appendix 1a and drew attention to the £100,000 contingency in place. The Head of Capital Programme advised that sometimes in final accounting, on major schemes, funds are required to bring it to a conclusion.

153/10 **Scotland's Islands Project**

The Council considered a report by the Head of Business Development (Appendix 4).

(Mrs C H J Miller, Mrs E L Fullerton, Dr J W G Wills, Mr G Robinson, Mr L Angus and Mr J G Simpson left the Chamber)

The Head of Business Development introduced the report.

Mr A T J Cooper asked if any funding was available from HIE for this. The Head of Business Development advised that funding from HIE would mostly be available for "flag ship" projects across all Islands and indicated that Shetland has two projects that would fit within that definition.

Mrs F B Grains moved that the Council approve the recommendations contained in the report, seconded by Mr A T J Cooper.

(Mrs C H J Miller, Dr J W G Wills and Mr G Robinson returned to the Chamber)

154/10 **Review of SIC Crofting Estates – Interim Progress Report**

The Council considered a report by the Service Manager – Asset and Property Services (Appendix 5).

The Head of Legal and Administration introduced the report.

(Mrs E L Fullerton and Mr J G Simpson returned to the Chamber)

(Mr A J Cluness left the Chamber and Mr J G Simpson took the Chair)

Mr A T J Cooper queried whether the increase in rents applied to apportionments as well. The Head of Legal and Administration advised the increase did not apply to apportionments as an increase was applied 4 years ago and this would be looked at again in 3 years time.

(Mr L Angus returned)

Mrs E L Fullerton commented that since the Council had taken over this work, which had previously been contracted out, she had received no complaints and said that this demonstrated that keeping the work within the Council was working well.

Ms L F Baisley referred to paragraph 5.1 and asked what was regarded as a small deficit. The Head of Legal and Administration advised that £300 would be small, however he explained that the legal transactions would turn this into a small profit. In response to a further query, the Head of Legal and Administration advised that both the landowner and tenant would receive rent from a windfarm.

Mr A G L Duncan asked what profit would be expected. The Head of Legal and Administration said that this could not be predicted but what had been witnessed over the last 4 months was an increase in the number of first time applications. He suggested that it may be that word was out that the process was being handled more efficiently.

(Mr R C Nickerson left the Chamber)

(Mr A J Cluness returned to the Chamber and resumed the Chair)

Mr F A Robertson moved that the Council approve the recommendations contained in the report.

Dr Wills commented that young people want crofts and can't get them and said that there was a need to review the rent. He was pleased to see the process for de-crofting land for house sites had speeded up and was more efficient and was now part of a new development. With regard to the development plan, paragraph 3.6 Dr Wills said he would like to see the Council encourage land owners to actively help young crofters and he would like to see more detail on this development plan in due course.

(Mr R C Nickerson returned to the Chamber)

The Convener said that he looked to economic development to assist crofters revisit this. Mr Cooper confirmed that this was back on the agenda.

Mr Cluness seconded Mr Robertson's motion.

(Mr A T Doull and Mr J Budge left the Chamber)

155/10 **Monitoring Officer Report – Outcome of Standards Commission Hearing July 2010**

The Council considered a report by the Head of Legal and Administration (Appendix 6) and approved the recommendations contained in the report on the motion of Mr L Angus, seconded by Mr C L Smith.

(Mrs I J Hawkins left the Chamber)

(Mr A T Doull and Mr J Budge returned to the Chamber)

156/10 **Funding of Filtration Plant at NAFC Marine Centre**

The Council considered a report by the Head of Ports and Harbours Operations and the Head of Capital Programming (Appendix 7)

(Mr L Angus declared an interest as a Board Member of the Fisheries Centre and left the Chamber).

The Head of Capital Programming introduced the report.

(Mrs E L Fullerton, Mr J G Simpson and Mr J H Henry declared an interest as Members of the Board but all indicated that they would remain in the Chamber)

Mr J H Henry stated that the dredging could not be done separately and there needed to be a filtration plant in place first.

Mr A T J Cooper advised that originally there was a need for a better filtration system as a result of the dredging, but it came to light that the current system was inadequate and the reality was that a second pipe was needed and as a result the cost had doubled. Mr Cooper moved that the Council approve the recommendations contained in the report. He added that another contract had just been let where there was a substantial saving over £100,000, which meant that there would be no impact on any other budget. Mr A J Hughson seconded.

(Mr F A Robertson left the Chamber)

In response to questions from Members regarding the hatchery activities, the Head of Economic Development advised that consideration had been given to taking a break in hatchery operations but advised that there were sufficient contracts in place that required the hatchery to remain operational.

Mr G Robinson queried whether there would be an increase in revenue costs as he was aware that there was no one in Shetland that could maintain the filtration system. The Head of Economic Development said that he was unaware of any significant increase in revenue costs.

(Mr L Angus and Mrs I J Hawkins returned to the Chamber)

Removal of Emergency Towing Vessels

The Council considered a report by the Head of Ports and Harbours Operations (Appendix 8)

The Head of Ports and Harbours Operations introduced the report and advised that since writing the report he had heard that Orkney Islands Council had been in contact with the Shipping Minister and stated that Mr T Scott, MSP had also made contact with the Minister over the issue of the Emergency Towing Vessel (ETV). The Head of Ports and Harbours Operations advised that he had also discussed this with the Master of the Anglian Sovereign but he had nothing further to add to the report.

Mr R C Nickerson informed Members that he had been involved in campaigning for marine safety for many years and had discussions and negotiations at a senior level and with the coastguard agency and agencies across Europe. He expressed his disappointment at what the Shipping Minister had said. Mr Nickerson said that the majority of goods that the UK needs comes by sea, millions of visitors travel by sea and these activities pay billions for shipping alone. He said that this decision affected the safety of people who work and earn a living at sea. Mr Nickerson said that the Government were already cutting Nimrods that had been used during the Piper Alpha disaster and said that they were also key to maritime safety.

(Mr G Robinson left the Chamber)

Mr Nickerson said that in addition to the recommendations a Council officer and/or Member should attend and participate in the MCA Refresh of the National Pollution Contingency Plan (NCP), support should also be sought from as many partner organisations as possible such as KIMO, CPMR, North Sea Commission (NSC) COSLA and the Local Government Associations in England and Wales and NI. Mr Nickerson also said that the Council should call for an emergency meeting of the MCA Shetland Safety Sub Committee and that the Shipping Minister should be invited to Shetland as soon as possible. Mr Nickerson was also concerned that this decision would put Ship-to-Ship Transfers at risk. He referred to the recent coastguard exercise and advised that the ETV would be used in a salvage situation should there be an incident with the tankers anchored off Gulberwick. The ETV would be used to tow the tanker into Lerwick for rescue. Mr Nickerson asked that these points should be taken into account.

Dr J W G Wills moved that the Council approve the recommendations contained in the report in addition to the suggestions made by Mr Nickerson. Mr J G Simpson seconded.

Dr Wills said that these tugs were a major asset and that not only was the decision made without consulting MPs but it had also been made without consultation with the MSP. Dr Wills agreed that this was not only a Shetland issue but was a UK wide issue.

Dr Wills referred to paragraph 9 and the costs to the UK economy and said that it was important to make it known that this cut would be a foolish and unnecessary economy.

Mrs I J Hawkins said that she had been surprised by this news and it was worrying to hear that Mr Carmichael MP did not know of this major cut. Mrs Hawkins commented that she could not believe the Shipping Minister's comments and said

that there was a need for the Council to put everything into this issue particularly in light of the developments taking place West of Shetland. Mrs Hawkins asked that the Convener and Vice-Convener be involved in getting the tugs back into position.

(Mr G Robinson returned to the Chamber)

Mr A T J Cooper said that BBC Radio Shetland should be recognised for bringing this story forward. He said that the Shipping Minister was saying that this was the business of industry. Mr Cooper said that it was important to get in touch with the Energy Minister and the Shipping Minister. Mr Cooper said that Shetland wants a tug in the area to give confidence to the oil industry and the community but he didn't care who pays for it.

Mr J G Simpson said that he would be attending a meeting in Brussels on 16 November and he would raise this issue there. He said that this was a much wider issue than oil in that there was shell fishing and fin fishing to protect. He said that he would do everything he could on this matter.

Mr Cooper said that the defence industry had also been affected by these cuts.

Mr J H Henry reminded Members that the Braer drifted a day and a half before it came ashore but with a tug the whole incident could have been avoided.

Mr A G L Duncan said that he agreed with the comments made and welcomed the Vice Convener's attendance in Brussels. Mr Duncan said however that nowhere in the report did it mention the MP and he would like it added at 8.1 that the MP also be included. The Convener said that the MP and MSP would also be included in these representations.

Mr L Angus said that CPMR (Conference of Peripheral Maritime Regions) was discussing integrated maritime policy and the Bretagne region of France was leading maritime safety. Mr Angus said that on an EU wide basis most maritime disasters occur around England and he listed a number of such incidents. Mr Angus also expressed his disappointment in the Shipping Minister's comments. He said that Shetland was an international shipping run and explained the difficulties faced when dealing with a vessel that may be owned, operated, manned and insured by a number of different countries. Mr Angus wished officers well and said that he supported this work and added that the whole business of maritime safety needed to be put higher up the EU Agenda.

Mr W H Manson said that it used to be the case that pollution onshore was the prime responsibility of the Local Authority. However it needs to be forcibly stated that the cost should not come from the public purse. He said that the Local Authority can keep a tally, but it may not be covered by the Oil Pollution Compensation Fund. Mr Manson said that the Shipping Minister was clearly thinking of oil pollution in this case but he should be thinking of the safety of life. He added that the oil representatives will point out that they are only a fraction of the industry that the Shipping Minister mentioned in his media reports. Mr Manson concluded that the Government has to be there for Local Authorities.

The Head of Legal and Administration responded to Mr Manson's reference to responsibility and advised that this is a non statutory duty and it is the Government's expectation that the Local Authority will act and bear the cost. He advised that the Oil Pollution Compensation Fund can pay for some of the costs

and in referring to the Braer he advised that of the £1.6m cost only £600,000 was recovered.

Mr Nickerson re-emphasised the safety issue and asked what cost could be put on a person's life working offshore. He recalled the incident of the Green Lily where a crew member of the rescue helicopter lost his life. He said that the cost of the tug is £2m per annum.

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

158/10 **Development Committee – 30 September 2010 – Exempt Min. Ref. 62/10 – Non-Public Activity Report: August 2010 (item relating to “Between Weathers”)**

Mrs F B Grains asked for a report on the “Between Weathers” Project to be presented to the next meeting of the Development Committee as this had not yet been presented. She advised that the project had been dismissed without knowing what would be recommended.

Mrs F B Grains moved as an amendment that a report be presented to the next meeting of the Development Committee for decision, and said that she wanted to know what the research would show. Mr R C Nickerson seconded.

The Head of Legal and Administration confirmed that Mrs Grains amendment would be set against Mr J G Simpson's earlier motion to approve the minutes at item 145/10.

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

Amendment (Mrs F B Grains)	2
Motion (Mr J G Simpson)	11

(Mrs I J Hawkins and Mr A T J Cooper left the Chamber)

159/10 **Minute of Employees JCC – 28 September 2010**

The Council noted the minute of the Employees Joint Consultative Committee held on 28 September 2010.

160/10 **Staffing Matter**

The Council considered a report by the Executive Director of Education and Social Care.

(During consideration of this item, Mr R S Henderson, Mr C L Smith and Dr Wills left the meeting)

The Executive Director – Education and Social Care introduced the report.

A draft extract of the recommendations made by the Employees JCC and the Shetland College Board of Management were circulated.

Mr Robinson moved that the Council approve the recommendations made by the Shetland College Board of Management.

Members also expressed their concern that Council staff are not aware of the retirement policy changes and Mr G Robinson agreed that advising staff of the implementation of a new policy would form part of his motion.

Mr Robinson clarified his motion in line with the recommendations of the Shetland College Board of Management with the addition that staff be made aware of the changes to the retirement policy in order that they may have an opportunity to apply for retirement under the current terms and conditions. Mr A J Cluness seconded.

The Council concluded at 12.50 p.m.

.....
A J Cluness
Convener