

**Shetland Island Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 23 March 2011 at 10am**

**Present:**

L Angus	L F Baisley
J Budge	A J Cluness
A T J Cooper	A T Doull
A G L Duncan	E L Fullerton
F B Grains	I J Hawkins
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:**

R S Henderson     J H Henry

**In Attendance:**

A Buchan, Chief Executive  
G Greenhill, Executive Director – Infrastructure  
H Sutherland, Executive Director - Education and Social Care  
C Ferguson, Head of Community Care  
N Grant, Head of Economic Development  
G Johnston, Head of Finance  
I McDiarmid, Head of Planning  
J Riise, Head of Legal & Administration  
R Sinclair, Head of Capital Programming  
J Smith, Head of Organisational Development  
W Shannon, Assistant Chief Executive  
P Peterson, Project Manager – Communications  
C Bain, Treasury Accountant  
A Cogle, Service Manager - Administration  
L Gair, Committee Officer

**Also:**

L Brown, Audit Scotland  
K Nelson, Audit Scotland

**Chairperson**

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

**Circular**

The circular calling the meeting was held as read.

The Convener made the following statement:

“It is necessary for us to consider the recent devastating events in Christchurch and in the North of Japan.

Shetland has had a long and continuing relationship with New Zealand and we were fortunate that those school pupils present in Christchurch during the earthquake were safe and able to return to us. We shall however continue to have a relationship with the school they attended and we are looking at ways in which we might provide some practical assistance to that school in the future. These proposals will be considered in an early report to the Services Committee.

Our students have also been fortunate in the hospitality provided to them in their visits to Japan and we have been happy to receive their Japanese counterparts here. The Japanese have been important importers of Shetland Seafood Products for many years.

We were early members of the organisation Mayors for Peace, founded in the aftermath of the destruction of Hiroshima and Nagasaki and now, in addition to the devastating Tsunami which wiped out larger towns than Lerwick in minutes, the Japanese are having to cope with the consequences of the extensive damage to their nuclear power stations/reactors. It is now the 25<sup>th</sup> anniversary of Chernobyl.

Our hearts go out to those thousands who have lost their lives and those families left to cope with those deaths and injuries. We will arrange that the condolences of the Shetland community will be made appropriately in early course."

### **Declarations of Interest**

None.

#### **31/11      Minutes – Shetland Islands Council – 10 February, 16 February, 7 March and 8 March 2011.**

##### **10 February 2011**

The Council confirmed the minute of the meeting held on 10 February 2011 on the motion of E L Fullerton.

##### **16 February 2011**

The Council confirmed the minutes of 16 February 2011 on the motion of Mr A J Cluness, however Mr L Angus referred to page 8, Min Ref. 19/11 - Fuel Poverty in Shetland: Options and Opportunities for Effective Action - and said that within his motion he included a request that the Shetland Charitable Trust (SCT) consider providing the winter fuel grant to pensioner households not eligible for the Christmas Grant. He said he was concerned that this was not on the SCT agenda and did not want this to be forgotten.

The Head of Organisational Development advised that he had received a reply from the General Manager SCT agreeing to meet on this matter to see how it may be progressed.

##### **7 March 2011**

The Council confirmed the minute of the meeting held on 7 March 2011 on the motion of Mr J G Simpson, however in referring to Min. Ref. 29/11 - Improvement Action Plan: G02 – Governance and Shetland Islands Council Decision Making Structures – Dr J W G Wills sought clarification as to when a decision would be made on the composition of the Executive Committee. The Chief Executive advised that following further seminars with Members, a special meeting of the Council would be held before the end of April 2011.

##### **8 March 2011**

The Council confirmed the minute of the meeting held on 8 March 2011, on the motion of Mr A J Cluness.

**32/11 Member Attendance at External meetings**

A J Cluness and J G Simpson

Meetings with Faroese Telecom,  
Atlantic Airways and Smyril Line,  
Faroe, 15-18 March 2011

A G L Duncan

Consultation on Fire and Rescue and  
Policing in Scotland, Edinburgh, 18  
March 2011.

After hearing Mr Duncan's briefing regarding the proposed Single Police Force for Scotland, Dr J W G Wills outlined the importance of local accountability and the need for clear policy. Dr Wills asked for an early report on this matter.

**33/11 Audit and Scrutiny Committee – 21 February 2011**

The Council confirmed the minute of the meeting held on 21 February 2011, on the motion of Mrs F Grains.

**34/11 Development Committee – 3 March 2011**

With the exception of the following, the Council confirmed the minute of the meeting held on 3 March 2011, on the motion of Mr J G Simpson.

Declarations of Interests – Mrs I J Hawkins referred to page 2, paragraph 3 and said that she is not a Trustee on the Shetland Amenity Trust and therefore asked that her name be removed from this list of declarations.

Min. Ref. 22/11 – Non Public Activity Report

Mareel – Dr J W G Wills asked that this matter be discussed further. The Council agreed, that as this item was exempt it would be raised under the private section of this meeting.

Min. Ref. 20/11 – Economic Opportunities Presentation – Mr R C Nickerson referred to paragraph 6, line 9 and asked that the word “presentation” be replaced with “project and report”.

**35/11 Infrastructure Committee – 8 March 2011**

With the exception of the following, the Council confirmed the minutes of the meeting held on 8 March 2011, on the motion of Mrs I J Hawkins.

Min. Ref.19/11 - Review of UK Food Safety Official Controls Delivery – Mr L Angus referred to the last paragraph in this item and asked what island groups would be involved. The Convener said that the Executive Director – Infrastructure would provide this information following the meeting.

**36/11 Services Committee – 10 March 2011**

The Council confirmed the minutes of the meeting held on 10 March 2011, on the motion of Mrs E L Fullerton.

**37/11 Planning Board – 23 February 2011**

With the exception of the following the Council confirmed the minutes of the meeting held on 23

06/11 - 2010/116/PCD – LR5: Change of use of land from agriculture to equestrian use, site a container for storage and animal shelter and create hard standing area for ponies at Setter Hall, Gulberwick, by G & E Wishart – Dr J W G Wills referred to the change of use of this land and the need for landowners to retrospectively tar their access roads. He said he would like further discussion on this matter and moved that the Council suspend administrative regulations in this instance.

The Head of Legal and Administration advised that this matter was more than just a technical matter. He explained that the ordinary business of committees comes to the Council for a decision or to approve the accuracy of the minutes. He informed Members that in the operation of the Review Board the Council is obliged by Statute to conduct such reviews at Committee level. This ends the matter for the Planning Authority and it cannot be referred back to the Council. Therefore, it would not be a competent motion to suspend administrative regulations to re-consider a matter finally determined by a Review Board. The Head of Legal and Administration advised that the Executive Director, Infrastructure would be taking the two issues, highlighted by Dr Wills, to the Infrastructure Committee and that would be the way in which to address these points.

The Executive Director – Infrastructure explained that there were a number of points from this application such as the status of disused former public roads in Shetland that had over the years been left without clarity because Stopping-Up Orders had not been progressed. He said that he would report to the Infrastructure Committee on the issues of use of land for equestrian purposes, tarmac for access roads and stopping up orders.

38/11 **Harbour Board – 8 March 2011**

The Council confirmed the minutes of the meeting held on 8 March 2011, on the motion of Mr A T J Cooper.

39/11 **Political Management Arrangements - Appointments**

The Council considered a report by the Head of Legal & Administration (Appendix 1).

The Head of Legal & Administration introduced the main terms of the report and drew attention to the decisions to be made as outlined in Appendix 2.

Mr A T J Cooper moved that the Council approve the recommendations contained in the report, and proceed with the appointments listed in Appendix 2, with the addition that the membership of the 5 additional committees/boards continue with the existing memberships and that the Chair and Vice-Chair positions listed 10 to 14 are made from those existing members. Mr G Robinson seconded.

The Convener invited nominations for the following positions:

Chairperson for Audit and Standards Committee:

Mrs F B Grains

There being no further nominations Mrs F B Grains was duly appointed as Chairperson for Audit and Standards Committee.

Chairperson for Development Management Committee:

Mr F A Robertson

There being no further nominations Mr F A Roberson was duly appointed as Chairperson for the Development Management Committee.

Chairperson for Licensing Committee:

Mr J Budge

There being no further nominations Mr J Budge was duly appointed as Chairperson for the Licensing Committee.

Chairperson for Harbour Board:

Mr R S Henderson (in absentia)

Mr J H Henry (in absentia)

Voting took place by secret ballot, and the result was as follows:

Mr R S Henderson	13
Mr J H Henry	5
Abstentions	2

Accordingly, Mr R S Henderson (in absentia) was duly appointed as Chairperson for the Harbour Board.

Chairperson for the Shetland College Board:

Mr A J Hughson

There being no further nominations Mr A J Hughson was duly appointed as Chairperson for the Shetland College Board.

Vice-Chairperson for the Children Families and Learning Committee:

Mrs C H J Miller

Mr W H Manson

Both nominees accepted their nominations and, following a short address by each nominee to the Council, voting took place by secret ballot, and the result was as follows:

Mrs C H J Miller	11
Mr W H Manson	9

Accordingly Mrs C H J Miller was duly appointed as Vice-Chairperson for the Children Families and Learning Committee.

Vice-Chairperson for the Communities, Health and Well-being Committee:

Mr A G L Duncan

There being no further nominations Mr A G L Duncan was duly appointed as Vice-Chairperson for the Communities, Health and Well-being.

Vice-Chairperson for the Economy and Development Committee:

Mr G Robinson

Mr A T Doull

Both nominees accepted their nominations and, following a short address by each nominee to the Council, voting took place by secret ballot, and the results was as follows:

Mr G Robinson	9
Mr A T Doull	11

Accordingly Mr A T Doull was duly appointed as Vice-Chairperson for the Economic and Development Committee.

Vice-Chairperson for the Environment Committee:

Mr A S Wishart

There being no further nominations Mr A S Wishart was duly appointed as Vice-Chairperson for the Environment Committee.

Vice-Chairperson for the Audit and Standards Committee:

Mr A G L Duncan

There being no further nominations Mr A G L Duncan was duly appointed as Vice-Chairperson for the Audit and Standards Committee.

Vice-Chairperson for the Development Management Committee:

Mr G Robinson

There being no further nominations Mr G Robinson was duly appointed as Vice-Chairperson for the Development Management Committee.

Vice-Chairperson for the Licensing Committee:

Mr C L Smith

There being no further nominations Mr C L Smith was duly appointed as Vice-Chairperson for the Licensing Committee.

Vice-Chairperson for the Harbour Board:

Mr A T J Cooper

There being no further nominations Mr A T J Cooper was duly appointed as Vice-Chairperson for the Harbour Board.

Vice-Chairperson for the Shetland College Board:

Ms L F Baisley

There being no further nominations Mrs L F Baisley was duly appointed as Vice-Chairperson for the Shetland College Board.

The Head of Legal and Administration advised that the status of the external appointments to outside organisations would remain uninterrupted, however if a Councillor engages in a role where there is a conflict of interest, they should contact the Head of Legal and Administration for advice. Any reappointments that may be required will be reported to a meeting of the Council.

The Head of Legal and Administration advised that an indicative diary would be prepared for Members to keep their diaries free. During some discussions, Dr J W G Wills moved that the Council take a decision today on the committee cycle timescale and said that this should be six weekly. Mr R C Nickerson seconded.

Some Members took the view that more discussion was required and Mrs C H J Miller moved as an amendment that the committee cycle should be discussed during the seminars to be held. Mr G Robinson seconded.

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

Amendment (Mrs C H J Miller)	11
Motion (Dr J W G Wills)	9

The Council **RESOLVED**:

that the membership of the 5 additional committees/boards continue with the existing memberships and the following appointments were duly made:

Remunerated positions:

- 1 Mrs F B Grains - Chairperson for Audit and Standards Committee
- 2 Mr F A Robertson, Chairperson for Development Management Committee
- 3 Mr J Budge, Chairperson for the Licensing Committee
- 4 Mr R S Henderson, Chairperson for the Harbour Board (in absentia)
- 5 Mr A J Hughson, Chairperson for the Shetland College Board

Functional Committees

- 6 Mrs C H J Miller, Vice-Chairperson for the Children Families and Learning Committee
- 7 Mr A G L Duncan, Vice-Chairperson for the Communities, Health and Well-being Committee
- 8 Mr A T Doull, Vice-Chairperson for the Economy and Development Committee
- 9 Mr A S Wishart, Vice-Chairperson for the Environment Committee

Additional Committees/Boards

- 10 Mr A G L Duncan, Vice-Chairperson for the Audit and Standards Committee
- 11 Mr G Robinson, Vice-Chairperson for the Development Management Committee
- 12 Mr C L Smith, Vice-Chairperson for the Licensing Committee
- 13 Mr A T J Cooper, Vice-Chairperson for the Harbour Board
- 14 Ms L F Baisley, Vice-Chairperson for the Shetland College Board.

*(Mr A G L Duncan left the meeting)*

40/11 **Budget Setting 2011/12 – Proposed Capital Programme Reductions**

The Council considered a report by the Head of Capital Programming (Appendix 2).

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

In response to queries from Members, the Head of Capital Programming explained that the Anderson High School did not appear in this report because of the funding arrangements involved in this project. He also explained that the Eric Gray Centre project planning applications would be submitted for outline planning permission around the end of March 2011.

In response to further questions from Members the Head of Finance confirmed that technically the savings agreed by the Council were the minimum amount the Council needed to do and would be within the Council's overall financial policy of maintaining reserves at £250m or more.

The Chief Executive confirmed that, as pointed out in the report, further work would be required over the next few months on the Council's Financial Policy Framework.

Mr J G Simpson moved that the Council approve the recommendations in the knowledge that there was still a lot of work to be done. Mr Cooper seconded and the Council concurred.

The Council **RESOLVED** to:

1. approve the proposed amendments to the currently approved projects in Appendix A;
2. approve the allocation of budgets, slippage and transfers in Appendices B, C and D;
3. approve the updated 5 year capital programme in Appendix E.

*(Dr J W G Wills left the Chamber)*

41/11 **Overall Financial Review**

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

The Head of Finance introduced the main terms of the report and advised that it formed the basis for discussion on the new financial policy framework.



*(Dr J W G Wills returned to the Chamber)*

During discussion, Members commented on the Hjaltsland Housing Association grant application and the need for social housing in Shetland. The Chief Executive advised that the application for a grant would be progressed in a timescale to accommodate the Scottish Government deadline and a special meeting could be held in advance of that deadline, if necessary.

*(Mrs C H J Miller left the Chamber)*

42/11      **Community Councils – Financial Position**

The Council considered a report by the Head of Finance (Appendix 4) and approved the recommendations contained in the report, on the motion of Mrs C H J Miller, seconded by Mr G Robinson.

The Council **RESOLVED** to:

approve the Community Council grants for 2011/12 as set out in paragraph 6.1 of the report.

*(Mrs C H J Miller returned to the Chamber)*

*(Mr L Angus left the Chamber)*

43/11      **Irrecoverable Debt 2010/2011**

The Council considered a report by the Head of Finance (Appendix 5) and approved the recommendations contained in the report on the motion of Mr F A Robertson, seconded by Mr J G Simpson.

Mrs I J Hawkins commented on the collection of Scottish Water rates stating that it was confusing for customers and meant that no rebate on water was available. Mrs Hawkins said that this should not continue. The Head of Finance explained that it was convenient for customers to pay for the Council Tax and Water Rates together, and advised Members that as the Council are paid by Scottish Water for providing this service, it made financial sense to continue with this practice.

*(Mr L Angus returned to the Chamber)*

The Council **RESOLVED** to:

1. approve the write off of £29,813.03 against the current provision for bad debts in relation to housing debt detailed in paragraph 5.3, against the Housing Revenue Account provision;
2. approve the write off of £112,046.52 of Sundry Debts, Non-Domestic Rates and Council Tax balances against the General Fund Provision;
3. approve the write off of £3,071.65 against Scottish Water; and
4. approve the write off of £6,571.59 against the Harbour Accounts.

44/11      **Annual Investment Strategy for 2011/12**

The Council considered a report by the Head of Finance (Appendix 6).

The Treasury Accountant introduced the main terms of the report.

Dr J W G Wills made comment regarding ethical investment and his concern that the Council may be investing in funds linked with the weapons involved in the recent Libyan attacks or in the nuclear plant affected by the Japan earthquake. Dr Wills moved that the recommendations contained in the report be approved, with the addition that a report on ethical investment be reported to the first meeting of the new Executive Committee and that focus be given to the Norwegian State Pension Fund, which is in example of good ethical investments. Mr R C Nickerson seconded.

Mr J G Simpson moved as an amendment that the Council approve the recommendations contained in the report, seconded by Mr G Robinson.

Some Members spoke in support of the motion and the need for the Council to understand where it is investing its money. Mr A S Wishart said that a lot of work would be involved in preparing a report and suggested that it be brought to Members in two committee cycles. Dr Wills, with the support of his seconder, agreed to the suggested timescale for the report. He also agreed with Mr Manson that the report should report on the effect across the balance of investments.

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

Amendment (J G Simpson)	7
Motion (J W G Wills)	11

The Council **RESOLVED** to:

1. approve The Annual Investment Strategy set out in Appendix A of the report, for the financial year 2011/12;
2. adopt the Treasury Management Policy Statement set out in Appendix B, of the report, for the financial year 2011/12;
3. adopt the Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009, which includes the four clauses as set out in Appendix C of the report;
4. consider a report to the Executive Committee, in two cycles on ethical investments with focus given to the Norwegian State Pension Fund and that the report shows the effect across the balance of our investments.

45/11

**SIC Revenue Management Accounts**  
**General Fund (inc Support/Recharged), Harbour Account, Housing Revenue**  
**Account and Reserve Fund**  
**For the Period 1 April 2010 to 31 January 2011**

The Council **NOTED** a report by the Head of Finance (Appendix 7).

The Head of Finance provided a summary on the budgetary positions for the General Fund, Harbour Account, Housing Revenue Account and the Reserve Fund, up to 31 January 2011.

Members congratulated staff for their achievements in relation to budget reductions in 2010/12. The Chief Executive said that a lot of work had to be done to ensure that 2011/12 targets are delivered.

46/11 **Establishing Shetland's Strategic Direction for the Next 10-15 Years**

The Council considered a report by the Chief Executive (Appendix 8).

The Chief Executive introduced the main terms of the report.

Mrs E L Fullerton moved that the Council approve the recommendations contained in the report, seconded by Mrs C H J Miller.

In response to a question from Mr R C Nickerson, the Head of Organisational Development explained that at the end of this piece of work, it would then be shared with the Community. He also advised Members that it was expected that work would begin on this in the next two weeks with findings being drawn together during May/June. The Head of Organisational development said contact would be made with the community on this and other matters after the summer recess.

In response to a further question the Head of Organisational Development advised that the cost of this exercise would be met from the Council's approved Improvement Plan budgets.

Mr A T J Cooper asked that the Steering Group membership include one representative from the agriculture industry. Mrs E L Fullerton, with the support of her seconder, agreed to this request.

Members agreed that, as only a few members were on the Sounding Board and this Steering Group, it was important of having full Member engagement and asked that feed back on progress be presented to the Council.

The Council **RESOLVED** to:

1. endorse the development of a statement of strategic direction for the next 10-15 years as described in this report and delegated authority to the Chief Executive to co-ordinate and manage this process; and
2. feedback progress regularly to the Council.

47/11 **Future Delivery of Public Services**

The Council considered a report by the Assistant Chief Executive (Appendix 9).

*(Mr A J Cluness left the Chamber and Mr J G Simpson, as Vice-Convenor, took the Chair)*

The Chief Executive introduced the main terms of the report. The Assistant Chief Executive advised that he had been in contact with the Christie Commission who indicated their intention to come to Shetland in April during the Parliamentary recess. He said that they wished to speak with the Council and community planning partners and he would advise Members of a date as soon as possible.

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

Mr L Angus moved that the Council approve the recommendations contained in the report, seconded by Mr G Robinson.

Members referred to page 2 and the use of the words "Shetland Jumper" and suggested that this be removed or replaced with "Fair Isle Jumper" which is well known internationally. They also referred to the use of the word "Peerie" on page 3 and said that the use of Shetland dialect was not appropriate in this way.

*(Mr W H Manson left the Chamber)*

*(Mr R C Nickerson left the Chamber)*

The Council **RESOLVED** that:

1. subject to the suggested amendments, that the Chief Executive submit the letter, attached as Appendix 1 to the report, to the Christie Commission within the timescale of 31 March 2011.

*(Mr R C Nickerson returned to the Chamber)*

48/11 **Improvement Plan – Progress Report**

The Council **NOTED** a report by the Chief Executive, (Appendix 10)

The Chief Executive introduced the report and in response to a query advised that he was in regular contact with Audit Scotland and would be meeting with the Controller of Audit, shortly.

**In order to avoid the disclosure of exempt information, Mr A 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.**

49/11 **Minute of Employees JCC – 1 March 2011**

The Council **NOTED** the minute of meeting of the Employees JCC held on 1 March 2011.

50/11 **Development Committee Minute – 3 March 2011 – Min. Ref. 22/11 Mareel**

Dr J W G Wills expressed his concerns with regard to the progress of the project and the rumours that were circulating in the absence of facts. Dr Wills asked that future reports to the Development Committee be more detailed, stating that Members have a right and duty to know what is going on.

In response to concerns raised by Members the Head of Economic Development provided a summary of the Council's financial position and on the proposed timescale for the project.

The Council **RESOLVED** that:

the Mareel Project would be included as an item on the next Development Committee agenda, providing the most up to date technical information available.

The meeting concluded at 12.40 pm

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A J Cluness  
Convener