

MINUTE

B - Public

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 5 December 2012 at 10.00am**

Present:

M Bell	M Burgess
P Campbell	G Cleaver
A Cooper	S Coutts
A Duncan	B Fox
R Henderson	A Manson
D Ratter	F Robertson
G Robinson	D Sandison
C Smith	G Smith
T Smith	M Stout
J Wills	A Westlake
A Wishart	V Wishart

Apologies:

None

In Attendance (Officers):

M Boden, Chief Executive
H Budge, Director of Children's Services
P Crossland, Director of Infrastructure Services
C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
M Craigie, Executive Manager – Transport Planning
J Gray, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
C Anderson, Senior Communications Officer
C Nicolson, Senior Project Manager
P Wishart, Solicitor
A Cogle, Team Leader – Administration

Also:

C Hislop, Audit Scotland
D McConnell, Audit Scotland

Chair:

Mr M Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

The Convener ruled that, due to special circumstances, namely that there were tight timescales involved in securing information for these reports; the timing of the Council's seminars impacted on their finalisation; and due to the potential significant impacts on the Council as a result of each of these reports, and that despite their late issue, the following items were considered at this meeting as significantly important or urgent matters in terms of paragraphs 3.2.2 and 8.3 of the Council's Standing Orders for Meetings:

Agenda Item	Report Title
A	Inter Island Ferries Review Decision Making Process
9	Bus Services Redesign Project– Fare Structure
10	Asset Investment Plan Progress Report
<u><i>The following items contain exempt information</i></u>	
15	Anderson High School – Contractual Issues
16	Mareel

Declarations of Interests

Mr W A Ratter declared an interest in Agenda Item 1 [Chair's Report – Development Committee: The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme] as a recipient of those schemes.

Mr G Cleaver sought advice as to whether he should declare an interest in the final item [Mareel] as a member of Shetland College Board. He said that the College had a substantial Service Level Agreement with Shetland Arts in terms of its use of the Mareel. The Executive Manager – Governance and Law advised that the Councillor's interest was only in relation to his role as a Councillor and appointment by the Council to the Board, which was a committee of the Council, and therefore an exemption applied and membership of the College Board would not preclude Members from taking part in the debate on that item.

Mr A Cooper referred to Agenda Item 1 [Chair's Report – Development Committee: The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme] and said he was a crofter, but for more than the last 5 years had not participated in those grant aid schemes, and therefore he considered that there was no significant interest in this item.

Mr A Duncan also declared an interest in agenda item 1 [Chair's Report – Development Committee: The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme] as a recipient of those schemes. Mr Duncan also declared an interest in Agenda Item 7 [Pension Fund Final Audited Accounts] as his wife was a beneficiary of the Pension Fund, and so he would leave the Chamber during both of those items.

Mr T Smith declared an interest in Agenda Item 16 [Mareel] as he still had a financial interest in a company that was involved in the project, and he would be taking no part in that discussion.

Dr Wills referred to Agenda Item 1 [Chair's Report – Development Committee: The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme] and said he was a crofter, but did not claim from those grant schemes.

Mr B Fox said he may have a conflict in Agenda Item 16 [Mareel] as he had in the past worked for Shetland Arts Development Agency, but he no longer did. The Executive Manager – Governance and Law advised that it was a matter of judgement for each individual Councillor

to make, and that Members should consider whether any interest was so remote and trivial so that there was no need to declare an interest nor leave the Chamber.

Mr G Smith declared an interest in Agenda Item 7 [Pension Fund Final Audited Accounts] as his wife was a beneficiary of the Pension Fund. Mr Smith also declared an interest in Agenda Item 16 [Mareel] as a former Trustee of SADA, but he had resigned in 2010.

Mr M Burgess declared an interest in Agenda Items 4 and 16 [Shetland College Board and Train Shetland Management Arrangements, and Mareel] in that he still provided services to Shetland College and had recently resigned as a Trustee of Shetland Arts.

Mr M Stout declared an interest in Agenda Item 16 [Mareel] as an ex-employee of Shetland Arts, but that he considered that interest not to be significant.

Mr P Campbell declared an interest in Agenda Item 7 [Pension Fund Final Audited Accounts].

Welcome

The Convener welcomed Ms Hislop and Mr McConnell from Audit Scotland to the meeting.

Minutes

The Council approved the minute of the Council meeting held on 20 September on the motion of Mr C Smith.

The Council approved the minute of the Council meeting held on 10 October on the motion of Mr Fox.

The Council approved the minute of the Council meeting held on 31 October on the motion of Mr Campbell.

100/12 Inter Island Ferries Review Decision Making Process

The Council considered a joint report by the Director of Infrastructure Services and the Director of Development Services (ISD-14-12-F), which sought approval of the decision making process for the final report on the Inter Island Ferries Review.

Mr Cooper moved that the Council approve the recommendations contained in the report. Mr Wishart seconded.

At the request of Members, the Convener agreed to give consideration to the timing of the meeting in order to allow time for those travel from the outer isles.

Decision:

The Council **RESOLVED** that the final report on the Inter Island Ferries Review be brought to a special meeting of the Council following completion of the review and consideration of staffing matters by the Employees Joint Consultative Committee.

[Mr Ratter and Mr Duncan left the meeting.]

101/12 Chair's Report – Development Committee: The Future of the Shetland Agricultural Business Scheme and the Shetland Rural Development Scheme

The Council considered a report by the Chair of the Development Committee (Report No: SIC-0512-DV046-F), which sought approval for the continuation of the two existing agricultural development schemes operated by the Council, the Shetland

Agricultural Business Scheme and the Shetland Rural Development Scheme, in modified forms and with smaller annual budgets.

During discussion, it was noted that existing offers would be honoured provided works were completed by 31 March, and that no new applications under either Scheme would be accepted, with immediate effect.

Mr Cooper moved that the Council approve the recommendations contained in the report. Mr Robinson seconded.

Decision:

The Council **RESOLVED** to adopt the recommendation from Development committee, namely, to completely cease the funding of the two schemes for the foreseeable future, but with provision made for review and possible reintroduction of the Schemes when and if the Council's financial situation improves in the next few years.

102/12 **Chair's Report – Social Services Committee: Freefield Centre Review**

The Council considered a report by the Chair of the Social Services Committee (Report No: SIC-051212-CC24-F), which presented information regarding the outcome and options of the review of the service provided by the Council at the Freefield Centre in Lerwick.

Mr C Smith moved that the Council approve the recommendations contained in the report. Mr Cleaver seconded.

[Mr Ratter and Mr Duncan returned to the meeting.]

Decision:

The Council **RESOLVED** that:

- 1) the Community Care Service continues to work with VAS, customers and other stakeholders of the Freefield Centre to identify alternative means of providing the service;
- 2) where appropriate, options for voluntary sector provision will be promoted through the work being done as part of the Reshaping Care for Older People work programme;
- 3) staff in Community Care continue to support people with an assessed need in line with the eligibility criteria set out in the With You For You process; and
- 4) the Community Care Service is supported to continue the very positive work that they have done over the past 2 months, in being able to support the transfer of service in a timely and seamless manner.

103/12 **Chair's Report – Social Services Committee – Day Care Review**

The Council considered a report by the Chair of the Social Services Committee (Report No: SIC-0512-CC27-F), which presented information regarding the ongoing review of day care services provided in care homes across Shetland.

Mr C Smith moved that the Council approve the recommendations contained in the report. Mr G Robinson seconded.

Decision:

The Council **RESOLVED** to:

approve the proposals for changes to the day care services currently provided at care centres including that:

1. The Community Care Service continues to work with day care customers and their families/carers to identify alternative support and venue(s) for lunch and social club activities that will contribute to realising the savings target in 2012/13 of £1M;
2. Options for voluntary sector provision will be promoted through the work being done as part of the Reshaping Care for Older People work programme;
3. Staff in Community Care continue to support people with an assessed need in line with the eligibility criteria set out in the With You For You process;
4. The shift of provision from the Council to the Third Sector and Community Groups is continued in a timed, staged manner, thus supporting budget savings.

[Mr M Burgess left the meeting.]

104/12 **Chair's Report – Shetland College Board: Shetland College and Train Shetland Management Arrangements**

The Council considered a report by the Chair of Shetland College Board (Report No: SIC-0512-SCB021-F), which provided an update regarding the post of Principal of Shetland College, and proposed a scope of work to identify options for the most effective delivery of FE and HE education in Shetland against a background of increasingly limited resources.

Mr P Campbell moved that the Council approve the recommendations contained in the report. Mr G Cleaver seconded.

Decision:

The Council **RESOLVED** to approve the recommendation from the Shetland College Board, namely:

- To note the temporary arrangements which are presently being implemented for the position of Principal of Shetland College; and
- That work is commissioned on a Review of FE and HE provision in Shetland.

[Mr M Burgess returned to the meeting.]

105/12 **Chair's Report – Executive Committee: Fund Management Annual Investment Report 2011/12**

The Council considered a report by the Chair of the Executive Committee (Report No: SIC-0512-F050), which informed of the position and performance of the Council's external investments with fund managers for the financial year 2011/12.

The Council noted that there was a full review of fund management was underway, and a report would be presented to the Council next year on the findings.

Mr Robinson moved that the Council approve the recommendations contained in the report. Dr Wills seconded.

Decision:

The Council **RESOLVED** to approve the recommendations from the Executive Committee, namely to:

- approve the Annual Investment Report for 2011/12 for the purposes of the consent issued by the Scottish Ministers by virtue of section 40 of the Local Government in Scotland Act 2003;
- note with satisfaction the performance of Baillie Gifford (equity fund) in 2011/12;
- note the performance of Insight (bond fund) in 2011/12; and
- note with dissatisfaction the performance of GMO (equity fund) in 2011/12.

106/12 **Final Audited Accounts 2011/12**

The Council considered reports by the Chair of the Audit and Standards Committee (Report No: SIC-0512-F044) and the Executive Manager – Finance (Report No: F-057-F) which presented the final signed and audited accounts for 2011/12 and also received Audit Scotland's report on the 2011/12 Audit.

After hearing the Executive Manager – Finance summarise the report, Mr McConnell, Audit Scotland, provided Members with a summary of the range of audit work which had been carried out during the year.

During the discussion which followed, Members acknowledged the work that the Executive Manager – Finance and his staff had done to achieve an unqualified set of accounts. In response to a request, the Executive Manager agreed to provide Members with an update on the Action Plan after the meeting.

In response to a question, the Executive Manager – Governance and Law confirmed that officers had made very good progress on producing a corporate Risk Register, and the Corporate Management Team had recently received a report that all departmental Risk Registers were in place, and work had started on feeding those into the strategic Risk Register for the Council.

Some discussion took place regarding previous accounts having a contingent liability amount for Viking Energy, which was no longer provided for. Members questioned this, and whether the Council should still continue to hold the Guarantee. The Executive Manager – Governance and Law confirmed that the Guarantee was reviewed annually, and that as the risk had diminished each year, it was now so low as to not require a figure in the accounts. As it was not an item on the agenda today,

the Executive Manager Governance and Law agreed to provide Members with an update report to a future meeting on this matter.

Mr Cooper declared an interest as a Director of Viking Energy, and asked that it be noted that he took no part in the discussion of this matter.

Dr Wills also commended staff for the work on the accounts, and the clear explanations given, but asked that the minute record his dissent from that part of the accounts relating to the grouping of the Shetland Charitable Trust accounts with the Council's as entirely disagreed that it was lawful to do so. Mr McConnell said that this point was noted, but explained that Audit Scotland had made that judgement on accounting standards, and that the Council's Section 95 officer concurred. The Executive Manager - Finance confirmed that the decision was made purely on accounting standards, but it was appreciated that, legally, the Shetland Charitable Trust was a separate and independent organisation from the Council.

Reference was made to figures regarding carbon trading, and Members noted that the auditors were satisfied that the amount provided for was sufficient, but that energy usage was being continually monitored and figures updated on an ongoing basis. Members also noted that a seminar on development of a Carbon Strategy would take place in the new year.

Ms V Wishart moved that the Council approve the recommendations. Mr Robinson seconded.

Decision:

The Council **RESOLVED** to:

- Approve the final signed and audited accounts for 2011/12;
- Noted Audit Scotland's Annual Report on the 2011/12 Audit; and
- Approve the Action Plan and management actions devised to address the audit risks.

[Mr A Duncan left the meeting.]

107/12 **Pension Fund Final Audited Accounts 2011/12**

The Council considered a report by the Chair of the Audit and Standards Committee (Report No: SIC-0512-F045) and a report by the Executive Manager – Finance (Report No: F-058-F), which presented the final signed and audited Pension Fund accounts, and received Audit Scotland's Annual Report on the 2011/12 Audit.

The Council noted that the next triennial evaluation was due on 31 March 2014. It was also noted that the review of the Council's investment strategy would address matters relating to ethical investments.

Mr Robinson moved that the Council approve the recommendations contained in the report. Dr Wills seconded.

Decision:

The Council **RESOLVED** to

- Note the final signed and audited Pension Fund account for 2011/12;
- Note Audit Scotland's Annual Report on the 2011/12 Audit;
- Approve the Action Plan; and
- Approve the resolution to address the matter arising.

[Mr Duncan returned to the meeting.]

108/12 **Small Trusts Annual Report and Accounts to 31 March 2012**

The Council considered a report by the Executive Manager – Finance (Report No: F-046-F), which presented the Annual Report and Accounts to 31 March 2012 for the three small trusts administered by Shetland Islands Council for approval.

Mr Robinson moved that the Council approve the recommendations contained in the report. Mr C Smith seconded.

Decision:

The Council **RESOLVED** to approve:

- The annual Report and Accounts for the Zetland Educational Trust for 2011/12;
- The Annual Report and Accounts for the Gilbertson Trust for 2011/12; and
- The annual Report and Accounts for the Samuel Mulla Bequest for 2011/12.

109/12 **Bus Service Redesign Project – Fare Structure**

The Council considered a report by the Executive Manager – Transport Planning (Report No: TP-11-12-F), which presented the proposed fare structure, forming part of the Bus Services Redesign process.

Mr Cooper moved that the Council approve the recommendations contained in the report. Mr Wishart seconded.

Decision:

The Council **RESOLVED** to adopt the proposed maximum fare charges for the public bus contracts to begin on 19 August 2013.

110/12 **Asset Investment Plan Progress Report**

The Council considered a report by the Executive Manager – Capital Programme (Report No: CPS-14-12-F), which advised of the projects within the 5-year Asset Investment Plan.

Mr C Smith moved that the Council approve the recommendations contained in the report. Mr Robinson seconded.

Decision:

The Council **RESOLVED** to approve the allocation of budgets, slippage, savings and transfers.

111/12 **Appointments to External Organisations: CoSLA Sport, Arts and Culture Working Group**

The Council considered a report by the Executive Manager – Governance and Law (GL-102-12-F), which sought Councillor appointments to the CoSLA Sports, Arts and Culture Working Group.

Mr S Coutts moved that the Council approve the recommendations contained in the report. Mr Robinson seconded, and after nominations were accepted Mr C Smith and Mr G Smith were duly appointed.

Decision:

The Council **RESOLVED** to appoint Mr C Smith and Mr G Smith to the CoSLA Sports, Arts and Culture Working Group.

112/12 **Appointments to External Organisations: Shetland Charitable Trust**

The Council considered a report by the Executive Manager – Governance and Law (GL-92-12-F), which presented a proposal to appoint seven Councillor Trustees to Shetland Charitable Trust, in accordance with the Reorganisation Scheme approved by OSCR.

Mr Robinson moved that the Council appoint 3 Trustees. Mr T Smith seconded.

Dr J Wills moved as an amendment that the Council proceed to appoint 7 Members, as requested by the Trust. Mr Ratter seconded.

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

Amendment (J Wills) 13

Motion (G Robinson) 9

Accordingly, Mr Ratter, Dr Wills, Mr Bell, Mr G Smith, Mr Henderson, Mr Campbell, Mrs Manson, Mr Stout, Mr Wishart and Mr Duncan were duly nominated.

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

M Bell	21
P Campbell	13
A Duncan	7
R Henderson	11
A Manson	13
W A Ratter	13
G Smith	13
M Stout	11
J Wills	16
A Wishart	11

Accordingly, Mr Bell, Mr Campbell, Mrs Manson, Mr Ratter, Mr G Smith and Dr Wills were duly appointed.

Mr A Wishart withdrew from the process, and a further ballot took place between Mr Henderson and Mr Stout. The result was as follows:

R Henderson 12
M Stout 10

Decision:

The Council **RESOLVED** to appoint the following Councillors to the Shetland Charitable Trust:

Mr M Bell
Mr P Campbell
Mr R Henderson
Mrs A Manson
Mr W A Ratter
Mr G Smith
Dr J Wills

113/12 **Admissions Policy**

The Council considered a report by the Director of children's Services (Report No: CS-26-12-F), which presented the Admissions Policy for approval.

During questions and discussion, the Council agreed that details regarding the use of school bus transport generally, and for individual cases as referred to by Members, by those attending a school under a placing request, to be looked into. In this regard, Members are to be provided with a briefing on the findings, with regard to the number and impact of seats reportedly being taken up on buses, without charge, by those attending a school under a placing request.

Ms Wishart moved that the Council approve the recommendations contained in the report. Mr Robertson seconded.

Mr Cleaver moved as an amendment that reserved places also be extended to Secondary schools. Mr Campbell seconded.

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

Amendment (G Cleaver) 3
Motion (V Wishart) 19

Decision:

The Council **RESOLVED** to approve the amended Admissions Policy which forms part of the Admissions Policy Consultation Report.

114/12 **New Anderson High School – Acceptance of Funding, Governance Arrangements and Approval to Proceed**

The Council considered a report by Director of Children's Services (Report No: CS-27-12-F), which sought approval for the Scottish Government's offer of two thirds funding for a new build Anderson High School and associated Hall of Residence; an agreement for a Hub North Territory Schools Collaboration; a project structure which expands on the proposal in the Hub North Territory Schools Collaboration to include the Local Authority representation; and delegated authority to officers to take the project through the next steps.

During questions, the Director of Children's Services confirmed that Shetland Recreational Trust and SLAP Ltd owned two of the areas of land that were being looked at to purchase, rather than lease. The Executive Manager – Finance, explained in detail the funding mechanism, as set out in the appendix, and confirmed that provided the project remained within budget, the Council's share would be around £12m, and that at the end of the 25 year period, the Council would own the school.

Regarding management of the risks, the Executive Manager – Governance and Law reassured Members, in response to various questions, that the project would be run on a closely monitored risk register basis, and that any risks arising would be mitigated as far as possible, as the project progresses.

With regard to the land to be purchased, the Council noted that this would result in the loss of the camping site, but although it was recognised that the Council may have role in any later project for a replacement site, at this stage, it would be a matter for the Shetland Recreational Trust to consider.

In respect of the funding arrangements, the Executive Manager – Finance explained that a detailed budget would be provided, and it would be a matter for the Council to determine later if funding should be through the reserves, or through borrowing. The Director of Children's Services responded to questions regarding the governance and project management arrangements, and confirmed that a Project Manager would be appointed and reporting lines and accountability would be clear, but there would also be close monitoring and consideration given to the impact of any decisions during the project, such as changes in the specification, and the Council would continue to receive appropriate and regular updates.

It was noted that the Council was not being asked to approve a contract today, but to approve the model of the contract, and the details would be worked up over the next few months by the various project teams and the Project Board and then ultimately to the Council for a decision.

Mrs V Wishart moved that the Council approve the recommendations contained in the report. Mr Robertson seconded.

Members noted that as Chair of the Project Board, and in terms of the delegation sought, the Director of Children's Services was the Council's Senior Responsible Officer for all aspects of the new AHS Project.

Decision:

The Council **RESOLVED** to:

- Agree to the support from the Scottish Government for the delivery of a new Anderson High School and associated Hall of Residence through revenue funding as stated in the letter dated 5 October 2012 and attached as Appendix A.
- Agree to provide one third funding, as required by "Scotland's Schools of the Future Programme", in respect of a new Anderson High School, and associated Hall of Residence. Provision has been agreed within the Medium Term Financial Plan for an estimated £12 million contribution.

- Delegate the agreement of the detail of the funding arrangements to the Executive Manager – Finance.
- Approve Shetland Islands Council's involvement in the Hub North Territory Schools Collaboration document in principle, which is Appendix B.
- Delegate to the Director of Children's Services, authority to implement the governance arrangements set out in Appendix C and to submit a new project request to Hub North.
- Agree that work on sharing services with the Shetland Recreational Trust in the Clickimin Leisure Centre be continued.
- Delegate the negotiation for and purchase of land as required to the Executive Manager – Capital Programme as detailed in Appendices D(i)–(iii).
- Delegate to the Director of Children's Services, authority to progress the project and to undertake all necessary tasks required to bring it to the end of stage 2, see paragraph 3.16.

The Council adjourned at 1.45 p.m.

The Council re-convened at 2.30 p.m.

Present:

M Bell	M Burgess
P Campbell	G Cleaver
A Cooper	S Coutts
A Duncan	B Fox
R Henderson	A Manson
D Ratter	F Robertson
G Robinson	D Sandison
C Smith	G Smith
T Smith	M Stout
J Wills	A Westlake
A Wishart	V Wishart

Apologies:

None

In Attendance (Officers):

M Boden, Chief Executive
 H Budge, Director of Children's Services
 P Crossland, Director of Infrastructure Services
 C Ferguson, Director of Corporate Services
 N Grant, Director of Development Services
 J Gray, Executive Manager – Finance
 J Riise, Executive Manager – Governance and Law
 R Sinclair, Executive Manager – Capital Programme
 C Nicolson, Senior Project Manager
 P Wishart, Solicitor
 A Cogle, Team Leader – Administration

Chair:

Mr M Bell, Convener of the Council, presided.

Mr Bell moved that in order to avoid the disclosure of exempt information, the Council resolve to exclude the public in terms of the relevant legislation during consideration of the following item of business. Mr Robinson seconded.

115/12 **Anderson High School – Contractual Issues**

The Council considered a report by the Executive Manager – Governance and Law (Report No: GL-104-12-F), which sought agreement to bring to an end the contract with the contractor engaged to build the school at the Knab.

After hearing the Executive Manager – Governance and Law introduce the report, Members sought clarification on a number of matters relating to possible legal action. After further discussion, Dr Wills moved that the Council approve the recommendations contained in the report. Mr Robinson seconded.

Decision:

The Council **RESOLVED** to terminate the contract with the contractor and to instruct solicitors to handle this on behalf of the Council.

[Mr T Smith and Mr M Burgess left the meeting.]

116/12 **Mareel**

The Council considered a joint report by the Executive Manager – Governance and Law and the Executive Manager – Finance (Report No: GL-109-12-F) which presented a request for additional capital funding for Mareel.

The Executive Manager – Finance and the Executive Manager – Governance and Law introduced the report, and provided Members with a detailed explanation of the terms of proposals within the report. They answered Members questions in relation to a number of areas, including the current financial accounts, matters relating to creditors and suppliers, grant funding arrangements, and the conditional offer being considered.

Dr J Wills moved that the Council approve the recommendations contained in section 2 of the report, with the addition that officers use their best endeavours to obtain security over the funds provided by Shetland Islands Council. Mr G Robinson seconded.

Mr A Duncan moved as an amendment that the Council refuse to provide bridging finance. Mr G Cleaver seconded.

Mr S Coutts gave notice of a further amendment.

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

Amendment (A Duncan)	9
Motion (J Wills)	11

Mr S Coutts moved as a further amendment that as part of the conditions, no money will be released until external funders have given their commitment in writing that they will release their monies.

Dr Wills, with the consent of his seconder, agreed to accept this as part of the motion.

Decision:

The Council **RESOLVED** that:

- In order to safeguard the £6.15m investment already made by the Council in relation to the Mareel project, to provide access by Shetland Arts Development Agency to a bridging fund up to a capped limit of £0.6m with these conditions:
- There will be a due diligence exercise commissioned by Shetland Islands Council which will comprise a post project review including an assessment of exposure to claims and opportunities for reimbursement to the capital project. SADA's finance and legal advisers shall be required to co-operate and secure the provision of all requested information that will enable the exercise to be completed expeditiously;
- SADA will support the work necessary to complete the due diligence exercise which shall incorporate an assessment of the project and financial management which underpinned the project and will seek to verify and validate the assessment of SADA that the future projections for the venture are robust and demonstrate a viable operation going forward;
- SADA will accept the presumption in favour of Shetland Islands Council becoming the title holder in respect of the Mareel facility, with its trade fixtures, etc in recognition of the substantial investment already made by Shetland Islands Council on behalf of the community and cognisant of the Council's default position to secure adequate provision for similar activities under the Local Government and Planning Act 1982. SADA will assist in the process to ensure that the level of such investment including the provisions contained in this report secure a transfer for value in good faith following the due diligence exercise;
- SADA accepts that in view of their respective interests, each of the funding contributors and the Office of Scottish Charities Regulator will be entitled to participate in the due diligence exercise and in return will be provided with a report of the conclusions;
- No money will be released until external funders have given their commitment in writing that they will release their monies; and
- Officers will use best endeavours to obtain security over the funds provided by Shetland Islands Council.

The meeting concluded at 17.55.

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Chair