

# MINUTE

# A&B – PUBLIC

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 20 February 2013 at 10 a.m.**

## **Present:**

|             |             |
|-------------|-------------|
| M Bell      | M Burgess   |
| G Cleaver   | A Cooper    |
| S Coutts    | A Duncan    |
| B Fox       | R Henderson |
| A Manson    | D Ratter    |
| F Robertson | G Robinson  |
| M Stout     | D Sandison  |
| C Smith     | G Smith     |
| T Smith     | M Stout     |
| A Westlake  | J Wills     |
| 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  
S Shaw, Director of Community Care Services  
J Gray, Executive Manager – Finance  
R Sinclair, Executive Manager – Capital Programme  
S Thomson, Executive Manager – Schools  
H Tait, Management and Financial Accountancy Manager  
A Cogle, Team Leader – Administration  
L Brown, Management Accountant  
B Robb, Management Accountant  
J Thomason, Management Accountant  
C Anderson, Communications Officer  
L Gair, Committee Officer  
L Adamson, Committee Officer

## **Also Present**

C Hislop, Audit Scotland

## **Chair:**

M Bell, Convener of the Council, presided.

## **Circular:**

The circular calling the meeting was held as read.

## **Declarations of Interest**

Mr Burgess advised that he would leave the Chamber during discussion on the Shetland College Board, and being a Trustee of the NAFC Marine Centre he would take no part in any

financial discussion on the NAFC Marine Centre. Mr Burgess also advised of an interest, as Vice-Chair of Scalloway Community Council.

Dr Wills declared a non-pecuniary interest as a Trustee of the Shetland Charitable Trust and a Trustee of the Shetland Amenity Trust.

Mr Cooper declared a non-financial interest as the Chair of the Delting Community Council, and would remain in the Chamber during any discussion on Community Councils.

Ms Wishart declared an interest in any discussion on Promote Shetland, as a Trustee of Shetland Amenity Trust.

Mr Sandison declared a non-financial interest as a Member of Scalloway Community Council and as a Trustee of the NAFC Marine Centre.

Mr Duncan declared an interest as a Member of the Dunrossness Community Council.

Ms Manson declared an interest as a Trustee of Shetland Charitable Trust.

Mr Coutts declared an interest as a Trustee of the NAFC Marine Centre.

Ms T Smith declared an interest as Vice-Chair of Tingwall, Whiteness and Weisdale Community Council, and as a Trustee of NAFC Marine Centre.

Mr Henderson declared an interest as a Trustee of Shetland Charitable Trust.

Mr Robertson declared a non-financial interest as a Trustee of Shetland Amenity Trust.

Mr Fox advised of a non-financial interest as a Trustee of the NAFC Marine Centre.

Mr Campbell declared a non-financial interest as a Trustee of Shetland Charitable Trust.

Mr G Smith advised of a non-financial interest as a Trustee of Shetland Charitable Trust.

08/13 **Chair's Report – Executive Committee: 2013/14 Budget Proposals and Charging**

The Council considered a report by the Chair of the Executive Committee (SIC-0220-Exec), which presented the recommendations from the Executive Committee, including the review reports, overall budget proposals and charge setting, as part of the SIC budget 2013/14.

During his introduction, the Executive Manager – Finance advised that the Council budget for 2013/14 sets the pathway towards financial sustainability over the life time of this Council, and follows a managed approach over 5 years as required in the medium-term financial plan. He said that if Members are minded to accept the budget as it stands this would represent 70% of the savings required, which would be a significant step in reaching financial stability.

In response to a question from Mr Henderson in regards to advice given at a Community Council meeting, the Executive Manager – Finance provided clarification on the Revenue and Capital budgets, which it was noted were very distinct budgets with little option for crossover. Mr Henderson was advised that there would be more appropriate opportunity to ask questions later in the meeting.

### Executive Committee – Chair's Report

Mr Robinson moved that the Council approve the recommendations from the Executive Committee, as outlined in the report at Section 3.1, with the addition of the following recommendation that had been omitted from the report, and which had been tabled at the meeting:

#### "3.1.3 Proposed 5-Year Asset Investment Plan 2013-18

Approve the capital budget proposals for 2013-14, and adopt this as the council's 5-year Asset Investment Plan, subject to any requirements of the Council's 'gateway' process, the resolution of any issues relating to external funding and any variation in the level of government grants"

Mr Wishart seconded.

Mr Ratter noted, as a point of Order, that the Chair's reports from meetings of the Shetland College Board and Harbour Board had been presented to Executive Committee when the Chair's of these Boards are not members of the Executive Committee, however Mr Ratter confirmed that he was content to speak on the recommendations from the College Board at the meeting today. Mr Robinson apologised for the oversight, and confirmed that the Chairs of the Shetland College Board and Harbour Board would be invited to attend future meetings of the Executive Committee, when required.

In referring to the decision at Executive Committee to recommend the 30% reduction in grant funding to Community Councils, Mr Duncan reported that some Community Councillors had advised him that the cut in funding at 30% was too draconian. He reported that currently some Community Councils are finding it difficult to fill their full requirement of members, and in some cases Community Councillors had indicated their intention to resign, as with the recent reductions in funding it was not worth turning up to meetings. Mr Duncan added that the proposed 30% grant reduction would be not help Community Councils take forward the proposals for voluntary work within communities. Mr Duncan moved as an amendment, that the proposed reduction in funding for 2013/14 is reduced from 30% to 15%, and will remain at that level for the following two years, which will allow Community Councils to plan ahead. Mr G Smith seconded.

Mr Fox referred to the discussion at Executive Committee, where it was confirmed that the 30% reduction in funding would amount to £60,000, and he suggested that the money could be ring-fenced and made available for projects put forward from Community Councils.

(Mr Fox advised of a further amendment.)

During the discussion, some Members advised of their support for the proposal from Mr Fox, saying it would be a reasonable compromise, and it was suggested that community development groups could also draw from the ring-fenced funding.

Speaking in support of the amendment, reference was made to the high quality of Community Councils in Shetland and on the need to retain as much funding as possible as recognition of the role the Community Councils perform, which would also affirm the Council's commitment to decentralisation. It was stated that the 30% cut was a step too far, and suggested that a reduced cut in budget of 15% could be incorporated with a review of the operations and functionality of Community Councils.

During the discussion, reference was made to previous discussions on funding to Community Councils that had been contentious, however it was felt that Community Councils were now aware of the need to work with reduced funding, and have already gone through the process of prioritising spending. Members also commented that the funding levels for Community Councils in Shetland were significantly higher than elsewhere in Scotland.

In response to a question, Mr Duncan confirmed that his amendment included approval of the recommendations from Executive Committee in Section 3 of the report, and the additional recommendation tabled at the meeting.

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

|                       |    |
|-----------------------|----|
| Amendment (Mr Duncan) | 12 |
| Motion (Mr Robinson)  | 8  |

Mr Fox moved as an amendment, that the 30% reduction in funding is maintained, but the sum of money is ring-fenced and a scheme established whereby Community Councils and Community Development Groups can apply for grant funding towards projects. Mr Fox said that this would introduce a level of competitiveness and encourage Community Councils and Community Development groups to be more imaginative. Mr Ratter seconded. Mr Fox confirmed that his amendment would be subject to a separate report being presented to Council on the criteria to be applied to such a scheme.

In referring to the amendment, some Members expressed concern that that the Council would be in danger of micro managing a scheme that has not yet been defined, and the Council would be unnecessarily involved in the decisions and a comment was also made to the staff time that would be involved in assessing applications.

Speaking in support of the amendment, reference was made to the good work carried out by Local Development Companies (LDCs) and with the recent decision to remove funding to LDCs, the ring fenced funding would provide an opportunity for Community Councils and Community Groups to apply for funding and to be treated equally.

During the discussion, and in response to a suggestion from Mr Sandison, it was confirmed that a review of the functions of Community Councils would be reported to Council at a later date.

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

|                    |    |
|--------------------|----|
| Amendment (Mr Fox) | 10 |
| Motion (Mr Duncan) | 10 |

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

#### Social Services Committee – Chair's Report

Mr Robinson introduced the item. Mr C Smith advised that the Executive Committee agreed the recommendations of the Social Services Committee without amendment, and he moved that the Council approve the recommendations as outlined in Section 3.2 of the report. Mr Robinson seconded.

In response to questions, the Executive Manager – Finance confirmed that a further report on Community Care charging would be presented to a future meeting of the Social Services Committee. During the discussion, an update was provided on the ASN transport contract which would be out for tender later this year, and assurance given that all aspects of Community Care would be taken forward as part of the consultation process, which would remove any issues of uncertainty in regards to charging for services.

Regarding the Housing debt, Mr C Smith reported on the ongoing dialogue to seek a solution and confirmed that progress would be reported to Members. It was acknowledged that if a solution is not found there would be a significant increase in Council house rents in future years, however it was noted that the extent of the increase could depend on whether the debt can be externalised or has to remain in-house.

#### Development Committee – Chair's Report

Mr Robinson introduced the item, and moved that the Council approve the recommendations from Development Committee as outlined in Section 3.3 of the report. In seconding, Mr Cooper confirmed that the Executive Committee had agreed the recommendations without amendment, and he advised that a report on Promote Shetland would be presented to the Special Development Committee on 8 March 2013.

Mr Coutts said that he acknowledged that good work done by Promote Shetland, however he was reluctant to support the proposed 28% increase in funding for 2013/14 which would increase the budget to £394,000. Mr Coutts moved, as an amendment, that the proposed budget to Promote Shetland is reduced to £340,000 for 2013/14, and stated that the objectives being taken forward by Promote Shetland need to be more focused.

In response to questions, Members were informed that the Marketing Budget had been substantially reduced for 2013/14, with proposals to allocate approximately £400,000 to Promote Shetland and £70,000-£80,000 towards marketing activities elsewhere in the Council.

(Dr Wills declared an interest as a member of the Shetland Tourism Organisation.)

During the discussion, some Member advised on their support to retain the budget to Promote Shetland at £394,000 for 2013/14, and advised on the good work being done by Promote Shetland in providing an efficient and effective service to Shetland with only a small number of staff. It was also reported that Promote Shetland deliver on many of the Council's strategies including encouraging people into Shetland and inward investment.

In commenting first on the good work being done by Promote Shetland and on the hard work undertaken by the team, Mr Fox said he was of the opinion that the proposed budget of £394,000 was too high for the Council to put towards this type of marketing, and said that the Council has to be more clever in how it spends its money. He added that the proposal to reduce the budget to Promote Shetland to £340,000 for 2013/14 would not be a cut from the previous year's budget. Mr Fox seconded the amendment.

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

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|-----------------------|----|
| Amendment (Mr Coutts) | 3  |
| Motion (Mr Robinson)  | 16 |

### Education and Families – Chair's Report

Mr Robinson introduced the item, advising that the Executive Committee agreed the recommendations from the Education and Families Committee, and he moved that the Council approve the recommendations as outlined in Section 3.4 of the report. Ms Wishart seconded. In referring to Section 3.4.2, Mr Robinson advised that the report on the Provision of Youth Services in Shetland would be presented to a meeting of the Education and Families Committee in the near future.

Dr Wills referred to the decision of the Council in 2012 to cease funding to the ASN summer play scheme, and he advised on the efforts of staff and parents to continue to provide activities for ASN pupils. Dr Wills moved, as an amendment, that the Council approve the recommendations from Education and Families Committee as set out in Section 3.4 of the report with the inclusion of an additional recommendation 3.4.4, to restore the budget to the ASN summer play scheme to the level granted in 2011/12, being approximately £83,000, and to explore other sources of funding for future years. Dr Wills suggested that the funding for 2013/14 could be taken from either the loans to businesses budget, winter road maintenance or contingencies budget. Mr Duncan seconded.

During the discussion, a Member spoke in support of the amendment, advising on the importance that support is provided to the most vulnerable people in the community.

Ms Wishart explained that respite care continued to be provided for ASN pupils however the focus was now on inclusion into main stream activities.

Speaking in support of the motion, a Member commended staff and volunteers for developing their own solutions at a time of reduced Council resources, however it was considered that providing additional funding at this stage could undermine their efforts.

(Mr G Smith gave notice of a further amendment).

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

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|----------------------|----|
| Amendment (Dr Wills) | 8  |
| Motion (Mr Robinson) | 13 |

(Mr G Smith withdrew his notice of further amendment).

*(Dr Wills left the Chamber).*

*Meeting adjourned for a short break at 12.05pm*

*The meeting reconvened at 12.15pm*

### Environment and Transport Committee – Chair's Report

Mr Robinson introduced the item, and in moving that the Council approve the recommendations from the Environment and Transport Committee, Members noted the amendment outlined in 3.5.5 in relation to items 2 and 3 of the proposals relating to the Closure of Rural Toilets. Mr Wishart seconded.

In response to questions regarding the Viking Bus Station/Freight Centre, the Director of Infrastructure Services said that following the decision at Environment and Transport

Committee, which is subject to approval by the Council today, options were being drawn up to progress the proposals.

In response to a question from Mr Duncan regarding the closure of public toilets, it was confirmed that the decision at Executive Committee had been for the public toilet at Jarlshof to be moved to Option 1 in the table, with the recommendation that the toilet will be closed and disposed of by sale or demolition. It was noted that this had not been included in the Chair's report, and Mr Robinson confirmed that this formed part of his motion.

During the discussion, the Director provided assurance that following consultation within communities where the public toilet is to be offered for sale or transfer, any instances where there is no interest to take over ownership and management of the public toilet would be reported to Committee.

In response to questions, the Director of Infrastructure Services explained that charging for the use of public toilets had been assessed in regards to the public toilet at the Esplanade, and he confirmed that the costs associated with its implementation would significantly outweigh the income that could be generated. However he acknowledged that should a community group take over the running of their public toilet charging would be an option they could consider.

In response to questions from Members the Director of Infrastructure Services advised on the proposed charging for the bulky uplift service, what he envisaged would constitute a bulky item and the procedures for collection on a 6 week rotating basis. During the discussion reference was made to the health and safety implications relating to the current skip service in Shetland, and to the decision in the Western Isles to discontinue a similar skip service following the involvement of the Health and Safety Executive.

The Director of Infrastructure Services advised that the current community skip contract ends on 31 March 2013, and implementation for changes and details of the new bulky uplift scheme will be distributed to the public prior to implementation of the new scheme on 1 April. During the discussion it was questioned whether consideration had been given to encourage the private sector to take up some elements of the bulky uplift service. The Convener reported that a community group had already indicated an interest, which would be followed up. In response to a question regarding any proposals for supervision of community skips to be undertaken by Community Councils, the Director of Infrastructure Services explained that this was an approach undertaken in the Western Isles which was very strictly controlled. He said that should a community group come forward with proposals to manage the skip service within their community this would be explored, however he confirmed that the Council would still have a duty of care to ensure health and safety.

In response to concerns from Members, the Director confirmed that having carried out assessments on the volume of bulky waste he envisaged that a 6 week cycle for collection would be sufficient. He also advised that the clearance of Council properties would continue to be carried out through the Housing Service. In regards to fly tipping, it was recognised that the public have an increased knowledge and awareness of the environment therefore it was considered unlikely that there would be any increase in fly tipping.

Mr Fox said he recognised that with the health and safety and insurance implications the existing community skip service could not continue in its current format. However

he was of the opinion that the bulky waste collection service as proposed would not provide the full service required throughout Shetland. He suggested that a roving skip system should also be utilised. Mr Fox sought assurance that the bulky uplift service would be kept under review to ensure a service is provided that is fit for purpose. In receiving the consent of his seconder, Mr Robinson agreed to include within his motion that the Bulky Uplift Service would be kept under review.

Mr G Smith moved as an amendment, that the Council defer the decision to introduce the bulky uplift service, which would allow time for the scheme to be properly worked out prior to full implementation. Mr Henderson seconded. In response to a question, Mr G Smith said that he envisaged the short delay in implementing the scheme would put only a small demand on the proposed savings.

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

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|------------------------|----|
| Amendment (Mr G Smith) | 4  |
| Motion (Mr Robinson)   | 16 |

*The meeting adjourned for a short break at 1.20pm.*

*The meeting reconvened at 1.30pm.*

#### Harbour Board - Chair's Report

Mr Robinson introduced the item and advised that the Executive Committee agreed the recommendations of the Harbour Board without amendment. Mr Robinson moved that the Council approve the recommendations as outlined in Section 3.6 of the report. In seconding, Ms Manson advised that there had been full discussion and debate held at the Harbour Board meeting.

*(Mr Burgess left the Chamber.)*

#### Shetland College Board – Chair's Report

Mr Robinson introduced the item and advised that the Executive Committee agreed the recommendations of the Shetland College Board without amendment. Mr Robinson moved that the Council approve the budget proposals set out the report at Section 3.7.

In referring to the budget savings proposed, Mr Ratter sought reassurance that nothing would be done operationally to affect the Shetland College until the building works were completed. The Director of Development Services advised that the savings proposed were efficiency based and of the £3.4m budget the Council had provided £400,000 which was now to be reduced to £300,000. The budget was being balanced through internal efficiency savings amounting to £250,000 which would not affect the delivery and structure of the College.

Mr Ratter seconded the motion.

#### **Decision:**

The Council **RESOLVED** to approve the recommendations from the Executive Committee, including the review reports, overall budget proposals and charge setting, as part of the SIC budget 2013/14, with the exception of the following:



## Executive Committee – Chair’s Report

### 3.1.2 2013-14 Budget and Charging Proposals Executive Committee

The 30% reduction in grant funding to Community Councils and the Association of Community Councils to be ring fenced; and a scheme established whereby Community Councils and Community Development Groups can apply for grant funding towards projects, subject to a separate report being presented to the Council on the criteria to be applied to such a scheme.

In addition, the Council **RESOLVED** to approve:

## Environment and Transport Committee – Chair’s Report

### 3.5.4 Closure of Rural Toilets – Savings Review – SR-R022

That the public toilet at Jarlshof would be moved to Option 1 in the table, with the recommendation that the toilet will be closed and disposed of by sale or demolition.

*(Mr Burgess returned to the Chamber)*

### **09/13 Shetland Islands Council Budget 2013-14**

The Council considered a report by the Executive Manager – Finance (F-011-F), which presented the Council’s Budget Book 2013-14, setting out the Council’s spending plans for the next financial year.

Mr Robinson introduced the report and moved that the Council approve the recommendations contained in the report, which were approved by the Executive Committee, with the additional amendment namely, that the 30% reduction in grant funding to Community Councils and the Association of Community Councils is ring fenced; and a scheme established whereby Community Councils and Community Development Groups can apply for grant funding towards projects, subject to a separate report being presented to the Council on the criteria to be applied to such a scheme.

Mr C Smith seconded.

Mr Cleaver indicated an intention to put forward an amendment to the recommendation and questioned the figures relating to the second hand property discount. The Executive Manager - Finance Services explained that the money generated was £110,000/year and the 10% discount applied would be between £10,000-£15,000/year.

Mr Cleaver withdrew his intention to propose an amendment.

## **Decision:**

The Council **RESOLVED** to:

- Approve the Council Budget Book 2013-14, including the 30% funding ring fenced for Community Councils and the Association of Community Councils; and, that the public toilet at Jarlshof would be moved to Option 1 and that the toilet will be closed and disposed of by sale or demolition;
- Adopt the Formal Resolutions;
- Agree to freeze the Council Tax at the current level, in line with the Concordat between the Council and the Scottish Government;

- Agree to maintain the Council Tax Second Homes Property discount at 10%; and
- Note the Future Budget Planning for 2014-15 and beyond.

Mr Robinson thanked the Directors, and the Executive Manager- Finance and his staff for the tremendous amount of work that went into the preparation of the budgets. He said that the Council had produced a good budget which would set it in good stead for the challenges ahead. Mr Robinson added that the Council being able to approve the budgets spoke volumes on how far it had come. The Convener echoed the Leader's comments, and thanked Members for working so closely together, and on the spirit of the debate, but commented that the hard work had only begun.

The meeting closed at 1.55pm.

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Chair