

# MINUTE

# B - Public

**Special Shetland Islands Council**  
**Main Hall, Town Hall, Lerwick**  
**Wednesday 30 October 2013 at 10 am.**

## **Present:**

M Burgess	G Cleaver
A Cooper	B Fox
R Henderson	A Manson
F Robertson	G Robinson
D Sandison	G Smith
T Smith	C Smith
M Stout	A Westlake
A Wishart	V Wishart

## **Apologies**

M Bell	P Campbell
S Coutts	A Duncan
D Ratter	J Wills

## **In Attendance (Officers):**

M Boden, Chief Executive  
C Ferguson, Director – Corporate Services  
N Grant, Director – Development Services  
J Gray, Executive Manager - Finance  
S Brunton, Team Leader – Legal Services  
B Cree-Hay, Consultant Advisor  
P Wishart, Solicitor  
C Anderson, Senior Communications Officer  
A Cogle, Team Leader – Administrative Services

## **Also:**

G Edwards, Ledingham Chalmers

## **Chair:**

In the absence of the Convener, Mr G Robinson, Leader and Vice-Convener of the Council, presided.

## **Circular:**

The circular calling the meeting was held as read.

## **Declarations of Interest**

Mr M Burgess declared an interest in agenda item 1 (Review of Tertiary Education). He said that the nature of the decision required today would be a non-financial interest, but if the discussion ranges outwith that to other matters, he would leave the meeting as he would have a financial interest in terms of the provision of services to Shetland College. Mr Burgess then went on to declare an interest in agenda item 3 (Pension Fund Liability) as a former Director of the company concerned and that he would leave the meeting.

Mr G Smith declared an interest in agenda item 3 (Pension Fund Liability) as a former Director of the company concerned, and that he would leave the meeting.

Mr D Sandison declared an interest in agenda item 1 (Review of Tertiary Education) as a Trustee of the Shetland Fisheries Training Centre Trust, but that the terms of the report would not preclude him from the discussion.

Mr T Smith declared an interest in agenda item 1 (Review of Tertiary Education) as a Trustee of the Shetland Fisheries Training Centre Trust, and that he was also a member of the Shetland College Board, however he intended to partake in the meeting.

Mr B Fox declared an interest in agenda item 1 (Review of Tertiary Education) as a Trustee of the Shetland Fisheries Training Centre Trust but he would take part in the meeting.

97/13      **Review of Tertiary Education**

The Council considered a report by the Director of Development Services (DSD-17-13-F), which developed the option of establishing a single independent entity for the Shetland Tertiary Education, Research and Training (STERT) sector and sought approval for the formation of the Project Board as previously outlined.

The Director of Development outlined the terms of the report and answered various questions from Members. Reference was made to the recent request from the EIS-FELA representative that staff representation be elected to the Project Board. The Director of Development said that it would be unusual to have staff representatives on the Project Board, and the usual practice, which was being followed in this case, was to have Stakeholder Groups, one of which would be for lecturing and other staff. He later also confirmed that the Board would maintain strong links with the UHI, and they would be involved in the project.

Regarding the timescales and reporting back, the Director of Development said that the Project Board would be meeting over the next couple of weeks, and the intention would be to report back by February with regard to a detailed project and business plan. He confirmed there would be no additional costs in setting up the Board. The Chief Executive confirmed that the Strategy Group would continue to provide a political overview, and hold the Project Board to account.

Referring to the Council's Strategy for Secondary Education and the Blueprint for Education, the Director of Development confirmed that linkages with the Schools Service would form part of a significant work stream, including vocational pathways. The Chief Executive added that the Director of Children's Services would be a member of the Project Board, and that Head Teachers and other education staff and senior pupils would be represented in user forums, and there would be clear linkages with the Anderson High School project as well as projects relating to the Strategy for Secondary Education and the Blueprint. Members were encouraged by the commitments being made, but sought, and received, assurance from the Director of Development, that there would be an understanding of the implications of each of those projects on the others.

Members referred to the need to have realistic input from stakeholders, especially staff. In this regard, Mr G Smith moved that the Council adopt the recommendations in the report, but adding that the Strategy Group gives consideration to staff representatives being members of the Project Board. Mr T Smith seconded, and the Council concurred.

**Decision:**

The Council **RESOLVED** to support the establishment of a Project Board tasked with confirming the viability of a single governance and delivery model for the STERT sector. Membership of this Project Board to be drawn from the participating Council departments, relevant “partner” organisations and other advisors as required. Key deliverables of the Project Board to be the production of a detailed business model and implementation plan, for consideration by the Council and other relevant bodies.

The Council further **RESOLVED** that the Strategy Group consider staff members being part of the Project Board.

**In order to avoid the disclosure of exempt information, Mr Robinson moved, Mr G Smith seconded, and the Council agreed to exclude the public in terms of the relevant legislation during consideration of the following items of business.**

98/13      **Legal Actions**

The Council considered a report by the Team Leader – Legal (GL-39-13-F), which presented information regarding a proposed settlement of various legal actions.

Considerable discussion took place during which the Council’s legal advisers provided clarity on a number of issues, and set out the various risks associated with each of the options, the chances of success or failure, and the likely consequences for the Council. Members were also provided with detailed information relating to the current matters in dispute, and the steps that had been taken to defend the Council’s position to date.

*[Mr A Cooper attended the meeting.]*

After further discussion, Mr B Fox moved that the Council adopt recommendation (d) in the report. Ms Westlake seconded, and the Council concurred.

**Decision:**

The Council **RESOLVED** to confirm that the Council should continue to defend any actions in connection with this matter and to pursue any expenses or other costs the court decrees the Council is entitled to recover.

*[Mr G Smith and Mr M Burgess left the meeting.]*

99/13      **Pension Fund Liability**

The Council considered a report by the Executive Manager – Finance (F-49-F), which sought a decision regarding the Pension Fund liability created by the liquidation of the Shetland Youth Information Service (SYIS).

The Executive Manager – Finance summarised the terms of the report, and went on to answer various questions from Members. Members agreed that there was no option in relation to the current situation, but it highlighted a number of concerns in relation to Admitted Bodies, particularly if similar cases arise in future, and Members agreed there was a need to understand the likely future impacts on, and possible liabilities for, the Pension Fund in relation to all the Admitted Bodies.

In this regard, and after further discussion on the possible impacts, Mr A Cooper moved that the Council adopt the recommendation in the report, subject to a further report being submitted to the Executive Committee and the Council on the

cessation liabilities arising from Admitted Bodies and what mitigation measures may be taken, and that this be presented subsequent to the Triennial Valuation. The Council concurred.

**Decision:**

The Council **RESOLVED** to agree that the SYIS pension liability should be recovered by factoring them in to the next review of the Shetland Islands Council's Pension employee's contribution rate. The next Triennial Valuation of the Fund being due on 31 March 2014.

The Council further **RESOLVED** that a further report, subsequent to the Triennial Valuation, on the cessation liabilities arising from Admitted Bodies and what mitigation measures may be taken, be presented to the Executive Committee and the Council.

.....  
Chair