

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 27 May 2015 at 11.40am**

**Present:**

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

**Apologies**

A Duncan	D Ratter
J Wills	

**In Attendance (Officers):**

M Boden, Chief Executive  
C Ferguson, Director of Corporate Services  
M Sandison, Director of Infrastructure Services  
J Belford, Executive Manager – Finance  
P Peterson, Executive Manager – Executive Services  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Capital Programme  
B Kerr, Communications Officer  
L Geddes, Committee Officer

**Chair:**

Mr M Bell, Convener of the Council, presided.

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest**

None

22/15

**Shetland Islands Council 2014-15 Draft Outturn**

The Council considered a report by the Executive Manager – Finance (F-030-F), which set out the actual spending position for Shetland Islands Council.

The Executive Manager – Finance summarised the main terms of the report, advising that there was a positive financial conclusion in terms of the final year position of the operational budgets. Finance Service staff were continuing to go through the last remaining accounting transactions, and the accounts would be submitted for audit by the end of June. The Council was in a good position for starting the new financial year. The total draw on reserves required to balance the budget was £2million, and approval was sought in terms of carry forwards. It was

very positive to see underspends or additional income across all directorates. The Harbour Account was seeing substantial benefits from additional income, and the Housing Revenue Account had received additional capital receipts allowing housing capital to be paid from receipts.

The Executive Manager – Finance, Executive Manager – Capital Programme and the Chief Executive responded to questions, and Members noted the following:

- The Scalloway School Conversion Project was included in the budget because the contract had been let by the Council rather than the NHS, so expenditure on the contract was being reported. However the contract was being administered and funded by the NHS.
- A report would be presented within the next couple of cycles on the long-term Asset Investment Plan. Work was currently ongoing to look at the marine works that were required across Shetland in the short to medium term, and a prioritised scheme would be produced to deal with this.
- The impact of the actual savings achieved in 2014/15 would be monitored in the accounts for the first quarter of 2015/16. As part of the budget setting for 2016/17 onwards, it would be necessary to look at the extent to which assumptions have been made regarding how much of this would be underlying savings.
- Even though the outturn figures in each directorate were better, it would not be advisable to reopen the budgets in light of this at this particular point in time. The impacts could be assessed as part of the financial reporting in the first quarters of 2105/16. There would be challenges ahead in terms of setting a balanced budget in 2015/16. If the position improved, there would be opportunities at that time to have further discussions based on the position at that point in time.
- Additional income to the Council was evident in the 2014/15 outturn position. There was not a direct link between savings achieved by the Council and money that would not be going into the local economy as a result.
- The starting point for the equalisation fund had been set at £15million, and this figure would be formally updated when the accounts were finalised. Further information would be supplied to Members at that point.

Concern was expressed that a proportion of the savings achieved were as a result of staff vacancies, and this had an effect on the delivery of services to the community. A more active approach was required in order to ensure that staff could be recruited where required, particularly in community care.

It was suggested that as reserves had increased as a result of stock market performance, a percentage of this could be drawn down and used to fund infrastructure projects that required to be carried out at the moment, including Toft Pier, A970 Levenwick and the Cullivoe Pier road.

The Leader pointed out that there were currently no unallocated reserves, and that the figure contained in the report was comprised of a number of items, such as reserves against the AHS project and treasury income in respect of the housing debt. The appropriate time to consider the prioritisation of infrastructure projects

would be when the Asset Investment Plan was presented, and the Medium Term Financial Plan was reviewed.

Mr G Smith commented that in order for the Council to have a better understanding of its financial position, it was important to have better information in terms of one-off and recurring savings, and some commentary on the service implications that arise as a result of underspends and overspends. He therefore moved that the Council approve the recommendations in the report, with the addition that the Council agree that future financial and performance monitoring reports identify separately one-off and recurring savings, and include commentary on the effect on service provision of any variance.

Mr Robinson seconded.

The Executive Manager – Finance confirmed that he would be happy to work with CMT on a form of reporting that would help address this issue, and identify where savings that had been put forward were likely to be recurring or otherwise.

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**Decision:**

The Council **RESOLVED** to:

- Note the 2014-15 draft outturn position
- Approve the 2014-15 proposed carry-forwards
- Agree that future financial and performance monitoring reports identify separately one-off and recurring savings, including commentary on the effect on service provision of any variance.

23/15

**Progress Report – Asset Investment Plan**

The Council considered a report by the Executive Manager – Capital Programme (CPS-09-F) which advised on the progress on the projects contained within the AIP.

On the motion of Mr Bells, seconded by Mr Robinson, the Council approved the recommendation in the report.

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**Decision:**

The Council **RESOLVED** to note the progress on the projects within the AIP.

24/15

**Corporate Plan – 2015 Update**

The Council considered a report by the Executive Manager – Executive Services (CE-02-15-F) which introduced the 2015 update to the Corporate Plan 2013-17.

The Executive Manager – Executive Services summarised the main terms of the report, advising that the Plan had been updated to reflect the objectives that had been achieved over the last year. The updated content had been taken from Council service plans that had been agreed earlier in the year. Work had now begun to take another look at the 2013-17 Plan, as suggested by Members, and this would progress over the next few months.

Members commented that they were heartened by the many achievements that were evident over the last year in delivering the Council's priorities, and welcomed the commitment to aspire to the Plain English Campaign's Crystal Mark.

On the motion of Mr Robinson, seconded by Mr C Smith, the Council approved the recommendation contained in the report.

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**Decision:**

The Council **RESOLVED** to approve the 2015 update to the 2013-17 Corporate Plan.

25/15

**Council Business Programme 2015/16**

The Council considered a report by the Executive Manager – Governance and Law (GL-20-15-F) which informed of the planned business to be presented to Council for the financial year to 31 March 2016.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that there were two reports for the Council to consider in relation to the Local Government Boundary Commission for Scotland's Statutory Review of Electoral Arrangements, as two separate responses were required. The final response was required once the 12-week consultation period had concluded, and consideration of this response may require a special meeting of the Council, so it was listed under the business still to be scheduled.

On the motion of Mr Robinson, seconded by Mr Sandison, the Council approved the recommendation in the report.

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**Decision:**

The Council noted its planned business for the financial year to 31 March 2016.

The meeting concluded at 12.20pm.

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Convener