

MINUTES

B - Public

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 29 June 2016 at 10.00am**

Present:

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

Apologies

G Cleaver	A Duncan
F Robertson	G Smith

In Attendance (Officers):

M Boden, Chief Executive
C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
M Sandison, Director of Infrastructure Services
J Belford, Executive Manager – Finance
S Msalila, Executive Manager - ICT
J Riise, Executive Manager – Governance and Law
P Peterson, Executive Manager – Executive Services
R Sinclair, Executive Manager – Capital Programme
C Anderson, Senior Communications Officer
L Brown, Financial Accountant
R Getto, Communications Officer
A Sutherland, Projects Officer
L Geddes, Committee Officer

Chair:

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

The Convener advised that he would take declarations of interest in respect of the exempt items during that part of the meeting.

Agenda Item 1 – Shetland Islands Council Unaudited Accounts 2015/16

Mr Burgess declared a pecuniary interest as a supplier of services to Shetland College, but advised that he should not have to leave the room during the discussion.

Agenda Item 3 – Proposed Amendment to Schedule of Charges – Shetland College

Mr Burgess declared a pecuniary interest as a supplier of services to Shetland College, but advised that he should not have to leave the room during the discussion.

Agenda Item 7 – Proposed Gateway Process for the Management of Capital Projects

Mr Robinson and Mr Campbell declared an interest as Council appointed members of Lerwick Port Authority, and advised that they would leave the room during any discussion relating to the new fish market.

Agenda Item 12 – Review of Commissioned Services

Mr Bell declared an interest as a Trustee of Shetland Charitable Trust and advised that based on the advice he had been given, he would demit the chair during consideration of this item.

Mr Ratter, Ms Manson, Ms Westlake and Mr Henderson declared an interest as Trustees of Shetland Charitable Trust, and advised that they would leave the room during the discussion.

Dr Wills declared an interest as Vice Chair of Shetland Charitable Trust, but advised that he would remain to take part in the discussion.

Agenda Item 15 – Chair's Report: Delegation of Authority to Shetland College Board

Mr Burgess declared a pecuniary interest as a supplier of services to Shetland College and as a Trustee of Shetland Fisheries Training Centre Trust (SFTCT).

Agenda Item 16 – Chair's Report: College Integration – Progress Updates and Next Steps

Mr Sandison declared an interest as a Trustee of SFTCT, and advised that he intended to take part in the discussion.

Mr Burgess declared a pecuniary interest as a supplier of services to Shetland College and as a Trustee of SFTCT.

Minutes

The minutes of the meeting held on 2 March 2016 were approved on the motion of Mr C Smith, seconded by Mr Fox.

The minutes of the meeting held on 20 April 2016 were approved on the motion of Mr Henderson, seconded by Mr Sandison.

The minutes of the meeting held on 18 May 2016 were approved on the motion of Ms Wishart, seconded by Mr Stout.

39/16 Shetland Islands Council Unaudited Accounts 2015/16

The Council considered a report by the Executive Manager – Finance (F-039-F) which presented the 2015/16 unaudited accounts for Shetland Islands Council.

The Executive Manager – Finance summarised the main terms of the report, thanking staff across the Council for their contribution to the process and highlighting the areas which Audit Scotland had recommended Members should consider when scrutinising the accounts. The Council remained in a good position for moving forward, and the audited accounts would be formally presented to the Council in September for approval.

The Executive Manager – Finance then responded to questions, and Members noted the following:

- There would be a need to look again closely at the Medium Term Financial Plan following the outcome of the EU referendum, the current volatility of markets, the fact that a new government was in place, and due to the uncertainty about the position of Scottish Government grants. Work had commenced on this, and there would be a comprehensive spending review process to go through.
- Highway network assets had held historic costs for decades. By identifying depreciative costs through the accounting process, the Council was in a position of estimating that there were going to be substantial network increases and there would be a different presentation of how value was associated with roads. This applied to all councils across Scotland.
- Funds had been invested in the Local Investment Fund in order to try and achieve growth in investments. When funds were required, they could be drawn down via the relevant committee.

It was commented that the accounts illustrated how the Council was facing up to its financial responsibilities and trying its best to run a balanced budget whilst continuing to deliver services. It was also noted that the Housing Revenue Account had recovered significantly this year now that it was unencumbered by the housing debt, and would now be in a better position to deliver services to tenants.

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

Decision:

The Council:

- Considered the 2015/16 Unaudited Accounts for Shetland Islands Council, and the information at section 304 which highlighted the key points to be considered when scrutinising the annual accounts
- Approved the 2015/16 Annual Governance Statement which forms part of those accounts.

40/16

Zetland Educational Trust Unaudited Accounts 2015/16

The Council considered a report by the Executive Manager – Finance (F-041-F) which presented the Annual Report and Financial Statements to 31 March 2016 for this trust administered by Shetland Islands Council.

The Executive Manager – Finance summarised the main terms of the report advising that as had been previously discussed, it remained difficult to identify the best vehicle to generate sufficient returns in order to make a considerable volume of grants and bursary payments from the cash generated. He had undertaken to bring forward an investment strategy, but there were wider constitutional issues as to whether it would be possible for a new trust to be set up, and he would require to seek further advice on this. In response to queries, he advised that he would request the Director of Children's Services to supply information to Members regarding the application process and the number of applications received.

Concern was expressed that similar issues had been raised when the report was presented the previous year, but nothing had happened in the interim period to see if the funds earned could be increased.

The Executive Director – Finance explained that until the final quarter of last year, the fund had been in a fixed deposit situation. Since then, interest rates had been such that there had not been a suitable product to consider that would generate additional income. This was something that was continuing to be looked at, and it was hoped that an investment proposal would come forward soon. He gave an assurance that a progress report would be presented within the next couple of cycles to the Education and Families Committee.

Decision:

The Council:

- Considered the Annual Report and Financial Statements for the Zetland Educational Trust for 2015/16, and the information at section 3.4 which highlighted the key points to be considered when scrutinising the annual accounts.

(Mr Burgess left the meeting)

41/16

Proposed Amendment to Schedule of Charges - Shetland College

The Council considered a report by the Acting Principal, Shetland College (SCB118-F) which sought to align Evening Class fees across Shetland College's learning centre short courses/evening classes and those of Community Learning and Development's Adult Learning courses planned for academic session 2016/17, and sought approval for a revised set of charges.

The Director of Development Services summarised the main terms of the report, advising that the impact on the budget would not be significant.

Members noted that the recommendations related only to non-certificated courses, as fees for certificated courses were set by the Scottish Qualifications Authority.

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

Decision:

The Council **RESOLVED** to approve the revised set of charges as set out in Appendix 1 to the report.

(Mr Burgess returned to the meeting)

42/16

Constitutional Reform

The Council considered a report by the Chief Executive (CE-01-16-F) which provided an update on work being done through the Our Islands Our Future (OIOF) campaign in pursuit of the Council's strategic lobbying objectives on constitutional reform, and sought endorsement for the project work being progressed in line with the Council's formal position agreed on 10 October 2014.

The Chief Executive summarised the main terms of the report, advising that the report highlighted the positive achievements to date and set out the way forward for

the future. The recent EU referendum result would be of great significance to all areas of the UK, and would determine the Council's agenda for several years. Because it would also determine the agenda of the Scottish and UK Governments, it would not be possible to have some of the discussions it was hoped to have with them and it would delay other negotiations. There was therefore a need to identify areas to focus on, and a need to prioritise these. As the EU was integral to many areas of Shetland's economy, there was a need for the Council to work in the best interests of the local economy. He endorsed the Convener's earlier remarks that Shetland remained a welcoming place for individuals and businesses from across the EU, and the valuable part that they played in the local economy was recognised.

He went on to say that it was important to recognise the substantial successes, gains and progress made as a result of the OIOF campaign and the three island groups working together. He paid tribute to the Executive Manager – Executive Services for his work in facilitating this, and to the project boards involved in the various projects that he highlighted. The priority list for the coming year was outlined in paragraph 3.3 of the report, and said that he felt that this was the best chance in a generation for the Council to have an impact in these areas of work.

Responding to questions, the Chief Executive advised that engagement would take place with the relevant Minister regarding a proposed amendment from Shetland in respect of crofting regulations. This was something that would be raised in Parliament. The uncertainty facing the seafood industries was something that was more relevant to Shetland than the other island groups involved, so it was not included in the OIOF list of priorities. However it was something that the Council would need to prioritise, given the importance to the local economy.

It was commented that the OIOF had made some remarkable achievements to date, and Members paid tribute to those involved.

It was pointed out that there would be instances - such as with the uncertainty facing the seafood industry - where Shetland's needs would differ from those of Orkney and the Western Isles. There was a need to ensure that Shetland's position would be put forward and that work took place with the MP and MSP to ensure that this was asserted in Parliament. It was further commented that it was important that the Council continued to play a part in the EU organisations that it was currently a member of and had some influence in, and that it was essential that Shetland's voice continued to be heard in these organisations when the UK left the EU. It was suggested that the MP and MSPs for the areas could be asked to meet with the Council to look at a possible way forward.

In moving that the recommendation in the report be approved, Mr Robinson highlighted the huge amount of work that had gone into the OIOF project, and how it illustrated the value of getting out of Shetland to engage with people in order to seek the best outcomes locally.

Dr Wills seconded.

Decision:

The Council **RESOLVED** to approve the approach put forward in Section 3 of the report as the Council's direction of travel on constitutional reform project work.

The Council considered a report by the Director of Infrastructure Services (EO-02-16-F) which sought approval for the charges to be levied at all publicly owned and operated Electric Vehicle (EV) Charge Points throughout Shetland.

The Director of Infrastructure Services summarised the main terms of the report, advising that in taking up the funding available, the Council had agreed to deliver the service on a cost-neutral basis. Currently usage was very low, but as it increased it could be expected that maintenance costs would rise, so this had been built in. The recommendation in the report would mean that a charge of £0.15 per Kwh would be levied at all EV points through Shetland – with 2p of this charge relating to maintenance.

The Director of Infrastructure Services then responded to questions, and Members noted the following:

- Schemes were available so that individuals and organisations could access government funding. The Council would continue to expand its own network, and could work with development companies to include their sites in its applications.
- Only a handful of vehicles were using the EV points at the moment, and private ownership was limited as the vehicles were substantially more expensive than standard vehicles. The point of the government funding was to get the infrastructure in place first, because not having it would hinder future development. It was therefore recognised that EV points were not fully used, but it was anticipated that usage would increase.
- As well as supporting individuals, the government was giving a lot of support to private business to take up the opportunity of electric vehicles. This would increase demand, so it was important that the infrastructure was in place.
- It was intended to present an annual report on carbon reduction actions to the Council, and this would include information relating to electric vehicles in the future.

It was noted that the recommendation in the report would mean that a charge of £0.15 per Kwh would be levied at all EV points throughout Shetland and subject to that information, Mr Stout moved that the recommendations in the report be approved, and Mr Robinson seconded.

Decision:

The Council **RESOLVED** to approve the following charges (excluding VAT) to be levied at all EV points throughout Shetland operated by the Council, on a cost neutral basis:

Standard Charger	£5.53 (per full charge)
Fast Charge	£3.75 (per full charge)
Rapid Charge	£4.68 (per full charge)

This charge will be incorporated into the Income Charges annual review as part of the budget setting process.

Review of Strategic Options for the Ports of Sullom Voe - Progress & Next Steps

The Council considered a joint report by the Director of Infrastructure Services and the Acting Executive Manager – Ports and Harbours (PH-10-16-F) which described progress on the strategic review options for the future operation of the Port of Sullom Voe and proposals regarding further activity.

The Director of Infrastructure Services summarised the main terms of the report, advising that it aimed to try to ensure that the Sullom Voe Terminal (SVT) was best placed to serve the oil industry as it shifted its focus to the West of Shetland area.

The Director of Infrastructure Services then responded to questions, and Members noted the following:

- BP and its partners are responsible for paying for infrastructure and its ongoing maintenance at SVT. In reviewing the Harbour Dues for Sullom Voe, the Council was particularly seeking to ensure that the income from the port was equal or in excess of the income that could be made from investing the sale price. The Harbour Dues income helps to support frontline services.
- The strategic outline case illustrated the key drivers that the Council believes are important, and all options required to be assessed against these factors. Keeping the operation of Sullom Voe in-house was one way of delivery that was built into the Strategic Outline case.
- The Council's engagement with the UK Oil and Gas Authority (OGA) had substantially improved, and the OGA had made a commitment to attend future Sullom Voe Association meetings when invited to be present.

Members commented that the engagement with the OGA was to be welcomed, but it was noted that it would be a challenge to address the multiple ownership model as the focus at the terminal shifts to West of Shetland production.

On the motion of Ms Manson, seconded by Mr Henderson, the Council approved the recommendation in the report.

Decision:

The Council **RESOLVED**, having taken account of the views of Committees, to instruct the Director of Infrastructure, or her nominee, to progress the next steps set out in Section 5 within the report and report back to Council on their further findings.

(Mr Sandison declared a non-pecuniary interest in the following item as a Director of Shetland Seafood Quality Control Limited)

Review of Scalloway Harbour - Progress and Next Steps

The Council considered a joint report by the Director of Infrastructure Services and the Acting Executive Manager – Ports and Harbours (PH-11-16-F) which described progress on the review of Scalloway Harbour and made recommendations on further activity, particularly relating to Scalloway Fish Market.

The Director of Infrastructure Services summarised the main terms of the report, advising that the most urgent thing was to resolve the condition of the fish market. Various options were being explored, as were the funding mechanisms that may be available.

In response to a query, she advised that the Council had been in regular conversations with Lerwick Port Authority (LPA) who were planning to build a new fish market for Lerwick, as the current fish market was too small for its operations. The two fish markets were complementary rather than in competition with each other. As LPA were further ahead in seeking funding and the Council was not yet at the preferred option stage, it was unlikely that a joint application for funding would be beneficial to LPA.

It was commented that it may be difficult to secure funding in future, given the outcome of the recent EU referendum and the fact that Lerwick, Peterhead and Scrabster were all seeking funding for fish markets. It was suggested that the MP and MSP could be approached to help lobby for funding for a replacement, given that Scalloway Fish Market was of national importance to the fishing industry in the UK.

On the motion of Ms Manson, seconded by Mr Sandison, the Council approved the recommendations in the report.

Decision:

The Council **RESOLVED**, having taken account of the views of Committees, to:

- instruct the Director of Infrastructure, or her nominee, to further clarify the “Outline Business Case” options, progress the next steps as set out in Section 5 of this report and report again for a decision on a “Preferred Option”
- instruct the Director of Infrastructure, or her nominee, to submit a project outline to the policy unit of Marine Scotland to obtain their view and advice on the potential for European Maritime and Fisheries Fund (EMFF) funding eligibility

(The Council adjourned at 11.30am and reconvened at 11.35am)

46/16 **Joint Staff Forum - Terms of Reference**

The Council considered a report by the Director of Corporate Services (CRP-10-16-F) which presented the revised terms of reference for the Joint Staff Forum (JSF) to reflect the establishment of the Integration Joint Board (IJB).

The Director of Corporate Services summarised the main terms of the report, advising that the following nominations had been made by the Employees’ Joint Consultative Committee (EJCC):

Staff Side:

S Gens	A Garrick-Wright
R Williamson	

Council Side:

C Smith	B Fox
G Cleaver	

In addition, the EJCC had nominated S Gens as Joint Chair, and all the nominations had been supported by the Policy and Resources Committee at its meeting the day before.

On the motion of Mr C Smith, seconded by Mr Fox, the Committee approved the recommendations in the report.

Decision:

The Council **RESOLVED** to:

- approve the terms of reference attached as Appendix 1 to the report, having taken account of the key issues identified in the report, the recommendations of the EJCC, the IJB and Policy and Resources Committee
- approve the nominations for membership of the JSF made by EJCC

47/16

ICT Strategy 2016-21

The Council considered a report by the Executive Manager - ICT (CRP-19-16-F) which presented the Council's ICT Strategy for the period 2016 to 2021.

The Executive Manager – ICT summarised the main terms of the report, advising that it took account of technological changes and the needs of services. Responding to a query, she advised that the software licensing requirements were checked annually so that any no longer required could be removed.

Decision:

The Council **RESOLVED** to approve the ICT Strategy 2016-2021.

48/16

Proposed Gateway Process for the Management of Capital Projects

The Council considered a report by the Executive Manager – Capital Programme (CPS-09-16-F) which presented a revised process reflecting the recent training provided to both Members and officers on the “Five Case Model”.

The Executive Manager – Capital Programme summarised the main terms of the report, outlining the main differences from the previous process and advising that the Policy and Resources Committee had felt that there was need to build in more about exception criteria and to provide more detail on the prioritisation scoring, but was otherwise content with the process. He had undertaken to include more detail on Exceptions at Section 10, including Capital Maintenance, and for carbon implications to be included as a Scoring Criteria in Appendix D.

The Executive Manager – Capital Programme, Director of Corporate Services and Executive Manager – Governance and Law then responded to questions, and Members noted the following:

- The process was intended to ensure that projects had close links to Council priorities. A preferred option would always be included, but that was not to say that Members could not revisit a project at a later stage to ensure that a particular option was still the preferred option.
- Project documents were made available on “Sharepoint” so that all officers involved could view the submissions. The documents held on “Sharepoint” would be the live versions, so dialogue would have taken place regarding any changes that were required to be made prior to them being published.
- A number of officers were involved in the scoring elements, and there were specific criteria that had to be followed. There may be some factors in the

criteria that would require to be adjusted. The scoring mechanism proposed was still subject to Member approval, and Members would have the opportunity to have some input. The group involved in scoring would include a consistent core membership of officers from Corporate Services, with others joining, although this would not include the officer whose project was being considered.

- If there was a political imperative to do so, Members would have to give officers an instruction to move projects on to a different stage. Decision making was not removed from Members, but the process should be able to demonstrate how a sound decision had been arrived at and justified. Members had been criticised in the past for coming to a decision on a single day, but there were now a number of stages that would have to be gone through with Member involvement.

Dr Wills referred to the size of the document Members had been required to consider in a relatively short period of time, and said that he felt that an executive summary could have instead been presented. As a result, he would be abstaining from any consideration of the report.

Members commented that they were assured that the Council had come a long way and that the new process was to be welcomed, particularly in that it would be a move away from the promotion of 'pet' projects for inclusion.

Mr Robinson moved that the recommendations in the report be approved, noting that the Executive Manager – Capital Programme had undertaken to include the following:

- All current Exceptions at Section 10, including the Capital Maintenance Programmes
- Carbon implications to be included as a Scoring Criteria in Appendix D

Mr Cooper seconded.

Decision:

- The Council **RESOLVED** to approve the Gateway Process for the Management of Capital Projects as described in the report and within Appendix A to the report, and as per the undertaking to include all current Exemptions at Section 10, including the Rolling Programme, and carbon implications Scoring Criteria in Appendix D

49/16

Knab Redevelopment - Masterplanning

The Council considered a report by the Executive Manager – Capital Programme (CPS-10-16-F) which presented options for the way forward, and in particular how a Masterplan for the site might be progressed and procured.

The Executive Manager – Capital Programme summarised the main terms of the report, advising that it was recommended that a masterplanning brief be developed, with masterplanning services being sought externally.

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

- Marketing the site for redevelopment would mean that the Council would have a degree of control via the planning process, but any developer would drive a masterplan to suit their own needs. The development of a masterplan would ensure that the Council's objectives were supported and all material considerations were taken into account.
- A masterplanning exercise would take around one year, but there could still be market engagement and developer engagement in parallel. Ensuring that there were no delays was a key consideration so that the site did not lie vacant and the costs associated with that. However it may be advantageous to any developer to develop parts of the site first in order to generate money to develop further parts, or to wait for a suitable scheme to be approved which would ensure a decent profit.
- As long as the buildings were kept locked and secure, there should not be a need to fence the site. The costs to the Council of the site remaining vacant mainly related to the rates for the buildings on the site.

Members commented that they were satisfied that conducting a masterplanning exercise would be beneficial in the longer term, and would give some certainty to the neighbouring properties.

Mr Robinson moved that the Council approve the recommendations in the report.

Dr Wills seconded, with the addition that that the masterplan should be completed within one year, and Mr Robinson agreed to include that in his motion.

It was noted that the planning brief would require to be completed timeously in order for it to inform the masterplan.

Decision:

The Council **RESOLVED** to instruct officers to engage with Architecture and Design Scotland (A&DS) to develop a masterplanning brief for the Knab site and to bring a further report to Policy and Resources Committee and the Council detailing proposals as to how the masterplanning services should be procured, and agreed that the masterplan should be completed within one year.

Dr Wills declared an interest in the following item as Vice Chair of Shetland Charitable Trust, but advised that he intended to remain in the meeting as he may be able to assist with practical matters.

Mr Ratter, Ms Westlake, Ms Manson, Mr Henderson, and Mr Bell declared an interest in the following item as Trustees of Shetland Charitable Trust, and left the meeting.

Mr C Smith assumed the Chair.

50/16

Shetland Charitable Trust - Governance Review

The Council considered a report by the Executive Manager – Finance (F-040-F) which provided information on the issues that may arise for the Council, particularly in relation to disclosure in its Annual Accounts from the appointment of Elected Members as Councillor Trustees to Shetland Charitable Trust (SCT).

The Chief Executive summarised the main terms of the report, pointing out that SCT had carried out a governance review on its own initiative. Whilst SCT wished to maintain a board of 15, it proposed to reduce the number of councillor trustees to four. There were a number of considerations for Members outlined in the report. It had to be considered if there was any benefit to the Council in having any appointed trustees on SCT, given that it was fully independent of the Council. SCT saw benefit in having Council appointed trustees so this had to be taken into account. However there would be a number of occasions, as had been the case in the recent past, where Council appointed trustees would not be able to contribute to key decisions given conflicts of interest, so this would lessen the benefits to the Trust. If the Council did wish to appoint Members to SCT, it would have to consider the number of appointments it wished to make. SCT was proposing four, but this was likely to mean that various bodies would continue to regard SCT as an arms-length organisation of the Council and treat it accordingly.

Ms Wishart said that she was of the view that there was not any benefit to the Council of having Council appointed trustees on SCT, and that there should be a clear divide between both organisations. In saying that, there were already a number of ways that the two organisations could continue to work in partnership together via the Shetland Partnership, and this would be adequate for the Council. She accordingly moved that there should be no councillor trustees on SCT and that the Council should not, in future, appoint such trustees.

In seconding, Mr Cooper highlighted the community perception that the Council drove SCT, and said that he felt that the Council would serve SCT better by keeping the relationship at officer level and working together with other bodies in Shetland as a team.

It was suggested that Members did indeed have a wider view and understanding of Shetland public life, social aspects and difficulties, as had been suggested by the Institute of Directors and as had been evident in other bodies where the Council had appointed trustees. Retaining two Council appointed trustees could be beneficial to SCT and its decision making, and would continue the close rapport between the two bodies.

However it was pointed out that the Office of the Scottish Charity Regulator (OSCR) forbade Council trustees from acting as a conduit between the two organisations, as trustees must always act in the interests of the trust. Therefore there was a need for a clear divide between the two organisations in terms of governance, but a more business-like relationship between the two organisations could be established. The value of having trustees who had to declare an interest and absent themselves when key decisions were being discussed was questioned, and it was recognised that this was a major issue. However some Members were of the view that given the importance of the two bodies in Shetland, there should be some sort of mechanism to ensure that the rapport between the two could continue.

It was commented that it was felt that there was a need for SCT to engage better with the community, in order to gauge community opinions and aspirations. It was suggested that SCT should be requested to consider its engagement with the community. Some Members were of the view that this would be outside the terms of what was being asked of the Council, but it was pointed out that SCT, in its letter to the Council, sought the Council's opinions on the terms of the governance review, in addition to the number of councillor trustees.

Dr Wills advised that he would not be participating in any vote at today's meeting as he was an office bearer of the Trust, a position he had recently been requested to resign from because he was of the view that an alternative proposal for reorganisation he had proposed should have been debated at a public meeting, given the public nature of SCT. He highlighted the value of the Trust to public services in Shetland, but given that the Council was a direct beneficiary, there was an institutional conflict of interest for council trustees. However his main area of concern was the democratic deficit if there were no council representatives on the Trust, as there would be no public mandate and he felt that the public had a legitimate interest. He was hopeful that following consultation, there would be material new circumstances that would lead to a public discussion of alternative proposals, and it would be possible to come a solution regarding the conflict of interest, the grouping of accounts and the democratic deficit.

It was pointed out that rather than being a direct beneficiary, the Council was an indirect beneficiary; being instead a vehicle by which beneficiaries – the residents of Shetland - received money.

Mr Robinson requested the mover and seconder of the motion to consider including that the Trust should be asked to consider how it engages with its beneficiaries – the residents of Shetland – and should not discount the suggestion of holding democratic elections for trustees.

The mover and seconder of the motion advised that they were willing to include this. They also agreed to include a suggestion from the Chief Executive that the motion should be amended to include reference to the Council's view that its recommendation would best serve the interests of those that the Council represents and the beneficiaries of the Trust.

Dr Wills requested that his abstention be minuted.

Decision:

The Council **RESOLVED** to communicate to SCT its view that it would best serve the interests of those that the Council represents and the beneficiaries of the Trust that there should be no councillor trustees and that it will not in future appoint such trustees, and that the Trust should consider how it engages with its beneficiaries, the residents of Shetland, and should not discount the suggestion of holding democratic elections for trustees.

Mr C Smith vacated the Chair.

The Council adjourned at 1.05pm and reconvened at 1.40pm.

Present:

M Bell	M Burgess
P Campbell	A Cooper
D Ratter	G Robinson
D Sandison	C Smith
T Smith	M Stout
A Westlake	J Wills
A Wishart	V Wishart

In Attendance (Officers):

M Boden, Chief Executive

C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
M Sandison, Director of Infrastructure Services
J Belford, Executive Manager – Finance
S Msalila, Executive Manager - ICT
J Riise, Executive Manager – Governance and Law
P Peterson, Executive Manager – Executive Services
R Sinclair, Executive Manager – Capital Programme
C Anderson, Senior Communications Officer
L Geddes, Committee Officer

Chair:

Mr Bell, Convener of the Council, presided.

51/16 **Local Government Boundary Commission for Scotland – Fifth Statutory Review to Proposals for Electoral Wards (Final Proposals)**

The Council considered a report by the Executive Manager – Governance and Law (GL-33-16-F) which provided an update in relation to the final proposals of the Local Government Boundary Commission for Scotland – Fifth Statutory Review to Proposals for Electoral Wards.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that the Boundary Commission (the Commission) had noted the Council's objections but made no changes to the draft proposals on which they consulted last year. This was also the case in other areas, and COSLA had sought consultation with the Commission and was considering its next steps. He understood that COSLA would be meeting imminently with Government ministers. Further representations to the Commission would serve no useful purpose as they had already determined the final stage of the process, so the question for Members was whether they wished to engage through the offices of COSLA in a dialogue with Scottish Ministers.

In response to questions, he said that the Council could also seek to write to Ministers directly. On a previous occasion the Council had done so through the offices of the MSP, and there had been a beneficial outcome on that occasion. The Commission proposals focused on political parity rather than local geography, and this created some anomalies locally. It was also the case that the Commission claimed that their proposals would provide for "effective and convenient local government", yet admitted that this was something they could not define.

It was pointed out that the proposals would also have the effect of further disconnecting community council wards with council wards, and would also have an effect on proposals regarding locality planning and opportunities that may be available under the Community Empowerment Act.

Mr Campbell moved that the Council note the report, and seek to engage through the offices of COSLA in a dialogue with Scottish Ministers.

Mr C Smith seconded.

The Executive Manager – Governance and Law undertook to communicate the Council's views to COSLA, and it was noted that the Leader and Depute Leader would also follow this up with COSLA.

Decision:

The Council **RESOLVED** to:

- Note the final report of the Boundary Commission and that it has been referred to Scottish Ministers
- Agree that the Council should seek to engage through the offices of COSLA in a dialogue with Scottish Ministers

52/16

Chair's Report: Placemaking Supplementary Guidance

The Council considered a report by the Chair of Development Committee (SIC-0629-DV-33) which presented the supplementary guidance on Placemaking following the formal consultation period.

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

Decision:

The Council **RESOLVED** to adopt the Placemaking Supplementary Guidance.

53/16

Chair's Report: Delegation of Authority to Shetland College Board

The Council considered a report by the Chair of Education and Families Committee (SIC-0629-GL-29) which introduced a proposal that delegated authority be granted to the Shetland College Board to support the next stages of the Tertiary Review, following the appointment of an Interim Joint Principal, in line with the Council's decision on 20 April 2016.

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

Decision:

The Council **RESOLVED** to approve the granting of delegated authority to Shetland College Board, as set out in Appendix 2 to the report.

54/16

Chair's Report: College Integration - Progress Updates and Next Steps

The Council considered a report by the Chair of Education and Families Committee (SIC-0629-DV-37) which provided an update on progress with integration and plans to take those actions forward, and sought decision on actions required to support this.

The Director of Development Services summarised the main terms of the report, advising that further advice had been sought from Anderson Strathearn, who had provided some feedback recommending that both documents appended should be 'softened' slightly, and that there should be more focus on outcomes rather than financial outcomes. These changes had been discussed and could all be made through delegated authority. The Interim Joint Principal was now in post, and one of his first tasks would be to look at the second tier management team. A positive outcome recently was that as a result of an agreement between the two colleges regarding the recording of credits, the colleges were now significantly ahead of their targets and this would put them in a strong position going forward.

Members commented that timescales were challenging, but that they were pleased to see the progress that had taken place so far. As the changes to the documents

could be carried out through delegated authority, there was no need to see further drafts.

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

Decision:

The Council **RESOLVED**, having taken account of the views of the Committees, to approve the Colleges' Integration liaison Group Protocol document – Appendix 1, and The Collaboration Agreement – Appendix 2.

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

Agenda Item 18 - Review of Commissioned Services

Mr Bell, Dr Wills and Ms Westlake declared an interest in the above item.

Mr Burgess and Mr Campbell declared an interest in the following item.

55/16 **Due Diligence Exercise - Update on Governance Arrangements**

The Council considered a report by the Director of Corporate Services.

The Director of Corporate Services summarised the main terms of the report.

Mr C Smith moved that the Council approve the recommendations in the report, and Mr Stout seconded.

Decision:

The Council **RESOLVED** to approve the recommendations in the report.

56/16 **Review of Commissioned Services**

The Council considered a report by the Director of Corporate Services.

The Director of Corporate Services summarised the main terms of the report.

The Director of Corporate Services and Chief Executive then responded to questions from Members.

Mr Stout moved that the Council approve the recommendations in the report, and Mr Wishart seconded.

Decision:

The Council approved the recommendations in the report.

The meeting concluded at 2.55pm.