

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 25 May 2016 at 2.00 p.m.**

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
J Wills	A Westlake
V Wishart	

Apologies

A Duncan	D Ratter
A Wishart	

In Attendance (Officers):

M Boden, Chief Executive
S Bokor-Ingram, Director of Community Health and Social Care
C Ferguson, Director of Corporate Services
J Belford, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
J Smith, Executive Manager – Ports and Harbours
C Anderson, Senior Communications Officer
L Gair, Committee Officer

Also:

R Kinnear, SOTEAG

Chair:

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Sandison declared an interest in item 2 “Appointment to External Organisation Shetland Oil Terminal Environmental Advisory Group (SOTEAG)” as an industry representative on SOTEAG.

Mr Burgess declared an interest in item 5 “Shetland Islands Council 2015/16 Draft Outturn” and advised that he would raise his interest again should there be any financial discussion relating to the Shetland College.

Convener’s Opening Remarks

The Convener advised that the Relay for Life, which had been running since 2006 had raised £954k to date and it was hoped that the £1m barrier would be broken this weekend. He advised that 67 teams were taking part together with 116 survivors. The Convener said that these statistics were a testament to the organisers involved and in wishing everyone well, he hoped that they would get good weather for this event.

27/16 **Presentation from Shetland Oil Terminal Environmental Advisory Group (SOTEAG)**

The Council considered a report by the Executive Manager – Ports and Harbours (ISD-07-16-F), which introduced a presentation from SOTEAG on their activities at Sullom Voe.

Ms Kinnear, SOTEAG, provided a slide presentation by way of an update on the activities of SOTEAG which included the following:

- The role of SOTEAG
- Core environmental monitoring programme
- Macro benthos
- Rocky Shores
- Dogwhelks
- Seabirds
- Non native species in Shetland coast and harbours
- Wildlife Response Coordinating Committee
- Engagement Activities
- Future Promotional Events.

Members expressed their thanks to Ms Kinnear for her presentation and in responding to questions she confirmed that the oil response maps had been extended as information had been added. She gave assurances that the 4 non native species, mentioned during her presentation, gave her no concern at the moment as they were not on the high risk register, however these would continue to be monitored as part of the programme. She went on to explain that monitoring how non native species get to Shetland is difficult as this could be a natural shift or they may come in by passing vessels. She said that to remove a species from the aquatic environment is not easy.

During further discussion, Ms Kinnear was asked if it was possible to test for other species and if it was pertinent to share that information with other organisations. Ms Kinnear advised that it was not in SOTEAG's remit to do that but, in terms of funding available SOTEAG restricted in their efforts to monitor other effects on the environment.

Decision:

The Council noted the presentation.

28/16 **Appointment to External Organisation Shetland Oil Terminal Environmental Advisory Group (SOTEAG)**

The Council considered a report by the Executive Manager – Governance and Law (GL-16-16-F), which set out the requirement for a further external appointment to the Shetland Oil Terminal Environmental Advisory Group (SOTEAG) and for the Council to nominate one Member to be an Executive Member on SOTEAG.

The Executive Manager – Governance and Law introduced the report.

The Council unanimously approved the recommendation at paragraph 1.1 to exclude SOTEAG from the ambit of the stage 2 review of external appointments.

Mr Cooper nominated Dr Wills for his extensive experience in marine issues. Mr Robinson seconded. Dr Wills advised that he is already a substitute Member and said that he would be pleased to accept the nomination for Executive Member.

The Executive Manager – Governance and Law advised that as a result of this appointment the substitute position needed to be filled.

Ms Manson nominated Ms Westlake, seconded by Mr Henderson. Ms Westlake accepted the appointment.

Decision:

The Council **RESOLVED** to:

- Exclude SOTEAG from the ambit of the stage 2 review of external appointments;
- Nominate one elected Member of the Council to serve as an Executive Member on SOTEAG, namely Dr Wills; and
- Nominate one elected Member of the Council to serve as a Substitute Member on SOTEAG, namely Ms Westlake.

29/16

Nominations to Lerwick Port Authority

The Council considered a report by the Executive Manager – Governance and Law (GL-05-16-F), which enabled the Council to nominate three persons to the Board of Lerwick Port Authority (LPA).

The Executive Manager – Governance and Law introduced the report and in responding to a question he confirmed that the position on the LPA was for a period of 3 years, therefore those nominated would continue beyond the current term of the Council even if they are not re-elected onto the Council.

Mr Robinson nominated Mr Cleaver, seconded by Mr Henderson
Mr Robinson nominated Mr Campbell, seconded by Mr Cleaver
Mr Cooper nominated Mr Robinson, seconded by Mr Campbell

All nominated Members accepted their appointment.

The Council unanimously acknowledged that this appointment would be excluded from the review of appointments to external organisations.

Decision:

The Council **RESOLVED** to nominate three persons to the Board of Lerwick Port Authority, namely: Mr Campbell, Mr Cleaver and Mr Robinson.

30/16

Appointment of Depute Leader

The Council considered a report by the Executive Manager – Governance and Law (GL-27-16-F), which provided an opportunity for the Council to make the necessary appointment of Deputy Leader in line with the Council's Constitution.

The Executive Manager – Governance and Law introduced the report.

During lengthy discussions Members considered the role of the Deputy Leader, which some believed had not been clearly defined. Some Members held the view that the position should not be appointed to until the role had been determined, whilst others saw merit in the supporting role this position provided to the Leader.

Mr Cooper moved that the Council do not appoint a Deputy Leader.

The Convener advised that he valued his Deputy and he believed that this was a valuable role.

Mr Burgess seconded Mr Cooper's motion.

The Leader said that there was no portfolio set out for the Deputy Leader role in the current standing orders, and this should be considered further and reported on in time for the new Council.

The former Deputy Leader advised the Council of his experience from undertaking the role and said that he found merit in the position being filled at this time and accordingly he moved, as an amendment, that the Council appoint a Deputy Leader. Mr T Smith seconded.

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

Amendment (Mr Fox)	15
Motion (Mr Cooper)	3

Mr Henderson nominated Mr Campbell, who declined the nomination.

Mr Sandison nominated Dr Wills, seconded by Ms Manson.

Mr Fox nominated Mr Stout, seconded by Mr Robinson.

Following a short address by Dr Wills and Mr Stout, voting took place by secret ballot and the result was as follows:

Dr Wills	9
Mr Stout	10

Mr Stout was duly appointed to the position of Deputy Leader, until the last day of the Council's term of office, 3 May 2017.

Decision:

The Council **RESOLVED** to appoint Mr Stout to the post of Deputy Leader, with effect from 26 May 2016, until the last day of this Council's term of office, 3 May 2017.

Shetland Islands Council 2015/16 Draft Outturn

The Council considered a report by the Executive Manager – Finance (F-035-F), which presented the actual spending position for Shetland Islands Council.

The Executive Manager – Finance introduced the report providing a summary of the main factors that contributed to the outturn position for 2015/16.

The Leader received an apology following the discussion at Policy and Resources Committee on 24 May, that centred on the Children Services carry forwards. A Member advised that having received clarification on the outturn position the figures presented in the report were accurate and had been applied consistently in the draft accounts. At the suggestion of Members, the Executive Manager – Finance said that a clear lesson from discussions was that information needs to be better connected to avoid confusion.

During discussions, the Executive Manager – Finance agreed that this was a good position for the Council to be in and any further opportunities need to be considered with Directors. He strongly advised Members to recognise the continued requirement for savings and being prepared based on the successful outcome of 2015/16. The Chief Executive endorsed what the Executive Manager – Finance had said, and advised that it would be appropriate to address questions on future opportunities when setting the budget in autumn for 2017/18.

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

Decision:

The Council **RESOLVED** to:

- Note the 2015/16 draft outturn position; and
- Approve the 2015/16 proposed carry-forwards.

Progress Report – Asset Investment Plan

The Council considered a report by the Executive Manager – Capital Programme (CPS-08-16-F), which advised on the progress of the projects contained within its Asset Investment Plan, currently underway or to be started in 2016/17.

The Executive Manager – Capital Programme introduced the report.

An apology was extended to the Leader following debate held at the Policy and Resources Committee on 24 May, where it was contended that Asset Investment Plan projects list, for 2016/17, had not yet been approved. A Member said that clarification had since been sought and provided on the decision making process in this regard.

During discussions assurance was sought in terms of whether it would be competent for the spending Committees to review the projects within the 5 year Asset Investment Plan during the next cycle of meetings.

Following advice from the Director of Corporate Services and the Executive Manager – Governance and Law, the Leader moved the recommendations

contained in the report with the addition that the 2016/17 Asset Investment Plan remains but that further work on the detail of the Asset Investment Plan is undertaken by Committees for 2017/18 and beyond, to begin in the August cycle of meetings. Mr Stout seconded.

In response to a question the Leader confirmed that the Erik Gray Resource Centre Replacement project is a committed project and would be going ahead.

Decision:

The Council **RESOLVED** to:

- note the progress on the projects within the Asset Investment Plan; and
- that the 2016/17 Asset Investment Plan remains, but further work on the detail of the Asset Investment Plan is undertaken by Committees for 2017/18 and beyond, to begin in the August cycle of meetings.

33/16

Shetland Islands Council Business Programme 2016/17

The Council considered a report by the Team Leader – Administration (GL-20-16-F), which informed of the planned business to be presented to Council for the financial year 1 April 2016 to 31 March 2017, and sought discussion with Officers regarding any changes or additions to that Programme.

The Executive Manager – Governance and Law introduced the report and advised that a project group was being set up for the Review of External Organisations and letters had been issued to organisations informing them of the Review. He advised that the Review would be concluded by the end of this calendar year and an entry would be made in the Business Programme to that effect.

Concern was expressed that there were not many Council meetings before the end of 2016 and were the project to slip it would delay reporting until February next year. At the request of Members, the Executive Manager – Governance and Law agreed to provide a briefing on the timeline for reporting for the Stage 2 Review of External Organisations. The Chair added that he would call a special meeting, if required.

Mr Robinson moved that the Council approve the recommendations contained in the report, seconded by Mr Stout.

Decision:

The Council considered its planned business for the financial year 1 April 2016 to 31 March 2017 and **RESOLVED** to approve to the Business Programme, as amended.

(Mr Robertson left the meeting)

34/16

Corporate Risk Register

The Council noted a report by the Director of Corporate Services (CRP-12-16-F), which presented the Council's Corporate Risk Register.

The Director of Corporate Services introduced the report, and in responding to a question she explained the link between risk and policy and how it is used by Corporate Management Team. She gave the Knab site as an example of a project that crosses between many council services namely, Development Services Department for the longer term development of the site, and Corporate Services Department for the financial and legal aspects. She advised that the Risk Registers are presented to CMT and Committees including Policy and Resources Committee, which gives a strong platform for risk across the piece.

(Ms Westlake left the meeting)

Reference was made to Risk 34, that the Pension Fund was not 100% funded. In response to a question on whether Shetland Islands Council was in a worse position than other local authorities, the Executive Manager – Finance explained that each Pension Fund is different in terms of the age profile of those contributing, the number of those already withdrawing pensions as well as the asset's performance. He said that the position of other local authorities' Pension Funds would be in a range from around 70% funded upwards. He reminded the Council that the current investment strategy was based on it being 2027 before this Council's Pension Fund is fully funded but cautioned that there were always other variables to consider.

(Dr Wills left the meeting)

During further discussions on the Pension Fund, the Executive Manager – Finance explained that a positive financial return had been achieved as a result of improved market conditions following changes to fund management and a more active mandate being set. In addition the Director of Corporate Services commented on discussions held at CMT in regard to where risks fall and that some risks need to be escalated to the Shetland Partnership Board. She said that the implications from the Community Empowerment Act and the Community Justice Act will impact on Community Planning Partners and as a result Risk Registers will form part of everything the Council and its partners do into the future.

In responding to a comment on the need to consistently reinforce the risk strategy and risk registers, the Director of Corporate Services advised that risk features at the front of the IJB's reporting format, together with other implications, in order that this is at the forefront of everyone's thinking and that this format is being considered for reports to the Council and its Committees as discussed previously.

Decision:

The Council **RESOLVED** to:

- Note the changes to the Corporate Risk Register;
- Note key risks facing the Council at this time and the action taken to mitigate those risks; and
- Comment and advise the Chief Executive and senior managers of their views and any changes required.

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

(Mr Bell, Mr Henderson and Ms Manson declared an interest in item 10 “Strategic Outline Case – Property Acquisition” as Shetland Charitable Trustees.)

(Mr Sandison declared a tentative interest in item 9 “Confidential Risks” in terms of the admitted bodies as he is involved in two organisations namely a Director of SSQC Director and a Trustee of the Shetland Fisheries Training Centre Trust.)

35/16 **Confidential Risks**

The Council noted a report by the Director of Corporate Services which presented information with regard to risks where the information is confidential, commercially sensitive or otherwise exempt from publication.

The Director of Corporate Services introduced the report.

(Mr Henderson left the meeting)

Following some discussion on the need for reporting risks the Chief Executive explained that risk registers are not formal or statutory documents but are one of the Council’s own private management tools. He added that in some organisations risks registers are entirely confidential and are not presented to Committee meetings.

Decision:

The Council **RESOLVED** to:

- Note the issues of confidentiality and the substance of the risks presented and the action taken to mitigate those risks; and
- Comment and advise the Chief Executive and senior managers of their views and any changes or action required.

(Mr Bell and Ms Manson left the meeting)

(Mr C Smith took the Chair)

36/16 **Strategic Outline Case – Property Acquisition**

The Council considered a joint report by the Executive Manager – Capital Programme and the Executive Manager – Finance

(Mr Cooper left the meeting)

Following a motion and an amendment, where voting took place by a show of hands, the decision of the Council was to approve the recommendations in the report.

Decision:

The Council approved the recommendations in the report.

The meeting concluded at 5.05pm.

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Convener