

# MINUTES

## B - Public

**Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Thursday 3 November 2016 at 10.00am**

### **Present:**

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

### **Apologies**

M Burgess	S Coutts
A Westlake	J Wills
A Wishart	

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

M Boden, Chief Executive  
J Belford, Executive Manager – Finance  
D Coupe, Executive Manager - Roads  
M Craigie, Executive Manager – Transport Planning  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Capital Programmes  
C Anderson, Senior Communications Officer  
A Cogle, Team Leader - Administration  
S Shearer, Planning Officer  
P Wishart, Solicitor  
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**

None

### **Minutes**

The Council confirmed the minutes of the meeting held on 25 May 2016 on the motion of Mr Stout, seconded by Mr Sandison,

The Council confirmed the minutes of the meeting held on 9 June 2016 on the motion of Mr Robinson, seconded by Mr C Smith.

The Council confirmed the minutes of the meeting held on 29 June 2016 on the motion of Ms Wishart, seconded by Mr Sandison.

The Council confirmed the minutes of the meeting held on 31 August 2016 on the motion of Mr Robinson, seconded by Mr Robertson.

The Council confirmed the minutes of the meeting held on 21 September 2016 on the motion of Mr Robertson, seconded by Mr Stout.

70/16     **Joint Chairs' Report: Environment and Transport Committee 3 October 2016 and Policy and Resources Committee 24 October 2016 - Road Asset Management Plan and Road Maintenance Manual**

The Council considered a joint report by the Chair of Environment and Transport Committee and the Chair of Policy and Resources Committee (SIC-1103-RD-05) which presented the Road Asset Management Plan for Shetland's public road network.

Mr Robinson moved that the Council approve the recommendation in the report, noting that the Committees had been advised that the figures in the report were indicative and would be subject to the budget-setting process.

Mr Stout seconded.

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**Decision:**

The Council **RESOLVED** to adopt the recommendations from the Environment and Transport Committee and the Policy and Resources Committee, namely to approve the Road Asset Management Plan as part of the Council's Strategic framework documents, as set out in Part A of the Council's Constitution, to be managed by the Environment and Transport Committee.

71/16     **Chair's Report: Development Committee 4 October 2016 - Knab Campus Development Brief**

The Council considered a report by the Chair of Development Committee (SIC-1103-DV51) which presented the final Knab Campus Development Brief following the formal consultation period.

Mr Cooper moved that the Council approve the recommendations in the report, and Mr T Smith seconded.

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**Decision:**

The Council **RESOLVED** to adopt the Knab Campus Development Brief.

72/16     **Chair's Report: Policy and Resources Committee 24 October 2016 - Asset Investment Plan, Gateway Process - Business Cases**

The Council considered a report by the Chair of Policy and Resources Committee (SIC-1103-CPS13) which presented four projects that have been considered by the Council's Asset Investment Group based on the submission of Business Case documentation.

Mr Robinson moved that the Council approve the recommendations in the report, and Mr Cooper seconded.

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**Decision:**

The Council **RESOLVED** to adopt the recommendations from the Policy and Resources Committee, namely to:

- approve the projects as described in Section 3.4 of the report. Their inclusion and scheduling in the Council's Asset Investment Plan will be subject to the availability of funding, except in the case of the project described at Section 3.4.3 of this report where inclusion in the Council's Asset Investment Plan has already been approved
- agree that the project described in Section 3.8 of the report can proceed to the Full Business Case stage and to the appointment of such specialist professional services as may be required to do so

73/16

**Chair's Report: Policy and Resources Committee 24 October 2016 - Charging Framework**

The Council considered a report by the Chair of Policy and Resources Committee (SIC-1103-F062) which presented a revised charging framework for the Council following the Audit Scotland report "Charging for Services: Are You Getting it Right?".

Mr Robinson moved that the Council approve the recommendations in the report, advising that the Committee had requested a review of areas of cross-charging within the Council.

Mr Stout seconded.

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**Decision:**

The Council **RESOLVED** to adopt the recommendation from the Policy and Resources Committee, namely to approve the Charging Framework.

74/16

**Governance Review – Update**

The Council considered a report by the Executive Manager – Governance and Law (GL-49-16-F) which provided an update on the process and tasks to be completed in order to refresh the Council's Constitutional documents and the associated work streams.

The Executive Manager – Governance and Law summarised the main terms of the report, outlining the background to the governance review, changes that had been made to date, and the programme of work for the remainder of 2016 and into 2017. The self-assessment process to be adopted in order to identify gaps or improvements that could be incorporated into the programme would follow Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on the new international framework for governance standards, which all public authorities were recommended to follow. The review of appointments to external organisations was ongoing, and there had been engagement with a number of organisations. It was proposed to hold a seminar by the end of the month, and responses from Members who had not already replied would be welcomed as part of this process. The Council meeting on 14 December would be presented with the first set of refreshed documents and the second stage report on external appointments.

Members welcomed the report, expressing their appreciation of the work that had gone in to addressing governance issues and commenting that it provided a better

understanding for Members, which would be particularly important for the new Council next year.

It was commented that there had been a number of issues in respect of recruitment which had affected the operation of the Orkney and Shetland Valuation Joint Board. It was hoped that a best value exercise would be completed soon, which would put things in a better position for handing over to the new Council.

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

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**Decision:**

The Council **NOTED** the programme of work being carried out to refresh the constitutional documents and associated work streams.

75/16

**Nomination of a Member to Shetland Transport Strategy Refresh Working Group**

The Council considered a report by the Executive Manager – Transport Planning (DV-53-16-F) which sought nomination of a Councillor Member to serve on the Shetland Transport Strategy Refresh Working Group.

The Executive Manager – Transport Planning summarised the main terms of the report, advising that there were no statutory deadlines in place to renew or review local transport strategies. However over the last year or so a number of transport partnerships had refreshed their strategies, and it was felt that it would be worthwhile doing this locally. A working group was therefore being established for this purpose, and it was recommended that a Member who was not involved in ZetTrans or any of the other stakeholder groups was nominated to represent the Council on the Working Group.

Mr Stout moved that the Council nominate Mr Robinson, and Mr Robertson seconded.

Mr Robinson advised that he was happy to accept this nomination.

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**Decision:**

The Council nominated Councillor Gary Robinson as the Councillor to represent the Council and serve on the Shetland Transport Strategy Refresh Working Group between 7 November 2016 and 31 January 2017.

76/16

**Northern Isles Ferry Services (NIFS) - Fares Consultation Response**

The Council considered a report by the Executive Manager – Transport Planning (DV-58-16-F) which sought approval of the draft response to the consultation process that will inform the review and appraisal of options for ferry fares on the NIFS services.

Mr Stout advised that he would like to remind Members that previous contracts had been negotiated in a different manner. This consultation exercise had arisen partly as a result of work that the Council had carried out in association with Orkney Islands Council and Transport Scotland, and it could be regarded as momentous as it allowed a much higher level of meaningful engagement. The Council had been given a unique opportunity to have input into the 'fair fares' issue, and there was a significant amount of public interest in this issue.

The Executive Manager – Transport Planning then summarised the main terms of the report, advising that the suggested responses had been prepared to take account of a fare structure model that would work for Shetland. The key components of this were affordability to the user and parity, as fares to and from Shetland were very expensive compared to other island areas. The consultation response also raised the issue of capacity constraints which may arise as a consequence of fare reductions. If these constraints could not be addressed, the value of the reduction in fares would be diminished because people would be unable to travel.

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

- The proposed response emphasised the issue relating to accommodation costs. Whilst the passage-only fare could be regarded as not too expensive, it had been emphasised that accommodation on the ships should not be viewed as a luxury or add-on, but instead as an essential component of travel to and from Shetland.
- The Road Equivalent Tariff (RET) should not be dismissed if the cost of cabins could be included in the formula. However it was not sufficient in itself. Inclusion of the cost of cabins could result in a reduced cost of travel, which was certainly not the case with RET if accommodation costs were not factored in.
- Capacity constraint was a key issue, and it was important to keep emphasising that the availability of accommodation and car deck space onboard the vessels were a key requirement of travel.

During the discussion that followed, it was reiterated that affordability and capacity were the two key issues to be addressed. It was suggested that further emphasis could be made in relation to the barriers that the current transport situation caused in terms of equality of opportunity for islanders, particularly those who wished to participate in national events on the mainland.

The issue of transport poverty was also referred to, and it was noted that there were people who did not leave the islands because they could not afford to do so. The costs relating to Shetland were significantly higher than for other areas, and the Scottish Government had noted this point. It was also suggested that it was important to note that the service was a lifeline service and that this was the case regardless of the time of year, so charging higher fares at peak times was inappropriate.

Some discussion took place in relation to daytime sailings, with some Members feeling that they should be resisted, particularly as it would result in an additional overnight accommodation cost for islanders once they reached the mainland. However other Members were of the view that daytime sailings could be allowed in order to address capacity issues, and that they may prove beneficial to the local tourist industry as there would be an increased demand for overnight accommodation. However it was suggested that the introduction of daytime sailings should not be at the detriment of evening sailings. It was further suggested that consideration should be given to amending the timing of weekend sailings, as the current timetable was not conducive to those participating in events on the mainland.

The Chief Executive advised that the proposed response emphasised the significance and importance of cabins and their availability. If the primary objective was to be seen to be achieving equality and changing costs to achieve this, then the cost of cabins had to be taken into account in the calculations as they were a significant element of the cost. Price was a way to control demand. Therefore if price was reduced as sought in the short-term, the provision of more cabins could be pursued when a new generation of ships was being considered.

In response to a query, the Executive Manager – Transport Planning agreed to find out whether or not the Integration Joint Board had been included in the list of statutory consultees, but advised that NHS Shetland was being consulted.

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

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**Decision:**

The Council **RESOLVED** to:

- Approve the suggested responses to the consultation questions contained in Appendix 2 to the report
- Delegate authority to the Executive Manager – Transport Planning or his nominee, in consultation with the Convener, to finalise the consultation response incorporating comments by the Council

**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.**

*(Representatives of the media left the meeting)*

77/16      **Inter Islands Air Services Specification**

The Council considered a report by the Executive Manager – Transport Planning.

The Executive Manager – Transport Planning summarised the main terms of the report and responded to questions from Members.

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**Decision:**

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

78/16      **Foula Ferry Service Specification**

The Council considered a report by the Executive Manager – Transport Planning.

The Executive Manager – Transport Planning summarised the main terms of the report, and responded to questions from Members.

Mr Robertson moved that the Council approve the recommendations in the report, and Mr Robinson seconded.

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**Decision:**

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

*(The following officers remained in the room during consideration of this item:*

**RESTRICTED**

79/16     **Sumburgh Airport - Update**

The Council considered a report by the Chief Executive.

The Chief Executive summarised the main terms of the report, and then responded to queries from Members.

Mr Robinson moved that the recommendations in the report be approved, with the addition that the Chief Executive, or his nominee, be instructed to produce a report for Members on the history and background to this matter, as requested at the Council meeting on 21 January 2015.

Mr Robertson seconded.

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**Decision:**

The Council noted the contents of the report and its appendix, and instructed the Chief Executive, or his nominee, to produce a report for Members on the history and background to this matter, as requested at the Council meeting on 21 January 2015.

The meeting concluded at 11.45am.