

MINUTES

B - PUBLIC

Shetland Islands Council

Auditorium, Shetland Museum and Archives, Lerwick

Wednesday 27 June 2018 at 10.00am

Present:

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	J Fraser
C Hughson	S Leask
E Macdonald	R McGregor
A Manson	A Priest
I Scott	G Smith
T Smith	R Thomson
A Westlake	B Wishart

Apologies:

M Burgess	D Sandison
D Simpson	C Smith

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director – Corporate Services
J Belford, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
V Simpson, Executive Manager – Community Planning & Development
R Sinclair, Executive Manager – Capital Programme
S Thompson, Executive Manager - Schools
S Brunton, Team Leader - Legal
A Cogle, Team Leader – Administration
B Hall, Partnership Officer
J Johnston, Quality Improvement Officer
C McCourt, Financial Accountant
E Park, Transport Contracts & Operations Officer
L Geddes, Committee Officer

Also:

N Clarkson, Acies Civil and Structural Limited (Acies)
M Conroy, Harper Macleod LLP

Chairperson

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Priest declared an interest in Agenda Item 4 “Asset Investment Plan – Business Case – Multratug 30” as an employee at Sullom Voe Terminal. As the tug operations were linked to the Terminal, he advised he would leave the room during the discussion.

Minutes

The minutes of the meeting held on 14 February 2018 were confirmed on the motion of Mr Campbell, seconded by Mr G Smith.

The minutes of the meeting held on 9 May 2018 were confirmed on the motion of Mr T Smith, seconded by Mr Campbell.

24/18 – Notice of Motion – Introduction of Car Parking Charges at Sumburgh Airport

In response to a question, the Leader advised that along with the Chief Executive and the Chair – Environment and Transport Committee, he had recently met with Highlands and Islands Airports Limited (HIAL) to discuss the introduction of car park charges. They had expressed the Council's concerns regarding the lack of consultation and an islands impact assessment. The Council had been disappointed to find out that despite being named in the Islands Bill, HIAL was under no obligation to undertake an impact assessment – this, in the Council's view, was the responsibility of the Scottish Government to request. The Council would be stepping up its efforts to discuss this with the Islands Minister when a new appointment was made, and would be demanding that an islands impact assessment be carried out.

The minutes of the meeting held on 23 May 2018 were confirmed on the motion of Mr Coutts, seconded by Mr Thomson.

34/18 Managing Exclusions in Shetland Schools Policy

Joint Chairs' Report: Education and Families Committee - 12 June 2018 & Policy and Resources Committee - 18 June 2018

The Council considered a report with recommendations from the Chairs of Education and Families Committee and Policy and Resources Committee (SIC-0627-CS-27) regarding the updated Managing Exclusions in Shetland Schools Policy.

On the motion of Mr G Smith, seconded by Mr T Smith, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the Managing Exclusions in Shetland Schools Policy.

35/18 Anti-Bullying in Shetland Schools Policy

Joint Chairs' Report: Education and Families Committee - 12 June 2018 & Policy and Resources Committee - 18 June 2018

The Council considered a report with recommendations from the Chairs of Education and Families Committee and Policy and Resources Committee (SIC-0627-CS-28) regarding the updated Anti-Bullying in Shetland Schools Policy.

Responding to questions, the Quality Improvement Officer advised that the system of recording bullying incidents prior to this new Policy was paper-based, and individual schools submitted their figures to Children's Services two times a year. Under the new Policy, the figures would be recorded on the "SEEMIS" system across the school estate to improve consistency and fall in line with new Scottish Government guidance. Incidents of bullying behaviour can occur in any Shetland school. The Policy distinguishes between bullying behaviour and that which could be regarded as part of

normal relationships between children. The Policy had been updated and strengthened to take account of online bullying which crosses school and community boundaries, and it gave schools guidance and permission to intervene if it was appropriate to do so. Over the next academic year, more work would take place on staff training, and communication and implementation of the Policy.

On the motion of Mr G Smith, seconded by Mr Fraser, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the Anti-Bullying in Shetland Schools Policy.

36/18

Review of School Transport Policy 2018

Joint Chairs' Report: Education and Families Committee - 12 June

2018/Environment and Transport Committee - 14 June 2018 & Policy and Resources Committee - 18 June 2018

The Council considered a report with recommendations from the Chairs of Education and Families Committee, Environment and Transport Committee and Policy and Resources Committee (SIC-0627-CS-17) regarding the updated School Transport Policy.

Mr G Smith advised that the report had been the subject of lengthy debate when it had been considered at the Education and Families Committee. The Committee had agreed by a majority vote of 11-2 to phase out the provision of free school transport for pupils attending a school other than their designated school through a Placing Request, with free school transport continuing to be provided for those already in receipt of it under the current policy. The Committee had also agreed that the Council should not be considering charging for vacant seats on school transport at this point in time, as the costs of administering this and collecting the charges would outweigh the benefits.

He went on to move that the recommendation in the report be approved, and Mr T Smith seconded.

In response to questions, the Executive Manager – Schools advised that over the last three years, a total of 80 placing requests had been received for secondary pupils – 69 of these were for the Anderson High School (AHS). It had always been anticipated that there would be an increase in placing requests for the AHS when the new building opened. The Schools Service had worked with the Transport Planning Service to align bus timetables as far as possible to facilitate travel from the North, South and West Mainland. The bus fares varied depending on the route but if the Council was to provide free bus passes to pupils, it was estimated that this would cost in the region of £6 per pupil per day. Feeder buses did not meet every service bus, so taxis would also have to be provided, and there would end up being many permutations of transport that would have to be provided to meet all requirements. The Council did not have a hardship fund in place to assist families who may find it difficult to pay for transport, but vacant seats on buses were granted wherever possible on school transport.

Decision:

The Council RESOLVED to approve the updated School Transport Policy, and the request to phase out the provision of free school transport for pupils attending a school other than their designated school through a Placing Request, with free school

transport being continued for those already in receipt of it under the terms of the current policy.

(Mr Priest left the meeting)

37/18 **Chair's Report: Policy and Resources Committee - 18 June 2018**

The Council considered a report by the Chair of Policy and Resources Committee (SIC-0627-CPS-05) in relation to an asset investment proposal requiring approval.

On the motion of Mrs Manson, seconded by Mr Cooper, the Committee approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the proposal to purchase Multratug 30 for implementation with immediate effect.

(Mr Priest returned to the meeting)

38/18 **Appointment to Committees: Policy and Resources and Environment and Transport**

The Council considered a report by the Executive Manager – Governance and Law (GL-13-18-F) regarding the appointment of additional Council members to Policy and Resources Committee and Environment and Transport Committee.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that following the appointment of Councillor Coutts as Leader, the Policy and Resources Committee now consisted of ten Councillors. The appointment of additional members was permitted by the Council's constitution, but limited to the number required to achieve representation of all Council wards. None of the positions on the Committee was currently held by a Councillor from Lerwick South Ward, so the Council was being asked to consider appointing a Member from Lerwick South Ward.

The Council agreed to make an appointment from the Lerwick South Ward to the Policy and Resources Committee.

Mr Campbell nominated Councillor Cecil Smith, *in absentia*, and Mrs Wishart seconded.

There were no further nominations, and the Convener advised that Mr Smith had indicated to him that he would be happy to accept the appointment, should he be nominated.

The Executive Manager – Governance and Law advised that in terms of its Constitution, the Council was required to appoint a Member to represent the Shetland West Ward on the Environment and Transport Committee.

Mr Coutts nominated Councillor Catherine Hughson, and Mr Theo Smith seconded.

There were no further nominations, and Mrs Hughson advised that she accepted the nomination.

Decision:

The Council appointed Councillor Cecil Smith from the Lerwick South Ward to the Policy and Resources Committee, and Councillor Catherine Hughson from the Shetland West Ward to the Environment and Transport Committee.

39/18 **Appointments to External Organisations – Sullom Voe Association Limited**

The Council considered a report by the Executive Manager – Governance and Law (GL-14-18-F) regarding the appointment of a nominated Director to the Sullom Voe Association (SVA) Limited.

The Executive Manager – Governance and Law summarised the main terms of the report, advising that the Council's practice in the past had been to ensure that its most senior office bearers were appointed to SVA Limited, although there was nothing in the Articles of Association that made this requirement. Following the resignation of Councillor Cecil Smith as Leader, it was proposed that the Council instead appoint the current Leader, Councillor Steven Coutts, to SVA Limited.

Ms Macdonald moved that Councillor Steven Coutts be appointed, and Ms Wishart seconded.

Mr Coutts advised that he was happy to accept the nomination.

Decision:

The Council RESOLVED to appoint the Leader, Councillor Steven Coutts, as a nominated Director to the Sullom Voe Association Limited.

40/18 **Shetland's Partnership Plan 2018-28**

The Council considered a report by the Chief Executive (DV-26-18-F) seeking approval of the Shetland's Partnership Plan 2018-28, and agreement to contribute the necessary resources to deliver the improvement activity articulated in the Plan.

The Chief Executive summarised the main terms of the report, advising that all statutory partners were being asked to approve the Plan which had been prepared to ensure that all partners delivered on their commitments, following the duties imposed on them under the Community Empowerment (Scotland) Act 2015. The Plan outlined the priorities that had been identified, and there was a particular focus on inequalities and a collective focus to help improve outcomes. She went on to acknowledge the work of those involved in pulling together the comprehensive information to produce the Plan, and advised that work would commence to draw up delivery plans which would come back to the Council for signing off.

The Chief Executive and the Partnership Officer then responded to questions, and the Council noted the following:

- The Plan was an overarching Plan that would sit above the activity of the partners, and would help to co-ordinate and focus activity. Each partner had its own duties and decision-making processes, and it did not replace their responsibilities to co-ordinate their own activity to meet their statutory duties and deliver on outcomes. It did encourage each partner to focus collectively on outcomes, but would not alter the decision-making and budget-setting processes of each.

- The Plan had been substantially revised to address responses received as part of the consultation exercise. There had been some contradictory responses, and the partnership had had to make decisions regarding how to make those changes.
- Any decisions regarding the detailed partnership governance arrangements being developed would be reported back to the Council, unless the Chief Executive had delegated authority to make such decisions.
- The Plan did focus on alcohol misuse, as it was seen as an area that the partnership required to focus on. There was strong partnership work that already took place in respect of drug misuse, and resources that were committed to that area. It was felt that issues relating to alcohol misuse were not picked up in the same way, so the Plan was trying to address this.
- A number of the partners involved had already signed up to the Plan, and the Council was one of the last to do so.
- Work was just starting to identify the key partners to work together on the delivery plans, so there were no timescales yet in place to deliver on them. This piece of work had been resourced and prioritised, but it would be a complex process to work through the outcomes and what shifts in activity were required.
- Some of the statistics relating to “Participation” and “People” had been obtained from the Scottish Household Survey 2016. This was an annual survey based on individual households in each local authority area, and the statistical methodology used was robust. The sample size was 200 households in each area. Other sources of statistical information were also used to help provide indicators, and these were ones which were commonly used by public bodies for planning purposes.
- Concerns were sometimes expressed regarding sample sizes and subjectivity, and whether the outcome would accurately reflect local circumstances, but the Council had to work with the data that was available and this information was based on a consistent methodology. For example, the “living well” indicators were based on a benchmark income and minimum income standard. They referred to acceptable standards of living, and methodology had been developed to look at what people required in order to participate in society. The information gleaned would not tell the partners what they required to do in the delivery plan, but would provide an indication regarding the cost of living, the impact on families and the choices that households required to make. Locally it could be demonstrated that the cost of living in the remoter islands was much higher. The cost of transport contributed to this, as did the cost of fuel and goods in local shops.
- Poverty was an individual issue locally rather than area based one, and ‘pockets’ of deprivation were not experienced as they were in other areas. Due to remoteness, people were required to spend more money on particular things than someone in an area that was more connected. Addressing inequality was a main focus, and the delivery plans would help co-ordinate the partnership’s resources to get the best progress. There were things outwith the Council’s control that could affect this, such as welfare reform which had had a big impact in the past.
- Fuel poverty was measured by firstly taking housing costs into account, and the remaining income that was left once other costs had been accounted for. The

definition of fuel poverty was the subject of current consultation. The fuel poverty working group would be highlighting its concerns as part of this consultation exercise, and had also written to the MSPs and the Minister for Housing to do so.

- The Council produced an annual Carbon Management Plan for presentation to the Environment and Transport Committee, and did actively manage its carbon emission figures. However the nature of being an island area contributed to the much higher than Scottish average carbon emission figures. For example, the reliance on ferries – both inter-island and mainland – and the amount of marine activity were factors, as was the fact that there was a diesel power station locally. The biggest contributors to carbon emissions locally were related to Sullom Voe Terminal and Gas Plant, and were outwith the Council's control.
- The Council was taking every opportunity to discuss with the Scottish Government how the aspects of living on an island area contributed to the higher costs of living experienced. Travel – both inter-island and to the mainland – was a particular aspect of the high cost of living, and the discussion the Council was involved in regarding the North Isles ferry contracts would be crucial. There were opportunities to influence the Scottish Government on some of these factors, and the Council would continue to try and do so. However a lot of these areas were outwith the Council's control, and efforts would continue to be made to get the Scottish Government to address these.
- The target dates included in the Plan were intended to monitor progress and would not hold anything back if it was possible to achieve it quicker.
- There were now statutory responsibilities in place for each of the five statutory partners whereas in the past, the Council had taken the lead. Should it be felt that other members of the partnership were not fully engaging, the Partnership could remind them of their statutory duties and challenge them if their actions were not in line with what had been agreed. Some of the partners involved were managed outwith Shetland, but all produced annual or five-yearly plans, so they would be encouraged to present these and have conversations about their contributions to the Plan. If partners had to be held to account, there would be a strong role for Members in doing so.
- There was no doubt that education was one of the ways to address inequalities, and ensuring that people had the right skills and abilities helped to break the cycle of poverty. There would be a lot of activity associated with education that would come through in the delivery plans, and there was also a recognition of how much was already being done to focus on education and achievement. There were areas where things would have to be added, but it was expected that the delivery plans would feature the benefits of education, skills and development in addressing outcomes.

It was commented that the indicators in Appendix 2 should be amended so that they were preceded by "No more than..." wherever appropriate, and it was also pointed out that the information relating to the value of volunteering to the Shetland economy required to be updated. The Chief Executive agreed to take these points on board.

It was further commented that there should have been more recognition about the need to close the education attainment gap and raise attainment, due to the wider impact on poverty, inequality and improving employability skills. Whilst it was

recognised that this would be included in the delivery plans, it was felt that it was a serious omission from the Plan itself. There was a wider role for partners in helping to close the attainment gap, and this should be recognised.

The Chief Executive said that during the process of feeding into delivery plans, issues of co-ordination around activity to enable people to achieve their full potential would be identified. The benefits of a collective approach would be taken into account as the outcomes in the delivery plan were unpicked.

Members commented that it was important to have all partners working towards a shared vision for everyone, and on the important role that the Council's functional committees would have in shaping plans to improve outcomes.

Mr G Smith moved that the Council approve recommendations 1.1 to 1.3 in the report, and that recommendation 1.4 be amended to read that the Council "notes that work is ongoing to develop detailed governance arrangements, and that this work will be reported to the Council for consideration and approval".

Mr Coutts seconded.

Decision:

The Council:

- APPROVED Shetland's Partnership Plan 2018-28
- AGREED to contribute the necessary resources to deliver the improvement activity articulated in Shetland's Partnership Plan 2018-28, ensuring alignment to its strategic priorities in the planned refresh of the Council's Corporate Plan and sustainability of resources through the Medium Term Financial Plan and the annual budgeting process
- NOTED that work will now commence on developing the Delivery Plans for each of the priority areas. This will identify the actions required by partners to secure improvements in the priority outcomes. The Delivery Plans will be presented to functional committee and the Council for discussion and approval.
- NOTED that work is ongoing to develop detailed governance arrangements and that this work will be reported to the Council for consideration and approval

41/18 **Zetland Educational Trust: Annual Report and Financial Statements for the Year to 31 March 2018**

The Council considered a report by the Executive Manager - Finance (F-054-18-F) presenting the Zetland Educational Trust (ZET) unaudited annual report and financial statements for the year to 31 March 2018.

The Executive Manager - Finance summarised the main terms of the report, advising that following the transfer of the fund from a fixed term deposit account to a Corporate Bond Fund, there had been a much higher income from investments, meaning that more disbursements could be made.

Responding to questions, he advised that the returns for 2017-18 were not for the full financial year. The mandate had to balance risk and reward to ensure that there was

limited risk to the capital sum, so it was not expected that the highest returns would be achieved from this fund. The fund had been transferred with the aim of achieving more income than would be possible by holding it in cash, and that had been achieved and would be monitored to ensure that the fund managers continued to deliver. The underlying investment was subject to some risk as it was marketable and had a price attached to it, so it would rise and fall whilst income was being generated. The money received on the surplus allowed disbursements to be made, but he would have to check further if income was reinvested. The constitution of the fund stated that cash had to be held to make disbursements, and decisions were made on a month to month basis. He would further check with Children's Services to see if the fund could be used to provide some sort of hardship fund relating to travel - as had been discussed earlier in the meeting - but he was unsure as to whether this would fit with the criteria.

On the motion of Mr Coutts, seconded by Mr G Smith, the Council approved the recommendations in the report.

Decision:

The Council NOTED the Zetland Educational Trust (ZET) unaudited annual report and financial statements for the year to 31 March 2018, and the information in Section 4 of the report highlighting the key points from the report and financial statements.

42/18 **Shetland Islands Council Unaudited Accounts 2017/18**

The Council considered a report by the Executive Manager - Finance (F-054-18-F) presenting the Shetland Islands Council Unaudited Accounts 2017/18.

The Executive Manager - Finance summarised the main terms of the report, advising that 2017 had been a financially successful year with some significant achievements. He highlighted in particular the completion of the new Anderson High School (AHS), which had resulted in an asset of £46million being added to the Balance Sheet.

Responding to questions, he explained that a new note had been added to the accounts to explain the payments to be made in respect of the AHS. This was a long-term liability of £98.127m in total, funded in part by the Scottish Government. The Council was responsible for around quarter of this liability. Part of it related to the ongoing maintenance and life cycle costs of running the AHS for the next 25 years, and these annual running costs sat within the Children's Services budgets.

In thanking staff across the Council for the work they had carried out in preparing the accounts, Mr Coutts moved that the Council approve the recommendation in the report, and Ms Macdonald seconded.

Decision:

The Council considered the 2017/18 Unaudited Accounts for the Shetland Islands Council, and the information in Section 4 of the report highlighting the key issues from the 2017/18 accounts.

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

(The Council adjourned at 11.50am and reconvened at 12.15pm)

Present:

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	J Fraser
C Hughson	S Leask
E Macdonald	R McGregor
A Manson	A Priest
I Scott	G Smith
T Smith	R Thomson
A Westlake	B Wishart

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director – Corporate Services
J Belford, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
S Brunton, Team Leader - Legal
L Geddes, Committee Officer

Also:

N Clarkson, Acies Civil and Structural Limited (Acies)
M Conroy, Harper Macleod LLP

43/18 **Council Office Premises**

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

Mr Coutts moved that the recommendations in the report be approved, and Mr G Smith seconded.

Decision:

The Council approved the recommendations in the report.

The meeting concluded at 3.05pm.

.....
Convener