

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 19 December 2018 at 2pm**

Present:

M Bell	A Cooper
A Duncan	J Fraser
A Hawick	S Leask
A Manson	E Macdonald
R McGregor	A Priest
D Sandison	I Scott
T Smith	R Thomson
B Wishart	

Apologies:

M Burgess	P Campbell
S Coutts	C Hughson
D Simpson	C Smith
G Smith	

In Attendance (Officers):

C Ferguson, Director of Corporate Services
J Smith, Director of Infrastructure Services
D Bell, Executive Manager – Human Resources
J Manson, Executive Manager – Finance
S Msalila, Executive Manager - ICT
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programmes
N Watt, Executive Manager - Sport and Leisure
M Gordon, Team Leader – Policy and Employment Support
B Kerr, Communications Officer
L Malcolmson, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

Mr T Smith declared an interest in item 10 “Asset Investment Plan - Business Case: Children's Resources, Residential Childcare for Looked After Children” as he sits on the Hjaltdland Board and Hjaltdland may be implicated. He advised that he would take no part and leave the room.

Mr Thomson declared an interest in item 10 “Asset Investment Plan - Business Case: Children's Resources, Residential Childcare for Looked After Children” as he has a conflict of interest and advised that he would leave the room.

Minutes

The minutes of the meeting held on 31 October 2018 were approved on the motion of Mr Thomson, seconded by Mr Leask.

The minutes of the meeting held on 28 November 2018 were approved on the motion of Mrs Wishart, seconded by Mr Thomson.

56/18 **Chair's Report - Management Accounts for Environment & Transport Committee: 2018/19 - Projected Outturn at Quarter 2**

The Council considered a report by the Chair of Environment and Transport Committee (P&R&SIC-1219-F081) seeking approval of new waste disposal charges set out in detail, with effect from 20 December 2018.

The Chair of Environment and Transport Committee introduced the report. The Deputy Leader advised that the report had been discussed at the Policy and Resources Committee and moved that the Council approve the recommendations contained in the report. Mr Thomson seconded.

Decision:

The Council APPROVED the proposed new waste disposal charges with effect from 20 December 2018.

57/18 **Management Accounts for Community Health and Social Care Directorate 2018/19 - Projected Outturn at Quarter 2**

The Council considered a report by the Executive Manager – Finance (F-078-18-F) seeking approval for an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £130k.

The Executive Manager – Finance introduced the report and in responding to a question on what was being done to reduce the overspend he referred to section 4.5 that summarised the actions set by the Director of Community Health and Social care to minimise the overspend. He also advised that the downturn in demand in services could change but the information provided was the current position. He added that a contingency had been set as a best estimate to the end of the year.

The Deputy Leader advised on the discussion at Policy and Resources relating to the work to be done to close this gap and moved that the Council approve the recommendations contained in the report. Mr Leask seconded.

Decision:

The Council APPROVED an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £130k.

58/18 **SIC Overall Management Accounts 2018/19 - Projected Outturn at Quarter 2**

The Council considered a report by the Executive Manager – Finance (F-76-18-F) detailing the overall Council projected financial position as at Quarter 2.

The Executive Manager – Finance introduced the report and advised that the report summarised the position across the whole Council to the end of September 2018. He said that once the Scottish Government Grant allocation is approved it is anticipated that there will be £3.6m less drawn down from reserves.

In responding to questions the Executive Manager – Finance explained that further information on the Scottish Government Grant allocation would be provided during the next stage of budget setting and that would have an impact on the draw on reserves. He said that the overspend of £1.3m on reserves would be an unsustainable draw down but there would be more information in the quarter three performance report that would also inform the budget into the next year.

The Depute Leader commented that Policy and Resources Committee acknowledged that there was still a lot of work to do but it was important to consider what had been achieved and 4.3 of the report provided information on the savings already made. The Depute Leader moved that the Council approve the recommendations contained in the report. Mr T Smith seconded.

Decision:

The Council:

- REVIEWED the Management Accounts showing the overall projected outturn position at Quarter 2; and
- NOTED the actions proposed as set out in the report.

59/18

External Audit Annual Report 2017/18 - Update on Recommendations

The Council considered a report by the Director of Corporate Services (CRP-21-18-F) that provided an update on the progress made to address recommendations highlighted within the External Audit Annual Report 2017/18.

The Director of Corporate Services summarised the main terms of the report and noted that the Policy and Resources Committee commented on the change in Deloitte reporting that is now around best value and risk based audits with their four dimensions highlighted at paragraph 4.1.

In responding to questions the Director of Corporate Services explained that the comment made by Deloitte on page 3 of the audit actions highlights that there was no specific consultation however she informed Members that there was a lot of meetings and dialogue carried out by the former Executive Manager – Finance around challenges and priorities and that dialogue was used to inform the financial plan. She said that although this contact was not labelled as community engagement the dialogue took place.

The Depute Leader commented on the discussion at Policy and Resources Committee around dialogue with the auditors and their understanding that the Council is taking on board what they have said. The Chair of the Audit Committee advised that there was a lot of discussion on whether the Audit Committee should be challenging the external auditors more. He said that the Audit Committee has robust question and answer sessions and was working well as a team therefore if a challenge was needed he would ensure that was done.

Mr Duncan moved that the Council approve the recommendations contained in the report. Ms Macdonald seconded.

During debate comments was made that the Council could and should have challenged the external auditors about their comment that the Council holds too many meetings. It was stressed that the Council should be meeting to discuss the business of the Council publically. It was noted that all services have to make sure that the Council continues to receive an unqualified opinion but it was important to ask the external auditors if they are considering Shetland when they are making their comments.

Decision:

The Council NOTED the content of the report.

60/18

Active Shetland Strategy - 2018-2023

The Council considered a report by the Executive Manager – Sport and Leisure (CS-44-18-F) that presented information on the Active Shetland Strategy 2018-2023.

The Executive Manager – Sport and Leisure introduced the report and drew attention to three typographical errors in the appendix that would be updated if approved at Council.

In responding to a question in regard to the financial implications paragraph, the Executive Manager – Sport and Leisure confirmed that there were no financial implications in regard to the report but the partners have existing budgets from which to deliver the strategy. He added that there are groups of staff preparing bids for funding so the delivery of actions would be funded from new bids and existing resources.

Reference was made to the outcome indicators and the Executive Manager – Sport and Leisure explained that these were existing indicators from the Scottish Household that would allow officers to identify what movement there has been and where improvements are made.

The Executive Manager – Sport and Leisure responded to a question on what evidence there is to suggest that not having a service in Shetland there would be a decline in activity and he said that he believed that the lack of activity would become an issue in communities but there were wider issues than just sport and physical activities that could have an impact.

During further discussion it was suggested that healthy activity was essential at a time where there was an increasing obesity target but that activity also helped to reduce criminal activity, but in addition the sporting facilities that Shetland has to offer attracts people to live here. An additional comment was made on the need to support voluntary organisations in terms of equipment to which the Executive Manager – Sport and Leisure confirmed that the Council aims to support infrastructure both in terms of finance, time and resources to ensure that the whole network is maintained and strengthened.

The Chair of Education and Families Committee advised that there was good discussion at the Committee and moved that the Council approve the recommendations contained in the report. Mr Leask Seconded.

The Depute Leader confirmed that Policy and Resources Committee were also happy to recommend approval by the Council.

Further comment was made that the strategy had been described as bold and ambitious but it was considered achievable given the great sporting facilities available as well as Shetland's natural resources.

Decision:

The Council APPROVED the proposed Active Shetland Strategy 2018-2023, and

- AGREED that it replaces the Sports and Physical Activity Strategy within Part A of the Council's Constitution and Policy Framework, to be managed by the Education and Families Committee.

61/18

Shetland College Board - Appointment

The Council considered a report by the Executive Manager – Governance and Law (GL-21-18-F) that presented a Shetland College Board Appointment for approval.

The Executive Manager – Governance and Law introduced the report.

The Vice-Chair of the Shetland College Board commented that this was a welcome appointment and moved that the Council approve the recommendations contained in the report. Mr Fraser seconded.

Decision:

The Council APPOINTED Mrs Wendy Sinclair as the nominated student representative on the Shetland College Board, with full voting rights, with her term of appointment being the duration of the time that she remains a student of Shetland College.

62/18

Risk Assessments Update

The Council considered a report by the Executive Manager - Human Resources (HR-20-18-F) that provided an update on Risk Assessments, which included Fire Risk Assessments across the Council.

The Executive Manager - Human Resources summarised the main terms of the report and advised that the Audit Committee had welcomed the report that provided assurances that the Council's Risk Assessments were effective and compliant with legislation. She advised that Policy and Resources Committee had received the assurances provided and in addition it approved the commissioning of an investigation into the use of sprinkler systems.

The Depute Leader confirmed, for the purposes of the decision required by the Council that Policy and Resources Committee were content that there were suitable assurances in place.

The Chair of the Audit Committee said that there was considerable debate at the Audit Committee and Policy and Resources Committee and he had put forward a motion that Policy and Resources commission an independent adviser to carry out

an investigation and he was pleased to report that this would be taken forward by Policy and Resources Committee.

Decision:

The Council NOTED the assurances given by the Audit Committee and Policy and Resources Committee, that the Councils Risk Assessments are effective and compliant with Health and Safety Regulations.

63/18 **Asset Investment Plan - Progress Report**

The Council considered a report by the Executive Manager – Capital Programme (CPS-10-18-F) providing information on the progress of the projects contained within the Asset Investment Plan which are currently underway in 2018/19.

The Executive Manager – Capital Programme introduced the report and the Council noted its content.

Decision:

The Council NOTED the progress and budget re-profiling of projects within the Asset Investment Plan

(Ms Wishart left the meeting)

64/18 **Asset Investment Plan - Business Case: ICT Virtual Infrastructure**

The Council considered a report by the Executive Manager – Capital Programme (CPS-12-18-F) that provided information on a Business Justification Case in relation to ICT Virtual Infrastructure and sought approval of the asset investment proposal.

The Executive Manager – Capital Programme introduced the report and the Depute Leader moved that the Council approve the recommendations contained in the report, seconded by Mr Thomson.

Decision:

The Council APPROVED the asset investment proposal.

(Mr Thomson and Mr T Smith left the Chamber)

65/18 **Asset Investment Plan - Business Case:**
Children's Resources, Residential Childcare for Looked After Children

The Council considered a report by the Executive Manager – Capital Programme (CPS-11-18-F) that presented a Strategic Outline Business Case in relation to Residential Childcare for Looked After Children.

The Executive Manager – Capital Programme introduced the report and in response to a question he agreed to provide Councillor Hawick with the number of properties owned by the Council.

The Executive Manager – Capital Programme assured Members that all options would be considered during the Full Business Case, in line with 5 case

methodology, and that would include looking to use existing buildings and new build, as well as different sites.

Decision:

The Council RESOLVED to instruct the Director of Children's Services to develop a Full Business Case in relation to Residential Childcare for Looked After Children, as described in Appendix A to this report for consideration at the next available committee cycle.

(Mr Thomson and Mr T Smith returned to the Chamber)

66/18 **Council Business Programme 2018/19**

The Council considered a report by the Director of Corporate Services (CRP -26-18-F) that enabled the Council to consider its business planned for the remaining quarter of the current financial year (1 April 2018 to 31 March 2019).

The Director of Corporate Services introduced the report and advised that the business programme for 2019/20 was being drafted and would be presented to a future meeting of the Council.

Comment was made that the setting of budgets was being done ahead of the Scottish Government setting its own budget and there may be the hope of getting extra money. The Executive Manager – Finance said that was possible however the provisional settlement had been received and was dependent on the Scottish Government setting their own budget. He advised that the Council will be asked to agree the settlement but if it were to appeal the offer there would be no additional money and if it did not agree it was likely that the Council would receive a reduced budget. The Executive Manager – Finance added that it may be that a ring fenced grant would be provided later in the year.

Members were advised that a date had been set for consideration of the provisional settlement followed by a finance seminar on 16 January 2019.

Ms Macdonald moved that the Council approve the recommendations contained in the report, seconded by Mr Leask.

Decision:

The Council considered its business planned for the remaining quarter of the current financial year (1 April 2018 to 31 March 2019), and RESOLVED to approve any changes or additions to the business programme.

67/18 **Corporate Risk Register**

The Council considered a report by the Director of Corporate Services (CRP-24-18-F) that presented the current Corporate Risk Register, and highlighted recent changes and current relevant information.

The Director of Corporate Services introduced the report.

Reference was made to paragraph 4.6 of the report and the impact of Brexit. It was suggested that the Brexit Committee needed to become more active with more engagement with Members to look at the impact on different areas in Shetland and

engage with industry. Concern was expressed in regard to a possible “No deal Brexit” and although Officers may have contingency in place regarding Shetland, Members have a duty to prepare the community for a no deal situation.

The Director of Corporate Services advised Members that Brexit was a standing item on the Corporate Management Team Agenda. She stated that there was a lot of discussion on what to do and the Director of Development Services was supporting the Chief Executive who was leading on this. She said that there was a number of areas to consider but the first step was to review all responses from other Local Authorities before drafting a Council response and to look at the implications locally. The Executive Manager – Governance and Law added that it was important for the Council to look at the continuity of its own services and community resilience and to support the private sector in preparing its own contingency. He pointed out however that the support given was not to provide a safety net but to assist in preparedness. The Executive Manager – Governance and Law said it was important to work with the Government in anticipation of what might happen.

Some comment was made on the handling of the Brexit process and it was noted that the implications for crisis management was real but there was significant dialogue happening on this matter.

(Mr Duncan declared an interest in the agriculture industry stating that he has his own business and claims benefit from Europe and the UK Government.)

Members were advised on the severity of the anticipated reduction in the agriculture industry grants in 2019/20 with further reduction anticipated beyond that. It was indicated that the reduction would equate to £2.3m loss to the Shetland economy.

Following further discussion it was noted that whether dealing with “Brexit” or “no deal Brexit” the Shetland community was clear that ignorance is no defence.

The Depute Leader stated that she had nothing to add and the Council noted the content of the report.

Decision:

The Council NOTED the content of the report.

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

68/18

Confidential Risk Register

The Council noted a report by the Director of Corporate Services that presented the current Confidential Corporate Risk Register and which complements the Corporate Risk Register report, as presented earlier on this meeting’s agenda.

Decision:

The Council NOTED the content of the report.

69/18

Asset Investment Plan - Business Case - Staff Travel (Care at Home Service)

The Council considered a report by the Executive Manager – Capital Programme that presented information in relation to a Business Justification Case for a Staff Travel Project for the Care at Home Service.

The Executive Manager – Capital Programme introduced the report and Officers responded to Members questions.

The Depute Leader advised that Policy and Resources Committee were assured on a number of questions and moved that the Council approve the recommendations contained in the report. Mr Duncan seconded.

Decision:

The Council RESOLVED to APPROVE the proposal to adopt option 3 as described in Appendix A and section 4.3 of the report.

The meeting concluded at 3.40pm.

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Convener