

MINUTES

A&B - PUBLIC

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Tuesday 26 February 2019 at 2.00pm**

Present:

M Bell	M Burgess [by phone]
P Campbell	A Cooper
S Coutts	A Duncan
J Fraser	A Hawick
C Hughson	S Leask
E Macdonald	R McGregor
A Priest	D Sandison
G Smith	R Thomson
B Wishart	

Apologies:

A Manson	I Scott
D Simpson	C Smith
T Smith	

In Attendance (Officers):

M Sandison, Chief Executive
S Bokor-Ingram, Director of Community Health and Social Care
H Budge, Director of Childrens' Services
C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
J Smith, Director of Infrastructure
A Jamieson, Executive Manager - Housing
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
J Sutherland, Deputy Executive Manager - Children's Social Work
C Anderson, Senior Communications Officer
A Cogle, Team Leader – Administrative Services

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor Mark Burgess during the proceedings would be permitted by telephone link.

Declarations of Interest

None.

Five Year Asset Investment Plan 2019-24

The Council considered a report by the Executive Manager – Finance (F-012-F) setting out the proposed sustainable capital budget for the Council over a five-year period from 2019-24, in line with the Capital Investment Planning policy set out in the 2018-23 Medium Term Financial Plan.

After hearing the Executive Manager – Finance introduce the report, reference was made to paragraph 4.3 and to the year on year reduction in revenue and capital funding. In this regard, it was asked how Members might have regard to future aspirations, in particular for road improvements, citing Levenwick as an example. The Chief Executive said that, as she had explained at the Policy and Resources Committee, the Roads Service have a list of road improvements that they have gathered from aspirations of councillors, the community and the Roads Service. She explained that the Roads Service were working their way through that list, using external funding where possible, and Levenwick was now a top priority on that list. The Chief Executive went on to say that the focus for this year would be securing Scottish Government funding for ferries, not only replacement ferries for Fair Isle and Whalsay, but also for extending the lifecycle of the ferries fleet. She said that if funding was received, this would create capacity within the Asset Investment Plan for other improvement activities. The Chief Executive acknowledged that Policy and Resources Committee had agreed that further discussions would take place regarding the methodology being applied to the Capital Programme. The Chief Executive went on to say that conversations would continue to take place with the Scottish Government regarding funding for ferries.

In response to questions regarding options for the Eric Gray Centre, the Executive Manager – Capital Programmes advised that the Corporate Asset Strategy would be brought forward to the Council in June, which would give options, but there were no immediate plans with regard to the Eric Gray Centre.

Mr S Coutts referred to community council involvement and engagement, and asked that Members be provided with a briefing as to the current prioritisation of capital projects, in order to refresh and understand the current state of affairs. He went on to say that resourcing the ferries programme was the biggest issue, and conversations with the Scottish Government on this would be ongoing.

After further debate, Mr Coutts moved the recommendations in the report. Mr A Duncan seconded.

Decision:

The Council RESOLVED to:

- approve the capital budget proposals for 2019/20 included in this report, and set out in detail in Appendix 1;
- adopt Appendix 1 as the Council's 5 Year Asset Investment Plan 2019-24, subject to any requirements of the Council's Gateway Process for the Management of Capital Projects; and
- that there be ongoing discussions in the next financial year on the methodology applied in the Capital Programme.

Shetland Islands Council Budget Book 2019/20

The Council considered a report by the Executive Manager – Finance (F-006-F) setting out a summary of the spending plans for Shetland Islands Council in the next financial year.

During his introduction of the report, the Executive Manager – Finance handed out information regarding the Council's investments, which illustrated in graph form the figures relating to unusable reserves balance, the investment base, and the sustainable draw.

In response to questions from Members, the Chief Executive explained that whilst the final settlement was yet to be confirmed, it was recognised that fair funding for ferries was unlikely to be received from the Scottish Government this year. She said that, in this regard, the Council would continue to set its budget, and would continue to consider the options for protecting frontline services whilst managing a reduced budget year on year. The Chief Executive added that some of the Service Redesign Programme proposed savings which would take time to release, and so members would have difficult choices to make going forward.

During debate, the Council noted that the Policy and Resources Committee had accepted that the budget would be a challenging one to deliver, but it had approved the recommendations from each of the functional committees, including an amendment from the Education and Families Committee that the new charge for Nursery Pupils – Private Nursery Meals be equalised with the interim charge for local authority Nursery Pupils at £1.80. It was also noted that the Environment and Transport Committee had made comment on the key issues regarding ferry services and the risk of funding being taken from elsewhere, but also approved its budget without amendment. Regarding the Shetland College Board, the Council noted that the financial position of the College going forward looked healthy. It was noted also that, with regard to the College Merger project, further discussions had taken place on establishing a Shadow Board, and a Project Manager would be appointed within the next three months, following which arrangements would be made to appoint a Principal Designate.

In this regard, Mr S Coutts said that the budget, whilst challenging, was still in line with the Council's Medium and Long Term Financial Plans, but efforts would continue in terms of lobbying the Scottish Government for parity of funding. Accordingly, Mr Coutts moved that the Council adopt the recommendations of the Policy and Resources Committee. Mr R Thomson seconded.

In conclusion, the Convener thanked officers for their work in bringing the budget to Members for discussion. He added that, in putting today's debate into context, it should be remembered that Shetland is an economic powerhouse in terms of industries like fishing, aquaculture, renewables, oil and gas, all of which added to the economy of Scotland. The Convener said that what the Council was asking Scottish Government for was parity and fair apportionment in the application of funding.

Decision:

The Council RESOLVED to approve the 2019/20 Budget by:

- a. Approving the Council Budget Book 2019/20 (Appendix 1);

- b. Adopting the Formal Resolutions (Appendix 2);
- c. Agreeing to increase the Council Tax by 3%;
- d. Approving the Schedule of Charges (Appendix 3) except that the new charge for Nursery Pupils – Private Nursery Meals be equalised with the interim charge for local authority Nursery Pupils at £1.80; and
- e. NOTED the content of the Service Redesign Briefing (Appendix 4).

The meeting concluded at 3.15 p.m.

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Convener