

MINUTES

B – PUBLIC

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 15 May 2019 at 10.00am**

Present:

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	A Hawick
C Hughson	S Leask
R McGregor	A Manson
I Scott	C Smith
G Smith	T Smith
R Thomson	B Wishart

Apologies:

M Burgess	Ms Macdonald
Mr Priest	Mr Sandison

In Attendance (Officers):

M Sandison, Chief Executive
M Craigie, Executive Manager – Transport Planning
J Robinson, Interim Joint Director – Community Health and Social Care
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
H Sutherland, Head of Planning and Modernisation (NHS Shetland)
C Anderson, Senior Communications Officer
L Adamson, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Thomson declared an interest in Item 5, “Taxi Tariff Review”, as an owner of a Taxi License. Mr Thomson advised that he would take no part in that discussion, and would leave the Chamber.

Minutes

The minutes of the meeting held on 20 February 2019 were approved on the motion of Mr Campbell, seconded by Ms Wishart.

The minutes of the meeting held on 6 March 2019 were approved on the motion of Mr T Smith, seconded by Mr Thomson.

The minutes of the meeting held on 27 March 2019 were approved on the motion of Mr Leask, seconded by Mr Campbell.

19/19

Notice of Motion - State Pension Arrangements for Women

The Council considered a Notice of Motion, in the following terms, "Shetland Islands Council calls upon the UK Government to make fair transitional state pension arrangements for all women born in the 1950s, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification. This translates into "bridging" pension to provide an income until State Pension Age – not means tested – and with recompense for losses for those who have already reached their SPA. There are no specific age groups within the period mentioned above that are favoured above others".

Mr G Smith outlined the terms of his motion, advising on the injustice to women who were born in the 1950s, and on the importance for the Council to support the campaign both locally and nationally. Mr G Smith moved that the Council adopt the motion. In seconding, Ms Wishart declared an interest as a member of Women Against State Pension Inequality (WASPI) but said that while there was no doubt that women in Shetland have been severely affected, the issue was the wider unfair equalisation that has been implemented.

During a brief discussion, Members advised on their support for the motion. In referring to the unanimous support from the Council, the Leader advised that the Council would write directly to the UK Government to express concern in the terms set out in the motion.

20/19

Management Accounts for Community Health and Social Care 2018-19 - Projected Outturn at Quarter 4

The Council considered a report by the Executive Manager – Finance (F-033-19-F) outlining the projected outturn position at Quarter 4, and which sought approval for an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £56k.

In introducing the report, the Executive Manager – Finance outlined the decision required by the Council, as set out at 1.2.

In response to a question, the Executive Manager – Finance said that as the projections are progressed and refined through the financial year, he would anticipate services to be on budget come the year end.

There was no debate. Mr Coutts moved that the Council approve the recommendation in the report, and Mr Duncan seconded.

Decision:

The Council RESOLVED to approve an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £56k, recognising the transfer of Cost Pressure and Contingency budget held by the Council and other budget changes, as detailed in Section 4.3 of the report. This will increase the payment for 2018/19 to £21.131m.

21/19

SIC Overall Management Accounts 2018/19 Projected Outturn at Quarter 4

The Council considered a report by the Executive Manager – Finance (F-031-19-F) setting out the overall Council projected financial position as at Quarter 4. (Appendices 5 and 6 were tabled at the meeting).

In introducing the report, the Executive Manager – Finance advised on the projected underspends in both revenue and capital totalling £11.6m, which would result in a draw on reserves of £12.7m, rather than the earlier projection of £20.3m. He reported on a number of key variances between Quarter 3 and Quarter 4, and referred to the retrospective approval of capital expenditure being sought on the 2018/19 Ferry Life Extension Budget as referred to in Section 1.1.2, and in Appendix 5. The Executive Manager – Finance also highlighted the revised schedule of charges at Appendix 6.

In response to questions, the Executive Manager – Finance commented that the projected overspend on services of £1.9m was a concern, however he said that with focus on the Service Redesign Programme and the Business Transformation Programme he hoped the figure would be much reduced in the subsequent report.

During debate, the Leader advised from the discussion at Policy and Resources Committee on the challenges to continue to fund ferry services, and for the Council to continue to push the case for fair funding. Mr Coutts moved that the Council approve the recommendation in the report. Mr G Smith seconded.

Decision:

The Council RESOLVED to:

- NOTE the Management Accounts showing the overall projected outturn position at Quarter 4.
- RETROSPECTIVELY APPROVE the capital expenditure on the 2018/19 Ferry Life Extension Budget as set out in Appendix 5.
- APPROVE the changes to the 2019/20 Council Schedule of Charges as set out in Appendix 6.

22/19

Fund Management Annual Investment Report 2018/19

The Council considered a report by the Executive Manager – Finance (F-035-19-F) that informed Members on the position and performance of the Council's external investments with fund managers for the financial year 2018/19.

The Executive Manager – Finance summarised the main terms of the report. He advised on the under-performance of the three Fund Managers during 2018/19, being a year of particular volatility in the markets where the value of investments had dipped significantly. He confirmed however that since that time there has been recovery in the markets. The Executive Manager – Finance reported on the withdrawals and additions to the Fund during 2018/19, and Members were advised that the value of the Fund at the end of April 2019 was approximately £353m.

In referring to the implementation of the Council's new Investment Strategy, the Executive Manager – Finance advised that Insight's bond mandate would come to

an end, and their holdings would transfer to two new investment mandates, in direct lending and diversified alternatives, approved by the Council in January 2019.

There were no questions or debate. Mr Coutts moved that the Council approve the recommendations in the report. Mr Leask seconded.

Decision:

The Council RESOLVED to:

- APPROVE the Annual Investment Report for 2018/19 for the purposes of the consent issued by the Scottish Ministers by virtue of section 40 of the Local Government in Scotland Act 2003;
- NOTE the underperformance of the benchmark and target by Baillie Gifford in 2018/19;
- NOTE the performance of BlackRock which was close to the benchmark in 2018/19;
- NOTE the underperformance of the benchmark and target by Insight in 2018/19.

(Mr Thomson left the Chamber)

23/19

Taxi Tariff Review

The Council considered a report by the Transport Policy and Projects Officer (DV-12-19-F), which set out the revised table of tariffs proposed, subsequent to consultation with the Shetland Taxi Owners Association.

In introducing the report, the Executive Manager – Transport Planning outlined the two notable additions to the tariffs, and he confirmed that there had been no feedback during the statutory consultation. The Executive Manager – Transport Planning explained that the Council's decision on the revised taxi tariffs would be relayed to all Taxi Trade consultees, and should no appeals be forthcoming, the approved Taxi Tariffs would come into effect in June 2019.

In response to a question, the Executive Manager – Transport Planning explained that the introduction of excursion rates for taxi operators/drivers did not apply at all to tour guides, which he confirmed provide a separate service to tourists.

There was no debate. On the motion of Mr Coutts, seconded by Mr McGregor, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the taxi tariffs changes, as set out in Appendix 1 of the report.

(Mr Thomson returned to the meeting)

Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan

The Council considered a report by the Head of Planning and Modernisation, NHS Shetland, on behalf of the Chief Officer – IJB, (CC-14-19-F) presenting the Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan 2019/2022.

The Head of Planning and Modernisation summarised the main terms of the report. She advised that while the refresh of the Plan is generally undertaken each year, this update had been delayed in order to make sure the Plan aligns with the outcomes in the Shetland Partnership Plan. She advised on the three additional sections covering children's health, mental health and health improvements, and reported that the Plan had been approved by the IJB, NHS Board and Policy and Resources Committee.

During the discussion, reference was made to page 41 of the Plan, where an update was sought on progress being made to fulfil the ambition for an enhanced care at home service. The Interim Joint Director – Community Health and Social Care reported that a number of areas had already been achieved, including an extended approach to falls prevention, maximising the use of anticipatory care plans and post diagnostic support for people recently diagnosed with dementia. She confirmed that progress was being made on a number of other areas, and advised that the Executive Manager – Community Care Resources had submitted save to spend projects and change fund requests to support the move to the new models of care.

In response to a question, the Interim Joint Director – Community Health and Social Care explained that the two employees seconded from Mental Health have been relocated to other service areas, where their posts complement the work of mental health and support people to return to their home.

During the discussion, reference was made to the proposal for increased use of IT, through "Attend Anywhere" technology, and it was questioned what training would be offered to the patient in the use of the system. In responding, the Interim Joint Director – Community Health and Social Care reported on the successful bid to the Scottish Government to roll out the software, which includes the recruitment of a facilitator post to work within the community to support patients to use the technology. She added that health centre staff have already been trained to support patients to connect through "Attend Anywhere".

During debate, Members congratulated Ms Robinson on her recent appointment as Interim Joint Director – Community Health and Social Care.

The Head of Planning and Modernisation, NHS Shetland, was commended on the work undertaken to progress the Strategic Plan. In referring to the recommendation at 1.2 of the report, Mr Duncan moved that the Council was not minded to consult with the other Party with a view to requiring the IJB to rewrite the Strategic Plan. Mr Coutts seconded.

Reference was made to the discussion at yesterday's IJB meeting, on the areas of focus and instances of spend to save to sustain a better health system for Shetland, and comment was made that the Strategic Plan was an excellent piece of work for the IJB. The Leader commented on consideration of the report at Policy and Resources Committee, advising that the Strategic Plan provides a strong vision to

continue to provide services with focus on the needs of individuals within their community.

In referring to the situation of reduced resources in both financial and human terms, comment was made on the importance for packages of care to be reviewed to ensure individuals are being supported and cared for as had been planned.

Reference was made to the discussion at yesterday's IJB on the increased use of technology being an important area where savings can be achieved. In that regard, comment was made on the need to utilise technology to capacity going forward. Caution was however expressed that there were vast areas of Shetland which has extremely poor internet connectivity, and therefore the use of technology may not be the solution for all of Shetland.

Decision:

The Council considered the Strategic Plan, and agreed they were not minded to consult with the other Party with a view to requiring the IJB to rewrite the Strategic Plan

25/19

Local Government Boundary Review - Local Government Boundary Commission Initial Proposals

The Council considered a report by the Executive Manager – Governance and Law (GL-06-19-F) that provided information on the Local Government Boundary Review and sought approval of the response to the Local Government Boundary Commission for Scotland.

The Executive Manager – Governance and Law introduced the report. He provided background to the review, and outlined the proposal put forward by the Commission in March 2019, as set out in Section 4.5 of the report, and at Map 'B'. He referred to the Seminar held on 17 April 2019 where representatives of the Boundary Commission had been invited to address Members on the proposals. The Seminar also gave the Commission the opportunity to recognise the difficulties that the geography of Shetland creates. He outlined a number of the concerns and issues raised during the Seminar, and some of the suggestions put forward by Members. The Executive Manager – Governance and Law then summarised the amended proposal distilled from the engagement with Members, as set out in Section 4.8 of the report. He advised that the draft response at Appendix B, was to be submitted to the Commission by 20 May 2019, subject to any modifications Members may now wish to make.

In response to a question regarding parity with the proposals as set out in Section 4.8 of the report, the Executive Manager – Governance and Law reported that most area groupings would be under 10% parity, which he said would appear acceptable to the Boundary Commission. There was however one area that had a slightly higher deviation from 10% parity, being that of Sandwick, Cunningsburgh and Quarff, and that Levenwick, Dunrossness and Fair Isle would be short by quite a number of electorate. He said that these areas could require further consultation, however he outlined the resistance likely to be encountered with any suggestion of sorting that by dividing Sandwick. He referred to the legal requirement to get parity, and confirmed the willingness to work around constraints to find a solution for Shetland.

During the discussion, some Members posed questions relating to the proposed amended boundary areas set out at Section 4.8. In responding, it was confirmed that these would be explored further with the Boundary Commission in developing the proposals for Shetland.

In responding to a question regarding the proposal for two Member wards and Councillor representation on the functional Committees, the Executive Manager – Governance and Law advised that while geographic representation from each Ward would be advantageous with functional Committees, and of lesser significance to the regulatory Committees, he reported that this representation was not routine in most other Scottish Councils. The Executive Manager – Governance and Law acknowledged that the Commission's proposal for a single ward would put significant pressure on the one member to represent all areas of functional needs, and therefore the two member ward would be closer to a balance, and not beyond resolution when it came to amending the Council's Constitution.

During the discussion, reference was made to the Shetland South Ward being uncontested for the 2017 election, and it was questioned whether dividing the Shetland South Ward into 2 x two Member wards might generate more interest for future elections. After hearing the Executive Manager – Governance and Law outline his opinion in that regard, the Chief Executive advised on proposals to promote a role in politics and to encourage people to stand for election to the Council, which she confirmed would be brought to Members in due course. Members acknowledged that could also have benefit in addressing the current gender and age profile within the Council Chamber.

Comment was made that there could be justification for rural boundary areas with islands to have fewer voters due to the time it would take for the Members to visit all areas within their ward.

A typographical error was highlighted in the draft response, where the "Islands Act 1918" should read "Islands Act 2018".

During debate, the Convener referred to the amended proposal being a unique model which he said would make full use of the Islands Act. Members advised on their support for the response as drafted, and in particular for the Boundary Commission to consider the 8 x two Member wards, which would give rural areas better representation. Members advised on their full support for the draft response, and for the short delay in order to reach the right solution for Shetland.

Mr T Smith moved that the Council approve the recommendation in the report, for the response attached at Appendix 2 to be submitted to the Boundary Commission on or before 20 May 2019. The only change to be the minor amendment as highlighted during the discussion, for '1918' to read '2018'. In seconding, the Leader advised that the engagement with the Boundary Commission was a real positive and he referred to the good attendance at the Seminar to inform the proposal going forward. In that regard he advised that the amended proposal by the Executive Manager – Governance and Law encapsulates that discussion, and that he fully supported the short delay to get to the right solution for Shetland.

The Convener thanked the Executive Manager – Governance and Law for the excellent report, and shared the Leader's praise of the Boundary Commission for their valuable efforts during consultation with the Council.

Decision:

The Council RESOLVED to:

- APPROVE the response attached at Appendix 2, subject to the minor amendment, for '1918' to read '2018'. This response is to be submitted on or before 20 May 2019.

26/19

Appointments to the Audit Committee and the Harbour Board

The Council considered a report by the Executive Manager – Governance and Law (GL-04-19-F) that sought to appoint two Members to the Audit Committee and one Member to the Harbour Board.

In introducing the report, the Executive Manager – Governance and Law referred to the ongoing vacancy on Audit Committee, which he advised had been an area of concern highlighted by the External Auditors. The Convener said that he was disappointed there were now two vacancies on Audit Committee, referring to the vital role for Councillors to be involved in scrutiny.

Nominations were sought for two Members to the Audit Committee.

Ms Hawick, Mr Campbell, Ms Wishart and Mr G Smith were nominated, however nominations were declined.

During the discussion, disappointment was expressed that none of the Members nominated had accepted the appointment to Audit Committee, being a crucial role in terms of scrutiny to the Council. In responding to a question on provision to make external appointments to Audit Committee, the Executive Manager – Governance and Law referred to the Constitution where he reported on the Membership of Audit Committee namely, "9 Councillors, including two Councillors to be chair and vice chair, plus two independent assessor members who are non-Councillors co-opted by the Council, in the selection of whom the Council will have regard to skills and expertise". He added however that while the provision exists within the Constitution for the appointment of external members to Audit Committee, that proposal has never been fulfilled. The Executive Manager – Governance and Law suggested however that he could action a report to a future Council meeting on that basis.

Mr Duncan then nominated Mr C Smith to Audit Committee. Ms Manson seconded. Mr C Smith accepted the nomination, and was duly appointed to Audit Committee.

No other nominations were made, and therefore there remained one vacancy on Audit Committee. During a brief discussion, the Council agreed for a report to be prepared to a future meeting of the Council, to address the remaining vacancy on Audit Committee, including proposals for the co-option of independent Members.

Nominations were sought for one Member to the Harbour Board.

Mr McGregor was appointed on the motion of Mr Thomson, seconded by Mr G Smith. Mr McGregor accepted the nomination.

Mr C Smith was nominated, however he declined the appointment.

Ms Hawick was nominated on the motion of Mr Coutts. However Ms Hawick declined the nomination, advising on her support for Mr McGregor to be appointed to Harbour Board. Mr McGregor advised however that he would withdraw, in support of Ms Hawick's nomination. Ms Manson seconded Mr Coutts' motion, nominating Ms Hawick to the Harbour Board. Ms Hawick accepted the nomination, and was duly appointed to the Harbour Board.

There were no further nominations.

Decision:

The Council RESOLVED to:

- Appoint Mr C Smith to the Audit Committee; and for a report to be presented to a future meeting of the Council to address the remaining vacancy on Audit Committee, including proposals for the co-option of independent Members.
- Appoint Ms A Hawick to the Harbour Board.

27/19

Corporate Risk Register

The Council considered a report by the Director of Corporate Services (CRP-10-19-F) presenting the current Corporate Risk Register.

In introducing the report, the Executive Manager – Finance highlighted the revised financial impact ratings, as set out in Section 4.4, and the main changes to the Risk Register at Section 4.5. He also reported from the discussion at Policy and Resources Committee on Risk ORG035, advising on the anticipated completion of the master-planning exercise for the Old AHS campus in June 2019. He confirmed there would be a separate Risk Register for the new project going forward.

During the discussion, an update was provided on Risk ORG022. In responding, the Chief Executive advised that the Risk Register was a living document, and in that regard she confirmed that the next Risk Register would inform on the appointment of the Project Manager, and that the appointment of the Principal Designate would be key to the project moving forward.

In response to a question relating to Risk ORG037, the Chief Executive advised Members on the resilience and planning for Brexit at both a local and national level.

Comment was made on Risk ORG025, in terms of the reassurance the risk had been reduced from a 'high' to 'medium' risk. The Chief Executive referred to the recent campaign to promote fostering in Shetland, however she acknowledged that fostering can be dependent on individual's circumstances. The Chief Executive confirmed that Child Protection will always be a priority for the Council.

In responding to comments relating to Risk ORG018, on workforce planning to recruit and retain staff, the Chief Executive reported that Directors are working with HR colleagues to establish pinch points, and whether these are national issues or unique to Shetland. The Chief Executive confirmed that she was reassured on the work in progress.

There were no further questions, or debate.

Decision:

The Council:

- ADVISED the Chief Executive and Corporate Management Team of any changes or actions required to manage the risks identified in the Council's Corporate Risk Register attached at Appendix1; and
- NOTED that the risks had been assessed using revised financial parameters, which are included in the revised Risk Management Matrix attached at Appendix 2.

28/19

Shetland Islands Council Business Programme

The Council considered a report by the Director of Corporate Services (CRP-09-19-F) that presented the business planned for the remaining quarters of the current financial year 1 April 2019 to 31 March 2020.

In introducing the report, the Chief Executive advised that while a standing item on the agenda, the business programme would always be subject to change. In that regard, she informed on an additional special meeting of the Council on 5 June 2019.

On the motion of Mr C Smith, seconded by Mr Cooper, the Council approved the recommendation in the report.

Decision:

The Council considered the business planned for the remaining quarters of the current financial year (1 April 2019 to 31 March 2020), and RESOLVED to approve the Business Programme, as amended.

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

29/19

Confidential Corporate Risk Register

The Council considered a report by the Director of Corporate Services that presented the current Confidential Corporate Risk Register.

The Executive Manager – Finance introduced the report and Officer's responded to questions.

There was no debate, and Members otherwise noted the report.

Decision:

The Council NOTED the content of the report.

The meeting concluded at 11.50am.

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Convener