

MINUTES

B - PUBLIC

**Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 11 September 2019 at 10.00am**

Present:

M Bell	P Campbell
S Coutts	J Fraser
A Hawick	C Hughson
S Leask	E Macdonald
R McGregor	A Manson
A Priest	D Sandison
I Scott	D Simpson
C Smith	T Smith
R Thomson	

Apologies:

M Burgess	A Cooper
A Duncan	G Smith

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director – Corporate Services
J Manson, Executive Manager - Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Assets, Commissioning and Procurement
S Shearer, Team Leader – Development Plans & Heritage
C Gadsby, Asset Strategy Manager
B Kerr, Senior Communications Officer
K Serginson, Access Officer
L Geddes, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Ruling to Permit Participation by Telephone

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor John Fraser during the Council proceedings was permitted by remote telephone link.

Declarations of Interest

None

Minutes

The minutes of the meeting held on 11 June 2019 were confirmed on the motion of Mr C Smith, seconded by Mr Campbell.

Except as undernoted, the minutes of the meeting held on 26 June 2019 were confirmed on the motion of Mr Thomson, seconded by Ms Macdonald.

Sederunt

It was noted that Mr Simpson had been omitted from the sederunt of this meeting.

50/19 **SIC Overall Management Accounts 2019/20 - Projected Outturn at Quarter 1**
The Council considered a report by the Executive Manager – Finance (F-036-19-F) outlining the projected outturn at Quarter 1.

The Executive Manager – Finance summarised the main terms of the report, advising that since approval of the 2019/20 budget, revisions totalling £22.677million had been incorporated for the Council's carry-forward scheme, spend to save, and other changes. The combined revenue and capital outturn projections resulted in a projected underspend of £5.891million. The largest variance was in capital, with slippage expected in the Ferry Replacement Programme. There was additional income in the Harbour Account, and it was anticipated both the General Fund and Housing Revenue Account would be overspent. Because the purchase of SLAP had not been carried out in the previous financial year, an additional draw on reserves would be required to support this transaction, but it would be reversed during the year when concluded.

Decision:

The Council RESOLVED to note the Management Accounts showing the overall projected outturn position at Quarter 1.

51/19 **Management Accounts for Community Health and Social Care 2019-20 - Projected Outturn at Quarter 1**
The Council considered a report by the Executive Manager – Finance (F-047-19-F) outlining the financial performance of services within the Community Health and Social Care Directorate.

The Executive Manager – Finance summarised the main terms of the report, advising that there was a projected overspend of £0.238million. The main drivers were an increased demand for self-directed support (SDS) packages, the use of agency staff, and an anticipated requirement for additional capital funding for replacement of the IT system.

Responding to questions, the Chief Executive advised that SDS was a new requirement for the Council which it had to promote. It should be viewed as a positive development as it allowed individuals to take control of their care packages, but its roll-out was causing problems with the budget. This was being experienced nationally as well as locally. There would come a point where Council provision would change and reduce as people took control of their own packages, and an action plan was in place.

She went on to say that agency workers had been delivering some Council care packages. As more people moved towards SDS, it was expected that the Council would have to employ fewer staff directly as individuals would employ their own

staff. The Council may see some of its staff moving into SDS, but it would have to continue to deliver non-SDS packages. It was expected that as the use of SDS packages increased, there would be savings in other parts of the care budget.

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

Decision:

The Council APPROVED an increase in the payment for 2019/20 to the Community Health and Social Care Partnership Integration Joint Board of £18k, recognising carry-forward funding allocated as per the Council's budget carry-forward scheme and minor adjustments made in respect of maintenance budgets. This will increase the payment for 2019/20 to £22.037m.

52/19

Shetland Outdoor Access Strategy

The Council considered a report by the Outdoor Access Officer (DV-22-19-F) presenting the Supplementary Guidance – Shetland Outdoor Access Strategy 2019.

The Team Leader – Development Plans & Heritage summarised the main terms of the report, outlining the consultation that had taken place and the responses that had been received, which had resulted in some modifications to the Strategy.

On the motion of Mr Leask, seconded by Mr Coutts, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to adopt the Supplementary Guidance – Shetland Outdoor Access Strategy 2019 (Appendix 2 to the report) as supplementary guidance to the Local Development Plan.

53/19

Asset Investment Plan - Progress Report

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-08-19-F) advising on the progress of projects contained within the Asset Investment Plan which are currently underway.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, highlighting in particular the proposal to reprofile the 2019/20 expenditure for the Ferry Replacement Project, and the slippage in respect of the Eric Gray Replacement Project.

On the motion of Mr Coutts, seconded by Ms Macdonald, the Council approved the recommendations in the report.

Decision:

The Council RESOLVED to APPROVE the 2018/19 proposed capital carry forward on the Eric Gray Project of £208,513.

54/19

Asset Investment Plan - Business Case - Knab Service Relocations and Storage Improvement Project

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-10-19-F) presenting an asset investment proposal for approval.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that the report related to a number of projects in relation to clearing the Knab site for redevelopment. The acquisition of SLAP and the Commercial Road site now gave the Council the opportunity to resolve some of the issues.

Responding to questions, he advised that it had been recognised that there would be pressure on internal resources, and some of the work required had been outsourced to external consultants.

He went on to confirm that it was a key priority for the Council to reduce the floor area it occupied. He was conscious that a lot of these moves did not demonstrate disposal, but the Council was moving towards that point.

In response to a question about the potential timeline regarding the existing buildings on the site, he advised that a decision had been made in June regarding the first stage of demolition. Maintenance for the remaining buildings was being targeted at the fabric of the buildings. The Knab Masterplan had not been specific about future use of the remaining buildings, and there had been a variety of suggestions from the community. This was being discussed at officer level and a seminar would be organised before the end of the year.

On the motion of Mr Coutts, seconded by Mr Leask, the Committee approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the proposal described in Section 4.3 and included as Appendix A of the report in relation to the Business Justification Case – Knab and Storage Project.

55/19

Asset Investment Plan - Business Case - Former Eric Gray Resource Centre - Demolition

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-11-19-F) presenting an asset investment proposal for approval.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that demolition works for the Eric Gray Resource Centre had been included in the budget. However it had become clear that there was no clear instruction to proceed, so the report sought to clarify that. The building was currently being used on a temporary basis by Sound School Nursery.

In response to a question, he confirmed that consideration had been given to other uses for the building, but there had been no preferred option. Demolition would open up the site for future development, and reduce the risks associated with long-term vacancy.

It was suggested that more consideration should be given to future potential uses of the building, or selling the building itself, rather than taking a decision to demolish and selling a vacant site.

The Chief Executive advised that the building was currently being used by Sound School Nursery. As part of the expansion of Early Learning and Childcare, there had been contingency plans in place should the building work not be completed in time. The Eric Gray Resource Centre was one of the alternatives that had been considered for the decant of the nursery, but other options had been available. The Council had identified in its Corporate Plan and Asset Plan that it had a large estate, and a commitment had been made to rationalising this estate so that priority could be given to funding front line services. It was appropriate to consider removing end of life buildings, or those that were outdated in terms of building regulations, from the estate.

The Executive Manager – Assets, Commissioning and Procurement added that the Eric Gray Resource Centre had been built for a specific purpose, and it did not meet the needs of any other Council service.

Responding to a question, the Chief Executive confirmed that there were robust processes in place for looking at the Council's estate and what was required in moving ahead. The Council did carry out option appraisals of its estate, and considered the different options and changing needs of services in planning for its requirements. Removing buildings from the Council's estate was part of the commitment that had been given to Members. In this particular case, the land was worth more to the Council as a vacant site, and there was a value to the Council once the cost of demolition had been taken into account.

On the motion of Mr Coutts, seconded by Mr T Smith, the Committee approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the proposal described in Section 4.3 and included as Appendix A of the report in relation to the Former Eric Gray Resource Centre Demolition.

56/19

Terminal Linkspans Life Extension - Project Update

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-12-19-F) setting out proposals for allocating additional funding to the project to allow it to proceed in line with its original scope.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that following the results of a full survey analysis, an additional £1.75million to the pre-survey estimated cost was required for the remedial works which were much more onerous than originally envisaged. It was proposed to fund this from income from fees and charges on the Harbour Account, and it was also linked to the funding request to the Scottish Government for full and fair ferry funding.

It was questioned why the business case had not been revisited since 2017, given that the costs had risen so much.

The Executive Manager – Assets, Commissioning and Procurement advised that the project should not be considered a new project, and the works were required in order to maintain essential services. Normally work would take place to reduce the scope of change the nature of the project, but the scope and remit of this project was straightforward - it either had to be carried out or services would have to be reduced.

He went on to confirm that all tenders received were from contractors that had been vetted, so they would be aware of the environment that the work would have to stand up to.

The Chief Executive added that Best Value required that every tender took into account the quality as well as cost. If tenderers did not meet the quality criteria, they were not considered the best option.

She went on to say that the full assessment of the existing infrastructure had identified that more onerous works were required than anticipated. The original business case had been based on a small proportion of linkspans and had identified a range of work. Once the whole estate was investigated, the linkspan requirements were greater. The options for the business case had not changed and the cost itself did not alter the options.

In response to a question, she said that it was reasonable when exploring the condition of the Council's estate to carry out a sample inspection. This would identify issues and the need for work, and help to get it in the Council's maintenance programme so that tendering could proceed. The Council could have waited to carry out a full survey, but this would have meant the asset investment plan would have had to be revised.

It was requested that proper consultation with the community and businesses take place prior to the works being carried out, so that the community was prepared for the impact and there was minimal disruption for business interests in the area.

The Chief Executive advised that the Council was very aware that access had to be maintained, and a spare linkspan would be used during the course of the works. It was intended that disruption would be kept to a minimum.

She also confirmed that the request for the works to be included in the full and fair ferry funding bid to the Scottish Government would not prevent the works going ahead.

It was commented that the links to communities had to be maintained, so this should not change the business case. It was also important to ensure that communication was carried out with communities to minimise the impact of any disruption.

On the motion of Mr Coutts, seconded by Ms Manson, the Council approved the recommendations in the report.

Decision:

The Council RESOLVED to:

- AGREE that the project proceeds in line with the decision made by the Council on 8 March 2017 and as described in the report

- APPROVE additional funding of £1.75m
- AGREE that it be funded from income from the additional fees and charges projected to be received into the Harbour Account by the end of the current financial year.

57/19 **Council Business Programme 2019/20**

The Council considered a report by the Director of Corporate Services (CRP-17-19-F) informing the Council of the planned business to be presented for the remaining quarters of the financial year.

The Director of Corporate Services summarised the main terms of the report, advising that the report illustrated the planned business at this particular moment in time. She advised that the reference to PPMF meetings at the end of the Programme would be removed in light of the new reporting framework for PPMF business that had been agreed.

It was requested that further training be provided or investigation be carried out as to why more Members were not using the technology provided to them at meetings, and the Leader advised that this would be taken account of in the work that was being carried out as part of the business transformation programme.

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

Decision:

The Council noted the business planned for the remaining quarters of the current financial year (1 April 2019 to 31 March 2020).

In order to avoid the disclosure of exempt information, Mr Bell moved and 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.

(Mr Fraser left the meeting)

Mr T Smith declared an interest in the following item as a member of the Hjaltland Housing Association Board, and left the meeting.

58/19 **Land Transaction**

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report.

On the motion of Mr Coutts, seconded by Ms Macdonald, the Council approved the recommendation in the report.

Decision:

The Council approved the recommendation in the report.

The meeting concluded at 11.05pm.

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Convener