

# MINUTES

# A&B – PUBLIC

## **Special Shetland Islands Council**

**Main Hall, Town Hall, Lerwick, and remotely via Teams**

**Monday 10 August 2020 at 2pm**

### **Present:**

M Bell	S Coutts
J Fraser	S Leask
M Lyall	E Macdonald
R McGregor	D Sandison
I Scott	C Smith
G Smith	R Thomson

### **Present via remote link**

P Campbell	A Cooper
A Hawick	C Hughson
A Manson	A Priest
T Smith	

### **Apologies:**

S Flaws

### **In Attendance (Officers) (Main Hall):**

M Sandison, Chief Executive

### **In Attendance (Officers) (by remote link):**

N Grant, Director of Development Services  
C Ferguson, Director of Corporate Services  
T Coutts, Acting Executive Manager – Economic Development Service  
J Manson, Executive Manager – Finance  
J Riise, Executive Manager – Governance and Law  
A Cogle, Team Leader – Administration  
M Hodgson, Solicitor  
C Anderson, Senior Communications Officer  
L Malcolmson, Committee Officer

### **Chairperson**

Mr Bell, Convener of the Council, presided.

The Chair advised that whilst the public are excluded from attendance at this meeting under the **terms of the Coronavirus (Scotland) Act 2020**, members of the local media were in attendance via remote link. He also advised that this meeting was being recorded and would be published online for public access after the meeting.

### **Circular**

The circular calling the meeting was then held as read.

The Chair ruled that due to special circumstances, namely due to the timescales involved, agenda item 2, appointment of members to the VJB, IJB and Planning Committee, would be considered at this meeting as a matter of urgency in terms of paragraph 3.2.2 of the Council's Standing Orders for Meetings.

### **Declarations of Interest**

Mr C Smith declared an interest in item 1 “Crown Estate Fund”, as he is involved in a registered charity. He said that he would take no part in discussion but he believed his involvement did not require him to leave the meeting. Mr Campbell and Mr McGregor advised that they had similar interests to declare and would take no part in discussion but would not leave the meeting.

In responding to a comment that the declarations made would apply to more Members, the Convener advised that it was up to each Member to make their own decision on declaring interests.

### **59/20 Crown Estate Fund**

The Council considered a report by the Acting Executive Manager – Economic Development Service (DV-14-20-F) that provided information on a proposed Grant Aid Scheme funded from Crown Estate net revenues, designed to mobilise change and deliver positive outcomes for Shetland and its communities.

The Acting Executive Manager – Economic Development Service introduced the report. In responding to questions, he advised that the availability of the Crown Estate Fund would be communicated to organisations and groups through media and social media. He also explained that the requirement of a business justification case for applications over £25k was to ensure that information is provided to demonstrate that a project is properly planned, that a structure is in place and that there is a means for sustainability following the funding period. The Acting Executive Manager – Economic Development Service said that this would be based on the individual circumstances of the project. He said that a business justification case is typically for public sector projects.

During further discussion, the Acting Executive Manager – Economic Development Service was asked whether consideration had been given to an independent person being involved on the Panel, in a similar way to the Leader funding scheme. The Acting Executive Manager – Economic Development Service said that this had been considered but it was more appropriate to have Council directorate representation as this was a Council Fund. In terms of regular reporting to the Development Committee, the Acting Executive Manager – Economic Development Service said that it was for Members to decide whether they would prefer quarterly reporting or at the regular Committee meeting cycles. The Acting Executive Manager – Economic Development Service agreed with a comment that the aims of the scheme would also include social economic growth and he said that the scheme documentation would be changed to reflect that. Reference was made to stage 2 of the process and whether the costs of applying for planning permission was part of that. The Acting Executive Manager – Economic Development Service said that the general principle was that those costs would be covered but it would depend on the specifics of each application.

Questions continued, and in regard to the final decision lying with the Chief Executive, or her nominee, Officers were asked how often that position would be used to overturn a matter approved by the Panel. The Chief Executive said that the intention was that the Panel would make recommendations and she would take the advice and expertise of the managers on the Panel. A suggestion was made that dates be set for the Panel to assist anyone also applying for other sources of funding.

The Acting Executive Manager – Economic Development Service was asked why religious organisations were excluded from making applications, and the point was

made that these organisations are proactive in the wider community benefit beyond their own membership or furtherance of own benefit. The Acting Executive Manager – Economic Development Service explained that this was normal for practices of political or religious purposes to be excluded. He said that this is to prevent the public sector funding from being seen to endorse particular views. In responding to a further question on this point, the Acting Executive Manager – Economic Development Service advised that there was little detail on the distribution of the funding but the guidelines had been put together with previous expertise from other funding programmes.

In terms of scrutinising the applications, the Acting Executive Manager – Economic Development Service said that there had been work done on how both phases of the process would work. He said that during the initial phase applications of interest would be made and a decision taken on whether it would continue to the full process. He said that there would be a light touch on whether the application would be successful and either it would proceed or not. He said that the more full process would scrutinise on elements of financial sustainability or on achievability.

In responding to a question on the delegated authority sought, the Acting Executive Manager – Economic Development Service explained that delegated authority to the relevant committee would allow changes to the scheme to be approved. He said that as a pilot process it is effectively a live consultation therefore there is the expectation that when it is in progress changes may be required to make it more effective. He said that the Development Committee will be able to change what is within the scheme presented, if that was deemed beneficial to the communities in order to make the scheme more effective.

Reference was made to “Participatory budgeting” in appendix 4, and the Acting Executive Manager – Economic Development Service said that was a generic term used for this local scheme. It was suggested that use of the words “participatory budgeting” was confusing in this instance.

The Acting Executive Manager – Economic Development Service responded to a request for clarification on the inclusion of salaries where it was set out that the scheme would not fund core running costs. The Acting Executive Manager – Economic Development Service explained that salary costs set out in Section 4 are to cover salary costs of a project manager to get a project up and running for a defined period of time. He said that core running costs that are of an ongoing nature with no end period would not be covered. However, some concern was expressed that this would exclude small organisations that really need the help at this time.

The Acting Executive Manager – Economic Development Service was asked if there had been dialogue with other Local Authorities to establish what types of schemes were up and running in other areas. The Acting Executive Manager – Economic Development Service said that he had no information on that at this time.

During debate, the Leader commented on the work of Local Authorities in bringing this to a stage where there is now Crown Estates revenue to distribute. He said that the Government was clear in terms of additionality this will bring and in terms of projects. He said however that it was also about local decision making, and that the Council was more than capable of doing that given the good track record of delivering grant schemes through the Development directorate. Mr Coutts put forward the following motion and said that he would email this to Members and the Clerk for ease of reference:

“That the Council RESOLVES to APPROVE the Crown Estate Fund Grant Aid Scheme Guidelines, for a pilot period to 01 September 2021, as per Appendix 1, with following amendments:

Section 7 to read:

**How will decisions on applications be made?**

- Administration of the Scheme will be co-ordinated by staff in the Development Services Directorate.
- Project applications will be assessed by a panel, chaired by the Director of Development, and one additional officer from each Council Directorate, nominated by the relevant Director.
- The Panel will consider and determine all requests for approval below £50,000. For funding requests of £50,000 or more, the Panel recommendation will be presented to Shetland Islands Council for decision.

Section 9. Service pledges to read:

In order to improve service delivery of the department's grant aid schemes we have the following service pledges:

- The department will provide accurate information about their grant aid schemes and application procedures.
- All grant application forms received will be acknowledged within 5 working days.
- All applicants will receive a decision on its completed application form: within 1 week of the funding panel meeting if under £50,000; if over £50,000 then decision will be made at the next scheduled Shetland Islands Council meeting.
- All applicants who have had stage one or stage two grant applications rejected will receive a written explanation of why it was unsuccessful.”

In seconding the motion, Mr Cooper said that it was important to recognise that the Council was breaking new ground and the Crown Estate wants this funding to be used on coastal communities. He said that the Crown Estate requires evidence of the scheme and its distribution, therefore the Council has to be totally responsible for the scheme going forward.

During the discussion the Leader responded to a number of questions and requests for amendments to his motion. The Leader gave the following responses:

- In terms of a right of appeal, the Leader said that he had full faith in Officers and Members to make the right decisions first time, and any projects over £50,000 would require a decision of the Council.
- A request was made for organisations of all persuasions and denominations to be considered within the scheme on the basis that they can apply for non-religious activity providing community benefit for all of Shetland. The Leader said that he was content with his motion as it stood and did not change his motion.
- The Leader was asked to give consideration to including an external body representative on the decision making Panel for decisions on applications under

£50k. It was suggested that the knowledge and experience outwith the Council could be beneficial to the decision making process. The Leader did not change his motion.

- A request was made for a change of wording at Section 1. Introduction - Paragraph 3, line 4 – change “...combines increased prosperity...” to “...combines improved wellbeing...”. The Leader agreed to include this change in his motion.

Supportive comment was made in regard to the inclusion of religious organisations for non-religious activities, and examples were given where this had already taken place in regard to the food bank which had seen an increase in need as a result of the COVID-19 response.

Mr Fraser moved, as an amendment, that the Council approve the motion set out by Mr Coutts with the addition that applications from religious organisations be considered for non-religious activities, by removing “Religious or” from the second last bullet of section 2 in the Appendix. Mr Leask seconded.

During further discussion, comment was made that up to £50k was a lot of money to be delegated to Officer level and it was suggested that £10k was more realistic, ensuring local democracy resides with Councillors. The Leader commented that it is Elected Members that set the objectives in terms of economic and social wellbeing and approve the scheme. He said that in terms of the Officer role he had faith that they would follow what Members set, to the letter. The Leader reminded Members that this was a pilot scheme and also that the Development Directorate already provide this function for other schemes and he believed that this was wholly consistent with what this Council does.

There followed further discussion, and concern was raised in regard to the funding of other public sector bodies but each application would be considered as it comes forward. It was also acknowledged that this scheme would go some way towards rebuilding community capacity following the erosion of grant funding in recent years.

In responding to further concerns in regard to the level of public funds being delegated to officers and the importance of Members keeping a grip on decision being made in their name, the Leader said that Member’s role was front and centre in the larger applications and he was confident that the Director of Development Service would keep Members well informed on the smaller applications approved.

Comment was made in support of the Leader’s motion and the role that Members have in setting the strategic direction. It was also acknowledged that this pilot scheme would test the process and it was important to recognise the need for the community to put forward quality projects, with the support of Community Development staff and the Third Sector assistance to ensure that quality applications are submitted so that there is no issue in it being approved.

After further discussion, and following summing up, the Convener ruled that voting would take place by roll call, and the result was as follows:

Mr Bell	Motion
Mr Campbell	Motion
Mr Cooper	Motion
Mr Coutts	Motion
Mr Fraser	Amendment
Ms Hawick	Motion

Mrs Hughson	Motion
Mr Leask	Amendment
Mrs Lyall	Amendment
Ms Manson	Motion
Mrs Macdonald	Motion
Mr McGregor	Abstain
Mr Priest	Motion
Mr Sandison	Motion
Mr Scott	Abstain
Mr C Smith	Abstain
Mr G Smith	Motion
Mr T Smith	Abstain
Mr Thomson	Motion

Amendment (Mr Fraser)	3
Motion (Mr Coutts)	12
Abstentions	4

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### **Decision:**

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Section 1. Introduction - Paragraph 3, line 4

Change wording "...combines increased prosperity..." to "...combines improved wellbeing..."

60/20 **Appointment of Members to the Orkney and Shetland Valuation Joint Board, Integration Joint Board and the Planning Committee**

The Council considered a report by the Executive Manager – Governance and Law (GL-18-20-F) that sought to appoint Members to vacant positions within the Orkney and Shetland Valuation Joint Board, the Integration Joint board and the Planning Committee.

The Executive Manager – Governance and Law introduced the report and provided detail on the vacancies presented. He also explained the process set in place should there be a vote by secret ballot. It was also noted that there was an error in paragraph 4.3 where Mr Smith was listed as both substantive and substitute Member, and Members were advised that the substitute Member was in fact Mr McGregor.

The Convener sought nominations for the substitute vacancy on the Orkney and Shetland Valuation Joint Board. No nominations were received. During a short discussion, where it was noted that there are currently 4 substitutes for the Orkney and Shetland Valuation Joint Board, Members agreed that there was no urgency to fill this vacancy therefore it would remain vacant. In responding to a question, the Executive Manager – Governance and Law said that there was no need to formally reduce the number of substitutes, at this time as that would require a change to the constitution, however it could form part of any future changes required.

The Convener sought nominations for the vacancy on the Integration Joint Board. Ms Macdonald nominated Mr Fraser, seconded by Mr McGregor. Mr Fraser accepted the nomination. There being no further nominations Mr Fraser was duly appointed as a Councillor Member to the Integration Joint Board.

The Convener sought nominations for the vacancy of a Shetland South Ward Member on the Planning Committee. Mr Smith nominated Mr McGregor, seconded by Ms Manson. Mr McGregor accepted the nomination. There being no further nominations Mr McGregor was duly appointed as a Shetland South Ward Member of the Planning Committee.

**Decision**

That the Council RESOLVED:

- Not to appoint a Substitute Member to the Orkney and Shetland Valuation Joint Board (O&SVJB);
- To appoint Mr John Fraser as a Member of the Council to the Integration Joint Board (IJB) for the remaining term of office to 17 May 2023; and
- To appoint Mr Robbie McGregor of Shetland South, to the Planning Committee.

The meeting concluded at 3.15pm.

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Chair