



## MINUTES

## A&B – PUBLIC

Shetland Islands Council

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

Wednesday 15 July 2020 at 2.00pm

### **Present (Main Hall):**

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

### **Present (Remote Link):**

D Anderson	P Campbell
A Cooper	A Duncan
S Flaws	A Hawick
A Manson	A Priest
G Smith	T Smith

### **Apologies:**

None

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

M Sandison, Chief Executive

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

M Sandison, Chief Executive  
J Manson, Executive Manager – Finance Services  
J Riise, Executive Manager – Governance and Law  
A Cogle, Team Leader – Administration  
K Collins, Financial Accountant  
P Wishart, Solicitor  
C Anderson, Senior Communications Officer  
L Malcolmson, Committee Officer

### **Chairperson**

Mr Bell, Convener of the Council, presided.

### **Circular**

The circular calling the meeting was held as read, noting that the public were excluded from the meeting in terms of Section 50(A)(3A) of the Local Government (Scotland) Act 1973, as introduced by Schedule 6, Paragraph 13 of the Coronavirus (Scotland) Act 2020. Whilst the public were excluded, members of the press also joined the meeting remotely.

### **Declarations of Interest**

Mr Campbell advised that for item 1, "Zetland Educational Trust unaudited annual report and financial statements for the year to 31 March 2020", as a Trustee of Zetland Educational trust

he had taken advice and unless there were specific discussion in regard to grant details he was not required to remove himself from discussions.

51/20 **Zetland Educational Trust unaudited annual report and financial statements for the year to 31 March 2020**

The Council considered a report by the Executive Manager – Finance (F-033-F) that presented the annual report and unaudited financial statements of Zetland Educational Trust (ZET) for the year to 31 March 2020.

The Executive Manager – Finance summarised the main terms of the report advising that the audited accounts would be submitted by the end of September 2020. In referring to the Primary Statement on pages 13 and 14 he advised that the income was lower than the year before and explained that was because the awards were less than in the previous year. He reported a net surplus of £7,168 for the year to 31 March 2020.

Reference was made to the current level of bursary payments of £200 and in responding to a query, the Executive Manager – Finance confirmed that the figure had been the same, with no inflationary increases for some time. He agreed to provide previous figures to Members following the meeting.

In responding to further questions the Executive Manager – Finance confirmed that if the surplus was not spent this year it would be held and disbursed the following year.

A specific query was made in regard to support for an individual's private tuition fees and the Executive Manager – Finance asked that the details be provided to him, following the meeting, so he could pass this on to the Executive Manager – Quality Improvement where any request are measured against the criteria required.

In response to a suggestion, the Executive Manager – Finance said that he would contact the Executive Manager - Quality Improvement regarding comments around the possibility of marketing the availability of this Charitable Fund, once it is safe to endorse activities moving forward.

A request was made for the constitution to be reviewed, to modernise the Trust. The Executive Manager – Finance said that Trustees were able to influence the direction of the Trust but that any change would require to be passed to, and approved, by OSCR (Organisation for the Scottish Charity Regulator). He confirmed that he would pass this and all other comments on to the Executive Manager – Quality Improvement.

During debate comment was made reiterating the need to maximise the trust's fund and to have any surplus available into another year.

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**Decision:**

The Council NOTED:

- The Zetland Educational Trust (ZET) annual report and financial statements for the year to 31 March 2020 (Appendix 1) and;

- The information at section 4.0 that highlights the key points from the report and financial statements.

52/20

**Shetland Islands Council Unaudited Accounts 2019/20**

The Council considered a report by the Executive Manager – Finance (F-032-F) that presented the Unaudited Accounts for Shetland Islands Council 2019/20.

The Executive Manager – Finance summarised the main terms of the report, and advised that the Audited Accounts would be reported to Council before submission by 30 September 2020. At that time he said that the External Auditors would provide their report. The Executive Manager – Finance commented on the three week delay experienced, in presenting to the report to Council, but that a dispensation had been given as a result of corona virus. He advised that the intention was still to submit the Audited Accounts by 30 September 2020, but members would be kept updated on any delays.

The Executive Manager – Finance highlighted the primary statement income and expenditure, the impact of poor investment conditions and the value of long term investments, the reduction in pension liability, and the reserves earmarked for specific purposes. The Executive Manager – Finance advised that the 10% funding held in the General Fund, that had not been earmarked for use, provided flexibility to respond to any immediate issues. He advised that there were no new accounting standards to be applied but officers were preparing for changes around leases which had also been delayed.

During questions the Executive Manager – Finance explained that the detail for the £328m earmarked reserves were summarised in the table on page 55 of the appendix.

In responding to a question on what specific impacts there were from using reserves, the Executive Manager – Finance said that there was no impact in the short term but the level of draw was driven by the performance of long term investments. He said that going forward there was some criticism around the sustainability point before the level of support is in line with the medium term financial plan. He advised that the Council had approved a drawn on reserves which was £10m in excess of what the Medium Term Financial Plan had assured.

In responding to a question the Executive Manager – Finance said that he was not in a position to confirm whether the Scottish Government would provide additional funding for the additional costs incurred by the Council. He said that initial funding was received before 20 June 2020 to cover costs during that period. He said that the Council was still incurring additional costs as it adapts to the need for change. He said that there was no assurance from the Scottish Government that further funding would be made available. The Executive Manager – Finance advised that CoSLA continued to keep the pressure on the Scottish Government in this regard and although some Council do not have any reserves it would not be fair for this Council to use its reserves were the Scottish Government to provide support to other Councils.

Reference was made to the accounting standards for leases and the Executive Manager – Finance explained that the impact forms were being prepared however having moved away from some leases, he did not think that any changes would be

significant for the Council. He said that any impact still had to be quantified but it would not be as much of an impact as in other areas.

An error on page 33 of the Appendix was highlighted, Change "D" to "B" after Ryan Thomson's name, and the Executive Manager – Finance confirmed that this would be amended before it is submitted to the auditors.

During debate the Leader said that he was pleased to see the information contained in the report and appendix and commented that a lot of work had gone into its preparation. The Leader thanked the staff for their hard work given the delays impacted by COVID-19.

Mr Coutts moved that the Council approve the recommendations contained in the report. Mr McGregor seconded.

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**Decision:**

The Council approved:

- The 2019/20 Unaudited Accounts for the Shetland Islands Council (Appendix 1) and;
- The key issues arising from the 2019/20 accounts summarised in section 4.0.

The meeting concluded at 2.35pm.

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Chair