



Shetland Islands

Council

MINUTE

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**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Thursday 9 February 2006 at 10.30 a.m.**

Present:

A J Cluness	F B Grains
L Angus	B J Cheyne
C B Eunson	R G Feather
B P Gregson	L G Groat
I J Hawkins	J H Henry
J C Irvine	E J Knight
W H Manson	G G Mitchell
J P Nicolson	W A Ratter
F A Robertson	J G Simpson
W N Stove	W Tait

Apologies

J A Inkster	T W Stove
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In attendance (Officers):

M Goodlad, Chief Executive
G Spall, Executive Director - Infrastructure Services
S Cooper, Head of Environment and Transport
B Doughty, Interim Head of Social Work
N Galbraith, Head of Education
G Johnston, Head of Finance
G Smith, Head of Community Development
W Shannon, Head of Economic Development
I Halcrow, Head of Roads
A Hamilton, Head of Planning
D Irvine, Head of Business Development
C Medley, Head of Housing/Capital Programme Service
J Riise, Head of Legal and Administration
B Hill, Acting Divisional Manager - Legal
M Holmes, Coastal Zone Manager
I Millar, Projects Manager
S West, Network/Technical Support Manager
A Cogle, Service Manager - Administration

Chairperson

Mr A J Cluness, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

3/06 **Shetland Islands Council – (a) 14 December 2005; (b) 11 January 2006; and (c) 27 January 2005**

The Minute of meeting held on 14 December and 11 January were approved on the motion of Mr A J Cluness. The minute of meeting held on 27 January 2006 was approved on the motion of Mrs F B Grains.

4/06 **Members Attendance at External Meetings**

The following Members provided details of attendance at external meetings relating to Council business, further details of which can be obtained from the Members concerned:

W A Ratter - Tamil Nadu
Mr Ratter agreed to requests from Members to arrange a presentation to all Members regarding his trip to Tamil Nadu.

A J Cluness - CoSLA Leaders Meeting, Edinburgh

L Angus - CPMR, Bergen
J G Simpson

[Mr W H Manson attended the meeting.]

At this point the Convener ruled that, due the timescales involved, the following items had been added to the agenda as matters of urgency, in terms of subsection 4 of Section 50B of the Local Government (Scotland) Act 1973: (1) Review of Community Councils and Association of Scottish Community Councils; and (2) Update Smyril Line. It was noted that this last item contained exempt information and would be taken last on the agenda.

5/06 **Infrastructure Committee – 24 January 2006**

Except as undernoted, the Council approved the minute of the aforementioned meeting, on the motion of Mr J C Irvine.

Min. Ref. - Members Attendance at External Meetings

Mr L Angus referred to the special meeting of the Environment and Transport Forum which was to be arranged to discuss the contents of the independent report on the "Future Options for Northern Isles Ferry Services". Mr Angus suggested that this should not proceed until agreement was reached with Alastair Carmichael MP and Tavish Scott, as both local MSP and Minister for Transport, to attend, given the importance of this matter to the Shetland community. The Executive Director of Infrastructure Services agreed to follow this suggestion through, in consultation with the forum Chairperson.

6/05 **Services Committee – 26 January 2006**

Except as undernoted, the Council approved the minute of the aforementioned meeting, on the motion of Mrs F B Grains.

Min. Ref. 01/06 – Fuel Poverty Scheme

Second last paragraph, first sentence – replace “base scheme” with “base factor”.

Min. Ref. 08/06 – Cinema and Music Venue – An Update

Mr J P Nicolson said that experts had been commissioned to look at the business plan, and suggested that this include discussions with interested parties to ensure wider examination of the issues, such as the Fiddle and Accordion Association, Shetland Folk Festival Society, Shetland Country Club, Shetland Film Club and Islesburgh Community Centre.

Mr W N Stove advised that there were two steering groups related to this project with which consultation was taking place, and suggested that the Head of Community Development ensure that the groups referred to are included in the Steering Groups. The Council concurred.

7/06 **Executive Committee – 7 February 2006**

The Council approved the minute of the aforementioned meeting on the motion of Mr A J Cluness

8/06 **Executive Committee – Economic Development – 7 February 2006**

The Council approved the minute of the aforementioned meeting on the motion of Mr W A Ratter.

9/06 **Planning Sub-Committee – 11 January 2006**

Except as undernoted, the Council approved the minute of the aforementioned meeting, on the motion of Mr F A Robertson.

Min. Ref. 01/06 - 1. 2005/162/PCO – Erect dwellinghouse (in outline), Backaburn, Hamnavoe, Burra by Mr W J Robertson and Miss L McQuade

The Council noted that a site visit had now taken place, and the Council was permitted to consider the matter today.

Mr C B Eunson said that there was no need for him to reiterate what he said at the Planning Sub-Committee, but said that this was a young couple wanting to stay on Burra, and they were using their own resources to build their own house. Accordingly, Mr Eunson moved that the application be granted. Mr L Angus seconded.

Mr J C Irvine moved as an amendment that the Council accept the recommendations put forward in the report to refuse the application. Mr F A Robertson seconded.

Some Members advised that they had attended the site visit and had found it to be extremely useful.

The Head of Planning advised that as there were objections to this particular application, and if it was recommended for approval today, then this would require a hearing before the Planning Sub-Committee. He went on to say that the second point for Members to note was that there were public rights of way across the application site, which needed to form part of the Council's consideration of this application. The Council were also advised and noted that there was a separate procedure for consideration of public rights of way.

Mr L Angus said that he had been on the site visit, and by Lerwick standards this was an enormous site. He acknowledged that there were rights of way issues, although it appeared to him that a relatively minor diversion to the right of way could be resolved. Accordingly, Mr Angus said that there were no good planning reasons for refusing the application, and reiterated his support for the motion.

Mr J C Irvine reminded Members that the decision of the Planning Sub-Committee had been to refuse permission, prior to it being deferred for a site visit.

The Head of Legal and Administration advised that if the planning authority were minded to consider approval of the application, this would have to be subject to a suspensive condition so that approval at the planning stage did not pre-determine the right of way issue, which would have to follow a separate course of action. The Council concurred.

Voting took place by a show of hands, and the result was as follows:

Amendment (J C Irvine)	6
Motion (C B Eunson)	11

Min. Ref. 01/06 - 4. 2005/340/PCO - Erect 12 dwellinghouses (in outline), Land to the South of Nederdale Housing Scheme, Lerwick by Hjalatland Housing Association

Mr B P Gregson said he had not been present at this meeting, but it had become apparent to him that the motion to not allow development at Nederdale would be raised at Council, as clarity was required on what the motion should have said in relation to material reasons for refusing. Mr Gregson said he also had a problem with the motion, as it was, in his view, contrary to Council policy, as the decision had been made to make this plot of land available to Hjalatland Housing Association [HHA] specifically for the purpose of building houses.

[Mrs I J Hawkins and Capt G G Mitchell each declared an interest in this item as a member of Hjalatland Housing Association.]

The Head of Legal and Administration advised that, on the first point, whilst it would have been helpful to have the reasons stated at the Planning Sub-Committee, the reasons could be stated today. On the second point regarding the sale of land to HHA, he said this was more difficult for the Council, as all Members set as the Planning Sub-Committee. However, he said that Members had to wear two separate hats – estates manager and Planning Authority – and it was important to keep those two issues separated. The Head of Legal and Administration advised that to refuse the application would not be contrary to Council policy, but would simply require the Council to reconsider its decision to sell the land.

Mr B P Gregson asked for clarity on the planning reasons for refusal.

Mr F A Robertson confirmed that he had the casting vote at the Sub-Committee, and his reason for voting against the application was that if development of this area was permitted, it would result in loss of amenity space in and around Nederdale.

During the discussion which followed, some Members referred to the lack of social housing in Lerwick, and noted that Hjaltsland Association were attempting to meeting the need, assisted where possible by the Council. Members agreed that this general issue of housing provision required further debate by the Council at a later stage, but recognised that this particular application had to take into account only planning considerations.

[Mr W A Ratter left the meeting.]

Mr B P Gregson moved as an amendment to the recommendation from the Planning Sub-Committee that the application be approved because he did not believe the agreement about open spaces was relevant in this situation. Mr L G Groat seconded.

Mr J Henry and Mr W N Stove each gave notice of further amendments.

[Mr W A Ratter returned to the meeting.]

After further discussion and summing up, voting took place by a show of hands, and the result was as follows:

Amendment (B P Gregson)	8
Motion (F A Robertson)	8

Mr A J Cluness, as Convener, used his casting vote in favour of the motion.

Mr J Henry and Mr W N Stove withdrew their notices of further amendments.

The motion by Mr F A Robertson was declared the finding of the meeting.

10/06 **Harbour Board – 12 January 2006**

The Council approved the minute of the aforementioned meeting, on the motion of Mr J Simpson.

11/06 **Marine Development Sub-Committee – 20 January 2006**

The Council approved the minute of the aforementioned meeting, on the motion of Mr W H Manson.

12/06 **Notice of Motion – From 1 April 2007 voluntary groups as shown in the Appendix, should be placed on three year funding grants, which should include service legal agreements**

The Council considered a Notice of Motion (Appendix 1) signed and submitted by 6 Members.

Mr J C Irvine moved the terms of the motion, on the basis that this would be agreement in principle and that an enabling report would be produced before the end of the next financial year to allow plenty of time for further debate. Members agreed that, bearing in mind the savings that needed to be made, the terms of the motion was such that this should be subject to the availability of finance.

[Mr E Knight left the meeting.]

13/06 **Updated Council Financial Strategies and Community Funds**

The Council considered a report by the Chief Executive (Appendix 2).

The Convener said that the Council now had to face up to difficulties in its financial structure and, as mentioned at the Executive Committee meeting on Tuesday, the Council was also struggling 10 years ago. He said that the Council had a deficit of £11m, although there was a proposal to try to save 5%. He added that there pressures from outwith Shetland on how the Council used its reserves, and the potential was there that the SIC might be joined with other local authorities. He said it was important to remember that the reserves were Shetland public funds, and not derived in the normal way from Edinburgh. The Convener said that he this was a detailed report, but it was seeking generally for approval to proceed on the basis proposed.

Members were in general agreement with the proposals, and were mindful of moves nationally to review local authority financing, and the need to get more advice and direction on the use of reserves without breaching state aid regulations to ensure there could be no legal challenge. Members agreed that the reserves were distinctive to Shetland, and should always remain so.

[Mr W A Ratter left the meeting.]

Mr J C Irvine said that reports on the Social Work and Ferries Task Groups would be coming to a special meeting towards the end of March. Mr Irvine moved that, in terms of implementing the 5% cut, and in addition to the recommendations in the report, the Chief Executive be instructed to involve these groups within the overall exercise, in order to avoid duplication. Mr J P Nicolson seconded.

Mr W H Manson said he did not believe there was a clash between the overall efficiency savings being sought, and the changes to be proposed by the Task Groups. He said that whatever savings were proposed would be brought to the Council for determination, and would be brought to Members' attention if there was any subsequent clash with the output of the Task Groups. Accordingly, Mr Manson moved that the Council adopt the recommendations in the report, without amendment. Mr W Tait seconded.

After summing up, voting took place by a show of hands, and the result was as follows:

Amendment (W H Manson)	13
Motion (J C Irvine)	5

14/06

General Fund Revenue Estimates and Council Tax Setting

The Council considered a report by the Head of Finance (Appendix 3).

The Head of Finance advised that a further Appendix had been tabled today for Members approval. He said that this was required due to the letting of the electricity contract for the forthcoming period. The outcome was that the requirement was £200k higher than energy budgets already placed before Members today. The recommendation to provide additional revenue for these costs was approved on the motion of Mr L Angus, seconded by Captain G G Mitchell.

The Head of Finance went on to say that the average increase in Scotland was estimated at 4.5%, with many authorities proposing 7%, and therefore the proposed increase of 3.7% for Shetland Islands Council would maintain its position at the lower end of the league table of charges. The Head of Finance said that this was recommended as achieving a reasonable balance between the financial circumstances of the Council, and its reserves.

On the motion of Mr L Angus, seconded by Mrs B Cheyne, the Council adopted the recommendations in the report.

Mr J P Nicolson referred to paragraph 4.2.9 of the report, and said that the Council had to be mindful of the fact that this would take the Council's use of reserves above its planned level. Mr Nicolson went on to agree that more satisfactory levels of budgetary control were

required, and it was important that Heads of Service met with Executive Management Team on a more regular basis to consider these matters. Mr Nicolson added in addition to the recommendation agreed, that a detailed analysis of the growth in application of the Council's reserves since 2002/03 to date is provided. Mr L Angus agreed to accept this as part of the motion, and the Council concurred.

In response to a question from Mr G Feather, the Head of Finance confirmed that Council Tax benefits were proportionate to the level of the charges set.

- 15/06 **The Capital Programme – CPMT Report – February 2006**
The Council considered a report by the Head of Finance (Appendix 4) and approved the recommendations contained therein, on the motion of Mr B P Gregson, seconded by Mr A J Cluness.
- 16/06 **Housing Revenue Account Revenue Estimates and Charge Setting 2006/07**
The Council considered a report by the Head of Finance (Appendix 5) and approved the recommendations contained therein, on the motion of Mr L G Groat, seconded by Mr W N Stove.
- 17/06 **Table of Dues 2006/07**
The Council considered a report by the Head of Finance (Appendix 6A) and approved the recommendations contained therein, on the motion of Mr J G Simpson, seconded by Mr B P Gregson, on the basis of the corrected schedule of boarding and landing charges tabled at the meeting (Appendix 6B).
- 18/06 **Harbour Estimates 2006/07**
The Council considered a report by the Head of Finance (Appendix 7) and approved the recommendations, on the motion of Mr J G Simpson, seconded by Mrs I J Hawkins.
- 19/06 **Changes to Fire Requisitions from Constituent Authorities**
The Council considered a report by the Head of Finance (Appendix 8).

On the motion of Mr A J Cluness, seconded by Mr W H Manson, the Council adopted the recommendations in the report, and supported the recommendation from the Executive Committee, for a report to be presented with advice on the cost of water, sewerage and fire services, with a view to their return to the control of the Council.
- 20/06 **Ferry Services Customer Information Systems**

The Council considered a report by the Ferry Services Manager (Appendix 9) and adopted the recommendations contained therein, on the motion of Mr B P Gregson, seconded by Mr J P Nicolson.

21/06 **Update on Implementation of Corporate Improvement Plan**

The Council noted a report by the Head of Organisational Development (Appendix 10).

22/06 **Admission Agreement to the Local Government Pension Scheme – Shetland Arts Development Agency**

The Council considered a report by the Expenditure Manager (Appendix 11) and approved the recommendation contained therein on the motion of Mr L G Groat, seconded by Mrs F B Grains.

23/06 **Investment in Archaeology**

The Council considered a report by the Head of Planning (Appendix 12).

The Council noted that whilst it was suggested that this report be deferred and re-routed back through Economic Development, this would result in a loss of funding for the current financial year.

Accordingly, the Council resolved, on the motion of Mr B P Gregson, seconded by Mrs B Cheyne, to approve the recommendations contained in the report, and noted that the Head of Planning would continue to liaise with the Head of Economic Development with regard to any future developments in this area.

24/06 **Scottish Elections 2007 – E-Counting**

The Council considered a report by the Head of Legal and Administration (Appendix 13) and approved the recommendations contained therein, on the motion of Mr C B Eunson, seconded by Mr J C Irvine.

The Council proceeded to appoint Mr C B Eunson and Mr J G Simpson to attend the e-counting trials in Aberdeen on 24 February 2006.

25/06 **Review of Community Councils and Association of Scottish Community Councils**

The Council considered a report by the Head of Legal and Administration (Appendix 14) and approved the recommendation contained therein, on the motion of Mr L Angus, seconded by Mr A J Cluness.

In order to avoid the possible disclosure of exempt information, the Council resolved, on the motion of Mr A J Cluness, seconded

by Mr J C Irvine, in terms of the relevant legislation, to exclude the public during consideration of the following items of business.

26/06 **Sale of Land at Pirate Lane, Lerwick**

The Council considered a report by the Head of Legal and Administration and approved the recommendation contained therein, on the motion of Mr L G Groat, seconded by Mr J P Nicolson.

Before consideration of the following item, Mr A J Cluness declared an interest in this item, vacated the Chair and left the Chamber.

Mrs F B Grains assumed the Chair.

Mr L G Groat also declared an interest in the following item and left the Chamber.

27/06 **Update – Smyril Line**

The Council considered a report by the Chief Executive and, after due consideration, approved the recommendation in the report, on the motion of Captain G G Mitchell, seconded by Mr B P Gregson.

CONVENER