

11/3/2009

Shetland Islands Council
Audit and Scrutiny Committee
Town Hall
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Kevin Learmonth
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Dear Shetland Islands Council Audit and Scrutiny Committee member

I am writing to you in your capacity as an elected member of Shetland Islands Council (SIC) and member of the Audit and Scrutiny Committee.

I am writing on behalf of Sustainable Shetland, a Shetland campaign supporting sustainability, and opposing the Viking Energy wind farm project. Founded in February 2008, Sustainable Shetland has over 500 paid up members.

A number of facts have come to light which show that local authority funds are being spent on behalf of a company previously owned by SIC, namely Viking Energy Ltd.

I also understand that this company enjoys access to local authority staff, services and resources, without being invoiced for these costs.

Furthermore, since Shetland Island Council sold all its shares in Viking Energy Ltd in September 2007, it has continued to pay all costs and expenses on behalf of this company in which the authority has no financial interest.

I understand that at 29/1/2009 the sum owed by Viking Energy Ltd to Shetland Islands Council was in the region of £1.74m.

I consider all current expenditure on behalf of this company, and planned future expenditure, to be a misuse of public funds.

I consider it poor practice for a public authority not to seek timely reimbursement of expenses incurred on behalf of an unconnected third party. Indeed to not even attempt to reclaim these costs by way of an invoice is bordering on negligent.

I ask that the following be addressed as a matter of urgency:

1. That Viking Energy Ltd is invoiced immediately for all costs and expenses to 28/02/2009.
2. That an invoice be raised to Viking Energy Ltd by 14/4/09 for all costs and expenses from 1/3/2009 to 31/3/09.
3. That all future invoices received by Shetland Islands Council, but relating to goods and services used by Viking Energy be returned unpaid from 23/3/09.

It is clear from the letter written by Shetland Islands Council Chief Executive (enclosed) that this authority "simply cannot continue to meet these expenses for a company it has no locus in". However what is unsettling is that no actual attempt has been made to raise an invoice to recover this debt.

The inability of a company such as Viking Energy Ltd to meet its financial obligations should not be a reason for a public authority to delay invoicing for expenses incurred on behalf of that company.

I, on behalf of Sustainable Shetland, ask that the Audit and Scrutiny Committee respond to these issues as a matter of importance, and make appropriate recommendations to full council and senior local authority staff.

I also ask that the director of finance be instructed to issue appropriate invoices to Viking Energy Limited without delay, and that no further payment be made on behalf of invoices received on behalf of Viking Energy.

I look forward to you addressing these points as a matter of urgency.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Learmonth', with a stylized flourish at the end.

Kevin Learmonth

(Vice chair, Sustainable Shetland)