Motion to Shetland Islands Council

That Shetland Islands Council undertakes an immediate review of it's commitment to the Cinema and Music Venue project in the light of:

a) The over-subscription of the Council's Capital Programme.
b) The fact that there is no obligation on the SIC, statutory or otherwise, to provide such a facility.
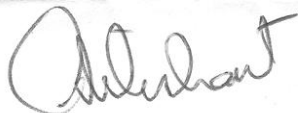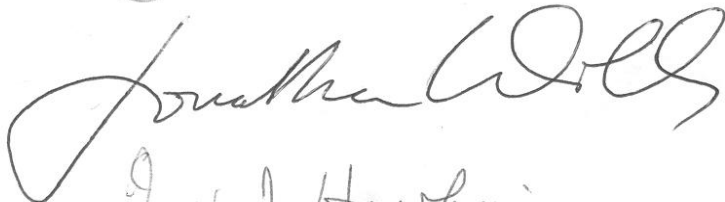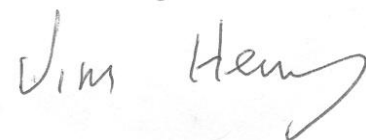c) Questions over long-term revenue funding should the project go ahead.

Signed:

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **14 May 2008**

From: **Head of Finance**

Long Term Financial Planning –
COUNCIL FINANCIAL POLICY AND CAPITAL SPENDING

Report No: F-015-F

1.   Introduction

1.1   The Council is approaching the final decisions regarding the new Anderson High School project, the biggest single project it has ever undertaken. The funding of such a major project would always have been challenging, but it has recently become apparent that, in order to construct the School in a cost effective manner, it will conflict to some degree with current Council financial policy, which makes the issue doubly important. This report will explore all the funding options for the new Anderson High School, together with any implications those might have for the Council's capital spending plans and financial policy framework.

2.   Background

2.1   The Council's current financial policy framework for the General Fund consists of four main elements:

2.1.1   The Council intends to **reduce the use of Reserves** (Repairs and Renewals Fund, Reserve Fund) **to support revenue expenditure to zero** (the budget for such contributions is £4 million in 2008/09, diminishing by £1 million per annum to £0 in 2012/13). The implementation of this policy is going well, with the contributions from Reserves under budget in 2006/07 and, probably, also in 2007/08. The budget for 2008/09 was set in line with the policy, thanks mainly to a better than expected financial settlement from the Scottish Government. The latest news on this policy will be contained in the 2007/08 Outturn report to Council on 25 June 2008.

2.1.2　　The Council intends to **maintain its Reserves** (Capital Fund, Repairs and Renewals Fund, Reserve Fund) **at a minimum level of £250 million (the Reserves Floor Policy)**. This policy has proceeded according to plan since 2005, with the Reserves declining from £319 million in March 2005 to a predicted level of £280 million in March 2008. Again, the latest news will be in the Outturn report to Council on 25 June 2008.

2.1.3　　The Council will **limit its use of Reserves** (Capital Fund, Repairs and Renewals Fund, Reserve Fund) **to support the Capital Programme to no more £20 million per annum (Annual Limit Policy)**.

2.1.4　　The Council has maintained a policy of having **no debt** on the General Fund since March 1992 (the **Debt Free Policy**), having paid off the infrastructure debt from the oil era, with a view to leaving no funding burdens for future generations in Shetland.

2.2　　The current General Fund Capital Programme, which does not yet include the costs of construction of the new Anderson High School (yet to be finalised and approved), is set out in some detail in Appendix A, and is referred to in this report as Scenario A. Scenario A is, if you like, the baseline against which all options for funding of the AHS will be compared in relation to Council financial policy. Scenario A is summarised against financial policy in Table 1 below.

2.3　　Table 1 also contains a Graph, which shows the forecast level for the Council's discretionary Reserves (Capital Fund, Repairs and Renewals Fund, Reserve Fund) under Scenario A over the ten year period 2006-2016. It compares that forecast with the Good Case projection upon which the Council set its current financial policy framework in June 2005, and also compares it with the Bad Case projection of what would happen if no change was made to policy in 2005 (namely that the Reserves would decline to near zero in around ten years time).

TABLE 1: Scenario A (Appendix A) – Current Capital Programme, excluding AHS Construction

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	20.0	21.1 (maximum, 2008/09)
Reserves Floor	250.0	241.4 (minimum, March 2012)
		250.0 (March 2016)
Debt Free	0.0	0.0 (throughout period)

APPENDIX A:
SIC Discretionary Reserves 2006-2016
Current Capital Programme, Excluding AHS Construction
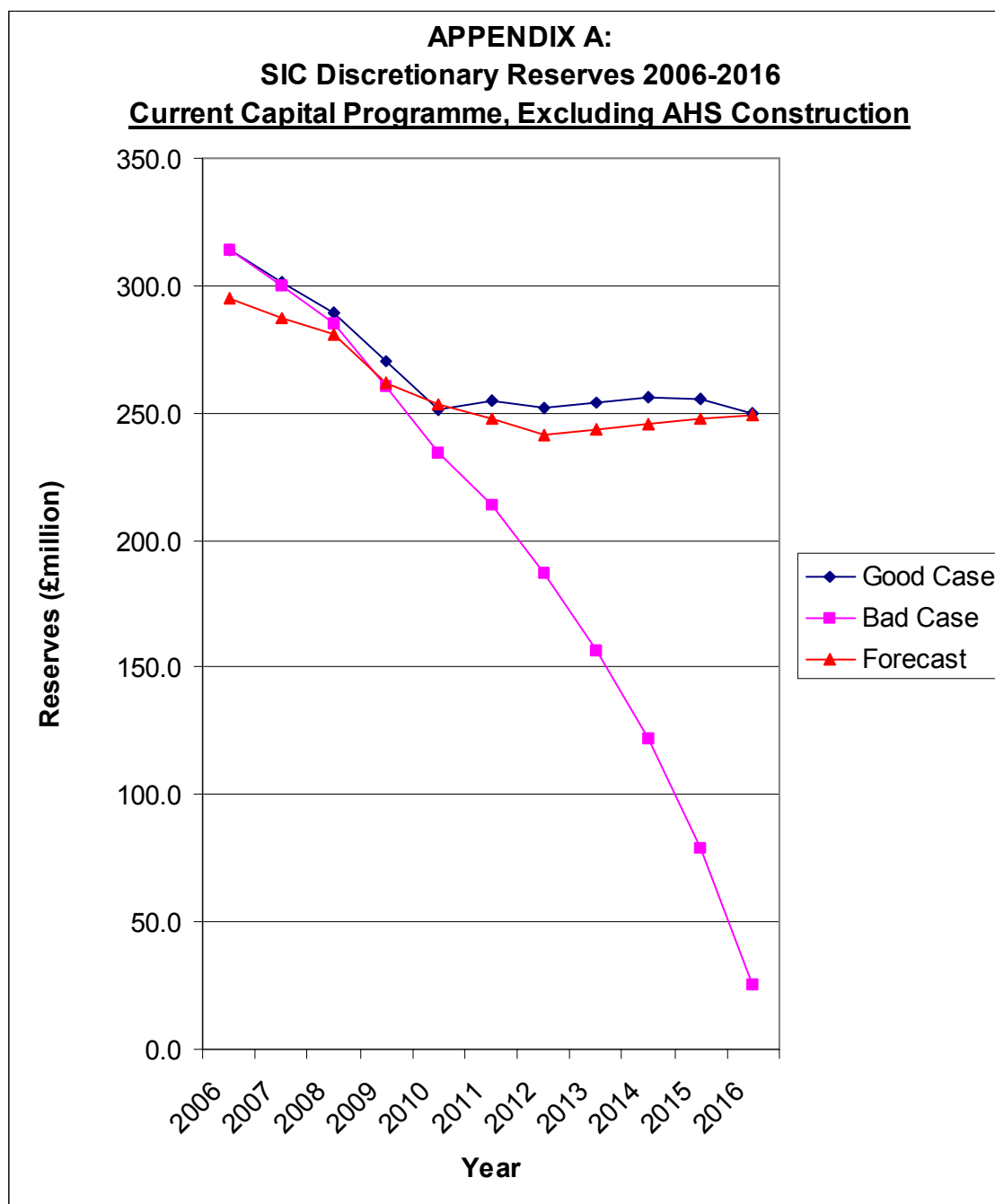
2.4 Table 1 shows that even the current Capital Programme (Scenario A/Appendix A) strays marginally from the Annual Limit Policy (£21.1 million in 2008/09) and Apphe Reserves Floor Policy (dipping below £250 million to go as low as £241.4 million in 2011, before recovering to £250.0 million by 2015. It can support a Capital Programme of £13.9 million thereafter. It does adhere fully to the Debt Free Policy. Table 1 shows

that it is a fairly close fit to the Good Case projection upon which current Council policy was based. It is far removed from the Bad Case projection, but of course doesn't provide for the construction of the new AHS.

2.5 The current estimate for spending on the new AHS project, based on the assumption of a start on site at the Knab in December 2008, is as follows:
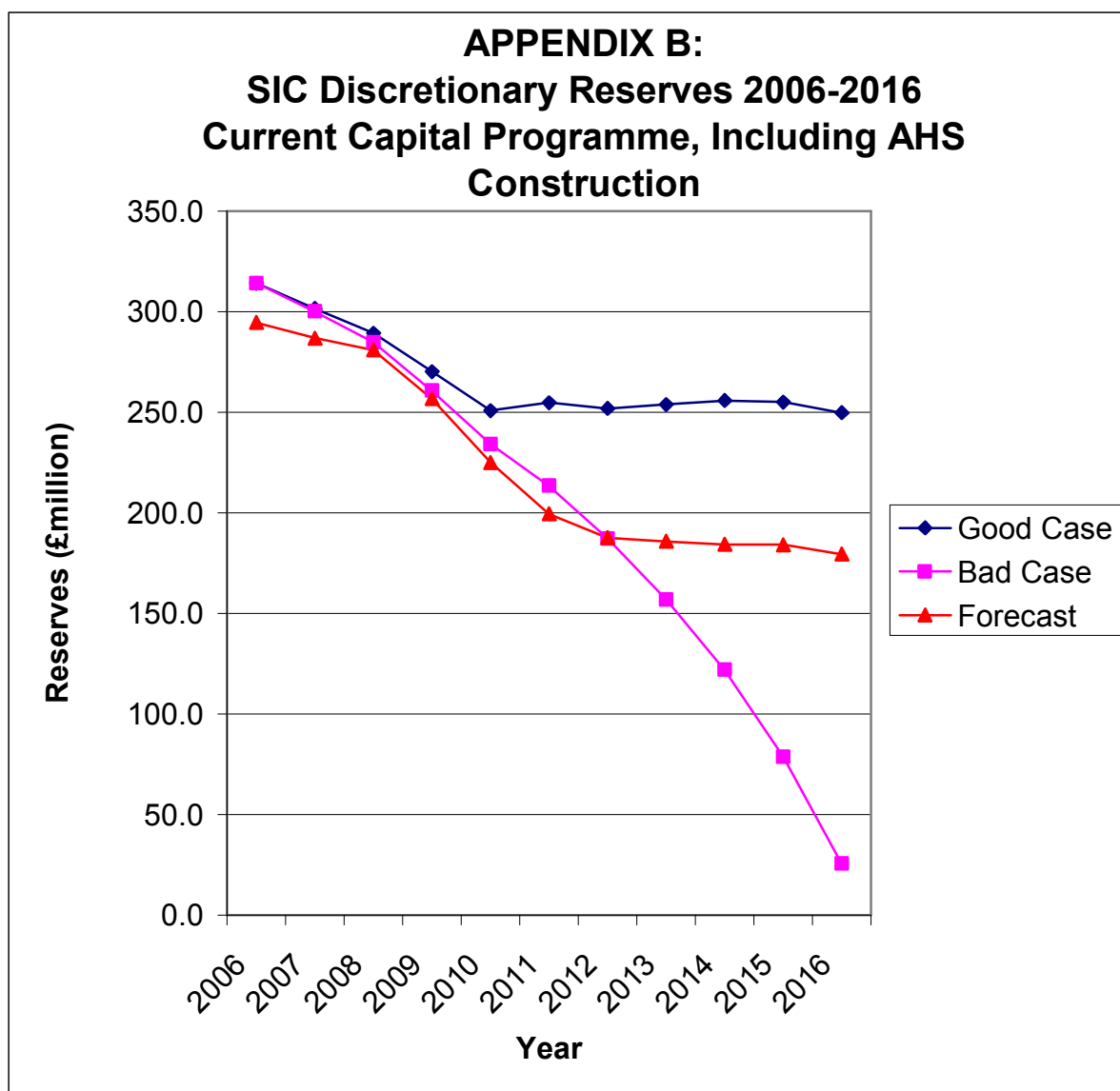
TABLE 2: New AHS - Estimated Future Spend

Year	Spend (£millions)
2008/09	5.0
2009/10	23.0
2010/11	18.0
2011/12	2.0
TOTAL	48.0

2.6 The remainder of this report is based upon this estimate of £48 million for AHS construction. Obviously, the implications of this project will be lessened if it proves possible to bring the project in at lower cost, but that will be considered in a separate report which will deal with deciding whether to proceed with the AHS or not.

2.7 Simply slotting the new AHS figures from Table 2 into the current Capital Programme immediately causes problems with Council financial policy. For a start, estimated spend on the AHS in 2009/10 of £23 million is already more than the £20 million policy limit (see 2.1.3). And if the AHS estimates are simply added to the current spending plans of the Council (see Appendix B) then the Reserves fall below the £250 million Floor level in 2009/10 and carry on falling to £179.6 million by March 2016. This Scenario B is summarised in Table 3.

TABLE 3: Scenario B (Appendix B) – Add New AHS to existing Capital Programme

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	20.0	43.8 (maximum, 2009/10)
Reserves Floor	250.0	179.6 (minimum, March 2016)
Debt Free	0.0	0.0 (throughout period)

**APPENDIX B:
SIC Discretionary Reserves 2006-2016
Current Capital Programme, Including AHS
Construction**

2.8   And even that is not the worst case scenario, because current estimates assume a stabilisation of Sullom Voe port profitability at £4 million per annum (currently lower), do not assume an ongoing cost of settling Single Status, and do not contain estimates for transport, social care and other infrastructure which are in the pipeline but not yet worked up into project proposals. If any of these increase spending/reduce income over the period to 2016 (and they may all do so) then the position on the Council Reserves will be even further below the Reserves Floor.

2.9   It is therefore clear that simply adding the new AHS to current spending plans is incompatible with the Council's financial policy framework (both

Reserves Floor Policy and Annual Limit Policy), requiring a revision of spending plans, or financial policy, or both. This report is all about the exploration of the available options, with a view to the Council making an informed choice of the best way forward.

3. **Financial Policy and Capital Spending Options**

3.1 The most obvious approach to solving a problem in which capital spending breaches Council financial policy is to look to **reduce or reschedule capital spending.** The options for doing so, and their implications, are dealt with in **Section 4** of this report.

3.2 If that doesn't satisfactorily solve the problem then it will be necessary to **revise Council financial policy**. This could take the form of **increases to the £20 million Annual Limit Policy**, or reductions to the **£250 million Reserves Floor Policy**, or **modifications to the Debt Free Policy,** or **change to the basis of funding for the AHS and/or other projects** in the Capital Programme. These policy options, and their implications, are dealt with in **Section 5** of this report.

3.3 Having developed and considered the options for change, I will then summarise them, draw what I believe to be the relevant conclusions, and will then offer recommendations for the Council to consider.

4. **Options: Reduce or Reschedule Capital Spending**

4.1 The simplest and most direct approach to solving the conflict between capital spending and Council financial policy would be to **reduce spending until it complies with current Council policy**. This either means not spending £48 million on the AHS out of the Council Capital Programme or reducing non-AHS capital spending (i.e. spending on everything else in the Capital Programme) until the policy is met.

4.2 **Non-AHS Spending Cut to Maintain Council Financial Policy**

4.2.1 On the basis of current indications that the Council wishes to proceed with the AHS I have examined as Scenario C (see Appendix C) the cutting of non-AHS spending, sufficient to meet the requirements of current Council policy.

4.2.2 Scenario C requires non-AHS capital spending in 2008/09 to be cut from £21.1 million to £15 million to comply with the Annual Limit policy. That policy is still breached in 2009/10 by the AHS spend of £23 million, even if non-AHS spending is set to zero. The Reserves Floor policy requires non-AHS spending at zero in 2010/11 as well, and even at this extreme the Reserves Floor policy is marginally breached (down to £247 million). Non-AHS spending can then recover to £8 million in 2011/12 and £14 million per annum thereafter.

TABLE 4: Scenario C (Appendix C) – Cut non-AHS Spending as far as Necessary to Maintain Council Financial Policy

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	20.0	23.0 (maximum, 2009/10)
Reserves Floor	250.0	247.2 (minimum, March 2011)
		250.0 (March 2016)
Debt Free	0.0	0.0 (throughout period)

APPENDIX C:
SIC Discretionary Reserves 2006-2016
Cut Non-AHS Spending to Maintain Council Financial Policy
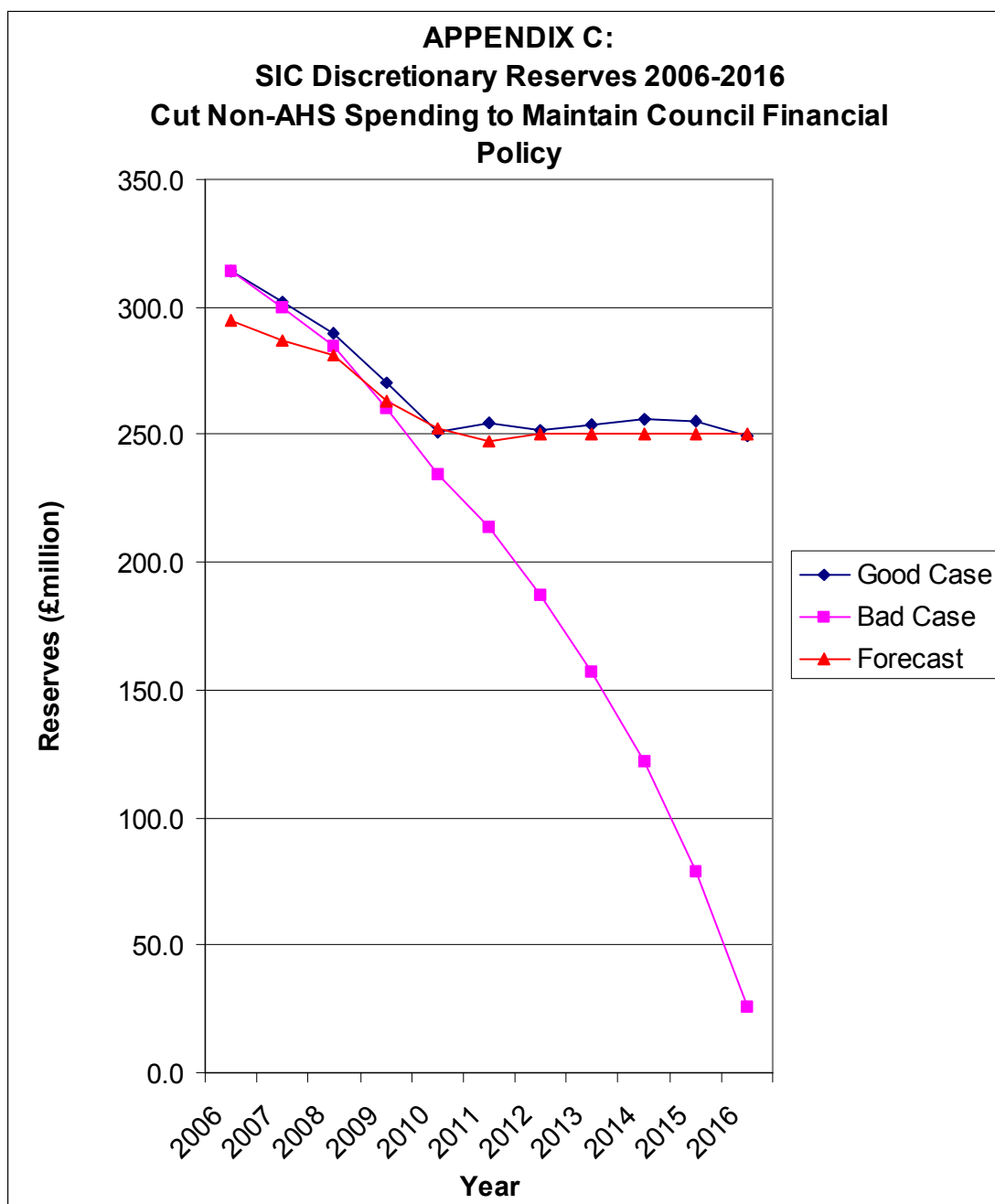
4.2.3   The benefits of Scenario C are that it involves a temporary (one-year) and marginal breach of both the Annual Limit Policy and the Reserves Floor Policy. The disadvantages are that it requires major pruning of non-AHS spending plans in 2008/09 and 2011/12, and zero non-AHS spending in 2009/10 and 2010/11. Zero non-AHS spending is almost completely unrealistic, given service, statutory and contractual

commitments, and the fact that many Council and contractor jobs depend on the continuance of such work. Scenario C is not, therefore, a realistic possibility.

4.3 Non-AHS Spending Cut as far as Practicably Possible

4.3.1 It is therefore clear that the extreme case of Scenario C is impracticable, and there is therefore a need to consider a Scenario D, in which non-AHS spending is reduced to a tolerable minimum. The Capital Programme Service (CPS) has worked up the details of such an option (see Appendix D).

TABLE 5: Scenario D (Appendix D) – Cut non-AHS Spending as far as Practicably Possible

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	20.0	34.8 (maximum, 2009/10)
Reserves Floor	250.0	192.7 (March 2016)
Debt Free	0.0	0.0 (throughout period)

APPENDIX D:
SIC Discretionary Reserves 2006-2016
Cut Non-AHS Spending as far as Practicably Possible
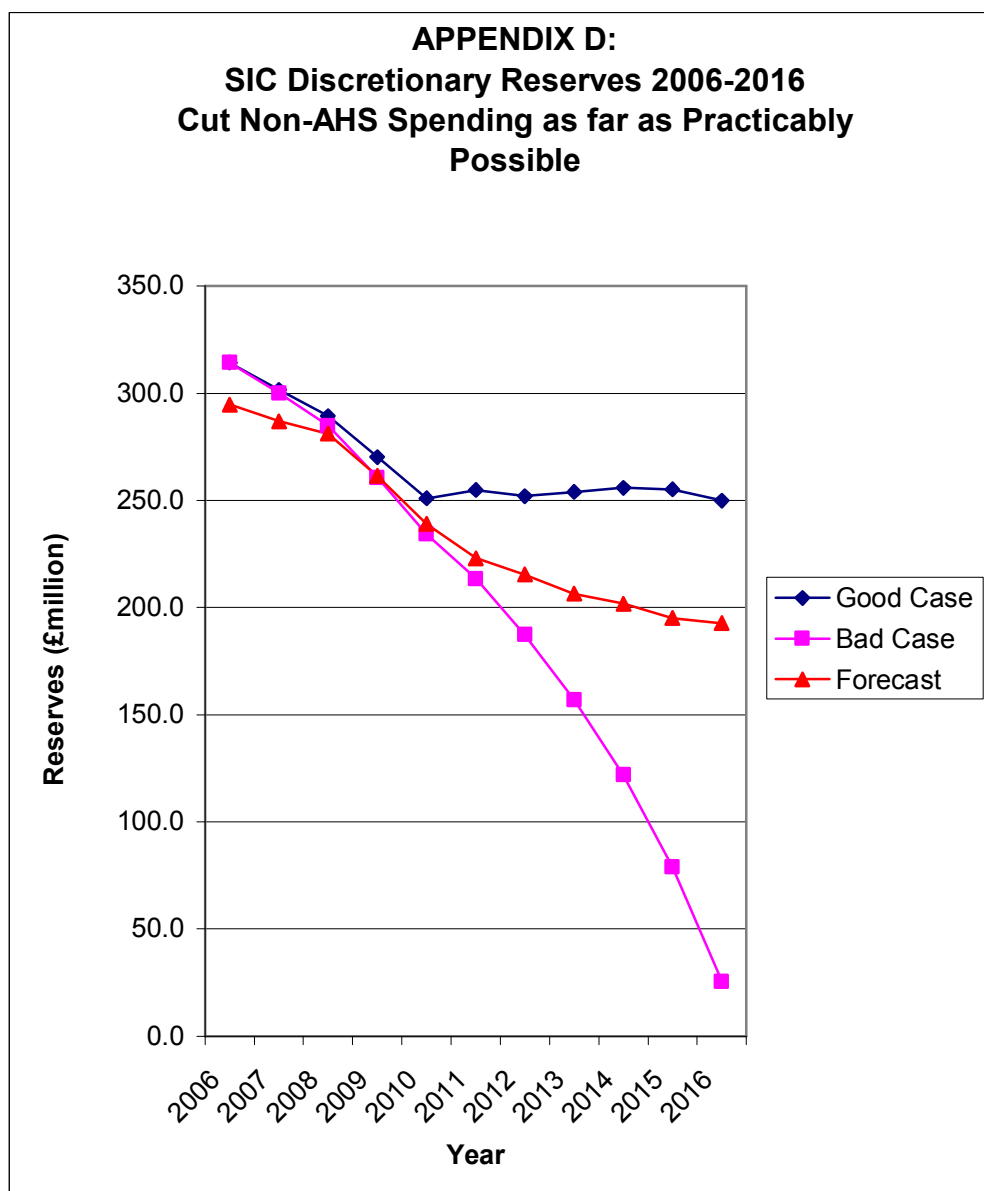
4.3.2   It is clear from Table 5 and Appendix D that Scenario D involves big reductions in non-AHS spending while the AHS is under construction, and involves a big (but temporary) departure from the Annual Limit Policy. The biggest problem is, however, that it involves a very large and permanent departure from the Reserves Floor Policy, with the Reserves ending the review period in 2016 at £193 million, and falling.

4.3.3   The CPS have developed a more extreme version of this Scenario, cutting non-AHS capital spend to an absolute bare minimum. That version comes closer to maintaining the Annual Limit Policy (maximum spend, in 2009/10, is £26.5 million) but in the long run it still delivers a big fall (although not as big) in the Reserves Floor to £212 million in March 2016. The big problem with going to this extreme is that it will have major staffing implications for employment in the Roads Service (and CPS) who will be starved of work for at least two years, and it involves no spend on ICT for two years. These are not, in my view, workable or acceptable outcomes.

4.4 Conclusions

4.4.1   No practicable option exists to maintain the current Council financial policy framework merely by reducing or rescheduling non-AHS capital spending. The only options are to intolerably curtail non-AHS spending for a long period (so that the Reserves eventually recover to the Floor of £250 million) or to not fund the AHS on the Capital Programme. These conclusions lead on to the exploration of options to revise Council financial policy in Section 5.

5. Options: Revise Council Financial Policy

5.1   If, as appears to be the case, it is not possible to maintain Council financial policy by reducing or rescheduling capital spending it is therefore necessary to revise policy.

5.2 Raise Annual Limit, Reduce Reserves Floor

5.2.1   The simplest policy change would be to re-set the policy framework to reflect the realities we now face. In a nutshell, if we are going to build the new AHS out of the Capital Programme and maintain the non-AHS Capital Programme at the essential minimum levels set out in Scenario D/Appendix D then we need to **temporarily re-set the Annual Limit Policy to £34.8 million and permanently re-set the Reserves Floor to £200 million.**

5.2.2   Table 6 (Scenario E, Appendix E) illustrates this approach, where policy limits have been modified in line with minimum practicable capital spending with the AHS project included.

TABLE 6: Scenario E (Appendix E) – Raise Annual Limit, Reduce Reserves Floor

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	34.8	34.8 (maximum, 2009/10)
Reserves Floor	200.0	200.0 (minimum, March 2015)
		200.0 (March 2016)
Debt Free	0.0	0.0 (throughout period)

APPENDIX E:
SIC Discretionary Reserves 2006-2016
Re-Set Annual Limit to £34.8m, Reserves Floor to £200m
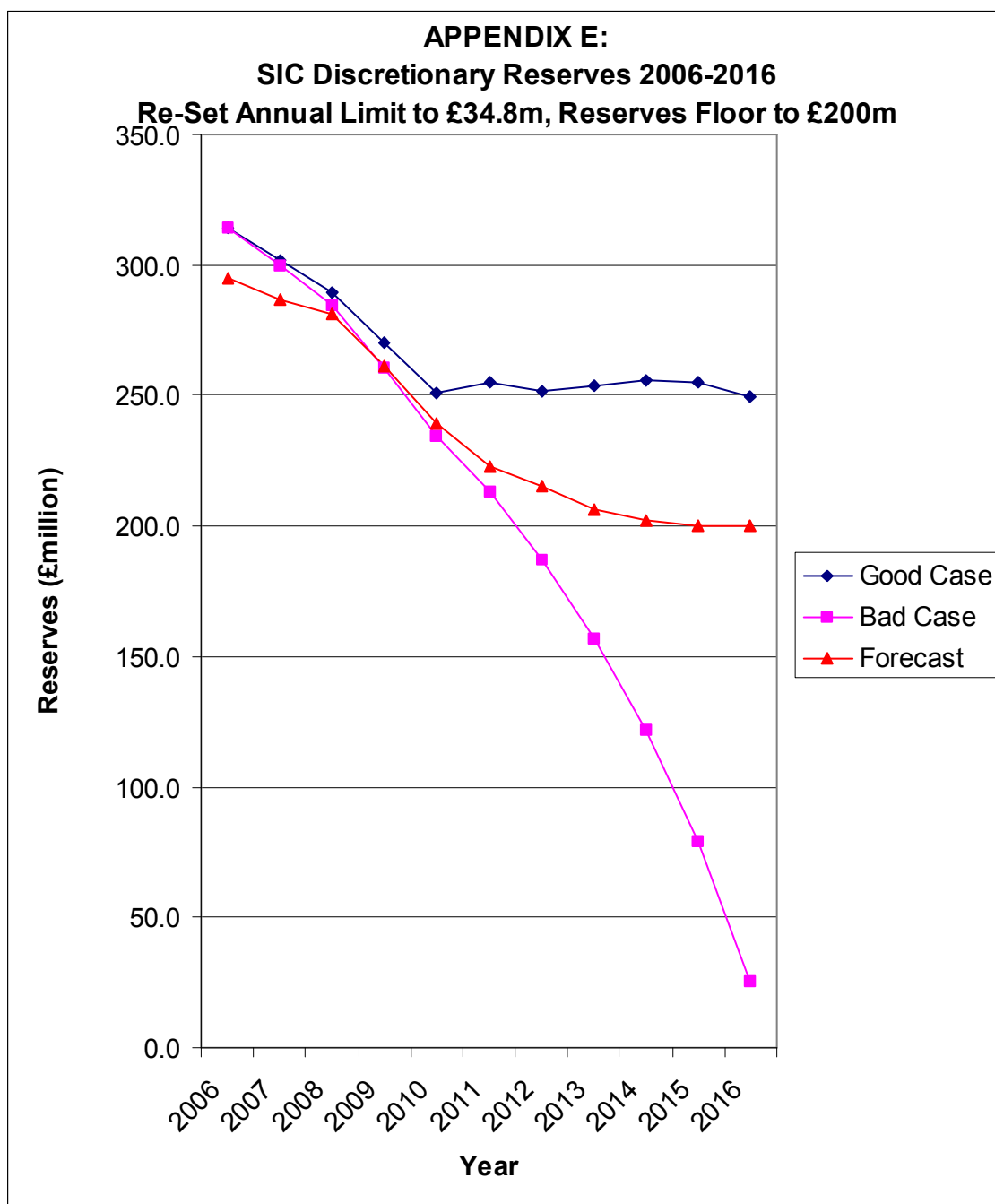
5.2.3   Lowering the Reserves Floor from £250 million to £200 million is by far the most important of these potential changes. This basically requires the Council to downgrade its annual spending from the Reserves in the long term (post 2016) to fund the Capital Programme from £14.0 million to £10.4 million (both levels are well down on the target level of £20 million in recent

years, but that was always going to have to come down in due course to meet the Reserves Floor Policy).

5.2.4   It could be argued that such a change in long run spending levels is sufficiently far-off and modest as to be tolerable. It would allow the continuation of a substantial involvement in economic development and a Capital Programme bigger than, for example, Orkney Islands Council currently enjoys. However, a permanent reduction in capital spending, leaving many of the Council's infrastructure aspirations unfulfilled, may not be seen as an acceptable outcome.

5.3   **Modify Debt Free Policy (Go Back Into Debt)**

5.3.1   Almost all Councils in Britain fund their infrastructure by debt or by other mechanisms (leasing, PPP/PFI) which spread the funding of assets over the lifetime of the assets (meaning that the burden of paying for assets is spread over the timeframe when users/taxpayers are benefiting from the use of those assets).

5.3.2   The Shetland Islands Council departed from that orthodoxy and went debt free in 1992 for a number of reasons. The first reason was that the Council could afford it. It had held its rate in the £ higher than need be in the 1980s (when the Sullom Voe Terminal was paying 80% of the total Shetland rates bill) in order to pay off oil-related infrastructure debt and to build the Council's Reserves. Having successfully achieved that policy goal the Council could afford to fund its capital spending from investment returns on its Reserves while maintaining or increasing the capital value of its Reserves, which were held to deal with the inevitable decline and departure of the oil industry. This pay-as-you-go policy had the virtue of saving the Council any financing costs (interest, etc.) and left no funding burden for future generations to meet.

5.3.3   That policy approach held good for the following decade, with the Council's Reserves rising from about £220 million in 1993 to an all time high of around £330 million in 2003. Since then, however, the Reserves have been in decline and in 2005 the Council set the Reserves Floor Policy of limiting that decline and stabilising the Reserves at £250 million. The scale of the AHS project has now given rise to the need for further policy revision.

5.3.4   Going back into debt is now a policy option which requires consideration.

5.3.5   The simplest model would be to borrow from the traditional markets available to local government. In principle, the Council could either go to the market for specific loans for specific infrastructure (as it did in the 1970s to the European Investment Bank and Chemical Bank, in respect of Sullom Voe infrastructure) or it could go to more general sources (e.g. the Public Works Loans Board, or PWLB) for general loan finance.

5.3.6   However, there is a general impediment to this approach. Government regulation, in response to some notorious cases in the 1980s, is now framed to prevent Councils from borrowing in advance of need. This framework is designed to prevent Councils from using their privileged credit ratings and borrowing options to borrow cheaply in order to speculate in the investment markets (i.e. borrowing in advance of need). In practice this framework has been taken to imply that while the General Fund has Reserves invested in the markets, which could provide funding for Council capital spending, it cannot go to the market to borrow. It could be argued that the regulatory framework did not have the Shetland Islands Council in mind, but my judgment is that any negotiation to get special dispensation for the Council in its special circumstances would be lengthy, and its outcome uncertain.

5.3.7   This does leave open the option of the General Fund borrowing from the General Fund Reserves to pay for capital over an extended period. This is analogous to the SIC Housing Revenue Account, which never went debt-free (partly because it couldn't afford to, and partly because Housing Support Grant from the Government provides partial compensation for borrowing costs).

5.3.8   But while it makes financial sense for the HRA to borrow from General Fund Reserves (because of the real separation between General Fund and Housing Revenue Account) it makes no practical sense for the General Fund to borrow from General Fund Reserves. In the real world all that would happen is that, as at present, real money would have to come back from the Council's fund managers to pay contractors' bills for capital works and my accountants would have to do a lot of paper transactions between General Fund Revenue and General Fund Reserves which would leave the real world no different. The Council's balance sheet would show the Reserves as untouched, but would also contain a Loans Fund Advances figure, which would be written down over time at the expense of the Reserves (unless the intention is to pay the debt charges by increasing income from fees, charges and taxes, which doesn't look like a realistic option).

5.3.9   My view is that this would be seen by most interested parties for what it is, namely a creative accounting manoeuvre. It would also call into question the Notional Loan and Leasing Charge support from the Scottish Government, negotiated with the Scottish Office in 1994 as a response to our Debt Free status, and worth £16.1 million to the Council in 2008/09.

5.3.10   So, in summary, my view is that going back into debt is not a feasible option.

5.4 Public Private Partnership (PPP)/ Private Finance Initiative (PFI)

5.4.1   The PPP/PFI option has been preferred by central government for local government financing for around fifteen years now. In outline it requires the Council to enter into a contract with a private firm under which the private firm builds and owns the infrastructure the Council requires and in return gets an annual payment from the Council for the duration of the contract which meets the costs of the private company and provides its shareholders with a financial return.

5.4.2   In theory this approach taps into private sector expertise in project design and management, shares risk between the private and public sector, and keeps the debt off the public balance sheet (which is helpful in meeting the Chancellor of the Exchequer's borrowing targets). In practice PPP/PFI has been a bit of a disappointment from many perspectives. The private sector hasn't always found it profitable, in reality most risk remains with the public bodies which need the infrastructure for service delivery, the public sector has found the contracts expensive and complex and inflexible, and the Chancellor is probably going to be obliged by international accounting rules to put much of the debt onto the public balance sheet after all. The Scottish Government is beginning to try to develop an alternative to PPP/PFI, but is a long way from concluding that exercise.

5.4.3   In short, PPP/PFI has been generally seen as an unattractive but necessary approach for most Councils, who have had no alternative but to use it. A further virtue of the Council's Debt Free Policy is that we have been able to avoid PPP/PFI so far. I believe we should continue to do so until there is no viable alternative.

5.5 Leasing

5.5.1   The Council, even during the period of the Debt Free Policy, has made occasional use of leasing as a way of spreading the costs of acquisition over an asset's lifetime. It has usually done so in response to particular circumstances and advantages (such as the few areas in which lease payments have generated financial support from central government) and has retreated from such arrangements when those advantages have been eroded or circumstances have changed (for example the buy-back of leased ferries in 2005/06).

5.5.2   That pragmatic approach may be appropriate for the financing of the new AHS, and/or for other infrastructure projects in present circumstances, and that option will now be explored in some detail.

5.5.3   Leases can be of two different types: operating leases or finance leases. Operating leases leave most of the burdens of ownership with the lease company, whereas finance leases

substantially transfer the risks and rewards of ownership to the lessee (in this case the Council). A finance lease, which ultimately gives rise to title being transferred back to the Council, appears to be the most appropriate approach for key infrastructure, which is vital to the delivery of Council services (such as the AHS). The accounting treatment of finance leases requires the value of such leased assets to be accounted for on the Council's balance sheet, but the bottom line in cash terms is that the Council only needs to find the cash to pay the lease company its annual lease charges.

5.5.4   A finance lease deal would have to be negotiated with a lease company, but a reasonable estimate of the lease payments on a £48 million AHS over 30 years would be somewhere in the region of £4 million to £4.5 million per annum.

5.5.5   Scenario F (Appendix F) shows the possible effect of a finance lease deal on the new AHS costing £4.5 million per annum. Scenario F is based upon the Council building the AHS for £48 million, selling it to a lease company for £48 million in 2011/12, and leasing it back for £4.5 million per annum from 2012/13 on. It is also based on continuing the currently approved Capital Programme (as per Scenario A/Appendix A) for as long as possible, followed by the maximum possible non-AHS capital spend compatible with the Reserves Floor Policy of £250 million.

5.5.6   Table 7 shows that under Scenario F/Appendix F the Annual Limit Policy would be breached in 2008/09, 2009/10 and 2011/12 and that the Reserves Floor Policy would be temporarily breached in 2009/10 and 2010/11. However, after that temporary period covering the construction of the AHS, both policies could be adhered to, provided that the Council accepted that it could afford on average no more than £9 to £10 million per annum on non-AHS capital spending thereafter.

TABLE 7: Scenario F (Appendix F) – Finance Lease Deal on AHS

Policy	Policy Limit (£millions)	Forecast (£millions)
Annual Limit	20.0	43.8 (2009/10)
Reserves Floor	250.0	202.8 (March 2011)
		250.0 (March 2012 and on)
Debt Free	0.0	0.0 (throughout period)

**APPENDIX F:
SIC Discretionary Reserves 2006-2016
Finance Lease Deal on AHS**
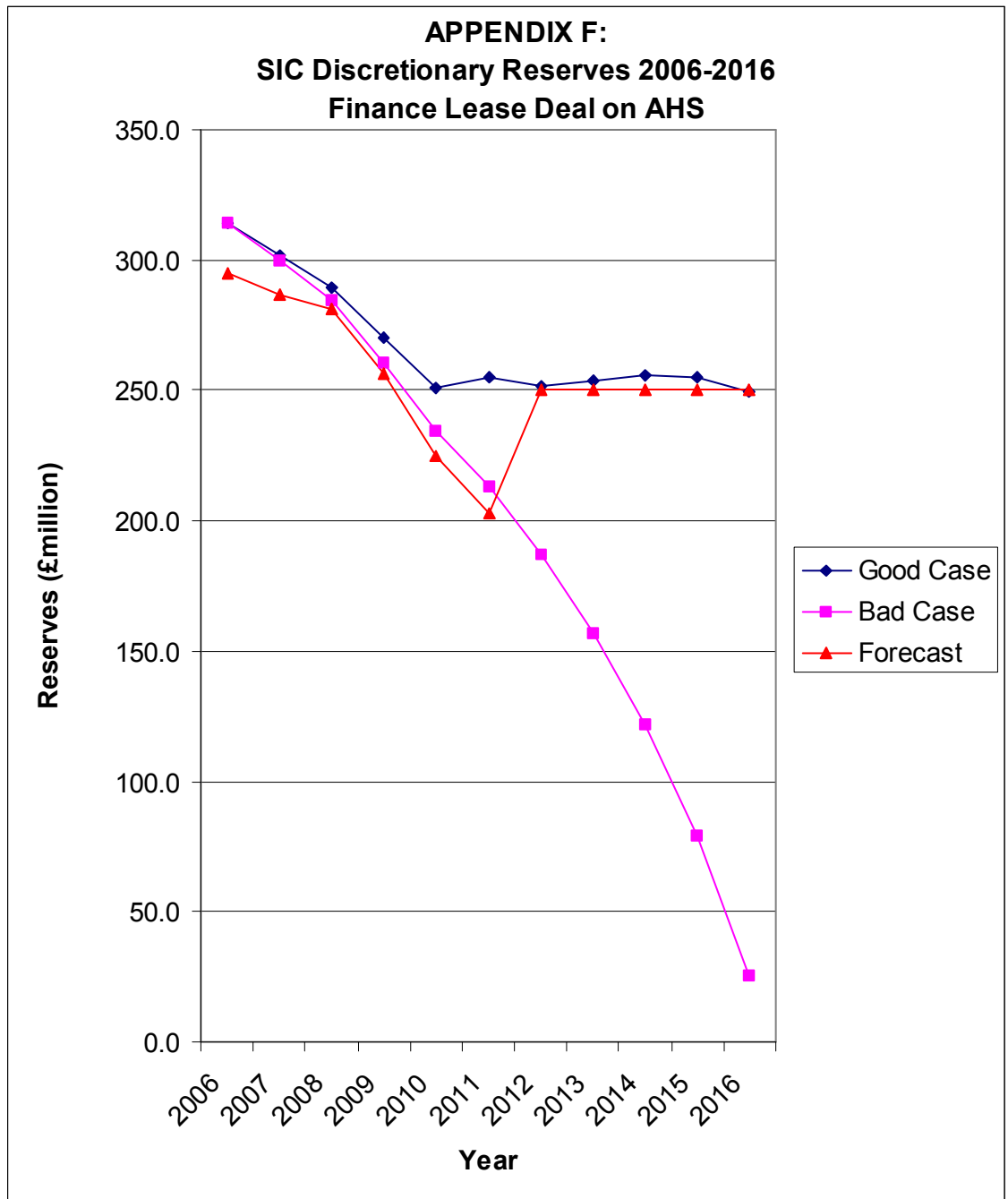
5.5.7 The remaining policy question is whether a finance lease solution meets the Council's Debt Free Policy. Technically speaking, a finance lease deal does not involve incurring debt, so on a literal interpretation the Council's General Fund would remain debt free. However, it must be recognised that the spirit of the Debt Free Policy involved the objective of leaving no

financial liabilities for future generations to bear. A finance lease leaves obligations for the length of the lease (in this example for 30 years) so it does represent that degree of departure from the spirit of the Debt Free Policy.

5.5.8   There is no doubt that a finance lease deal on the AHS has significant practical advantages in present circumstances. It recognises the extraordinary size of the investment required, and provides a special means of spreading that investment with the minimum need for modifying the Council's financial policy framework. It does, however, represent the biggest change in the Council's financial approach since it went debt free in 1992. It is not a change to make lightly, and if the Council wishes to take the idea further then the full implications will need to be worked through with the Council's external auditors and the Scottish Government to ensure that it has no unforeseen regulatory or financial consequences.

5.5.9   And there is also the question of which lease company the Council might strike such a deal with, which is discussed in the next section.

5.6   **Finance Lease Company**

5.6.1   The Council has struck finance lease deals with the commercial leasing sector in the past (although never on remotely the scale of the AHS), and could seek to do so again.

5.6.2   However, all recent leasing deals of any magnitude have been done between the Council and SLAP, and there are a number of reasons why that might be the most appropriate way forward in this case also. For a start, there is recent precedent (the ferries leases) for the Council and the Charitable Trust striking a lease deal in the interests of both parties and negotiating its end when the circumstances behind the deal had changed.

5.6.3   I am conscious of recent controversy in dealings between the Council and the Charitable Trust (SLAP's owner), and it might therefore be argued that the Council should not concern itself with the Charitable Trust's interests. However, in any negotiation it pays to understand the other party's interests in the deal, and in this case there is also the wider interest of the Shetland community for both parties to the prospective deal to consider.

5.6.4   The Shetland Charitable Trust is, in orthodox fund terms, a very mature fund (meaning that its regular annual outgoings far exceed its regular annual income, so that it is heavily reliant on investment returns to meet its ongoing liabilities). A mature Pension Fund would respond by switching from risky investments providing potentially high returns (equities) to more stable investments providing guaranteed, but lower, returns (bonds), but the Charitable Trust has not been able to afford to do so because of its high outgoings. It would therefore be attractive to the Charitable Trust to put a sizeable portion of its

capital into something which provides a good guaranteed rate of return. Indeed the Charitable Trust was willing to consider doing just that in respect of a new hospital for Shetland if the price was right.

5.6.5   I therefore conclude that there is sufficient mutual benefit and common interest for the Council and the Charitable Trust to make a negotiated finance lease deal with SLAP worthy of exploration.

6.   Links to Council Corporate Priorities

6.1   This report links to the Council's corporate priorities and financial policies, defined in its Corporate Plan, especially with regard to the financial sustainability of capital spending.

7.   Conclusions

7.1   The Anderson High School project is such a major and unprecedented investment that its funding has required a review of Council financial policy and capital spending plans. It has become apparent that the status quo cannot be maintained in the face of a £48 million infrastructure investment.

7.2   It is clear that whatever method of funding the AHS is used, the project is of such a magnitude that it will to some degree constrain other capital spending. But it can be concluded that cutting non-AHS capital spending cannot by itself preserve financial policy and provide financial sustainability (see 4.2 and 4.3, and Appendices C and D).

7.3   A range of options for revising financial policy are considered in Section 5, hopefully covering all the ground the Council wished me to explore in this report.

7.4   Simply changing the policy targets (especially lowering the Reserves Floor to, say £200 million from £250 million) can be seen as moving the goalposts, and permanently impairs the sustainable level of ongoing capital spending.

7.5   Going back into debt is not technically possible in respect of commercial debt (because that would be borrowing in advance of need), and it makes no practical sense for the General Fund to borrow from General Fund Reserves.

7.6   Commercial PPP/PFI is unpopular with many Councils, and is used only by those who have no choice.

7.7   Leasing, especially a finance lease negotiated with SLAP/Charitable Trust, is an approach, which involves the minimum of change to Council financial policy, and holds sufficient attractions for the Charitable Trust (SLAP's parent) as to hold out the hope of a negotiated deal between the parties which serves both their interests and those of the wider Shetland community. It should be noted, however, that the lease payments will have an ongoing impact on achieving sustainable use of reserves, which will require to be balanced by either:

7.7.1   further efficiency gains in General Fund revenue spend

7.7.2   reduced Reserve Fund programmes

7.7.3   reduced annual Capital Programme allocations

7.8   Although expected returns on investments are forecast in the appendices these of course are variable. An advantage of this model is that should opportunity arise within a year where particularly good returns are achieved (as in the case of the ferries referred to in 5.6.2) capital payments can be made therefore reducing or even eliminating on going lease payments.

7.9   Should this suggested model of future financial planning be adopted and achieved it is possible to consider extension to other capital projects in the future when similar circumstances arise.

7.10   Given the conclusion that a finance lease is the most promising way forward, I am seeking the agreement of the Council to explore the concept further.

8.   Recommendations

8.1   I recommend that the Council should:

8.1.1   consider the issues raised by this report concerning future capital spending and Council financial policy;

8.1.2   consider the options for capital spending (Section 4) and Council financial policy (Section 5);

8.1.3   approve finance leasing as the most promising approach to funding the new AHS and instruct the Head of Finance to explore that option with SLAP, the Shetland Charitable Trust, the Council's external auditors and the Scottish Government, with a view to reporting back with implementation proposals as soon as possible.

Date: 25 April 2008   Report No: F-015-F
Ref: GJ/DS/F/1/1

Appendix A

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Current Capital Programme, Excluding AHS Construction

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						**(318.7)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				**(294.7)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				**(287.0)**
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				**(281.1)**
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	21.1	10.0	0.0	6.0	4.0	41.1
2009	**(Shetland Towage, Islesburgh,Single Status)**					**(261.8)**
Investment Returns						(18.3)
Harbour Surpluses (5)						(4.0)
Expenditure	20.8	0.0	0.0	6.8	3.0	30.6
2010						**(253.5)**
Investment Returns						(17.7)
Harbour Surpluses (5)						(4.0)
Expenditure	18.5	0.0	0.0	6.9	2.0	27.4
2011						**(247.8)**
Investment Returns						(17.3)
Harbour Surpluses (5)						(4.0)
Expenditure	19.8	0.0	0.0	7.0	1.0	27.8
2012						**(241.4)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(4.0)
Expenditure	11.7	0.0		7.2	0.0	18.9
2013						**(243.4)**
Investment Returns						(17.0)
Harbour Surpluses (5)						(4.0)
Expenditure	11.2	0.0		7.3	0.0	18.5
2014						**(245.9)**
Investment Returns						(17.2)
Harbour Surpluses (5)						(4.0)
Expenditure	9.6	0.0		7.5	0.0	17.1
2015						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	13.9	0.0		7.6	0.0	21.5
2016						**(250.0)**

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, excluded from this projection.

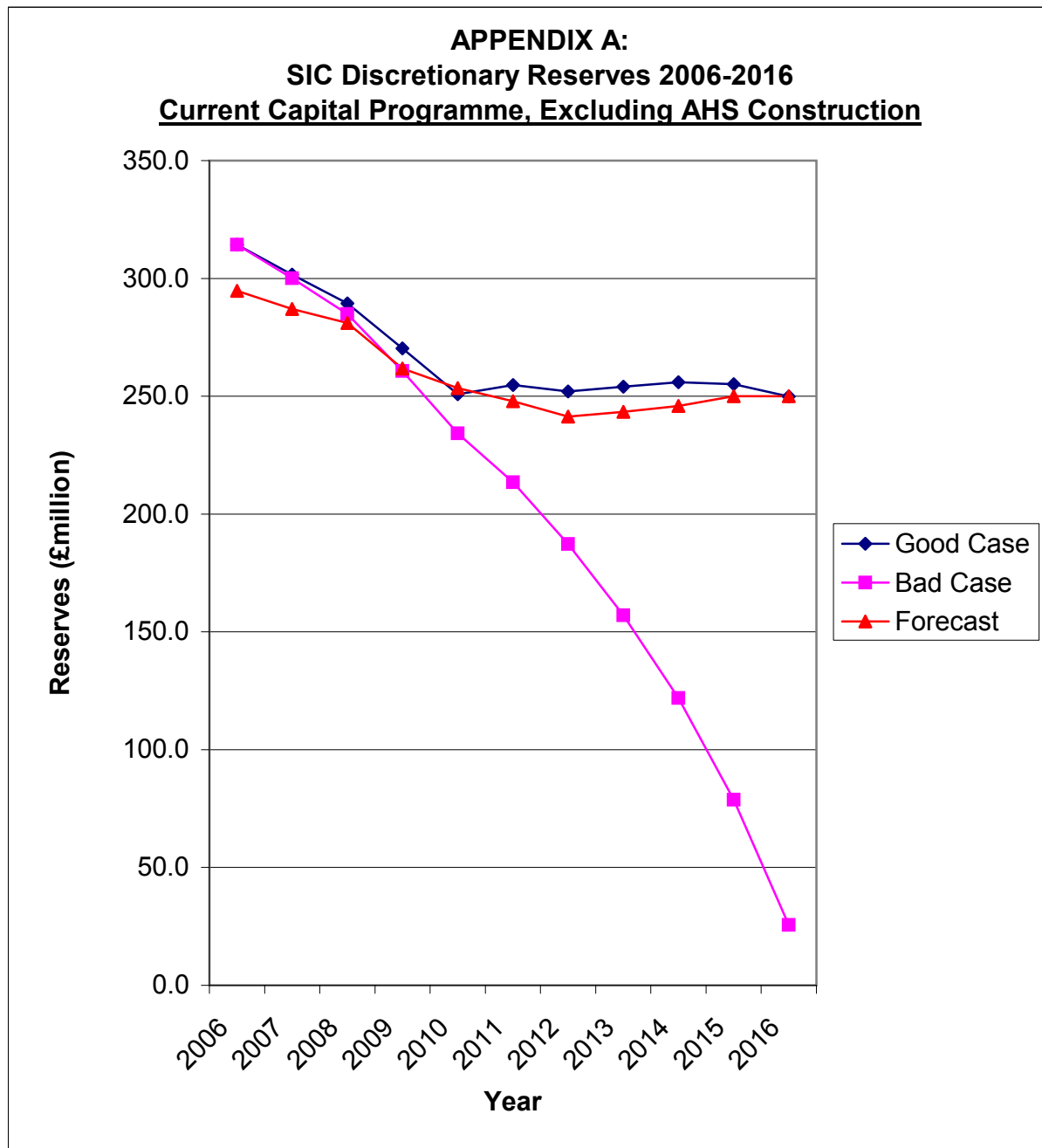(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million maximum per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Current Capital Programme, Excluding AHS Construction

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
2007	300.1	301.6	287.0
2008	284.9	289.4	281.1
2009	260.7	270.3	261.8
2010	234.2	250.9	253.5
2011	213.5	254.8	247.8
2012	187.3	252.0	241.4
2013	157.0	254.0	243.4
2014	121.9	255.9	245.9
2015	78.8	255.1	250.0
2016	25.6	249.9	250.0

APPENDIX A:
SIC Discretionary Reserves 2006-2016
Current Capital Programme, Excluding AHS Construction

EXCLUDING AHS BUILD

Rolling Programme Projects
Future Years Programmed to maintain annual £20M spend
Only includes approved projects to date - no allowance for new projects coming forward from feasibility studies etc.
Future programming indicative

Projects in Order of Priority

Priority Order	Project Ref.	Project	Total 08/09	2009/10 (Yr2)	20010/11 (Yr3)	2011/12 (Yr4)	2012/13 (Yr5)	2013/14 (Yr6)
ongoing	37	Feasibility Studies	400,000	400,000	400,000	400,000	400,000	400,000
ongoing	58	Lerwick Library Design Works	88,000					
ongoing	26	Cinema and Music Venue	2,000,000	2,520,000	85,000			
ongoing	4	AHS - ECI	700,000					
ongoing	5	Mid Yell JHS	3,500,000	4,000,000	850,000	150,000		
ongoing	7	Sandwick - ASN	500,000	12,000				
ongoing	55	Bells Brae Alterations	100,000					
ongoing	36	Care Homes Fire Upgrade	80,000	350,000				
ongoing	34	Replacement Esplanade Toilets	352,000					
ongoing	28	Rova Head Reinstatement	1,900,000	150,000				
ongoing	13	A971 Haggersta to Cova	695,000	805,000				
ongoing	15	A970 Oversund Junction	110,000					
ongoing	18	Gilbertson Road Reconstruction	10,000					
ongoing	19	Bressay Link	250,000					
ongoing	22	Uyeasound Pier	2,500,000	150,000				
ongoing	68	Water Based Facilities (Marinas)	475,000					
ongoing	38	SSIS Upgrade	64,000					
ongoing	39	IP Phones	150,000					
ongoing	69	Community Organisation Grants	73,000					
ongoing	41	Cunningsburgh Nursery	20,000					
ongoing	42	B9074 Trondra Phase 2	20,000					
ongoing	16	B9081 Mid Yell (Hillend Section)	215,000	10,000				
ongoing	65	Knab Dyke	271,079					
ongoing	43	Bluemull STAG for Ferries Terminals	75,000					
ongoing	44	FS Ext Links OD Survey	25,000					
1	71	Shetland Public Sector Network	295,000					
2	63	Energy Recovery Plant	110,000	230,000	292,000	420,000		
3	79	Urgent Repairs to Ferry Terminals	265,000					
4	111	Ports & Harbours Nav Aids	70,000	70,000	70,000	70,000	70,000	70,000
5	40	Contingency and Final Accounts	220,000	200,000	150,000	125,000	100,000	100,000
6	92	Landfill Phase 2	125,000	2,620,000	1,400,000	110,000		
7	27	Burial Grounds Rolling Programme	924,638	925,000	925,000	925,000	925,000	925,000
8	35	Social Care Rolling Programme	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000
9	102	Roads Rolling Air Service	10,000	10,000	10,000	10,000	10,000	10,000
10	101	Roads Rolling Accident Investigation & Prevention	40,000	40,000	40,000	40,000	40,000	40,000
11	66	Refurbishment of Play Areas	247,250	247,000	247,000	247,000	247,000	247,000
12	87	Disability Discrimination Act Works	170,000	170,000	170,000	170,000	170,000	170,000
13	90	Ferries Capital Rolling Programme	180,000	180,000	180,000	180,000	180,000	180,000
14	75	Schools ICT Equipment	226,000	226,000	226,000	226,000	226,000	226,000
15	109	Housing Temporary Accom (Homelessness)	24,500	24,500	24,500	24,500	24,500	24,500
16	105	Roads Rolling Roads Drainage Improvements	40,000	40,000	40,000	40,000	40,000	40,000
17	97	Roads Rolling Bridge Replacements	250,000	250,000	250,000	250,000	250,000	250,000
18	104	Roads Rolling Road Reconstruction	155,000	155,000	155,000	155,000	155,000	155,000
19	99	Roads Rolling Streetlighting Replacement	140,000	140,000	140,000	140,000	140,000	140,000
20	74	PC & LAN Replacement	236,000	236,000	236,000	236,000	236,000	236,000
21	106	Roads Rolling Crash Barrier Replacement	230,000	230,000	230,000	230,000	230,000	230,000
22	69	Capital Grants to Voluntary Organisations	375,000	375,000	375,000	375,000	375,000	375,000
23	91	Education Capital Maintenance	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000
24	73	Photocopier Replacement	70,000	70,000	70,000	70,000	70,000	70,000
25	107	Housing Chalet Accommodation	14,100	14,100	14,100	14,100	14,100	14,100
26	86	Copper Pipework Replacement	200,000	200,000	200,000	200,000	200,000	200,000
27	103	Roads Rolling Minor Works & Purchases Bus Service	40,000	40,000	40,000	40,000	40,000	40,000
28	96	Roads Rolling Development Related	50,000	50,000	50,000	50,000	50,000	50,000
29	100	Roads Rolling Traffic Management	50,000	50,000	50,000	50,000	50,000	50,000
30	95	Roads Rolling Minor Works & Purchases	50,000	50,000	50,000	50,000	50,000	50,000
31	98	Roads Rolling Footways	100,000	100,000	100,000	100,000	100,000	100,000
32	89	Vehicle & Plant Replacement Programme	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
33	108	Housing Staff Accommodation	14,500	14,500	14,500	14,500	14,500	14,500
34	110	Ports & Harbours Plant & Equipment	70,000	70,000	70,000	70,000	70,000	70,000
2	62	Breiwick Road, Sea Wall		281,250				
3	83	Joint Occupational Therapy Resource Centre		800,000	1,600,000	100,000		
18	31	Leog House Replacement		50	250			
29	81	Ness of Sound Farm		50,000				
30	88	Energy Conservation		69,000				
31	29	Replacement Workshop Mid Yell		155,000				
33	93	Fetlar Breakwater & Small Craft		350,000	1,550,000	170,000		
34	33	Baltasound Library			143,000			
36	32	Public Toilets Rolling Programme			100,000			
37	68	Water Based Facilities			500,000			
39	11	Education MIS - ICT Project			100,000			
41	30	Recladding Gremista Workshop			415,000			
43	17	Papa Stour Road			400,000			
44	14	Germatwatt Footways, Walls			50,000	700,000	50,000	
45	82	Walls Pier			150,000	2,800,000	200,000	
46	20	A970 Scord to School Scalloway			35,000			
48	2	Happyhansel School Accommodation			50,000	530,000	20,000	
49	6	Scalloway JHS - Science Block			290,000			
50	80	Office Accom Review - LK Fire Station			500,000			
51	21	Murrister Replacement Building			150,000			
52	53	A9071 Bixter to Aith			150,000	1,500,000	20,000	
53	78	Conservation Grant Programme			70,000			
54	85	Lystina House & Town Hall Stonework			35,000	350,000		
56	25	Sellaness Pier			397,000	3,985,000	182,000	
57	64	Burial Grounds/ Ancient Monuments			398,000			
59	8	AHS - Hostel				750,000	3,000,000	3,000,000
60	84	Town Hall Works (Internal)			352,000			
61	52	Bridge Inspection Walkways			155,000			
			21,099,989	20,846,400	18,461,350	19,784,100	11,666,100	11,194,100

Appendix B

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Current Capital Programme, Including AHS Construction

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						**(318.7)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				**(294.7)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				**(287.0)**
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				**(281.1)**
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	21.1	10.0	5.0	6.0	4.0	46.1
2009	**(Shetland Towage, Islesburgh,Single Status)**					**(256.8)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(4.0)
Expenditure	20.8	0.0	23.0	6.8	3.0	53.6
2010						**(225.1)**
Investment Returns						(15.8)
Harbour Surpluses (5)						(4.0)
Expenditure	18.5	0.0	18.0	6.9	2.0	45.4
2011						**(199.5)**
Investment Returns						(14.0)
Harbour Surpluses (5)						(4.0)
Expenditure	19.8	0.0	2.0	7.0	1.0	29.8
2012						**(187.7)**
Investment Returns						(13.1)
Harbour Surpluses (5)						(4.0)
Expenditure	11.7	0.0		7.2	0.0	18.9
2013						**(185.9)**
Investment Returns						(13.0)
Harbour Surpluses (5)						(4.0)
Expenditure	11.2	0.0		7.3	0.0	18.5
2014						**(184.4)**
Investment Returns						(12.9)
Harbour Surpluses (5)						(4.0)
Expenditure	9.6	0.0		7.5	0.0	17.1
2015						**(184.2)**
Investment Returns						(12.9)
Harbour Surpluses (5)						(4.0)
Expenditure	13.9	0.0		7.6	0.0	21.5
2016						**(179.6)**

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, commencing December 2008.

(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million maximum per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

<u>Current Capital Programme, Including AHS Construction</u>

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
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2008	284.9	289.4	281.1
2009	260.7	270.3	256.8
2010	234.2	250.9	225.1
2011	213.5	254.8	199.5
2012	187.3	252.0	187.7
2013	157.0	254.0	185.9
2014	121.9	255.9	184.4
2015	78.8	255.1	184.2
2016	25.6	249.9	179.6

APPENDIX B:
SIC Discretionary Reserves 2006-2016
Current Capital Programme, Including AHS Construction
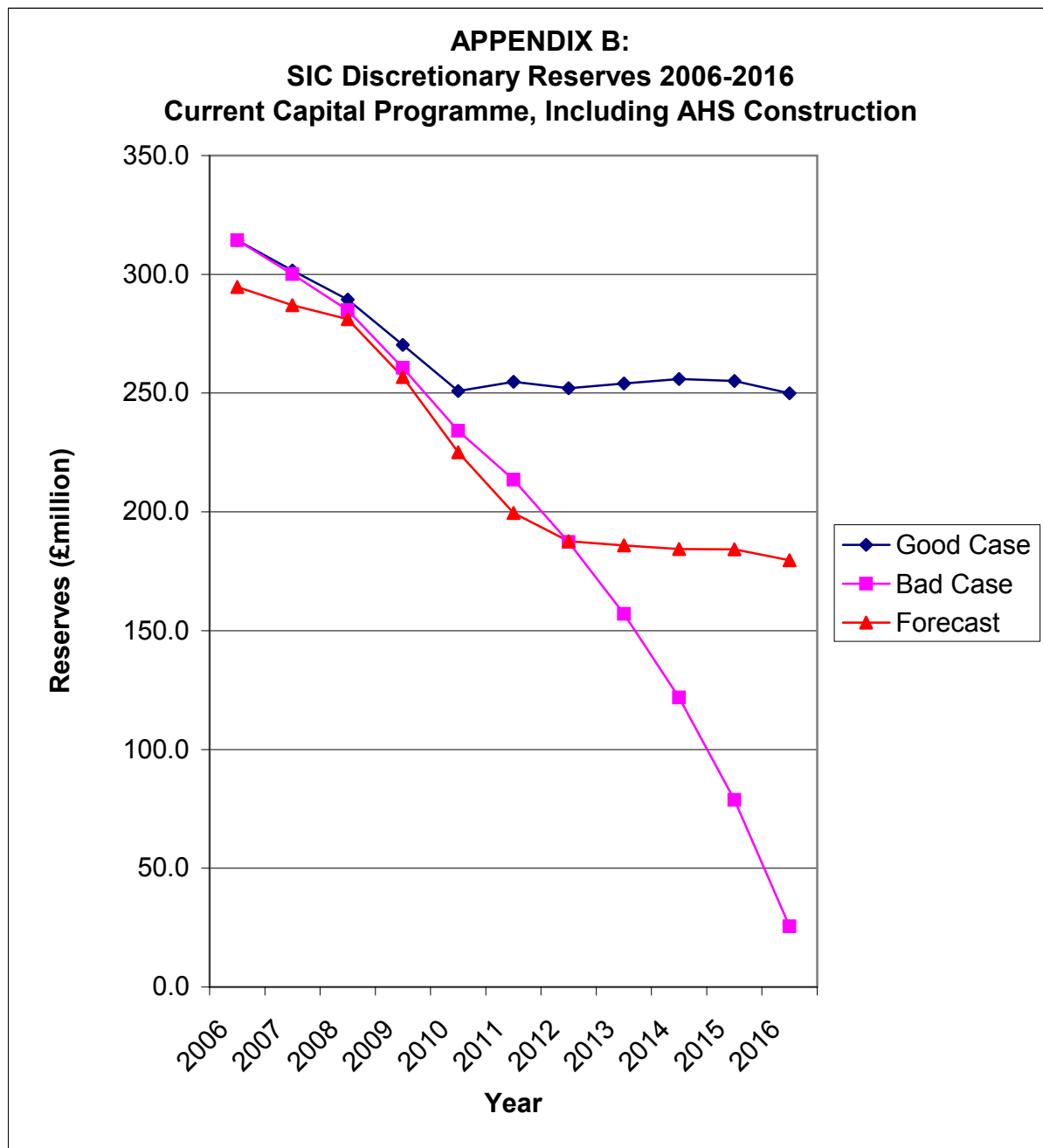
INCLUDING AHS BUILD

Rolling Programme Projects

Only includes approved projects to date - no allowance for new projects coming forward from feasibility studies etc.
Future programming indicative

Projects in Order of Priority

Priority Order	Project Ref.	Project	Total 08/09	2009/10 (Yr2)	20010/11 (Yr3)	2011/12 (Yr4)	2012/13 (Yr5)	2013/14 (Yr6)
ongoing	37	Feasibility Studies	400,000	400,000	400,000	400,000	400,000	400,000
ongoing	58	Lerwick Library Design Works	88,000					
ongoing	26	Cinema and Music Venue	2,000,000	2,520,000	85,000			
ongoing	4	AHS - ECI	700,000					
ongoing	5	Mid Yell JHS	3,500,000	4,000,000	850,000	150,000		
ongoing	7	Sandwick - ASN	500,000	12,000				
ongoing	55	Bells Brae Alterations	100,000					
ongoing	36	Care Homes Fire Upgrade	80,000	350,000				
ongoing	34	Replacement Esplanade Toilets	352,000					
ongoing	28	Rova Head Reinstatement	1,900,000	150,000				
ongoing	13	A971 Haggersta to Cova	695,000	805,000				
ongoing	15	A970 Oversund Junction	110,000					
ongoing	18	Gilbertson Road Reconstruction	10,000					
ongoing	19	Bressay Link	250,000					
ongoing	22	Uyeasound Pier	2,500,000	150,000				
ongoing	68	Water Based Facilities (Marinas)	475,000					
ongoing	38	SSIS Upgrade	64,000					
ongoing	39	IP Phones	150,000					
ongoing	69	Community Organisation Grants	73,000					
ongoing	41	Cunningsburgh Nursery	20,000					
ongoing	42	B9074 Trondra Phase 2	20,000					
ongoing	16	B9081 Mid Yell (Hillend Section)	215,000	10,000				
ongoing	65	Knab Dyke	271,079					
ongoing	43	Bluemull STAG for Ferries Terminals	75,000					
ongoing	44	FS Ext Links OD Survey	25,000					
1	71	Shetland Public Sector Network	295,000					
2	63	Energy Recovery Plant	110,000	230,000	292,000	420,000		
3	79	Urgent Repairs to Ferry Terminals	265,000					
4	111	Ports & Harbours Nav Aids	70,000	70,000	70,000	70,000	70,000	70,000
5	40	Contingency and Final Accounts	220,000	200,000	150,000	125,000	100,000	100,000
6	92	Landfill Phase 2	125,000	2,620,000	1,400,000	110,000		
7	27	Burial Grounds Rolling Programme	924,638	925,000	925,000	925,000	925,000	925,000
8	35	Social Care Rolling Programme	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000
9	102	Roads Rolling Air Service	10,000	10,000	10,000	10,000	10,000	10,000
10	101	Roads Rolling Accident Investigation & Prevention	40,000	40,000	40,000	40,000	40,000	40,000
11	66	Refurbishment of Play Areas	247,250	247,000	247,000	247,000	247,000	247,000
12	87	Disability Discrimination Act Works	170,000	170,000	170,000	170,000	170,000	170,000
13	90	Ferries Capital Rolling Programme	180,000	180,000	180,000	180,000	180,000	180,000
14	75	Schools ICT Equipment	226,000	226,000	226,000	226,000	226,000	226,000
15	109	Housing Temporary Accom (Homelessness)	24,500	24,500	24,500	24,500	24,500	24,500
16	105	Roads Rolling Roads Drainage Improvements	40,000	40,000	40,000	40,000	40,000	40,000
17	97	Roads Rolling Bridge Replacements	250,000	250,000	250,000	250,000	250,000	250,000
18	104	Roads Rolling Road Reconstruction	155,000	155,000	155,000	155,000	155,000	155,000
19	99	Roads Rolling Streetlighting Replacement	140,000	140,000	140,000	140,000	140,000	140,000
20	74	PC & LAN Replacement	236,000	236,000	236,000	236,000	236,000	236,000
21	106	Roads Rolling Crash Barrier Replacement	230,000	230,000	230,000	230,000	230,000	230,000
22	69	Capital Grants to Voluntary Organisations	375,000	375,000	375,000	375,000	375,000	375,000
23	91	Education Capital Maintenance	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000
24	73	Photocopier Replacement	70,000	70,000	70,000	70,000	70,000	70,000
25	107	Housing Chalet Accommodation	14,100	14,100	14,100	14,100	14,100	14,100
26	86	Copper Pipework Replacement	200,000	200,000	200,000	200,000	200,000	200,000
27	103	Roads Rolling Minor Works & Purchases Bus Service	40,000	40,000	40,000	40,000	40,000	40,000
28	96	Roads Rolling Development Related	50,000	50,000	50,000	50,000	50,000	50,000
29	100	Roads Rolling Traffic Management	50,000	50,000	50,000	50,000	50,000	50,000
30	95	Roads Rolling Minor Works & Purchases	50,000	50,000	50,000	50,000	50,000	50,000
31	98	Roads Rolling Footways	100,000	100,000	100,000	100,000	100,000	100,000
32	89	Vehicle & Plant Replacement Programme	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
33	108	Housing Staff Accommodation	14,500	14,500	14,500	14,500	14,500	14,500
34	110	Ports & Harbours Plant & Equipment	70,000	70,000	70,000	70,000	70,000	70,000
2	62	Breiwick Road, Sea Wall		281,250				
3	83	Joint Occupational Therapy Resource Centre		800,000	1,600,000	100,000		
18	31	Leog House Replacement		50	250			
29	81	Ness of Sound Farm		50,000				
30	88	Energy Conservation		69,000				
31	29	Replacement Workshop Mid Yell		155,000				
33	93	Fetlar Breakwater & Small Craft		350,000	1,550,000	170,000		
34	33	Baltasound Library			143,000			
36	32	Public Toilets Rolling Programme			100,000			
37	68	Water Based Facilities			500,000			
39	11	Education MIS - ICT Project			100,000			
41	30	Recladding Gremista Workshop			415,000			
43	17	Papa Stour Road			400,000			
44	14	Germatwatt Footways, Walls			50,000	700,000	50,000	
45	82	Walls Pier			150,000	2,800,000	200,000	
46	20	A970 Scord to School Scalloway			35,000			
48	2	Happyhansel School Accommodation			50,000	530,000	20,000	
49	6	Scalloway JHS - Science Block			290,000			
50	80	Office Accom Review - LK Fire Station			500,000			
51	21	Murrister Replacement Building			150,000			
52	53	A9071 Bixter to Aith			150,000	1,500,000	20,000	
53	78	Conservation Grant Programme			70,000			
54	85	Lystina House & Town Hall Stonework			35,000	350,000		
56	25	Sellaness Pier			397,000	3,985,000	182,000	
57	64	Burial Grounds/ Ancient Monuments			398,000			
59	8	AHS - Hostel				750,000	3,000,000	3,000,000
60	84	Town Hall Works (Internal)			352,000			
61	52	Bridge Inspection Walkways			155,000			
	4	AHS Build	5,000,000	23,000,000	18,000,000	2,000,000		
			26,099,989	43,846,400	36,461,350	21,784,100	11,666,100	11,194,100

Appendix C

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

<u>Cut Non-AHS Spending to Maintain Council Financial Policy</u>

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						**(318.7)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				**(294.7)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				**(287.0)**
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				**(281.1)**
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	15.0	10.0	5.0	6.0	4.0	40.0
2009	**(Shetland Towage, Islesburgh,Single Status)**					**(262.9)**
Investment Returns						(18.4)
Harbour Surpluses (5)						(4.0)
Expenditure	0.0	0.0	23.0	6.8	3.0	32.8
2010						**(252.5)**
Investment Returns						(17.7)
Harbour Surpluses (5)						(4.0)
Expenditure	0.0	0.0	18.0	6.9	2.0	26.9
2011						**(247.2)**
Investment Returns						(17.3)
Harbour Surpluses (5)						(4.0)
Expenditure	8.5	0.0	2.0	7.0	1.0	18.5
2012						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	14.3	0.0		7.2	0.0	21.5
2013						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	14.3	0.0		7.3	0.0	21.6
2014						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	13.9	0.0		7.5	0.0	21.4
2015						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	14.0	0.0		7.6	0.0	21.6
2016						**(250.0)**

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, commencing December 2008.

(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Cut Non-AHS Spending to Maintain Council Financial Policy

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
2007	300.1	301.6	287.0
2008	284.9	289.4	281.1
2009	260.7	270.3	262.9
2010	234.2	250.9	252.5
2011	213.5	254.8	247.2
2012	187.3	252.0	250.0
2013	157.0	254.0	250.0
2014	121.9	255.9	250.0
2015	78.8	255.1	250.0
2016	25.6	249.9	250.0

APPENDIX C:
SIC Discretionary Reserves 2006-2016
Cut Non-AHS Spending to Maintain Council Financial Policy

Appendix D

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Cut Non-AHS Spending as far as Practicably Possible

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						(318.7)
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				(294.7)
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				(287.0)
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				(281.1)
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	16.5	10.0	5.0	6.0	4.0	41.5
2009		**(Shetland Towage, Islesburgh,Single Status)**				(261.4)
Investment Returns						(18.3)
Harbour Surpluses (5)						(4.0)
Expenditure	11.8	0.0	23.0	6.8	3.0	44.6
2010						(239.1)
Investment Returns						(16.7)
Harbour Surpluses (5)						(4.0)
Expenditure	9.9	0.0	18.0	6.9	2.0	36.8
2011						(223.0)
Investment Returns						(15.6)
Harbour Surpluses (5)						(4.0)
Expenditure	17.2	0.0	2.0	7.0	1.0	27.2
2012						(215.4)
Investment Returns						(15.1)
Harbour Surpluses (5)						(4.0)
Expenditure	20.9	0.0		7.2	0.0	28.1
2013						(206.4)
Investment Returns						(14.4)
Harbour Surpluses (5)						(4.0)
Expenditure	15.7	0.0		7.3	0.0	23.0
2014						(201.8)
Investment Returns						(14.1)
Harbour Surpluses (5)						(4.0)
Expenditure	17.4	0.0		7.5	0.0	24.9
2015						(195.1)
Investment Returns						(13.7)
Harbour Surpluses (5)						(4.0)
Expenditure	12.4	0.0		7.6	0.0	20.0
2016						(192.7)

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, commencing December 2008.

(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Appendix D

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Cut Non-AHS Spending as far as Practicably Possible

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
2007	300.1	301.6	287.0
2008	284.9	289.4	281.1
2009	260.7	270.3	261.4
2010	234.2	250.9	239.1
2011	213.5	254.8	223.0
2012	187.3	252.0	215.4
2013	157.0	254.0	206.4
2014	121.9	255.9	201.8
2015	78.8	255.1	195.1
2016	25.6	249.9	192.7

APPENDIX D:
SIC Discretionary Reserves 2006-2016
Cut Non-AHS Spending as far as Practicably Possible
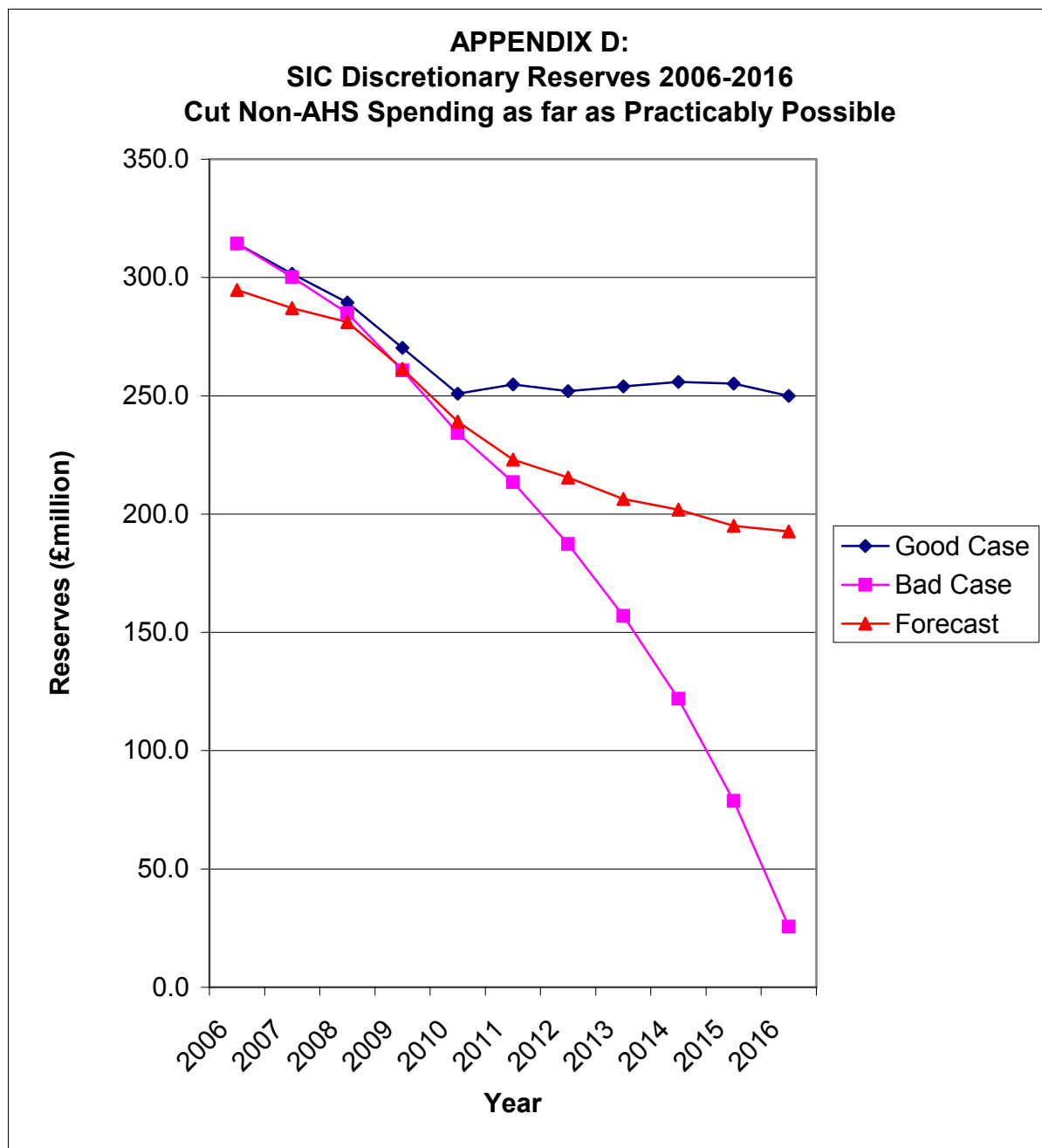
INCLUDING AHS BUILD

	Rolling Programme Projects
	Contractually Committed
	Not committed but Care Commission/ Statutory Reqt.

Only includes approved projects to date - no allowance for new projects coming forward from feasibility studies etc.

Future programming indicative

Projects in Order of Priority

Priority Order	Project Ref.	Project	Total 08/09	2009/10 (Yr2)	20010/11 (Yr3)	2011/12 (Yr4)	2012/13 (Yr5)	2013/14 (Yr6)	2014/15 (Yr7)	2015/16 (Yr8)	2016/17 (Yr9)
ongoing	37	Feasibility Studies	400,000	400,000	400,000	400,000	400,000	400,000			
ongoing	58	Lerwick Library Design Works	88,000								
ongoing	26	Cinema and Music Venue				2,000,000	2,520,000	85,000			
ongoing	4	AHS - ECI	700,000								
ongoing	5	Mid Yell JHS				3,500,000	4,000,000	850,000	150,000		
ongoing	7	Sandwick - ASN	500,000	12,000							
ongoing	55	Bells Brae Alterations	100,000								
ongoing	36	Care Homes Fire Upgrade	80,000	350,000							
ongoing	34	Replacement Esplanade Toilets				352,000					
ongoing	28	Rova Head Reinstatement	1,900,000	150,000							
ongoing	13	A971 Haggersta to Cova					695,000	805,000			
ongoing	15	A970 Oversund Junction	110,000								
ongoing	18	Gilbertson Road Reconstruction	10,000								
ongoing	19	Bressay Link	250,000								
ongoing	22	Uyeasound Pier	2,500,000	150,000							
ongoing	68	Water Based Facilities (Marinas)	475,000								
ongoing	38	SSIS Upgrade	64,000								
ongoing	39	IP Phones	150,000								
ongoing	69	Community Organisation Grants	73,000								
ongoing	41	Cunningsburgh Nursery	20,000								
ongoing	42	B9074 Trondra Phase 2	20,000								
ongoing	16	B9081 Mid Yell (Hillend Section)				215,000	10,000				
ongoing	65	Knab Dyke	271,079								
ongoing	43	Bluemull STAG for Ferries Terminals	75,000								
ongoing	44	FS Ext Links OD Survey	25,000								
1	71	Shetland Public Sector Network	295,000								
2	63	Energy Recovery Plant	110,000	230,000	292,000	420,000					
3	79	Urgent Repairs to Ferry Terminals	265,000								
4	111	Ports & Harbours Nav Aids	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
5	40	Contingency and Final Accounts	220,000	200,000	150,000	125,000	100,000	100,000	100,000	100,000	100,000
6	92	Landfill Phase 2	125,000	2,620,000	1,400,000	110,000		110,000	2,620,000	1,400,000	110,000
7	27	Burial Grounds Rolling Programme	924,638	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000
8	35	Social Care Rolling Programme	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000	1,198,000
9	102	Roads Rolling Air Service	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10	101	Roads Rolling Accident Investigation & Prevention	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
11	66	Refurbishment of Play Areas	247,250	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000
12	87	Disability Discrimination Act Works	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
13	90	Ferries Capital Rolling Programme	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
14	75	Schools ICT Equipment	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000
15	109	Housing Temporary Accom (Homelessness)	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
16	105	Roads Rolling Roads Drainage Improvements	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
17	97	Roads Rolling Bridge Replacements	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
18	104	Roads Rolling Road Reconstruction	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
19	99	Roads Rolling Streetlighting Replacement	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
20	74	PC & LAN Replacement	236,000	236,000	236,000	236,000	236,000	236,000	236,000	236,000	236,000
21	106	Roads Rolling Crash Barrier Replacement	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
22	69	Capital Grants to Voluntary Organisations	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
23	91	Education Capital Maintenance	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000	1,519,000
24	73	Photocopier Replacement	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
25	107	Housing Chalet Accommodation	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100
26	86	Copper Pipework Replacement	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
27	103	Roads Rolling Minor Works & Purchases Bus Service	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
28	96	Roads Rolling Development Related	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
29	100	Roads Rolling Traffic Management	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
30	95	Roads Rolling Minor Works & Purchases	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
31	98	Roads Rolling Footways	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
32	89	Vehicle & Plant Replacement Programme	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
33	108	Housing Staff Accommodation	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
34	110	Ports & Harbours Plant & Equipment	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
2	62	Breiwick Road, Sea Wall				281,250					
3	83	Joint Occupational Therapy Resource Centre				800,000	1,600,000	100,000			
18	31	Leog House Replacement				50	250				
29	81	Ness of Sound Farm				50,000					
30	88	Energy Conservation				69,000					
31	29	Replacement Workshop Mid Yell				155,000					
33	93	Fetlar Breakwater & Small Craft				350,000	1,550,000	170,000			
34	33	Baltasound Library				143,000					
36	32	Public Toilets Rolling Programme				100,000					
37	68	Water Based Facilities				500,000					
39	11	Education MIS - ICT Project				100,000					
41	30	Recladding Gremista Workshop				415,000					
43	17	Papa Stour Road				400,000					
44	14	Germatwatt Footways, Walls					50,000	700,000	50,000		
45	82	Walls Pier					150,000	2,800,000	200,000		
46	20	A970 Scord to School Scalloway					35,000				
48	2	Happyhansel School Accommodation					50,000	530,000	20,000		
49	6	Scalloway JHS - Science Block					290,000				
50	80	Office Accom Review - LK Fire Station					500,000				
51	21	Murrister Replacement Building					150,000				
52	53	A9071 Bixter to Aith					150,000	1,500,000	20,000		
53	78	Conservation Grant Programme					70,000				
54	85	Lystina House & Town Hall Stonework					35,000	350,000			
56	25	Sellaness Pier					397,000	3,985,000	182,000		
57	64	Burial Grounds/ Ancient Monuments					398,000				
59	8	AHS - Hostel						750,000	3,000,000	3,000,000	
60	84	Town Hall Works (Internal)					352,000				
61	52	Bridge Inspection Walkways					155,000				
4		AHS Build	5,000,000	23,000,000	18,000,000	2,000,000					
			21,520,067	34,806,100	27,936,100	19,216,400	20,912,350	15,746,100	17,419,100	12,396,100	10,904,100

Appendix E

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

<u>Re-Set Annual Limit to £34.8m, Reserves Floor to £200m</u>

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						**(318.7)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				**(294.7)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				**(287.0)**
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				**(281.1)**
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	16.5	10.0	5.0	6.0	4.0	41.5
2009		**(Shetland Towage, Islesburgh,Single Status)**				**(261.4)**
Investment Returns						(18.3)
Harbour Surpluses (5)						(4.0)
Expenditure	11.8	0.0	23.0	6.8	3.0	44.6
2010						**(239.1)**
Investment Returns						(16.7)
Harbour Surpluses (5)						(4.0)
Expenditure	9.9	0.0	18.0	6.9	2.0	36.8
2011						**(223.0)**
Investment Returns						(15.6)
Harbour Surpluses (5)						(4.0)
Expenditure	17.2	0.0	2.0	7.0	1.0	27.2
2012						**(215.4)**
Investment Returns						(15.1)
Harbour Surpluses (5)						(4.0)
Expenditure	20.9	0.0		7.2	0.0	28.1
2013						**(206.4)**
Investment Returns						(14.4)
Harbour Surpluses (5)						(4.0)
Expenditure	15.7	0.0		7.3	0.0	23.0
2014						**(201.8)**
Investment Returns						(14.1)
Harbour Surpluses (5)						(4.0)
Expenditure	12.5	0.0		7.5	0.0	20.0
2015						**(200.0)**
Investment Returns						(14.0)
Harbour Surpluses (5)						(4.0)
Expenditure	10.4	0.0		7.6	0.0	18.0
2016						**(200.0)**

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by March 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, commencing December 2008.

(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Re-Set Annual Limit to £34.8m, Reserves Floor to £200m

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
2007	300.1	301.6	287.0
2008	284.9	289.4	281.1
2009	260.7	270.3	261.4
2010	234.2	250.9	239.1
2011	213.5	254.8	223.0
2012	187.3	252.0	215.4
2013	157.0	254.0	206.4
2014	121.9	255.9	201.8
2015	78.8	255.1	200.0
2016	25.6	249.9	200.0

APPENDIX E:
SIC Discretionary Reserves 2006-2016
Re-Set Annual Limit to £34.8m, Reserves Floor to £200m
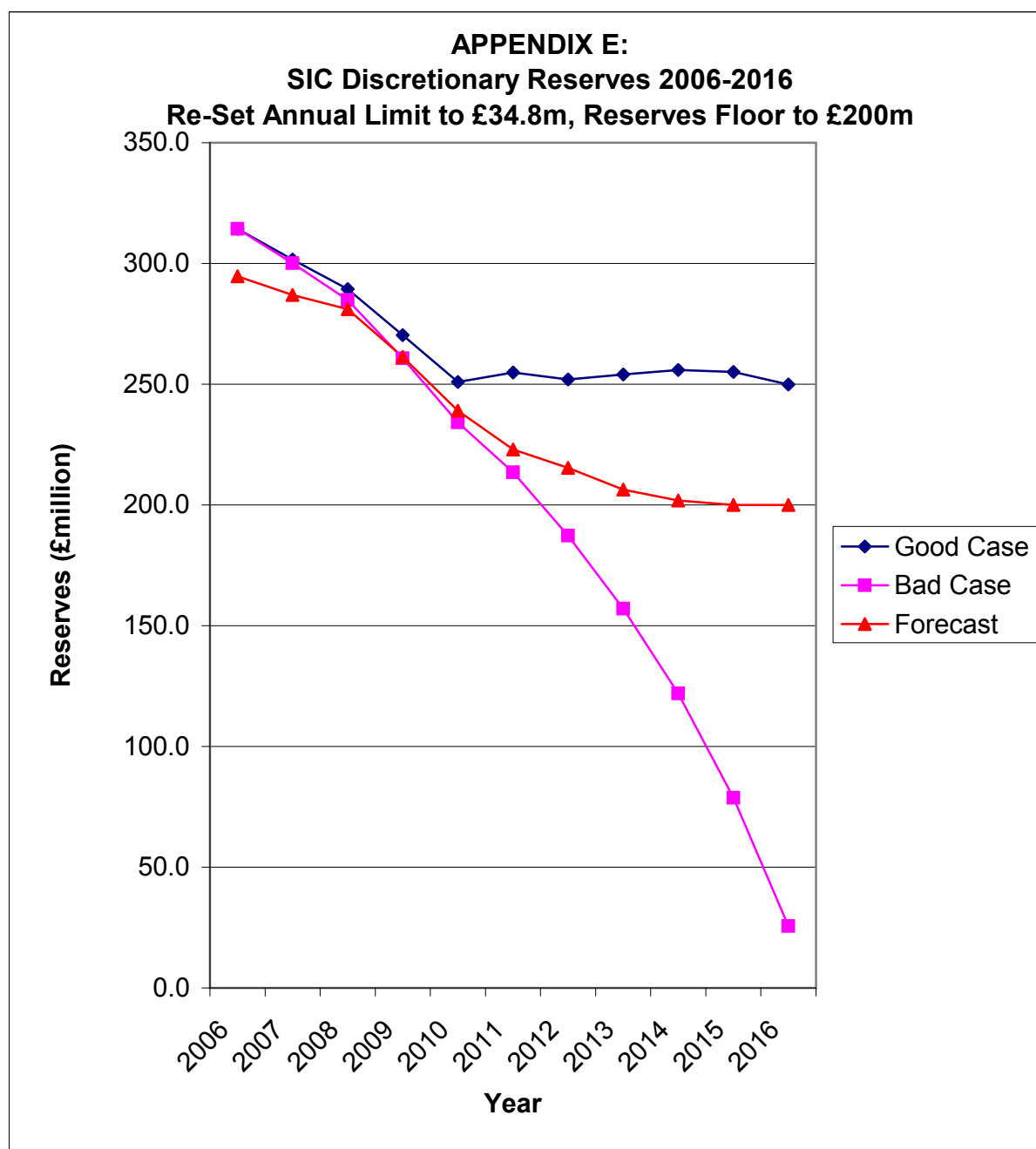
Appendix F

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Finance Lease Deal on AHS

As at 31 March	Capital Programme Expenditure (4)	Special Items	AHS (2)	Reserve Fund Programme Expenditure	General Fund Revenue Deficit (1)	TOTAL RESERVES (3)
	£million	£million	£million	£million	£million	£million
2005						**(318.7)**
Investment Returns						(16.9)
Harbour Surpluses (5)						(5.2)
Expenditure	14.6	20.1		7.4	4.0	46.1
2006		**(4 ferries)**				**(294.7)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(2.0)
Expenditure	14.5	1.8		7.8	3.6	27.7
2007		**(Single Status)**				**(287.0)**
Investment Returns						(20.1)
Harbour Surpluses (5)						(4.0)
Expenditure	18.0	2.0		6.5	3.5	30.0
2008		**(Single Status)**				**(281.1)**
Investment Returns						(19.7)
Harbour Surpluses (5)						(2.1)
Expenditure	21.1	10.0	5.0	6.0	4.0	46.1
2009	**(Shetland Towage, Islesburgh, Single Status)**					**(256.8)**
Investment Returns						(18.0)
Harbour Surpluses (5)						(4.0)
Expenditure	20.8	0.0	23.0	6.8	3.0	53.6
2010						**(225.1)**
Investment Returns						(15.8)
Harbour Surpluses (5)						(4.0)
Expenditure	15.2	0.0	18.0	6.9	2.0	42.1
2011						**(202.8)**
Investment Returns						(14.2)
Harbour Surpluses (5)						(4.0)
Expenditure	9.0	0.0	(46.0)	7.0	1.0	(29.0)
2012						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	9.8	0.0	4.5	7.2	0.0	21.5
2013						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	9.7	0.0	4.5	7.3	0.0	21.5
2014						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	9.5	0.0	4.5	7.5	0.0	21.5
2015						**(250.0)**
Investment Returns						(17.5)
Harbour Surpluses (5)						(4.0)
Expenditure	9.4	0.0	4.5	7.6	0.0	21.5
2016						**(250.0)**

Notes

Gross Investment Returns (%)	7.0
Inflation Rate (%)	2.0
Real Investment Return (%) (not being achieved in 2007/08)	5.0

(1) SIC policy involves reducing the draw on Reserves to support revenue to £0 by 2012/13.

(2) Current best estimate for Anderson High School cost is £48 million, commencing December 2008.

(3) SIC policy is to maintain Reserves at no less than £250 million (the "Reserves Floor").

(4) SIC policy is to allocate £20 million per annum from Reserves to support the Capital Programme.

(5) Harbour surpluses are running well below the normal £8 million per annum at present (mainly due to poor traffic levels through Sullom Voe).

Shetland Islands Council Discretionary Reserves
(values on Balance Sheet at cost)

Finance Lease Deal on AHS

As at 31 March	Bad Case	Good Case	Forecast
	£million	£million	£million
2006	314.3	314.3	294.7
2007	300.1	301.6	287.0
2008	284.9	289.4	281.1
2009	260.7	270.3	256.8
2010	234.2	250.9	225.1
2011	213.5	254.8	202.8
2012	187.3	252.0	250.0
2013	157.0	254.0	250.0
2014	121.9	255.9	250.0
2015	78.8	255.1	250.0
2016	25.6	249.9	250.0

APPENDIX F:
SIC Discretionary Reserves 2006-2016
Finance Lease Deal on AHS

Shetland
Islands Council
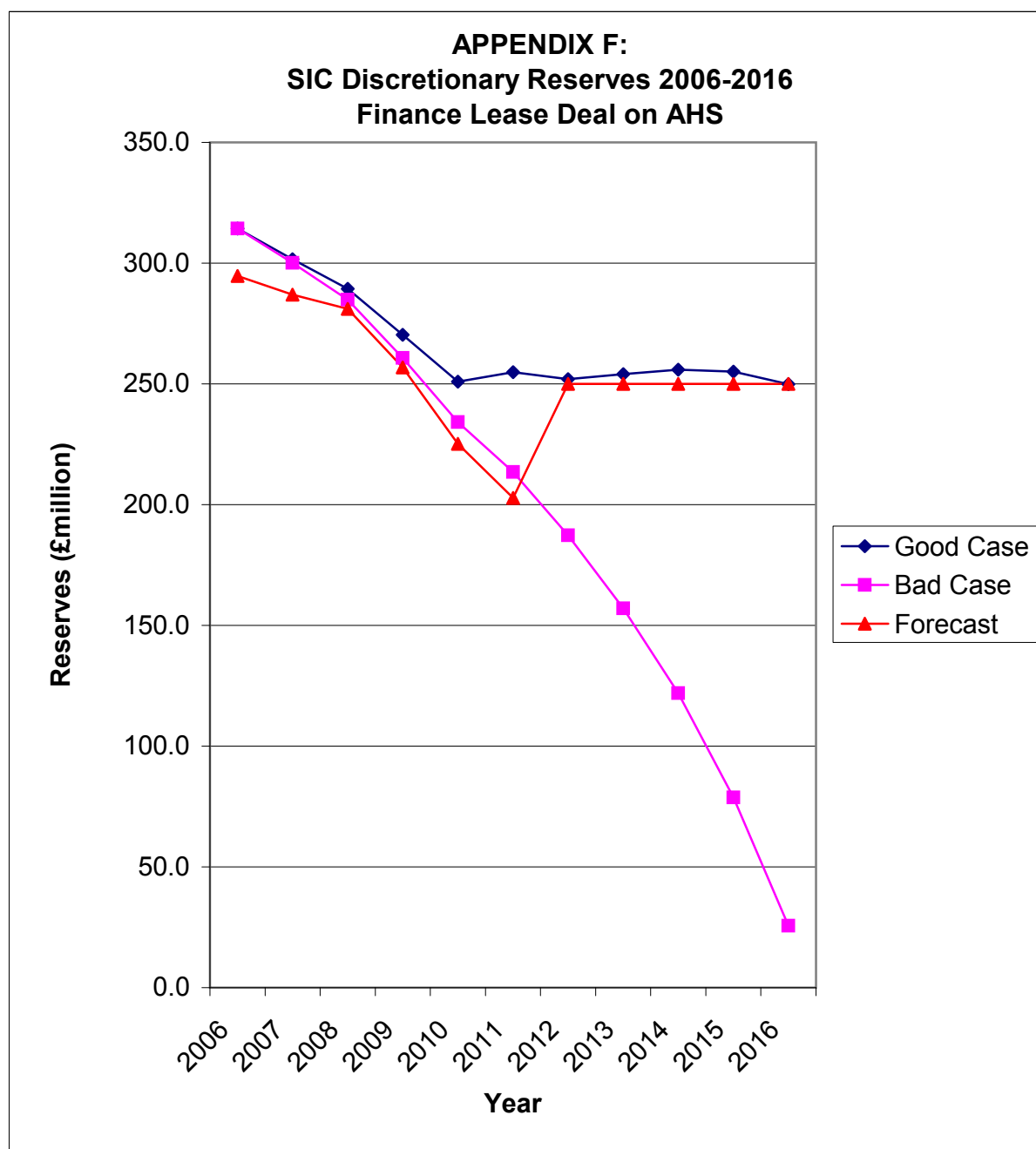
REPORT

To: **Shetland Islands Council**   **14 May 2008**

From: **Head of Capital Programme and Housing Service**

Report No: **CPS-08-08-F**

Subject: **Capital Programme - Capital Programme Review Team (CPRT) – March 2008**

1.0   Introduction

1.1   The Capital Programme Review Team (CPRT) was established to monitor existing projects and make proposals to the Council for decisions relating to the Capital programme (SIC Min Ref. 141/06).

1.2   The proposals within this report follow the sixth meeting of the CPRT on the 20 March 2008.

1.3   This report does look at and make recommendations on projects that remain at this stage uncommitted.

2.0   Link to Corporate Priorities

2.1   As part of the Council's commitment to sustainability within the Corporate Improvement Plan we have undertaken to define our priorities so we can sustain the services we want to provide and help develop our economy. A key component of this is the commitment we have made to implement a Capital Programme prioritisation system and the continuation of that process.

2.2   This is one of a series of periodic reports submitted from CPRT to seek approval of the proposed changes to the Capital programme regarding inclusion of new projects, budget and programming.

3.0   CPRT Submissions

3.1   CPRT heard requests for funding through the Capital programme. These requests and the recommendation from CPRT are set out and summarised below:

Existing projects seeking adjustments to budget were:

3.1.1 **Oversund Junction** – The Network and Design Manager reported the need to adjust budget to carry an additional £40,000 into the 2008/09 financial year to reflect the delayed start on this project and an additional £20,000 overall to reflect the cost of the lowest tender.
CPRT recommendation – That provision be made in the current capital programme for the additional funding.

3.1.2 **Haggersta to Cova** - The Network and Design Manager reported that this project was unlikely to be able to start on site during 2008 due to objections. CPRT asked for the budget to be slipped to reflect this delay.
CPRT recommendation – CPRT recommend to Council that the budget in 2008/09 for this project be adjusted to £100,000 to reflect a realistic timescale.

3.1.3 **Mareel – Cinema and Music Venue Reprofile Budget** - The Capital Programme Service Manager reported on this project and requested an additional £100,000 in 2007/08 funded from slippage to be offset by a similar reduction in budget from the Capital Programme in 2008/09. This re-profiling was caused by the delayed funding decision by the Scottish Arts Council. Originally income of £100,000 from the SAC had been anticipated in 2007/08.
CPRT recommendation – CPRT recommend to increase the budget provision by £100,000 in 2007/08 funded from slippage and to reduce budget in 2008/09 by £100,000.

3.1.4 **Gremista Landfill Phase 1** - The Waste Services Manager reported on an apparent overspend of £140,460 on this project during 2007/08. It was noted that the project had not overspent but, during the changeover between CPMT and CPRT, an amount to cover the retention and final account had not been allowed for.
CPRT recommendation – CPRT recommend to fund the retention and final account of £140,460 from slippage in 2007/08.

The projects seeking to be added to the programme were:

3.1.5 **Space and Property Audit/ Education and Social Care and Housing – Feasibility Study** – The Capital Programme Service Manager reported on this project which had been through the Accommodation Working Group. CPRT considered that in respect of items 3.1.10 and 3.1.11 in this report, that the scope of this study be increased to include consideration of the Ness of Sound for development potential.
CPRT recommendation – CPRT approved the report for recommendation to the Council to fund £40,000 for the study from the existing Feasibility Study budget and to increase the scope of the project to include consideration of the Ness of Sound.

3.1.6 **Office Accommodation, North Ness, Lerwick** – The Capital Programme Service Manager reported on this project which had been through the Accommodation Working Group. At the Accommodation Working Group the scope of the study was recommended for increase

to include consideration of the existing Oil Tanks site and the Mareel site in addition to the former WAG site.

CPRT recommendation – CPRT approved the report for recommendation to the Council to fund £25,000 for the study from the existing Feasibility Study budget and to increase the scope of the project to include consideration of the existing Oil Tanks site and the Mareel site if that project did not go ahead in addition to the former WAG site. CPRT also recommended that the study should not commence until the Oil Tank situation was clearer later in the year.

3.1.7 **Conversion of Old Fire Station to Provide Accommodation for Infrastructure Services – Transport Service** – The Head of Transport presented a report on the proposals to consolidate the Transport Service on one site integrated with the Infrastructure Service at Grantfield. The proposal is to construct a new build office at a cost of £500,000. Zetrans budgets are paying for the existing fire station to be demolished.

CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council.

3.1.8 **Dredging to South Mouth of Skerries Harbour** – The Head of Transport presented a report on this project to dredge the South Mouth of Skerries harbour at a cost of £185,000.

CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council.

3.1.9 **Scord Quarry Fixed Plant Replacement** – This project was requesting funding of £215,000 for plant replacement at the Scord Quarry. The project has been approved at a meeting of a previous Capital Programme Management Team but was omitted in error in the transfer to the CPRT Process.

This project has been identified as critical to the efficient running and continuation of the Scord Quarry service. By critical, this is defined as key service provision that would have to stop if funding was not available. The critical nature has so far not been identified as part of the prioritisation process. I would recommend 100% funding of critical projects.

CPRT recommendation – CPRT approved the report for inclusion in the 2008/09 Capital Programme and recommendation to the Council.

3.1.10 **Ness of Sound Byre Roof** – The Property Technician presented a report on work required on the Byre roof at the Ness of Sound farm at a cost of £38,000. CPRT expressed concern that the Ness of Sound had an ongoing revenue commitment but that its development potential had never been realised. CPRT therefore requested that the Ness of Sound area be included in the Space and Property Audit (see item 3.1.5, above).

CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council and requested that the Ness of Sound be included in the Space and Property Audit.

3.1.11 **Ness of Sound Drystone Dykes** – The Property Technician presented a report on work required on Drystone dykes at the Ness of Sound farm at a cost of £12,000. CPRT expressed concern that the Ness of Sound had an ongoing revenue commitment but that its development potential had never been realised. CPRT therefore requested that the Ness of Sound area be included in the Space and Property Audit (see item 3.1.5, above).
CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council and requested that the Ness of Sound be included in the Space and Property Audit.

3.1.12 **Gremista Landfill Phase 2** – The Waste Services Manager presented a revised report on the Gremista Landfill Phase 2 project. This report provided further information and clarification from a previous submission to CPRT. CPRT noted that the proposals were part of the ongoing phased developments over a period of 20 years.
CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council.

3.1.13 **Lund Burial Ground Lund Kirk** – The Waste Services Manager presented a revised report on the Lund Kirk with further information to a previous report. Works are proposed to stabilise the old Kirk at a cost of £130,000. It was anticipated that the works would attract Historic Scotland Grant funding of £65,000 and therefore £65,000 was being requested from the Capital Programme.
CPRT recommendation – CPRT approved the report for prioritisation and recommendation to the Council.

3.1.14 Further budget adjustments were considered by CPRT and are attached. These result in;
- A net saving to the 2007/08 Capital Programme of £3,112,067
- Committed budgets of £224,000 to be carried forward to the 2008/09 Capital Programme, and
- A reduction in the 2008/09 Capital Programme of £695,000.

These are identified in Appendix A.

4.0   Additional Project - Lerwick Town Hall, Entrance Steps

4.1   Proposals for external works to the Town Hall and Lystina House were approved by Shetland Islands Council on 12 September 2007 (Min Ref. SIC 131/07). The cost of the proposal was £350,000.

4.2   The proposals were considered by the Capital Programme Review Team on 12 November 2007 and were prioritised for inclusion on the Council's Capital Programme. The Council approved a report on the prioritisation of Capital Projects on 7 February 2008 (SIC Min Ref. 18/08). The project was low on the priority list at No. 54 out of 61 projects and was not allocated funding in 2008/09.

4.3 Members have since requested that the Town Hall steps be replaced/ repaired to tie in with the 125th anniversary of the Town Hall in July 2008. The cost of this work is estimated at a maximum of £25,000 and is being reported to the Town Hall and Lystina House Consultative Committee on 1 May.

4.4 Subject to a recommendation from the Consultative Committee the Council is asked to consider inclusion of the proposed works in the Council's Capital Programme for 2008/09 at a cost of £25,000.

5.0 Prioritisation and Funding

5.1 CPRT scored each of the new projects with complete information in accordance with the Council's criteria (Min Ref. 48/06). The new projects were then ranked alongside other projects that are still to be programmed. The results of that scoring, as a revised list of projects awaiting commencement (in order of priority), are included in Appendix B.

5.2 Members should note that there are still many projects at feasibility and/ or option appraisal stage. These projects cannot be scored by CPRT until this information is complete. Therefore, they cannot be added to the prioritisation list at this stage. However, as these projects progress they will be prioritised in due course and brought to Members' for consideration at that point.

5.3 Since the last CPRT there has been a member's seminar on prioritisation of projects into the future. Members outlined the process they wanted. The Head of Capital Programme Service is seeking to take that process forward and this will be the subject of an enabling report in the near future. Therefore, the existing prioritised list will be subject to change and further review by full Council.

5.4 At the last meeting of the full Council some Members expressed dissatisfaction with the outputs generated by the prioritisation process. When the prioritisation process was established in March 2006 (Min Ref. 48/06), it included provision of a Member/ Officer working group to review the weighting and points to be awarded. The work of this group is on hold until the decisions outlined in 5.3 above are made.

5.5 With a target of £20m per annum to spend (Min Ref. 139/06), and a programme that is heavily over-subscribed, savings that have been identified from 2007/08 have not been carried forward into 2008/09, the programme for which was set at £21,099,989.

6.0 Proposal

6.1 It is proposed that the Council:

6.1.1 Recognise and authorise the need to meet commitments in 3.1.1, 3.1.3 and 3.1.4;

6.1.2 Note the prioritised projects to be added to the Capital Programme;

6.1.3 Subject to a recommendation from the Consultative Committee to consider inclusion of the works to the Town Hall steps to the Capital Programme for 2008/09.

7.0 Financial Implications

7.1 The proposals within this report make use of existing agreed resources without the need to provide additional funding at this stage. Therefore, there are no direct financial implications from this report.

8.0 Policy and Delegated Authority

8.1 Matters relating to the Council's Capital programme are referred to Council for decisions (SIC Min Ref. 122/03 and 145/03).

9.0 Conclusion

9.1 This report represents the results of the latest CPRT meeting. The report identifies additional expenditure of £374,460 required in 2007/08 from committed projects. This can be funded from slippage on the 2007/08 Capital Programme. New projects are prioritised and included in the list of projects. The recommendations within this report will assist with controlling of costs, allocation of resources in the future and the provision of a sustainable capital programme into the future.

10.0 Recommendations

10.1 It is proposed that the Council:

10.1.1 Recognise and authorise the need to meet commitments in 3.1.1, 3.1.3 and 3.1.4;

10.1.2 Note the prioritised projects to be added to the Capital Programme.

10.1.3 Subject to a recommendation from the Consultative Committee to consider inclusion of the works to the Town Hall steps to the Capital Programme for 2008/09.

Our Ref: CM/RS/CPS-08-08-F   Date: 5 May 2008

Enclosures: Appendix A: CPRT No. 6 Budget Adjustments
            Appendix B: Capital Programme 2008/09

CPRT 6 Budget Adjustments

07/08 Budgets					08/09 Budgets				
Project	**Additional Budget Required £**	**Budget Slippage £**	**Net Budget Saving £**		**Project**	**Budget Slippage from 0708 £**	**Additional Budget Required £**	**Reduction in Budget Required £**	**Overall Total Budget Amendments £**
Balance from CPRT 4 & 5 - less Legal & Admin slippage included below*	-	(£577,497)	(£577,497)		Oversund Junction GCY6120	£40,000	-	-	£40,000
CPRT 3, 4 & 5 (not yet funded)					Haggersta to Cova GCY6106	-	-	(£595,000)	(£595,000)
Gilbertson Road GCY6123	£10,000	-	10,000		Town Hall Steps	-	£25,000	-	£25,000
Germatwatt Footways GCY6118	£4,000	-	4,000		Mareel GCL4402	-	-	(£100,000)	(£100,000)
Papa Stour GCY6122	£20,000	-	20,000		Scord Quarry Fixed Plant GCY6401	-	£215,000		£215,000
Bixter to Aith GCY6124	£20,000	-	20,000		SSIS Upgrade GCX4311	£30,500	-	-	£30,500
Old Scatness GCD1575	£46,000	-	46,000		Risk Management GCX4321	£17,000	-	-	£17,000
CPRT 6					Public Toilets Rolling Programme	£59,500	-	-	£59,500
Oversund Junction GCY6120	-	(£140,000)	(£140,000)		Conservation Grants GCY9010	£20,000	-	-	£20,000
Haggersta to Cova GCY6106	-	(£150,000)	(£150,000)		FT Structural Improvements GCY7626	£25,000	-	-	£25,000
Trondra B9074 GCY6116	£9,000	-	£9,000		Peerie Dock Symbister RCM2309	£32,000	-	-	£32,000
Town Hall Steps	-	-	£0		**Totals**	**£224,000**	**£240,000**	**(£695,000)**	**(£231,000)**
Mareel GCL4402	£100,000	-	£100,000						
Gremista Landfill Phase 1 GCY5108	£140,460	-	£140,460						
Further Slippage Identified									
Copper Pipework GCB6001*	-	(£69,000)	(£69,000)						
Office Accomodation GCB6002*	-	(£317,000)	(£317,000)						
DDA Access GCB6004*	-	(£26,000)	(£26,000)						
SSIS Upgrade GCX4311	-	(£30,500)	(£30,500)						
Risk Management GCX4321	-	(£17,000)	(£17,000)						
Education Maintenance GCE1500	-	(£450,000)	(£450,000)						
Care Home Fire Upgrade GCA0231	-	(£90,000)	(£90,000)						
Public Toilets Rolling Programme	-	(£59,500)	(£59,500)						
Esplanade Toilets GCY5132	-	(£282,000)	(£282,000)						
Vehicle & Plant Replacement GCY7254	-	(£140,000)	(£140,000)						
Conservation Grants GCY9010	-	(£37,000)	(£37,000)						
Reserve Fund Property Grants GCY9011	-	(£21,030)	(£21,030)						
FT Structural Improvements GCY7626	-	(£33,000)	(£33,000)						
Peerie Dock Symbister RCM2309	-	(£32,000)	(£32,000)						
Scalloway Oil Support RCM2312	-	(£37,000)	(£37,000)						
Uyeasound Harbour RCM2314	-	(£600,000)	(£600,000)						
Tugs for Sellaness RCM2313	-	(£350,000)	(£350,000)						
Plant, Vehicles & Equipment PCM2101	£25,000	-	£25,000						
Navigational Aids PCM2104	-	(£28,000)	(£28,000)						
Totals	**£374,460**	**(£3,486,527)**	**(£3,112,067)**						

	Approved Capital Programme
	Projects awaiting slippage (1st bid on funds)
	Prioritised Projects awaiting slippage / funding (possibly future years)
	New projects CPRT 6

Summary of Capital Projects Prioritisation CPRT 6
Projects in Order of Priority

Priority Order	Project Ref.	General Fund Project	Existing Budget Allocation	CPRT 6 Adjustments	Revised Budget Allocation	Balance still Required from 08/09 Slippage
ongoing	37	Feasibility Studies	400,000		400,000	
ongoing	58	Lerwick Library Design Works	88,000		88,000	
ongoing	26	Cinema and Music Venue	2,000,000	(100,000)	1,900,000	
ongoing	4	AHS - ECI	700,000		700,000	
ongoing	5	Mid Yell JHS	3,500,000		3,500,000	
ongoing	7	Sandwick - ASN	500,000		500,000	
ongoing	55	Bells Brae Alterations	100,000		100,000	
ongoing	36	Care Homes Fire Upgrade	80,000		80,000	
ongoing	34	Replacement Esplanade Toilets	352,000		352,000	
ongoing	28	Rova Head Reinstatement	1,900,000		1,900,000	
ongoing	13	A971 Haggersta to Cova	695,000	(595,000)	100,000	
ongoing	15	A970 Oversund Junction	110,000	40,000	150,000	
ongoing	18	Gilbertson Road Reconstruction	10,000		10,000	
ongoing	19	Bressay Link	250,000		250,000	
ongoing	22	Uyeasound Pier	2,500,000		2,500,000	
ongoing	68	Water Based Facilities (Marinas)	475,000		475,000	
ongoing	38	SSIS Upgrade	64,000	30,500	94,500	
ongoing	39	IP Phones	150,000		150,000	
ongoing	69	Community Organisation Grants	73,000		73,000	
ongoing	41	Cunningsburgh Nursery	20,000		20,000	
ongoing	42	B9074 Trondra Phase 2	11,000		11,000	
ongoing	16	B9081 Mid Yell (Hillend Section)	215,000		215,000	
ongoing	65	Knab Dyke	271,079		271,079	
ongoing	43	Bluemull STAG for Ferries Terminals	75,000		75,000	
ongoing	44	FS Ext Links OD Survey	25,000		25,000	
ongoing	12	Risk Management	0	17,000	17,000	
ongoing	32	Public Toilets Rolling Programme	0	59,500	59,500	
ongoing	78	Conservation Grant Programme	0	20,000	20,000	
24	71	Shetland Public Sector Network	295,000		295,000	
26	63	Energy Recovery Plant	110,000		110,000	
29	114	Scord Quarry Fixed Plant Replacement	0	215,000	215,000	
35	79	Urgent Repairs to Ferry Terminals	265,000	25,000	290,000	
*	111	Ports & Harbours Nav Aids	70,000	0	70,000	
*		Peerie Dock, Symbister	0	32,000	32,000	
n/a	40	Contingency and Final Accounts	220,000		220,000	
n/a		Town Hall Steps	0	25,000	25,000	
2	92	Gremista Landfill Phase 2 (Design)	72,536		72,536	52,464
1	27	Burial Grounds Rolling Programme	670,956		670,956	253,682
6	35	Social Care Rolling Programme	868,978		868,978	329,022
7	102	Roads Rolling Air Service	7,254		7,254	2,746
8	101	Roads Rolling Accident Investigation & Prevention	29,014		29,014	10,986
9	66	Refurbishment of Play Areas	179,163		179,163	68,087
10	87	Disability Discrimination Act Works	123,311		123,311	46,689
11	90	Ferries Capital Rolling Programme	130,564		130,564	49,436
12	75	Schools ICT Equipment	163,931		163,931	62,069
13	109	Housing Temporary Accom (Homelessness)	18,134		18,134	6,366
14	105	Roads Rolling Roads Drainage Improvements	29,014		29,014	10,986
15	97	Roads Rolling Bridge Replacements	181,339		181,339	68,661
16	104	Roads Rolling Road Reconstruction	90,459		90,459	64,541
17	99	Roads Rolling Streetlighting Replacement	101,550		101,550	38,450
18	74	PC & LAN Replacement	171,184		171,184	64,816
19	106	Roads Rolling Crash Barrier Replacement	161,329		161,329	68,671
21	69	Capital Grants to Voluntary Organisations	272,009		272,009	102,991
22	91	Education Capital Maintenance	1,101,818		1,101,818	417,182
23	73	Photocopier Replacement	50,775		50,775	19,225
25	107	Housing Chalet Accommodation	10,155		10,155	3,945
27	86	Copper Pipework Replacement	145,071		145,071	54,929

30	103	Roads Rolling Minor Works & Purchases Bus Service	29,014		29,014	10,986
32	96	Roads Rolling Development Related	36,268		36,268	13,732
38	100	Roads Rolling Traffic Management	36,268		36,268	13,732
42	95	Roads Rolling Minor Works & Purchases	36,268		36,268	13,732
44	98	Roads Rolling Footways	72,536		72,536	27,464
47	89	Vehicle & Plant Replacement Programme	725,357		725,357	274,643
52	108	Housing Staff Accommodation	10,880		10,880	3,620
*	110	Ports & Harbours Plant & Equipment	50,775	0	50,775	19,225
		OVERALL CAPITAL PROGRAMME TOTALS	**21,099,989**	**(231,000)**	**20,868,989**	**2,173,078**

* Inserted by Harbour Board not prioritised by CPRT

New Projects in Order of Priority (awaiting funding)

Priority Order	Project Ref.	Project	Funding Required	External Funding
2	92	Gremista Landfill Phase 2 (Reprioritised)	3,855,000	
3	62	Breiwick Road, Sea Wall	281,250	
4	83	Joint Occupational Therapy Resource Centre	2,600,000	
5	117	Burial Ground Lund Kirk (New project)	65,000	
20	31	Leog House Replacement	300,000	
28	115	Ness of Sound Farm Byre Roof	38,000	
31	113	Dredging South Mouth Skerries Harbour	185,000	
33	88	Energy Conservation	69,000	
34	29	Replacement Workshop Mid Yell	155,000	
36	93	Fetlar Breakwater & Small Craft	2,070,000	900,000
37	33	Baltasound Library	143,000	
39	32	Public Toilets Rolling Programme	100,000	
40	68	Water Based Facilities	500,000	
41	112	Fire Station Offices for Transport	500,000	
43	11	Education MIS - ICT Project	100,000	
45	116	Ness of Sound Farm Dykes	12,000	
46	30	Recladding Gremista Workshop	415,000	
48	17	Papa Stour Road	400,000	
49	14	Germatwatt Footways, Walls	800,000	
50	82	Walls Pier	3,150,000	
51	20	A970 Scord to School Scalloway	35,000	
53	2	Happyhansel School Accommodation	600,000	
54	6	Scalloway JHS - Science Block	290,000	
55	80	Office Accom Review - LK Fire Station	600,000	
56	21	Murrister Replacement Building	150,000	
57	53	A9071 Bixter to Aith	1,670,000	
58	78	Conservation Grant Programme	70,000	
59	85	Lystina House & Town Hall Stonework	385,000	
60	25	Sellaness Pier	5,400,000	
61	64	Burial Grounds/ Ancient Monuments	398,000	
62	8	AHS - Hostel	9,791,000	
63	84	Town Hall Works (Internal)	352,000	
64	52	Bridge Inspection Walkways	155,000	
		Total Future Capital Requirement	**35,634,250**	**900,000**

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **14 May 2008**

From: **General Manager**

Report No: **P&H-13-08-F**

Subject: **Bunker Surcharge, Sullom Voe Harbour**

1   Introduction

1.1   The cost of crude oil continues to escalate and, as a consequence, the cost of marine gas oil used by tugs, pilot launches and mooring boats.

1.2   It is the recommendation of this report that a mechanism be introduced into the Table of Dues in order to recoup the extra costs as a result of fuel price increases.

1.3   The normal method within the ports industry is to introduce a "Bunker Surcharge" on services provided to shipping.

2   Background

2.1   When the budgets were set at the end of 2007 the cost of fuel was 32.0 pence per litre with an estimated consumption of 1,170,000 litres for the period 1/4/2008 to 31/3/2009.

2.2   The cost today of fuel has escalated to 48.4 pence per litre. This represents an increase in cost of £191,880 over the financial year.

2.3   There is every likelihood that the price of fuel will continue to rise over the rest of the year.

3.   Proposals

3.1   It is anticipated that there will be a total of 190 crude tankers over the next 12 months.

3.2   This represents 1,140 tug movements and accordingly the extra fuel costs per tug movements is £168.32

3.3   It is proposed that;

3.3.1   An additional charge be levied to cover rising fuel costs beyond the control of the Council, to be called "Bunker Surcharge", and

3.3.2   The Bunker surcharge is set initially £170 per tug movement for normal operations and £50 per hour where an hourly rate is applicable.

3.3.3   This is based on a fuel price of 48.4 pence per litre and it shall be reviewed at monthly intervals by the General Manager, Port and Harbours Operations who would have delegated authority to amend the Bunker Surcharge, up or down depending on the price of marine gas oil delivered to Sella Ness.

4.   Financial Implications

4.1   The escalation in fuel prices represent an increase in operating costs of £191,880 over the next 12 months assuming the price remains at 48.4 pence per litre.

4.2   The introduction of the Bunker Surcharge will recoup that increase in operating costs brought about by increased fuel charges.

4.3   Should the Bunker Surcharge not be approved, the tug operations budget will be overspent and reduce the overall contribution to the Reserve Fund contrary to the Council's long term financial strategy.

5.   Policy and Delegated Authority

5.1   Only the Council, as the competent Harbour and Pilotage Authority, has the powers to amend the Table of Dues by the introduction of a new charge. The setting of charges is a non-statutory exclusion from delegation, as set out in section 8.2 of the Council's Scheme of Delegations. If approved, the proposal at 3.3.3 above would give delegated authority to the General Manager, Ports and Harbours Operations to review and amend the proposed Bunker Surcharge, depending on the price of marine gas oil.

6.   Recommendations

I recommend that the Council approve the introduction of a variable "Bunker Surcharge" as detailed in sections 3.3.1 to 3.3.3 with immediate effect.

Date: 30 April 2008
Our Ref: RO-O   Report No: P&H-13-08-F

Shetland
Islands Council

REPORT

To: Shetland Islands Council   14 May 2008

From: Assistant Chief Executive

Committee and Decision Making Structures
CE-22-F

1 Introduction

1.1 The Council Committee and Decision Making structure was approved by SIC on 8 February 2007 with the proviso that the structure be reviewed within the first year of the newly elected Council which came in to being in May 2007.

1.2 This report sets out the key issues which have been considered by the Working Group established by Council and proposes the recommendations from that group. Some of the changes tidy and tighten up the existing system as well as some more fundamental changes to the overall structure.

2 Link to Council Priorities

2.1 The framework within which Council business will be carried out contributes to the aim of developing "a Council that is organised efficiently run and sustainable".

3 Background

3.1 The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 came into effect on 2 May 2007.

3.2 Prior to this Local Authorities applied special responsibility allowances (SRA) and it was a matter for each Authority to decide how many SRAs it was appropriate to have. In terms of the new 2007 regulations each Local Authority was given a set number of

Senior Councillor positions instead of SRAs. Shetland Islands Council was allocated 9 Senior Councillor positions plus Convenor and Vice-Convenor and it was a matter for the SIC to put in place a framework within these regulations.

3.3 The regulations also allocated a fixed maximum sum of money to be divided between those appointed as Senior Councillors and it was made clear within the regulations that there was to be no "doubling up" so that there would only be one payment as a Senior Councillor regardless of how many positions an individual Councillor may hold.

3.4 It was also established that remuneration of chairpersons of Area Licensing Boards which are constitutionally separate from the Council would nevertheless have to be met from the Council's Senior Councillor allocations.

3.5 The Working Group which comprised one member from each ward has reviewed the overall committee and decision making structure as well as dealing with appointments to external organisations and the issue of dispensation in relation to Councillors' interests, which is being taken forward by the Head of Legal and Administration with the Standards Commission.

3.6 In looking at the two parent committees in particular, both of the Chairmen were invited to and met with the Working Group to discuss the issues of their committees and the links with the boards which support them in the structure. The current structure is as follows:-

Current Structure
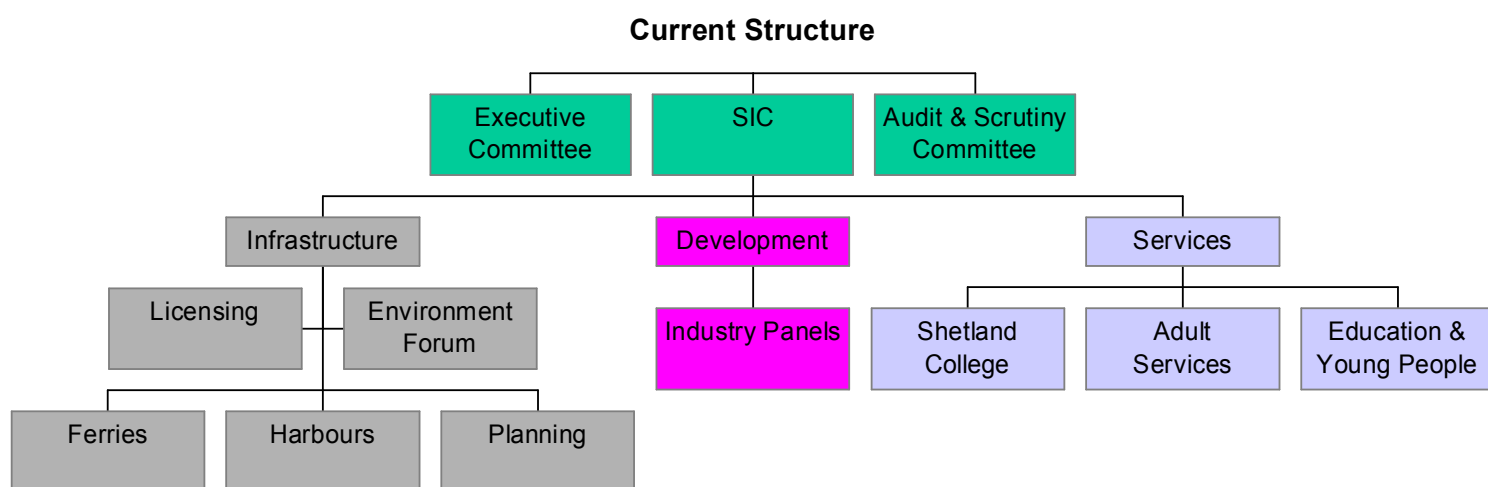
4 Committee Structure

4.1 The two parent committees of Services and Infrastructure which sit directly underneath Council are now joined by the Development Committee the establishment of which was approved during the last cycle of meetings which in effect creates the three legged stool of sustainability with the constituent elements of social, economic and infrastructure. The industry panels were established and organised by Shetland Development trust and are seen as an effective means of consulting with the relevant industry.

4.2   There is a significant impact on the Executive Committee because Economic Development business will now go directly to the Development Committee. The Council had already acceded to the wishes of the Council's External Auditors in removing the audit function from the committee and established an Audit and Scrutiny Committee. There is therefore little substantive business on a regular basis that will be going to the Executive Committee. The Working Group discussed this issue and it is recommended that for Financial and Human Resource issues these should be reported directly to the meeting of full Council.

4.3   There may be other subsidiary items of business which would ordinarily go to the Executive Committee and which arise from time to time such as issues relating to Ethical Standards. For these it is proposed that the Audit and Scrutiny Committee deal with these items as and when they arise as part of its function.

4.4   As mentioned above the Licensing Board is constitutionally separate from the Council but remuneration for chairpersons has to be met from the Council's allocation of Senior Councillors. In order to achieve this and fit all of our functions within the framework we established a Licensing Sub-Committee to deal with matters of civic government licensing, and agreed that the membership of that sub-committee would also form the Area Licensing Board for liquor licensing purposes with the same Chairperson for both.

4.5   **INFRASTRUCTURE** The Working Group together with the Chair of Infrastructure are recommending limited changes to what happens underneath Infrastructure Committee. The Planning Board and Harbour Board are to a great extent autonomous with the minutes being reported directly to Council. However there are areas related to planning such as conservation which are reported through Infrastructure.

The issue for the Inter Island Ferries Board is how it links in to ZetTrans as part of our overall strategic approach to transport. The Chairman of Infrastructure has requested that in order ensure the avoidance of any gaps or duplication that the minutes of the Inter Island Ferries Board be submitted to the parent committee of Infrastructure rather than going straight to Council. He has also as Chair of ZetTrans obtained the agreement that ZetTrans minutes be submitted to the Council's Infrastructure Committee for information purposes only. This will ensure that all of those dealing with transportation issues in the broadest sense are aware of what is happening with the various constituent elements of transport.

SERVICES There has been considerable debate on the Adult Services and Education and Young Peoples Boards which are in place to support services Committee. The Working Group together with the Chair of Services and Executive Director of Education and Social Work agreed that the recommendation to Council would be to remove both of these Boards mainly because of lack of items of

business being reported to them (so far the Education Board has met twice and Adult Services 3 times) with the assurance that the business would be dealt with at Services Committee.

In relation to Adult Services Board there is a link to NHS Shetland through the Community Health Partnership where at officer level the Head of Community Care performs a joint role.

4.6   The work on Community Care is done in partnership with NHS Shetland and reports through the Community Health Partnership Committee. Following a meeting with the Chief Executive of NHS Shetland she has proposed that the governance arrangements for the CHP should be strengthened at a political level by the appointment of 2 SIC Elected Members.

4.7   Although areas such as strategic responsibility, policy, budgets and staffing would remain the responsibility of the separate bodies namely SIC and NHS Shetland, consideration should be given to ensuring that it is the CHP committee which oversees delivery of the joint Community Care service.

4.8   Underlying this approach is a desire to avoid duplication and streamline a number of committees receiving the same report. A separate report on this is on today's agenda.

4.9   This brings into focus the partnership arrangements with NHS Shetland and to an extent the Northern Community Justice Authority which has been established to direct the work of the Criminal Justice teams across Local Authority areas. However the remit of Adult Services Board also includes Criminal Justice Services but not at a strategic level because of the arrangements between the SIC and the Northern Community Justice Authority.

4.10   The above points will have an influence on whether to retain the Adult Services Board and what role it would then perform. It is understood however that the members of the Adult Services Board are minded to retain the Board as part of the Council structure.

5   **Forums and Spokespersons**

5.1   The Council has reduced the number of Spokespersons significantly from those which operated during the existence of previous Councils.

5.2   We currently have Spokespersons in the following areas;

   •   Children and Young People
   •   Culture and Recreation
   •   Environment and Public Health
   •   Europe

5.3 The Children and Young People's Spokesperson is covered by both the Chair of Education and Young Peoples Board and Councillor Bill Manson. The Environment Spokesperson is Councillor Jim Henry, Europe is Councillor Gussie Angus and Culture and Recreation by Councillor Rick Nickerson.

5.4 The main role of forums was to initiate and develop proposals for policy formation and to keep policies within their remit under review. All of the policy proposals which emanated from the forums would be presented to the appropriate Committee by report and supported by the relevant Spokesperson. The forums would then take forward the Councils consultation strategy to gain community participation with their own area of remit.

5.5 In relation to the Services Committee the forum which would have had input at that time would have been the Social Forum. It was anticipated that the Boards would take on the policy development and planning roles from the forums although it is questionable whether this has achieved any measure of success over the past year.

It is proposed that a Community Services Forum be established to allow for policy development and widespread consultation to support the work of Services Committee. The forum will have input from the plethora of bodies across the range of Services including the key strategic planning groups as part of the Joint Futures process.

- Older People's Strategy Group
- Disability Strategy Group
- Shetland Mental Health Partnership
- Housing Strategy Group

The Working Group are of the view that this Forum would be a useful addition and fulfil the desire to consult with stakeholders and to deal with specific issues or themes which might arise.

5.6 Similarly, the Environment forum may benefit from changing to take in the broader remit of Infrastructure although Environment might be the main theme. This would allow a supporting role again through policy development and consultation for the range of services which are the responsibility of the main committee.

5.7 Following the Council decision to establish a Development Committee it is anticipated that the four industry panels namely fisheries, agriculture, tourism and culture and a general panel will continue. These industry panels replaced the Economic Forum which existed during the life of the last Council. The panels were run through SDT but in light of all of the Development functions going through the one channel of Council it is appropriate for them to be part of the SIC structure and be the consultative mechanism in the area similar to the Environment and Community Services Forum should the latter be established.

This would provide a means of engaging more widely with each of the three principal areas, Infrastructure, Services and Development having forums feeding into the main committees. It is also worth considering the role of Vice-Chair of the main committees and whether they should take on the lead role in Forums and ensure that the necessary issues are dealt with and fed into the principal committees.

5.8 The role of the Spokesperson was reported to Council on 4 July 2007. The aims for Spokespersons are:-

- To contribute towards ensuring service delivery needs and objects contained in the corporate plan and other corporate strategic policies within areas of designated responsibility e.g. Europe, culture and recreation and public health.
- To represent services within designated areas internally and externally.
- To monitor and report on performance of services within designated areas.

5.9 The Council has established a formal mechanism for reporting on the performance of services through the quarterly performance review meetings.

5.10 It has been proposed that there is a gap on the social side where it would be appropriate and helpful for a Spokesperson to be appointed to deal with Community Care matters. This has the support of both the Chair and Vice-Chair of Services Committee together with the Executive Director and depending on decisions taken relating to the Adult Services Board will enhance the links with NHS Shetland at a political as well as officer level.

5.11 For Infrastructure Services should the broader forum be approved the main area for consultation in terms of workload will still have a dedicated spokesperson role in place.

6. **Conclusions**

6.1 The new legislation which came in to effect in May 2007 has set a maximum number of remunerated Senior Councillor appointments that Council can make.

6.2 It is a matter for us what structure we put in place and how many positions we want to fill, however, the number of paid positions is set out in the law and we currently operate within that.

6.3 Councillor Cecil Eunson was a Senior Councillor in chairing the Adult Services Board and Councillor Frank Robertson was made a Senior Councillor in Chairing the Planning Board. However Councillor Robertson was appointed Vice-Convenor of the Orkney and Shetland Valuation Joint Board and because remuneration is payable for this position he is not included now in the maximum number of Senior

Councillors for remuneration purposes in terms of the regulations. We now have two vacant Senior Councillor positions which can be left as it is or make an adjustment to the framework and use up the allocation available to us.

6.4   The Development Committee has been established by the Council which removes a significant body of work from the Executive Committee and the recommendation from the Working Group is that the Executive Committee should be removed from the structure with the bulk of its business mainly Finance and Human Resources being reported directly to Council. The Code of Conduct issues which may arise from time to time can, should this be accepted, be reported through the performance management function within Audit and Scrutiny Committee.

6.5   The two Boards which support Services Committee have provoked considerable debate and there are clearly different views on this. The main issue surrounds Adult Services Board and whether it should be retained as part of the structure. If it is removed from the structure there is an alternative link through the NHS as part of our partnership working arrangements where two elected members will be nominated to join the CHP Committee and ensure political representation on that.

6.6   Furthermore it has been recognised that there is a gap at Spokesperson level in this area and the proposal is that the Council appoints a Community Care Spokesperson dealing principally with the bodies highlighted at paragraph 5.5.

6.7   There is a significant body of work needing to be covered in the field of Community Care and given the level of expenditure and impact on the community it is considered that a spokesperson role would be highly desirable. This will complement the spokesperson role already existing for Education and Young People which would allow both of these strands to feed into the Services Committee whether or not the Boards continue in existence and have a forum linked into each of the main committees.

6.8   It is important that the decision making structure that the Council puts in place is seen to be effective, provides clarity on what each of these decision making bodies can do through their remit and delegated authority. It would also be helpful if reports were not being repeated at different layers and thereby opening discussion on more than one occasion but it is recognised that it may be helpful for example for the Minutes of Ferries Board and ZetTrans to be reported through Infrastructure Committee to avoid any gaps or indeed duplication occurring.

6.9   There is not a one size fits all structure and it may be that there are certain areas where corporately the Council wishes to deal with items at the highest level such as economic development although staffing numbers and the level of expenditure may be out of kilter with those of other larger Departments.

6.10 The opportunity to build on partnership working and produce a greater level of efficiency should also be considered for example political representation on CHP and working more closely with NHS Shetland.

6.11 In terms of the regulations which are now in place there is a fixed maximum number of Senior Councillor positions and a fixed maximum sum of money to be distributed although there is a cap on the upper level of pay for any individual Senior Councillor. Furthermore although some Councillors chair more than one Committee/Board the regulations only allow for a single payment as Senior Councillor to be made. Although the Convenor and Vice-Convenor are outwith the allocation of Senior Councillor positions they are also paid a fixed remuneration for the duties performed.

6.12 The following diagram shows the proposed structure.

Proposed Structure
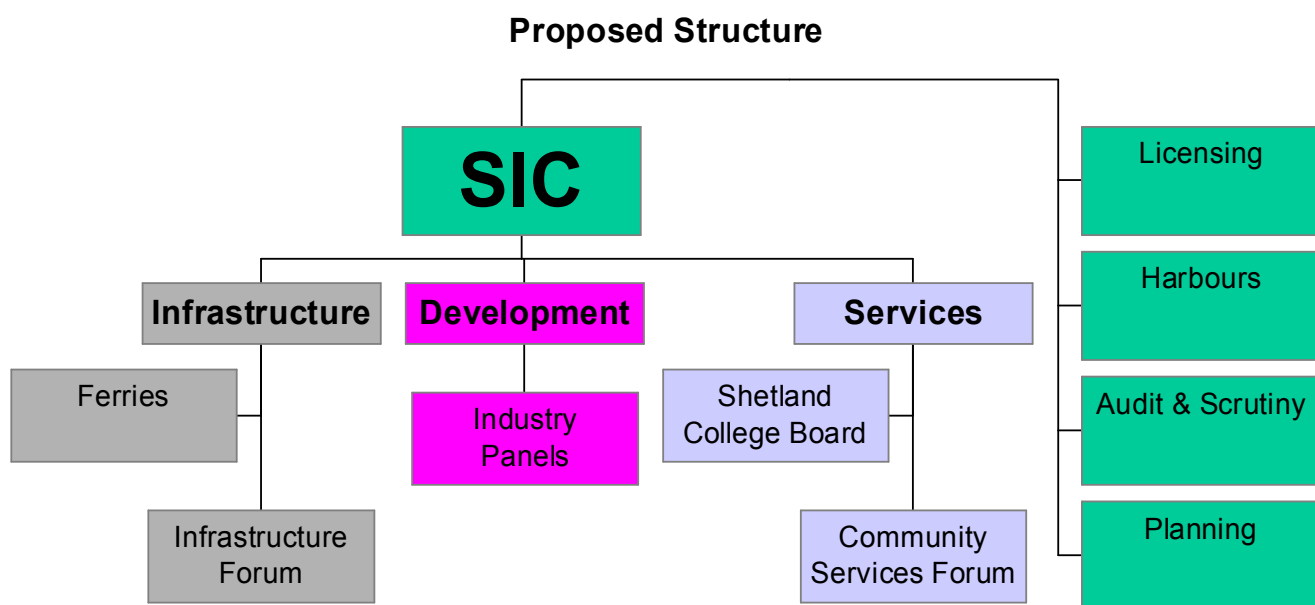
7 **Financial Implications**

7.1 There are no financial implications arising directly in terms of this report. Whatever decision Members arrive at in terms of the structure will be dealt with by an enabling report during the next cycle which will detail the financial implications together with the impact on schemes of delegation.

8 **Policy and Delegated Authority**

8.1 The recommendations in this report can only be decided by Council. If any changes are agreed the Scheme of Delegations will be amended and presented to the next meeting of the Council for approval.

9. Recommendations

9.1   I recommend that the Council consider the proposals of the Committee Structure Member Officer Review Group and if so minded approve:-

(a)   the proposed structure set out at section 6, including the establishment of the Community Services Forum, Infrastructure Forum and Industry Panels;

(b)   the deletion of the Executive Committee;

(c)   the deletion of the Education and Young People's and the Adult Services Boards;

(d)   that the Minutes of Inter Island Ferries Board be submitted to Infrastructure Committee and note that the Minutes of ZetTrans will be submitted to Infrastructure Committee for information purposes;

(e)   that the industry panels become part of the Council consultative framework;

(g)   that a Community Care Spokesperson be appointed by Council;

(h)   that an enabling report detailing the financial implications together with the revised Scheme of Delegations be submitted during the next cycle of meetings.

Assistant Chief Executive

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **14 May 2008**

From: **Interim Head of Economic Development**

DV016-F
Shetland Development Trust – Deed

1.0   Introduction

1.1   The purpose of this report is to propose that the Council becomes sole Trustee of the Shetland Development Trust (SDT).

2.0   Link to Council Priorities

2.1   This report links to the Council's Corporate Plan 2008 -2011 which sets out a range of priorities to more effectively and efficiently organise the Council's business.

3.0   Background

3.1   At its meeting on 19 March 2008, the Council agreed to the establishment of a Development Committee comprising of all 22 elected members to deal with matters related to economic development. Further, that the Development Committee and SDT are operated as synonymous bodies with all new investment decisions being taken by the Development Committee (SIC Min. Ref. 50/08).

3.2   The SDT met on 14 April 2008 and agreed to the same recommendations. (SDT Min Ref 11/08).

3.3   In line with these decisions all economic development matters are now referred to the Development Committee, and SDT meetings have been rescheduled to follow on from each Development Committee meeting.

3.4   A detailed plan regarding the transfer of assets and resources from the SDT to the Council will be presented to the Development Committee on 5 June 2008.

3.5 The Trustees of SDT presently comprises 20 elected Council members ex officiis (excluding, the 2 councillors who have stepped down from the Trust for personal reasons). There are currently no, independent (non-Councillor) Trustees as the term of office of the previous independent Trustees expired, without being renewed by the Council on 30 April 2008.

4.0 Proposal

4.1 In order to simplify the decision making process, and prevent the need for the SDT to conduct meetings back to back with the Development Committee on matters relating to the Trust, it has been recommended by the Trust's legal advisors. Brodies LLP, that the Council could be made the sole Trustee of the SDT. Further that the Council as sole Trustee may delegate the management of the Trust to such committee of the Council (including the Development Committee) as the Council may determine from time to time.

4.2 This proposal could be effected through a Supplemental Deed signed by the Trustees of the SDT.

4.3 The Council would then act as a 'body corporate' regarding the business of the Trust.

5.0 Financial Implications

5.1 There are no financial implications arising from the terms of this report.

6.0 Policy and Delegated Authority

6.1 Economic Development issues are now referred to the Development Committee. However it has no delegated authority to make organisation changes so the recommendations contained in this report will be presented to the Council for approval and will be separately reported to the Trustees of SDT.

7.0 Conclusion

7.1 The recommendations contained within this report will provide a more efficient and seamless mechanism for the Council to engage with economic development and manage the business of the SDT through the Development Committee.

8.0   Recommendation

8.1   I recommend that the Council agree to be the sole Trustee of the Shetland Development Trust.

8.2   I further recommend that the Council agree to delegate the management of the Shetland Development Trust to the Development Committee.

Our Ref: NG/KS/D10
Date: 8 May 2008   Report No: DV016-F

REPORT

To: **Shetland Islands Council**   **14 May 2008**
          Shetland NHS Board   **20 May 2008**

From: Executive Director Education & Social Care
          Chief Executive Shetland NHS Board

Report No SC-07-08F
Community Health Partnership (CHP) Committee
Governance Arrangements

1.   Introduction

This report seeks approval for proposals to change the composition of the CHP Committee to include two elected members of Shetland Islands Council (the Council) and invite the Convenor and Chief Executive of the Council to attend CHP Committee meetings.

2.   Links to Corporate Plans

2.1   Services provided through Shetland's Community Health and Care Partnership contribute to the corporate priorities of the Council and NHS Shetland in the following areas:
- improving health
- promoting equal opportunities
- promoting social justice
- enabling active citizenship
- community safety
- achieving potential
- engagement and involvement of the voluntary sector
- strengthening rural communities

3. **Background**

3.1 The Scheme of Establishment of the CHP for Shetland was approved by the Council and Shetland NHS Board in December 2004 (Min. Ref. SIC 177/04 and SHB Min Ref 2004/135) and given Scottish Government ministerial approval on 15 March 2005. The CHP provides a joined up approach to the provision of health and care services in local communities through partnership working arrangements.

3.2 The CHP has a joint committee reporting as a sub-committee to Shetland NHS Board (the Board). The CHP Committee mainly comprises representatives of NHS Shetland and is chaired by a non-executive member of the Board. The Membership is described in the Scheme of Establishment, an extract of which is appended below at Appendix 1 for ease of reference. The Chair and Chief Executive of the Board are invited to be in attendance at meetings of the CHP Committee.

3.3 A development day for the CHP was held on 19 September 2007. Part of the work undertaken on the day was around the management and governance arrangements for the CHP.

3.4 Revised management arrangements were subsequently presented to and approved by the Council and Shetland NHS Board. The new management arrangements are summarised in the diagram at Appendix 2.

3.5 The work programme for the next 3 years is set out in the Community Health & Care Partnership Agreement which is the subject of a separate report to Shetland NHS Board and the meeting of the Council's Services Committee on 12 June 2008.

3.6 The work programme includes the work required to meet the health and care needs of an ageing population including the recommendations from the Long Term Care Review and Dementia Redesign Projects. Copies of the action plans for these are included at Appendix 3 and the overall work plan for the CHCP is included at Appendix 4. This includes references to the work on establishing the locality based Health & Care Teams and Local Service Delivery Groups, which will help to establish and maintain active links with the Community Planning Board.

3.7 All of the work described in these documents is being taken forward jointly by the Council and NHS Shetland.

Page 2 of 21

4. Proposals

4.1 It is proposed that the composition of the CHP Committee is amended to include two elected members of Shetland Islands Council and that the Convener and Chief Executive of the Council should be invited to be in attendance at meetings of the CHP Committee.

4.2 This would increase the representation of the Council on the CHP Committee in recognition of the significant contribution to the partnership made by the Council. Voting rights would continue as at present, that is on any issue where members of the Committee are asked to vote, the Council and NHS Shetland representatives have equal voting rights i.e. each agency has 50% of the vote.

4.3 There is currently one vacancy on the CHP Committee for either an officer or elected member of the Council, however, it is felt that the nomination of 2 elected members to the Committee would give a better balance given that the Convenor and Chief Executive of the Council would be invited to be in attendance in the same way that the Board Chair and Chief Executive currently attend the meetings.

4.4 Representatives of the Scottish Government have indicated that they are happy to agree to this change in the CHP Committee structure and look forward to seeing a fully revised Scheme of Establishment reflecting this change by April 2009, which will mark the 4th anniversary of the CHP.

5. Financial Implications

5.1 The additional expenses incurred by SIC members' attendance at CHP Committee meetings and other events associated with the CHP can be met from within existing budgets.

6. Policy and Delegated Authority - SIC[1]

6.1 The proposals in this report include a change to the Scheme of Establishment of the CHP that was approved by the Council in December 2004, therefore, a decision of the Council is required.

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[1] For Shetland Islands Council Services Committee only

7. **Conclusions**

7.1 The CHP work programme has evolved over the last 3 years and currently reflects a wide-ranging and challenging agenda across the business of both the Council and Shetland NHS Board.

7.2 The current composition of the CHP Committee comprises mainly representatives of Shetland NHS Board.

7.3 The proposals in this report will increase the representation of the Council on the CHP Committee and reflect a better balance in line with the business and remit of the Committee.

8. **Recommendations**

8.1 It is recommended that the Council and NHS Board approve changes to the composition of the CHP Committee to include 2 elected members of SIC and that the Convener and Chief Executive of the Council are invited to be in attendance at meetings of the CHP Committee.

8.2 The Council are asked to nominate 2 of their members for membership of the CHP Committee, subject to approval by Shetland NHS Board of the proposals at paragraph 8.1.

Date: 5 May 2008   Report No. SC-07-08F
Our Ref: CF'AN'07'08

Figure 8 - CHP Committee Membership

Chair
(Non-Executive NHS
Board member)

| CHP Clinical Lead | CHP General Manager | CHP Lead Nurse | CADO | Optometrist | DPH | Consultant Psychiatrist |

General Practitioner

Community Pharmacist

Member of the Voluntary Sector

Community Care Manager

Member or Officer of the Local Authority

Member of the Public Partnership Forum (to be established)

Assistant Director of Patient Services / Allied Health Professional

Clinician from Acute/Specialist sector

either MSM or nomination from Consultants Group

Staff representative from LPF

SIC Executive Director – Community Services

Board Chairman and Chief Executive should be invited in attendance.

CHCP Management Structure

Head of Service Community Care

Christine Ferguson

Service Manager Community Care Fieldwork

Ann Williamson

Service Manager Learning Disability Services

Emily Weston

Service Managers x2 Community Care Resources

Wolfgang Weis Vacant

Service Manager Mental Health Services

Vacancy

Service Manager Occupational Therapy Services

Vacancy

Primary Care Manager

Michelle Manzie

Community Care Fieldwork Team: including

- Community Care Fieldwork
- Community Care/Single Shared Assessments and Care Management
- Mental Health Officers
- Adults in Need of Support & Protection
- Delayed Discharges
- Substance Misuse & SADAT
- Direct Payments

Learning Disability Services: including

- Supported Accommodation/ Independent Living Project,
- Residential care and short breaks,
- Day services
- Supported employment
- Specialist health care services for people with learning disabilities

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Locality Based Community Care Resources: including

- Care at Home Services
- Residential care,
- Short breaks,
- Day care
- Supported Accommodation

Community Mental Health Services including

- Delivering for Mental Health inc Mental Health Strategy implementation
- Community Mental Health Team
- Primary Care Counselling
- Supported accommodation (Annsbrae)
- Specialist residential care (Viewforth)
- Short breaks
- Day services
- Supported employment

Community OT services including

- Joint OT service development
- Specialist equipment
- Adaptations to property
- Community Alarm
- Telecare
- Disability Strategy implementation

Primary Care management including

- Support for GP practices inc practice management
- Out of Hours
- Primary Care contracts (GP, dental, pharmacy, optometry)
- Long term conditions
- Carers identification and support
- Podiatry

March 2008

Actions	Resources	Responsibility	Timescales	Current Position
1. <u>Replacement for Viewforth</u> - Detailed brief for technical feasibility study - Feasibility Study completed - New build [2]	£45k feasibility study £4.5M	Wolfgang Weis, Service Manager (SM) Community Care Resources " " "	 March 2008 August 2008 2008/09/10	Service review completed as part of Dementia Redesign Project
2. <u>Residential Care Settings upgrade</u> - to be dementia friendly - additional capacity	£1M / year rolling programme	Head of Community Care	2008 – 2014	Bid to Council's Capital Programme prepared
3. <u>Supported Accommodation</u> - Review sheltered housing regarding feasibility of adaptations / upgrade to extra care housing - Review Housing Support Worker role	 *TBA TBA	 Senior Housing Officer – supported Accommodation "	 TBA TBA	Housing is leading a major review of all supported accommodation Links to Care at Home Phase 3

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[2] Depending on outcome of feasibility study
* TBA – To be advised   * SSA – Single Shared Assessment
09/05/2008
* WER – Within existing resources   *ICP – Integrated Care Pathway

Actions	Resources	Responsibility	Timescales	Current Position
4. Telecare - Assess potential for Telecare as part of support frameworks for people with dementia	£? Scottish Government grant funding	Marilyn Harris, SM Community Care Resources		Link to Care at Home Phase 3 and locality management models for flexible response
- Implement assistive technologies	TBA	"	2008/09 awards	Link to OT, aids and adaptations programmes
5. Training - detailed aggregate needs analysis to support dementia care services	*WER	Training Managers NHS and Social Care	March 2008	Included in analysis completed for 08/09 plans. Training plans will be adjusted to cater for changes arising from staff performance review and development programmes, appraisal, individual supervision and service developments.
- training programme developed	WER	"	2008/09	
- training programme implemented	WER	"	2008/09 & onwards	

* TBA – To be advised   * SSA – Single Shared Assessment
09/05/2008
* WER – Within existing resources   *ICP – Integrated Care Pathway

Actions	Resources	Responsibility	Timescales	Current Position
6. Public Awareness - Work with partner agencies to develop Shetland wide public awareness campaign regarding Dementia - Work with partner agencies to develop advice and information support service for individuals and carers/families. - Develop information resource for distribution to all Health and Care Centres regarding services available to support individuals/carers.	WER	CHCP Management Team Named lead TBA	On-going	Info made available at Carers events in June and December 2007. Staff link with colleagues in the voluntary sector to support carers looking at information needs on Adults with Incapacity, benefits and access to services. Public awareness has been heightened by the workshops and consultation exercises undertaken as part of the Dementia Redesign Project. **Interagency public awareness campaign being developed to coincide with National Dementia Awareness Week in July 2008.** Leaflets are reviewed regularly and new materials are being considered including work on websites.

* TBA – To be advised   * SSA – Single Shared Assessment
09/05/2008
* WER – Within existing resources   *ICP – Integrated Care Pathway

Actions	Resources	Responsibility	Timescales	Current Position
7. Volunteers - Approach Volunteer Development Agency - Work up profile for volunteering	WER	CHCP Management Team Named lead TBA	2008/09	Need to identify lead officer to take this forward for CHP
8. Self-managed Care - Promote self-managed care - Ensure all clients and their carers have a named worker	WER	SM Community Care Fieldwork	June 2008	Roles of care managers, care co-ordinators are being promoted via *SSA training
9. Diagnosis, Assessment and Care Management - Promote use of SSA - Ensure all service users and their carers have a copy of the agreed care plan and are involved in planning their care. - Identify and procure assessments from old age psychiatric services - Implement standardised medical assessment process based upon guidance in SIGN Guideline No 86	WER WER	SM Community Care Fieldwork SM Mental Health Services	On-going 2008/09	The SSA procedures promote partnership working with service users and their carers throughout the assessment of needs and care planning

Actions	Resources	Responsibility	Timescales	Current Position
- HEAT target: achieve agreed improvements in the early diagnosis and management of patients with a dementia.	WER	SM Mental Health Services	National timescale March 2011	
- Implement NHS QIS Integrated Care Pathway on Dementia, this should be inclusive of those with additional support needs, e.g. learning disability	WER	SM Mental Health Services	2008/09	Work on ICPs started via local mental health services
10. Care at Home - Review and develop role of Housing Support Workers (HSW)	WER	Senior Housing Officer Supported Accommodation	2008/09	Work has started on a full review of sheltered housing
- Link to work on generic health and care workers		Assistant Director of Nursing (Community)	2008/09	National pro forma agreed. Local solution to be developed
11. Medication - Develop local protocol on the prescription of Cholinesterase Inhibitors for people with dementia	WER	Chief Pharmacist & CHP Lead Clinician	1 April 2008	

Targets for 2008-2009
- **Maintain zero discharges delayed over 6 weeks.**
- **Quarterly Targets for discharges delayed under 6 weeks TBA**

INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
1. Long Term Care Review: Develop a detailed action plan for 2010 – 2025 showing staged implementation of the findings of the review	B, C, E, H	Plan to be drafted by June 2008. Detailed design for Isleshavn to be completed in 2008/09. £45K. Montfield Care Home to be developed and completed by summer 2009 – cost £1.9M capital, £730K per annum revenue.	Head of Community Care	Long term - projected increasing numbers of older people who need support will be maintained at home or in other community settings locally.	Low/zero delayed discharge level maintained. Number of emergency admissions reduced	No of people on waiting list for residential care. Levels of need (IoRN) No of people receiving augmented care packages in the community	**The Council's Capital Programme is over-subscribed and there is a long waiting list of projects approved and waiting for availability of resources both financial and in terms of staff in capital projects and building services. This is likely to cause significant delays for any new building project.**

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales and Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
2. Dementia Services Redesign Project and Viewforth Services review and feasibility study. Links to Long Term Care Review at 2. above	B, C, D, E, F, G, H	**Implementation of Dementia Action Plan will be taken forward in 2008/09/10, monitored by CHCP Management Team. Technical feasibility study on a replacement for Viewforth to be completed in 2008/09.**	**Head of Community Care**	Expect people with dementia to benefit from more efficient, effective service provision.	Low/Zero delayed discharge numbers maintained	No of people with a diagnosis of dementia. Aggregate data from CareNap D No of people with dementia in specialist care settings	**As 2 above.**

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
3. Continuing review of admission and discharge protocols to improve processes and information sharing	B, C, D, F, H	**Revised protocols to be implemented. Training programme to be developed to ensure all staff are fully conversant with the protocols. WER. eSSA to be implemented by April 2009.**	Director of Clinical Services.	Improved patient experience on discharge from hospital. Provision of better information for patients and their carers at the point of discharge. Faster discharge from hospital	Low/Zero delayed discharge numbers maintained	No. of transfers offered and performance against 10/98 targets. Timescales from completion of assessment to allocation of a care home place and from allocations to discharge.	**Training programme will have resource implications including backfill for care workers. Work on the national Data Sharing Initiative run by the Scottish Government is not making progress to meet these deadlines.**

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
4. Implement recommendations from day care review.	B, C, D, E, F, G, H	**WER 2008/09** Explore and pilot more flexible day care as part of high level care packages	**Head of Community Care**	Expect enhanced day care provision to increasingly support people with higher dependency needs enabling them to continue to live in their own homes.	No impact at this stage	Current use of day care services and levels of need. Waiting lists for day care services	Lack of political support for changes to use of day care. Service is being targeted at those with higher levels of need as part of individual care plans.
5. Review use of day hospital at Montfield	B, C, D, E, F, H	**WER 2008/09** work to link day hospital services to care plans supporting people at home to be piloted.	Director of Nursing	People requiring high levels of care would benefit from sessional attendance at day hospital as part of agreed care plan	Low/zero delayed discharge numbers maintained	Waiting lists for services which would enable people to stay at home or return home from hospital.	May be resistance from some service users to attend day hospital

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
6. Review of day hospital service for younger adults with physical disabilities to better target resources	B, C, D, F, H	TBA	Director Clinical Services	Improved services for patients resulting in early discharge and reducing re-admission rates.	Low/zero delayed discharge numbers maintained	Admissions and discharges statistics. Waiting list	Opposition to any change in day hospital provision No progress made in **07/08** due to lack of capacity to manage the project.
7. Review of needs for specialist care services **in the community** for younger adults with physical disabilities (see also 7 above)	B, C, D, E, F, H	TBA	**Head of Community Care**	More appropriate service provision maintaining people at home or in other community settings.	Low/Zero delayed discharge numbers maintained	Admission and discharge statistics. Waiting Lists. Unmet need.	Sustainability of preferred models e.g. specialist supported accommodation. Lack of staff time to undertake review.

B – Tackle patients awaiting discharge; C – Reduce delays over 6 weeks; D – Reduce the number of acute beds occupied by patients delayed in hospital; E – Prevent unnecessary emergency admissions; F – Speed up assessment process and discharge planning; G – Ensure resources are available to fund care home and domiciliary care; H – Reduce delays over 12 months; I – other.

INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks

B – Tackle patients awaiting discharge; C – Reduce delays over 6 weeks; D – Reduce the number of acute beds occupied by patients delayed in hospital; E – Prevent unnecessary emergency admissions; F – Speed up assessment process and discharge planning; G – Ensure resources are available to fund care home and domiciliary care; H – Reduce delays over 12 months; I – other.

8. **IPU** • **Monitor demand and usage of IPU** • **Review following the development of Montfield Care Home**	B, C, D, F, H	**WER Review summer 2009**	Director of Clinical Services	Patients discharged to the IPU are cared for in a setting that will maximise their independence until substantive discharge arrangements are implemented.	Low/zero delayed discharge numbers maintained	Turnover in IPU Budget provision and spend ISD coding of delayed discharges	Sustainability of the IPU in future years. Lack of sufficient community based long term care - depends of successful implementation of the findings of Long Term Care Review. The future of the IPU is also dependent on the long term plans for hospital provision in Lerwick and the successful shift in the balance of care to the community.

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
9. Pilot generic support worker proposals linked to the locality based Care at Home Service.	B,C,D,E,F,G,H	TBA **2008/09** in small island localities	**Assistant Director Nursing (Community)**	Improved service for up to 250 people receiving personal and/or nursing care in the community.	Low/zero delayed discharge numbers maintained. Reduction in admissions to hospital and residential care.	No of people receiving care by number of hours received. Locality based information on care provision.	**Difficulty in recruiting staff in sufficient numbers**.
10. Comprehensive review of sheltered housing schemes	B, C, D, E, F, G, H	WER Target date for completion **December** 2008	Snr. Housing Officer - Supported Accommodation	Better use of sheltered accommodation by vulnerable people living in the community. Shifting balance of care from institutional settings in longer term	Long term - contribution to keeping low/zero number of delayed discharged	Number of people supported at home and those in care homes / institutional settings	Key risks - Lack of resources to complete the review and implement any recommendations.

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
11. Review of Accident and Emergency (A&E) procedures with a view to reducing unplanned admissions to hospital.	E, F	WER	**Director of Clinical Services**	People receiving assessment/treatment in A & E supported to go home rather than admitted to hospital	Reduction in hospital admissions	No. of emergency admissions. Outcomes for patients in A & E.	Lack of staff time to complete the review and implement changes based on the findings.
12. **Trips and Falls: Review of needs and services**	E	**TBA**	**Consultant Physician**	People at risk of falling, supported to reduce risk	Reduction in hospital admissions	No. of emergency admissions due to falls.	**Lack of resources to complete the review or implement findings**

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INITIATIVE – brief description only	National Priorities and Objectives	Timescales & Budget	Lead Responsibility	Who will Benefit and How	Impact of These Measures	Data Collected	Key risks
13. Develop Joint OT Store and office base	B,C,D,E,F,H	£2.5M capital over 2 years. **Timescale TBA**	Head of Community Care	Seamless services for people with disabilities and mobility problems. Reduction in waiting times	More people maintained safely at home and discharged timeously from hospital	Waiting lists for equipment and adaptations.	**Risk of long delays due to oversubscribed Council Capital Programme**
14. Review of medication policies and procedures in all community care service areas	E, I – maintain health and well-being of service users	Recommendations **of the review** to be taken forward in 2008	Chief Pharmacist	Vulnerable people at risk of health impairment due to inappropriate medication regimes	Reduction in emergency admissions	Statistics on emergency admissions	Key risk is difficulty in implementing a more responsive and flexible medication system which promotes independence and self-managed care.

WER = Within Existing Resources
TBA = To be Advised

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section C: Access to Services					
HEAT **1. Ensure that anyone contacting their GP surgery has guaranteed access to a GP, nurse or other health care professional within 48 hours(Ref C4)**	DCS	1.1 **Work with Lerwick practice to review demand for appointments and look at the range of ways in which consultations can be offered including arrangements such as nurse led consultations.**	TBA	• **Improved access for patients**	
BHBC **Ensure GP practices provide an accessible service which fits in with the day to day lives of patients**	DCS	1.2 **Continue monitoring of 3rd available appointment to assess access**	Ongoing	• **Improved access for patients**	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section C: Access to Services					
	DCS	**1.3 Review of staffing**	**End Apr 2008**	• **Improved access for patients**	
	DCS	**1.4 Implement action plan – timescales dependent upon the outcome of review of staffing**	**TBA**	• **Improved access for patients**	
	DCS / DN	**1.5 Review Nurse Practitioner service introduced in Dec 2007 providing more appointments and more chronic disease management appointments and understand any further development required (to be done in conjunction with objective 1.4**	**May 2008**	• **Improved access for patients**	
	??	**1.6 Conduct audit of "inappropriate" appointments**	**TBA**	• **Improved access for patients**	
	??	**1.7 Consultation with practice teams, patient groups and locality groups, where established**	**TBA**	• **Improved access for patients**	
	DN	**1.8 Education for patients through patient focus group,**	**Nov 2008**	• **Improved access for patients**	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section C: Access to Services					
		newsletters and Health promotion etc. re. 'Do you really need to see a doctor?"			
	CP	1.9 Look at ways of working with local pharmacists and encourage self-referral to pharmacists, have pharmacist appointments at Local Health Centre on a 3 week rota	TBA	• **Improved access for patients**	
	DCS	1.10 Extend to include CMHT and Podiatry	TBA	• **Improved access for patients**	
	DCS/HSCC	1.11 Monitor 48-hour access target through QOF monitoring arrangements	On-going	• **Improved access for patients**	
	DCS	1.12 Implement new changes to QOF enabling points to be relocated to the patient experience domain	March 2009	• **Reward patient satisfaction in area of 48 hr access and advanced booking**	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section C: Access to Services					
BHBC **2. Ensure that people in care homes have appropriate access to primary and specialist health care services (Ref C11)**	DCS	2.1 **Continue Domiciliary visits by relevant consultant staff**	**On-going**	• **Relevant care and health needs met for individuals**	
	DCS	2.2 **Review day hospital services to assess whether input to care homes can be increased**	**March 2009**	• **Appropriate health services for people in care homes**	
	DCS	2.3 **Delivery of visiting in the out of hours period by GPs**	**On-going**	• **Relevant care and health needs met for individuals**	
	DCS	2.4 **Maintain regular visits by GPs and Community Nursing Teams**	**On-going**	• **Relevant care and health needs met for individuals**	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section D: Treatment					
HEAT **3. Increase the level of older people with complex care needs receiving care at home (Ref D10)**	HSCC	3.1 **Community Nursing to support Early Discharge from Hospital, as required**	**On-going**	• **Improved ways of working to support patients in their own homes**	
HEAT **4. Achieve agreed improvements in the early diagnosis and management of patients with a dementia (Ref D11)**	**MD/DN**	**4.1 See section E9**		•	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section D: Treatment					
BHBC **5. Extend the use of high quality generalist palliative care standards in all care settings (Ref D15)**	DN	**5.1 Develop Palliative Care Strategy**	**Sept 2008**		
	DN	**5.2 Review the education provision for keeping knowledge base with staff to provide appropriate service**	**Dec 2008**		
	DN	**5.3 Develop Shetland version of the Liverpool Care Pathway (ICP) for end of life care both primary and secondary care review**	**Progress by July 2008**		
	DN	**5.4 Review current position against the report and recommendations of Scottish Partnership for palliative care to Scottish Government for end of life care in Shetland**	**July 2008**		
	DN	**5.5 Work with practices to implement the principles and approach of Palliative Care Gold Standards Framework for Scotland – involve all local practices**	**Oct 2008**		

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section D: Treatment					

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
6. Review of Dementia Services **(Ref: E9)**	**HSCC**	6.1 **Detailed action plan is available separately.**	• See Dementia Action Plan	• **Sustainable services developed over time to meet increasing levels of need and support of people with dementia in or near to their own homes/communities**	• **Action plan has been approved by both NHS Shetland and the Council** • **Risks are slippage due to lack of capacity at senior management level and Council Capital Programme being oversubscribed** •

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
7. Review of Health and Social Care Provision in Remote Island Settings to ensure sustainable future. **(Ref: E10)**	ADN (C)	7.1 Continue work to review health and social care provision on outer isles.		• Identify models of care that are feasible for remote island communities	• Review progressing. Local group leading project on behalf of Boards in North of Scotland looking at role of generic support worker. • **Draft Job Description, KSF Outline and Competency framework developed and agreed on regional basis.**
	ADN (C)	7.2 Consultation with local island communities and relevant stakeholders.	**June** 2008	• Ensure options are explored in partnership with island communities and that local issues are considered in any proposals. • Support from the community for the proposed solution(s)	• Discussions held with Fair Isle community. • Health Needs Assessment process commenced. • **Results of Health Needs Assessment awaited and will then be discussed with islanders.**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
	ADN (C)	7.3 Produce report and recommendations to present to NHS Board and the Council.	**July 2008**	• Robust, flexible, generic health and care services that are sustainable in the long term provided locally for people living on remote islands	• **Discussions held with SIC partners** • **Various models of service provision being considered** • **Proposed area for early implementer site under discussion.** • **Potential Educational package for role identified (awaiting confirmation that meets NHS and SIC regulatory requirements)**
		7.4 Deliver awareness session at Aviemore, representing North of Scotland	**May 2008**	•	•
		7.5 Review Nursing Services in remote island settings	**March 2009**	•	•
		7.6 Implement a pilot using redesigned service	**December 2008**	•	•

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
8.Development of Physiotherapy and Occupational Therapy services (Ref: E15)	DCS	8.1 Complete review/redesign of NHS Shetland Physiotherapy and OT services	Oct 2008	• **Creation of a more effective line management and team structure**	
	DCS	8.2 Appoint joint Service Manager for OT	July 2008	•	
9. Mental Health Collaborative Project (Ref: E17)	DSI			•	

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
10. Long Term Conditions Collaborative (Ref: E18)	DSI	10.1 Refine the management arrangements for LTC action team and action plan	**TBA**	•	
	DSI	10.2 Agree and implement a process for utilising predictive data for profiling 'at risk' patients and providing appropriate care bundles and outreach services to reduce avoidable readmissions	**TBA**	•	
	DSI	10.3 Re-locate and redefine fast and slow stream rehabilitation pathways	**TBA**	•	
	DSI	10.4 Enhancement of the AHP therapy service through the development of lead roles and joint services with the CHCP	**TBA**	•	
	DSI	10.5 Extend and further develop joint community	**TBA**	•	

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section E: Service Redesign					
		rehabilitation services			
	DSI	10.6 Further develop the model of integrated case management through community nursing and community care fieldwork teams	TBA	•	

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section F: Patient Focus / Public Involvement					
11. Provide and develop advocacy services (Ref: F2)	DCS/HSCC	11.1 **To build on the planning and commissioning arrangements currently in place and develop a robust procedure for future years**	**March 2009**	• **Stable, fit for purpose, sustainable services available locally**	
	DCS/HSCC	11.2 **To monitor independent advocacy service provision**	**On-going**	• **Stable, fit for purpose, sustainable services available locally**	
	DCS/HSCC	11.3 **To establish self-advocacy for adults with learning disabilities**	**Dec 2009**	• **Improved support promoting independence for people with learning disabilities**	
	DCS/HSCC	11.4 **To review provision of advocacy services for children and young people and develop new/expanded services to cover any gaps identified**	**Dec 2009**	• **More age appropriate services available**	

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section F: Patient Focus / Public Involvement					
	DCS/HSCC	11.5 To raise awareness of independent advocacy services locally in terms of what independent advocacy has to offer and services currently available	On-going	• More inclusive service provision	
	DCS/HSCC	11.6 To establish an Advocacy Steering Group locally linked to the CHCP	June 2008		

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
BHBC **12. Ensure that a self management framework is available in the CHP by end 2008 (Ref: H1)**	HSCC	**12.1 Continue to develop sustainable self-care programmes in partnership with the voluntary partners and the Long Term Conditions Alliance, local MCNs and the CHCP**	• **On-going**	•	•
BHBC **13. Ensure partnership can share information electronically by 2009, based on single shared assessment (Ref: H2)**	DCS/DSI	**13.1 Undertake work to understand what systems are in place currently and what the barriers are to making this happen (please note that this has to fit in with the IT workplan)**	• **Dec 2008**	•	•
	DCS/DSI	**13.2 As part of process undertake a cost analysis**	• **Present outcomes by Jan 2009**	•	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
14. Develop and establish CHP Locality Arrangements. **(Ref: H3)**	HSCC	14.1 **Consolidate progress made in establishing Local Service Delivery Groups (LSDGs)**	• **Sept 2008**	• Improved inter-agency working • Local solutions to local problems. • Increased delegation and better joint working	•
	HSCC	14.2 Establish links for chairs of LSDGs for peer support and to assist the Planning & Localities Steering Group	• June 2008	•	•
	HSCC	14.3 Establish CHP Representatives Group	• **June 2008**	• Effective governance arrangements across CHP.	• **Revised management arrangements being implemented across CHP.**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
	HSCC	**14.4 work with NHS100 as the PPF for Shetland from April 2008**	• **On-going**	• **NHS100 recognised as core members of virtual PPF for Shetland**	•
15. Develop CHP Patient/Public Involvement **(Ref: H4)**	HSCC	15.1 Use the media and professionals to raise public awareness of Local Service Delivery Groups	• On-going	• Enhanced public involvement and engagement in the development and delivery of services	• **South Mainland LSDG planning a community engagement day for summer 2008.** • A newsletter has been produced and there will be others.
	HSCC	15.2 Develop appropriate mechanisms for recording the number of people involved in each Public Partnership Forum.	• **March 2009**	• Evidence of the extent of public engagement via PPF network	•

09/05/2008

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
	HSCC	15.3 Increase the number of people actively involved in Public Partnership Forums on a year by year basis Baseline and targets to be established by locality	• On-going	• Enhanced public involvement and engagement in the development and delivery of services	•
	HSCC	15.4 Demonstrate that the Public Partnership Forum has the opportunity to actively raise issues with the Community Health Partnership	• **On-going**	• Enhanced public involvement and engagement in the development and delivery of services	• Difficult to ensure contributions **include views of** hard to reach groups/ individuals

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
16. Review arrangements across CHP for the provision of Out of Hours (OOH) / Unscheduled Care services **(Ref: H5)**	**Primary Care Manager**	16.1 Throughout the OOH/Unscheduled service, work is required to be undertaken with individuals, communities and community planning partners, NHS 24/Highland Hub, SAS in the redesign and ongoing development and review of services.	• **Target date for completion December 2008**	• Safe and effective care provided by contractors for OOH / Unscheduled Care services	•
	DCS	**16.2 Brae considering opting out of the provision of on call and into the GP collaborative to provide on call for Shetland** **(a) – Discuss options with GP**	• **April 2008**	•	•
	DCS	**(b) – Take position paper to Board**	• **July 2008**	•	•
	DCS	**(c) - Commence 3 month consultation period (if required)**	• **Sept 2008**	•	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
17. Scottish Enhanced Services Programme PCA (M) (2007) 10 **(Ref: H6)**	Primary Care Manager	17.1 Submit a minimum of three services from the programme and develop these locally	• Services commissioned required to be in place by 1 January 2008 and completed by March 2009	• Improved access, provision of information and service provision for a number of people in Shetland	• Two services agreed – 'Carers' and 'Adults with Learning Disabilities' • **Further work needed to complete this task**
		(a) - Carers	•	•	•
		(b) – Adults with Learning Disabilities	•	•	•
		(c) - Alcohol	•	•	•
		(d) – COPD – Chronic Obstructive Pulmonary Disease	•	•	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
18. Explore development of Nurse Practitioner Service within Lerwick Health Centre **(Ref: H8)**	DN	18.1 Evaluate service and based upon findings, establish service permanently	• April 2008	• Enhanced access for patients • Extended roles for staff • Better access to a wider range of healthcare practitioner • Improve appointment waiting times	• **Quantitative data on service currently being collated and analysed** • **Qualitative data evaluation process/ mechanism being developed with lay involvement from PFPI Steering Group** • **Report on first 3 months of service to be made available to Lerwick Health Centre Strategic Group**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
19. Provision of pharmaceutical support to primary care **(Ref: H9)**	Primary Care Pharmacist	19.1 Implementation of dispensing doctors IM&T ordering system by March 2007.	•	• Effective use of staff time and resources	• **Hillswick, Whalsay and Walls have no computerised stock control system. No plans at present to implement in these practices.**
	Primary Care Pharmacist	19.2 Roll-out of new PRISMS across general practices (in line with national timescales).	•	• Enhanced prescribing information available within primary care	• **Training of some staff within all practices except Unst and Hillswick. Need improved GP uptake.**
	Primary Care Pharmacist	19.3 Provision of dispensing training programme for dispensing staff (Ongoing).	•	• Ongoing development of practice staff	• **Staff in Whalsay and Levenwick have completed training. All others on-going**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
20. Review Community Nursing service in line with national development of new service model for Nursing in the Community **(Ref: H10)**	DN / ADN (C)	20.1 Continue link with development sites and national work being undertaken to implement new model of Community Nursing.	• Ongoing	• Effective utilisation of nursing workforce	• Local workshop held 10 October from chair of National Programme Board and Programme Director NES. • Comments submitted on Draft Capability Framework and Draft Community Health Nurse Job Description. • **Comments submitted on Draft Job Descriptions for all members of team within new model of community nursing**
	DN / ADN (C)	20.2 Consider local Community Nursing service in light of information arising from national development sites.	• Ongoing	• Modernised Community Nursing workforce for the future	• Review of local service as information becomes available.

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
	DN / ADN (C)	20.3 Begin planning future Community Nursing service for local roll out 2009/2010 onwards.	• 31 March 2008	• Staff development opportunities	• Local working group to be established January 2008. • **Timeframe revised on this in light of stated national intention to evaluate new model prior to roll out of model across Scotland.** • **Adjustments made to local service which are reflective of new model e.g. Team Leader post, refocused as Clinical Team Leader, second Team Leader post created, Child Protection Nurse Advisor post in development**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
21. Implement Framework for Nursing in General Practice **(Ref: H11)**	ADN (C)	21.2 Take forward developments in line with local action plan (Ongoing).	• Ongoing	• Structured standardised approach to practice nursing across primary care	• **Link made with new secretary to Practice Nurses group.** • **Plan to revisit local action plan with Practice Nurse Group.**
22. Development of health and social care worker **(Ref: H12)**	ADN (C)	22.1 Continue to progress development of health and social care support worker role.	• Pilot to be established by Sept 2008	• Costed proposals for implementation • Staff and management support for the role	• **NHS Shetland lead on north of Scotland project to look at development of generic role.** • **Job Description, KSF outline and core competencies agreed at regional meeting in December 2007.**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
23. Implement Pre-school child health surveillance system **(Ref: H13)**	DPH / ADN(C)	23.1 **Implementation of agreed system**	• **1 May 2008**	• Effective Child Health Surveillance system in place • More effective use of staffing resource in the provision of direct care	• **Local working group progressing project.** • **Use of SIRS scheduling for Immunisations has also been added as part of project.** • **Pre-school system implementation plan in place and progressing with staff training scheduled for April (clerical and clinical staff) and implementation of system as of 1 May 2008**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
24. Implement school child health surveillance system (Ref: H14)	DPH	**24.1 Agree implementation plan**	• **May 2008**	• **More effective use of staffing resource in the provision of direct care**	•
	DPH	**24.2 Implement and go live**	• **Aug 2008**	•	•
25. Continued progression of Joint Future agenda **Ref: H15)**	Head of Community Care (HSCC)	25.1 **Revise Extended Local Partnership Agreement and Community Care Plans and issue under title of Community Health & Care Partnership Agreement**	• **June 2008**	• Joint accountability and governance framework • Continuous improvement of services • Meet improvement targets	•
	HSCC	25.2 **Extend new CHCP Agreement to include more detail on Primary Care services, planned developments and budgets and revised governance arrangements for CHP**	• **June 2009**	•	•

Key to Lead Responsibilities:

CExec - Chief Executive; DSI - Director of Service Improvement; DFin - Director of Finance; MD - Medical Director; HSCC – Head of Community Care; DN - Director of Nursing; CP - Chief Pharmacist
DCS - Director of Clinical Services; DHR - Director of Human Resources; CADO - Chief Administrative Dental Officer; DPH - Director of Public Health; ADN(C) - Asst Director of Nursing (Community),
CHP I&DM/ACHP Manager – CHP Improvement and Development Manager/Acting CHP Manager; PM LHC – Practice Manager Lerwick Health Centre; QOF - ??
Bold: LDP HEAT Objectives   BHBC: Better Health, Better Care
09/05/2008

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
	HSCC	25.3 Monitor performance against Local Improvement Targets (Ongoing).	• SSA targets are monitored monthly • Other targets are monitored either quarterly or half-yearly	• Effective performance monitoring leading to improved performance management and improved service delivery	•
	HSCC	25.4 Implement Joint Future Outcome Targets by April 2008 in line with national guidance.	• April 2008	• as above and Compliance with national monitoring and reporting frameworks	• **Work is on-going linked to Single Outcome Agreement being developed for Shetland in line with Scottish Government initiatives**

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
		Section H: Community Health Partnership			
	HSCC	25.5 Promote Single Shared Assessment (SSA) through inter-agency training programme	• On-going	• Improved access to services for service users and carers • Improved information sharing leading to faster and more effective needs assessments	• Training courses delivered 3 or 4 times annually to a wide range of front line staff
	HSCC	25.6 Progress plans for the development of Joint Occupational Therapy store.	• TBA – depends on SIC capital programme	• Efficient service delivery • Better recycling of equipment • Better access to services • Reduced risk of infection due to poor storage	• **The project has been presented through the Council's Capital Programme Team and is waiting allocation of resources.**

Key to Lead Responsibilities:
CExec - Chief Executive; DSI - Director of Service Improvement; DFin - Director of Finance; MD - Medical Director; HSCC – Head of Community Care; DN - Director of Nursing; CP - Chief Pharmacist
DCS - Director of Clinical Services; DHR - Director of Human Resources; CADO - Chief Administrative Dental Officer; DPH - Director of Public Health; ADN(C) - Asst Director of Nursing (Community),
CHP I&DM/ACHP Manager – CHP Improvement and Development Manager/Acting CHP Manager; PM LHC – Practice Manager Lerwick Health Centre; QOF - ??
Bold: LDP HEAT Objectives   **BHBC: Better Health, Better Care**
09/05/2008

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
26. Maintain Delayed Discharge numbers at zero. **(Ref: H16)** HEAT target zero delayed discharges	HSCC	26.1 Take forward actions and developments as appropriate within Discharge Action Plan.	• On-going	• **Faster discharge from hospital** • **zero delayed discharges**	•
27. Continue development of services for people with disabilities **(Ref: H17)**	HSCC	27.1 Support implementation of actions from Joint Disability Strategy in line with agreed action plan	• On-going	• Co-ordinated approach to disability services in Shetland • Improved services for people with disabilities	•
	MD/ DN	**27.2 Learning Disabilities – ensure appropriate response to national Rodney Donnet FAI** **(a) – develop action plan** **(b) – Implement action plan**	• **May 2008** • **March 2009**	• • •	• • •

09/05/2008

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
28. To reduce the harm caused by alcohol and drug misuse **(Ref: H18)**	DPH	28.1 To implement the health components of SADAT's Drug and Alcohol Action Plans –	• **On-going**	• Local Drug and Alcohol Action Plans in place	•
		28.2 **Continue work on enhanced service in primary care**	•	•	•
29. Child Health – to improve the health of children in Shetland **(Ref: H19)**	DPH	29.1 **Participate in implementation of Integrated Assessment Framework for Children (IAF)**	• **On-going**	• **Effective management arrangements for joint planning and delivery of children's services**	•
	DPH	29.2 **Ensure appropriate health participation in pilot of IAF**	• **To run first 6 months of 2008**	•	•
	DPH	29.3 **Ensure appropriate health participation in pilot, evaluation and potential revision**	• **Oct 2008**	•	•

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Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
		29.4 Procedures revised & training rollout out	• **March 2009**	• **Effective systems for assessment and sharing information**	•
	DPH	29.5 Take forward actions and developments as appropriate within Integrated Children's Plan	• **On-going**	• **Improved services for children**	•
	DPH/DN	29.6 Continue local implementation of the recommendations of 'Health for all Children' in line with national guidance	• **On-going**	•	•
	DPH	29.7 Monitor immunisations targets as part of QOF arrangements under new GMS contract	• **On-going**	•	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
30. Continue development of services for carers **(Ref: H20)**	Primary Care Manager	30.1 Take forward recommendations from Carers Strategy	• On-going October 2007 October 2007	• Improved services for carers of all ages	• **Carer Information Strategy revised July 2007. Scottish Government has made funding available over next 3 years to implement. Plans for spend will be in place by May 2008.**
		30.2 Finalise Young Carers Strategy	• Aug 2008	•	•
31. Improved partnership working with the voluntary and independent sector **(Ref: H21)**	(CHP I&DM)	31.1 Ensure active participation in the development of a Shetland Compact	• Ongoing	• Improved inter-agency working	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
32. Sexual Health and Wellbeing **(Ref: H22)**	Consultant in Public Health/ ADN (Community)	32.1 To work with SYIS on redesigning the young people's drop in clinic	• Ongoing	• To ensure that the promotion and protection of sexual health is co-ordinated and comprehensive • To develop a culture which supports long-term improvements in Shetland's sexual health • Provision of accurate relevant and accessible information about sexual health • Effective sexual health promotion and relationships education •	• Initial meetings have been held with new manager of SYIC • Initial discussions have started with staff at Lerwick Health Centre to take the service forward. • **Work progressing to restart service at new location in Lerwick Health Centre**
		32.2 To relocate and restart the Sexual Health and Wellbeing Clinic in Lerwick Health Centre which will provide a Shetland wide service	• **May 2008**		

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section H: Community Health Partnership					
			•	• Targeted health promotion messages which meet the needs of the most vulnerable • A range of services available to meet the needs of the population and appropriate training provided as an ongoing part of this • Tackling issues of general risk taking in a co-ordinated way and the underlying determinants of risk-taking behaviour in all ages	•

Shetland CHP Action Plan

Objectives	Lead Responsibility for CHP	Tasks/Action Required	Timescale	Desired Outcome	Progress and Risks
Section I: Infrastructure / Organisational Development					
33. Work with the Primary Care Manager to ensure robust contracts are in place in relation to primary care services (Ref: I 8)	DCS/DFin	**33.1 Revised contracts in place**	• **July 2008**	• **Greater clarity regarding services provided**	•
34. Enhance IT communication and competence in Primary Care (Ref: I 13)		**34.1 Implement NHS mail within Primary Care**	• **Dec 2008**	• **Enhanced IT facilities**	•
		34.2 Implement DOCMAN software	• **Dec 2008**	• **Enhanced IT facilities**	•
		34.3 Implement Active Directory system	• **Oct 2008**	• **Enhanced IT facilities**	•
		34.4 Implement Community Dental IT system	• **Dec 2008**	• **Enhanced IT facilities**	•

Shetland
Islands Council

REPORT

To: Shetland Islands Council   14 May 2008

From: Head of Legal and Administration

Appointment to Shetland College Board of Management
Report No: LA-25-F

1.0   Introduction

1.1   The purpose of this report is to appoint the HIE Shetland representative to the Shetland College Board of Management.

2.0   Link to Corporate Priorities

2.1   The recommendation in this report will assist the Council in achieving its priorities in relation to Further and Higher Education.

3.0   Background

3.1   Shetland College is a non-incorporated college and therefore has to comply with Local Authority legislation, in particular the Local Government (Scotland) Act 1973. This requires the Council to have no less than two thirds of elected Members sitting on the Board.

3.2   Shetland Islands Council appointed 6 Members and a Chairperson to the Board at their Statutory Meeting on 23 May 2007.

3.3   Representatives of NHS Shetland and the Federation of Small Businesses also have representation on the Board, in accordance with the Council's Scheme of Delegations.

4.0   Proposal

4.1   The Council's Scheme of Delegation also requires that a representative of HIE Shetland [Shetland Enterprise] be appointed to the Board of Management and the last appointment was made in November 2007. However, due to advice received from HIE and local changes in HIE Shetland personnel, the position is now vacant. HIE Shetland were approached, and Dr Ann Black has been nominated for appointment.

4.4 It is therefore recommended that Dr Ann Black be appointed to the Shetland College Board of Management, with her period of appointment terminating on the date of the next Ordinary Election of Councillors. The appointment of Dr Black will strengthen the Board from the perspective of local economic development and ensure that the Board is informed of the requirement of private industry in Shetland.

4.5 The application has been considered by the Chairperson of the Board, and has agreed that Dr Black meets the necessary criteria, and has recommended her appointment to the Board.

5.0 Financial Implications

5.1 There are no financial implications arising from this report. Attendance at meetings of the Shetland College Board of Management carries approved duty status.

6.0 Policy and Delegated Authority

6.1 In terms of Section 8.0 of the Council's Scheme of Delegations, the appointment of non-elected Members to a Council Board, requires a decision of the Council.

7.0 Recommendation

7.1 I recommend that the Shetland Islands Council appoints Dr Ann Black as the HIE Shetland representative on the Shetland College/Train Shetland Board of Management, with her period of appointment terminating on the date of the next Ordinary Election of Councillors.

22 April 2008
AC

REPORT

To: Shetland Islands Council   14 May 2008

From: Head of Legal and Administration

Appointment of Independent Person to the Harbour Board
Report No. LA-26-F

1.0   Background

1.1   In accordance with the decision by the Council on 12 September 2007 (SIC Min. Ref. 118/07), the Council agreed to augment the membership of the Harbour Board with independent persons in addition to Councillors.

2.0   Link to Corporate Priorities

2.1   The recommendation in this report will assist the Council in achieving its priorities in relation to ensuring services are delivered in an efficient way.

3.0   Decisions Required

3.1   Following the resignation of the previous Terminal Manager, a vacancy remains on the Harbour Board.   The newly appointed Terminal Manager, Mr Lindsay Boswell, has submitted an application for appointment to the Harbour Board.

3.3   The application has been considered by the Chairperson and Vice-Chairperson of the Harbour Board, and they have agreed that Mr Boswell meets the necessary criteria, and have recommended his appointment to the Board.

4.0   Financial Implications

4.1   Attendance at meetings of the Harbour Board by any independent persons formally appointed by the Council, will be entitled to claim expenses, which will be taken from the Members' budgets.

5.0   Policy and Delegated Authority

5.1 In terms of Section 8.0 of the Council's Scheme of Delegation, only the Council may appoint persons who are not Council Members, to a Committee, Sub-Committee or Board.

5.0 Recommendation

6.1 I recommend that the Council appoint Mr Lindsay Boswell, Sullom Voe Terminal Manager, to the Council's Harbour Board, with his period of appointment terminating on the date of the next Ordinary Election of Councillors.

30 April 2008
AC

Shetland
Islands Council

REPORT

To: Shetland Islands Council   19 March 2008

From: Head of Legal and Administrative Services

External Organisation Vacancy - KIMO
Report No. LA-27-F

1.0   Introduction

1.1   The following appointments were made to KIMO at the Council meeting on 23 May 2007:

Substantive	Substitutes
I J Hawkins	A Cooper
J Henry	G Robinson
R Nickerson	J G Simpson
C Miller	

1.2   Appendix 1 is a copy e-mail from Councillor C Miller, intimating her immediate resignation as a substantive member of KIMO.   The purpose of this report is therefore to appoint a Member to the current vacancy.

2.0   Link to Corporate Priorities

2.1   Although not linked directly to any of the Corporate Priorities, approval of the recommendation in this report will assist the Council in achieving its priority in relation supporting the sustainable management of the marine environment.

3.0   Background

3.1   The stated purpose of KIMO is to exchange information on effective pollution prevention and cleaning up of operations and sustainable development; lead by example by improving regional marine environments; lobby national Government, the European Commission and others to take effective actions on issues affecting Northern Seas; make joint representations against threatening proposals and undertake demonstrative environmental projects.

3.2   Representation on KIMO consists of local governments in the Northern Seas Countries, whether or not their areas have a Northern Seas coastline – Sweden, Denmark, United Kingdom, Federal Republic of Germany, the Netherlands, Belgium, France, Norway, Faeroes, Iceland, Republic of Ireland. In addition, membership also includes organisations whose main objectives are in sympathy to those of KIMO can affiliate as associate members subject to the Board's approval.

3.3   Regarding the frequency of meetings, KIMO Annual General meetings are held in October each year, and KIMO International Board Meetings are held 2 – 3 times a year.

4.0   Financial Implications

4.1   There are no additional costs to be added to the existing Members' budgets, as the appointment contained in this report is required to fill a vacancy.

5.0   Policy and Delegated Authority

5.1   The appointment required has not been delegated to any Committee, and therefore a decision of the Council is required.

5.2   The appointment will carry approved duty status in terms of the Council's Scheme of Approved Duties.

6.0   Conclusion

6.1   The purpose of this report is to seek an appointment required by the Council to fill a vacancy.

7.0   Recommendation

7.1   I recommend that the Council consider the terms of Appendix 1, and appoint 1 Member to the vacancy as a substantive member of KIMO

7 May 2008
AC

-----Original Message-----
From: Miller Caroline@SIC
Sent: 30 April 2008 13:26
To: Riise Jan@Legal & Admin Services
Cc: Wills Jonathan@SIC
Subject: Resignation from KIMO

Hi Jan

Further to our conversation yesterday, I confirm that I wish to resign from KIMO and nominate Jonathan instead.

Unfortunately, I have been unable to attend one meeting of KIMO this past year as the meetings coincided with other Council meetings or business. I also feel that I have little experience in this field and although one learns through participation it is not an area that I could contribute to in any great depth at this moment in time.

Jonathan on the other hand has a wealth of experience and understanding of KIMO and his in depth knowledge in this field would, in my opinion, be of immense benefit and contribute greatly to the work of KIMO in Shetland and abroad.

Regards

Caroline

Shetland
Islands Council

REPORT

To: Employees' JCC 15 April 2008
Services Committee 1 May 2008
Shetland Islands Council 14 May 2008

From: Head of Schools

TRANSFER OF CATERING AND CLEANING SERVICE – PROGRESS REPORT

1 Introduction

1.1 The purpose of this report is to request Council approval for the proposed transfer of the Catering and Cleaning services from the Building Services Unit, within Infrastructure Services Department, to the Schools Service.

2 Link to Council Priorities

2.1 Achieving Potential: The Council will continue to provide the best learning environment for all.

2.2 Consistent Planning and Action: Making sure all our planning and decisions focus on delivering our priorities.

2.3 Improving Health: The Service will build on the work already done through the Hungry for Success initiative and raising awareness of healthy eating choices.

3 Background

3.1 Approval in principle to the transfer of the Catering and Cleaning Service, from Building Services Unit to the Schools Service was obtained at Services Committee on 21 June 2007(Min Ref 25/07), and at Full Council on 4 July 2007.

3.2 Until now, the Schools Service has delivered its school meals and its cleaning service by means of a Service Level Agreement with the Building Services Unit. This arrangement was as a result of the old Compulsory Competitive Tendering (CCT) legislation, which was repealed by the Local Government (Scotland) Act 2003. The cleaning service includes arrangements for cleaning the offices of Shetland Islands Council.

3.3 The Scottish Executive's Schools (Health Promotion and Nutrition) (Scotland) Act 2007, was passed by the Scottish Parliament on 14 March 2007. It received Royal Assent on 19 April 2007.

The Act requires local authorities to:
- Place health promotion at the heart of schools' activities;
- Ensure that food and drink served in schools meets nutritional standards set by Scottish Ministers;
- Ensure that they promote the uptake and benefit of school meals and, in particular, free school meals;
- Reduce the stigma associated with free school meals by protecting the identity of those eligible for free school meals;
- Consider sustainable development when they provide food or drink in schools.

3.4 It also gives local authorities the power to provide pupils with healthy snacks and drinks, either at cost or free of charge.

3.5 Extensive guidance on the implementation of the Act makes it clear that the provision of food in Scottish schools should be an integral part of a holistic approach to educating children on healthy lifestyles. It also makes direct links to current development work on the new Curriculum for Excellence in Scotland.

3.6 Therefore, to ensure the Act is fully implemented and that it becomes an integral part of the delivery of education within our schools, it is critical that the school meals service is directly managed by the Schools Service.

3.7 Her Majesty's Inspectorate of Education will also now inspect a sample of schools on the implementation of the Act, as part of their regular cycle of school inspections.

3.8 The rationale behind transferring both the catering and the cleaning workforces is that we cannot easily separate the management of the cleaning service. Approximately 70% of that activity is schools related and, in any event given that some cleaning staff serve as relief catering staff, it is proposed to transfer all staff. Education and Social Care department will then recharge other departments for their cleaning.

4 Progress

4.1 Since the last report to Members consultation has taken place with school catering staff, head teachers and central Schools Service management staff on line management arrangements for catering staff in schools. There was general agreement that, in future, head teachers could line manage head cooks.

4.2 There were some concerns expressed by the head teachers of some of our smaller primaries, who have a teaching commitment, that this would be an additional management responsibility for them which

would require to be supported by an allocation of additional management time.

4.3   Currently the Local Negotiating Committee for Teachers is taking forward a review of management time for teaching head teachers. Any proposal for head teachers to line manage head cooks must therefore wait for the outcome of this review, when it will be reconsidered. It is anticipated that an agreement on this will be in place for August 2008, although any changes proposed may take some time to implement. The existing line management arrangements remain in place until the changes take effect.

4.4   The LNCT were presented with a progress report relating to the transfer of catering and cleaning at their last meeting on 10 March 2008. Head Teachers were updated on progress at the last Head Teachers' meeting on 12 March 2008.

4.5   The Service has used funding from the £119,097 grant allocation for Hungry for Success for the financial year 2007/08 to support training for relevant catering staff in the new nutrient standards, in food hygiene and in basic information technology skills.

4.6   This funding has also supported the provision of information technology infrastructure in school canteens. This is principally to enable catering staff to access software which supports the required nutritional analysis of school meals' menus, but it will also enable electronic stock control systems to be put in place. Catering staff will also be given email addresses to ensure they are able to communicate more efficiently with central management staff.

4.7   Schools Service management are preparing a Partnership Agreement with Building Services to ensure that the maintenance and repair of kitchen equipment is formalised.

4.8   Preparatory work has commenced with Finance Services, and budgetary and payroll arrangements are in hand.

4.9   Meal supplies budgets and equipment budgets will be retained centrally by the Schools Service initially to ensure that these can be explored for efficiency savings, and in order that the Service can take account of any proposed future changes to the Council's approach to procurement. The procurement of cleaning supplies will continue to be managed centrally to retain the economies of scale.

5   **Proposals**

It is proposed that:

5.1   The cleaning and catering services currently operate under trading accounts although there is no legal requirement to do so as they are under the de minimis value required of a Significant Trading Account, therefore it is proposed that the trading accounts will cease to operate from 30 June 2008, on transfer to the Schools Service.

5.2   All catering and cleaning staff, including the Catering and Cleaning Manager, the Catering Supervisor, the Cleaning Supervisor and the Administrative Assistant (vacant from 2 May 2008) will transfer to the Schools Service with effect from 1 July 2008.

5.3   Support staff will be based at Hayfield House, whilst catering and cleaning staff will be based within schools and other non-school locations as required.

5.4   As the management of the Cleaning service cannot easily be separated from the Catering service, that office cleaning undertaken for other Council departments is recharged.

5.5   All fort-nightly time-sheeted relief staff move onto monthly time-sheets with effect from 1 July 2008, bringing them into line with other staff.

5.6   Should any further changes regarding the management arrangements for the service be proposed, once it is returned to the Schools Service, these will be presented to Council for approval.

6   Financial Implications

6.1   There are no direct financial implications arising from this report. The cleaning and catering services will continue to be delivered from within existing resources, however it is anticipated that the service will be delivered more effectively and every effort will be made to realise efficiency savings post transfer.

7   Policy and Delegated Authority

7.1   In accordance with Section 13 of the Council's Scheme of Delegation, the Services Committee has delegated authority to implement decisions relating to matters within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision.

7.2   As the recommendation in this report falls outwith delegated powers, a decision of the Council is required.

8   Recommendation

8.1   I recommend that final approval be given to the transfer of the Catering and Cleaning services to the Schools Service, with effect from 1 July 2008.

Our Ref: HB/AE/MF/SA   Report No: ED-20-F

Shetland
Islands Council

REPORT

To: Shetland Islands Council   14 May 2008

From: Head of Legal and Administration

Children's Panel Inter-island Seminar 2009
Report No. LA-22-F

1. Introduction

1.1 This report is being submitted to Council to request additional expenditure for Shetland to host a Children's Panel Inter-Island Seminar in May 2009. Although the expenditure will relate to the financial year 2009/10 a decision would need to be taken at this time so as to inform the other island participants and to allow forward planning of the event. A seminar of this nature requires a considerable amount of advance preparation.

1.2 This biennial event in its current format originated with Orkney holding the first seminar in 1999 and the Western Isles the subsequent one in 2001. Shetland hosted the event in 2003, Orkney in 2005, and Western Isles in 2007.

1.3 If the established pattern is to be continued it would be Shetland Islands Council's turn to host the 2009 Seminar. This would replace the spring in-service training for which there is existing budgetary provision. The Seminar would be a 2 day event held over a weekend on a date still to be decided on in May 2009.

2. Background

2.1 The statutory responsibility for training panel members rests with the local authority. The Scottish Government discharges its discretionary power to assist panel member training by financing the provision of the Children's Panel Training Organisers structure throughout Scotland. The training organisers are responsible for organising and in some areas delivering pre-service, new member and in-service training. The inter-island seminars are now well established and seen as an essential part of the professional and personal development for panel members in the islands.

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2.2 Since the first event of this kind in 1999, Children's Hearings Training Unit in Inverness has organised this event. The academic content and the national quality of the speakers chosen to attend this seminar has earned it the reputation of a fairly prestigious conference.

3. Financial Costings

3.1 The Training Organiser's costs for organising and attending the conference, as well as any other staff member from that unit, would be paid for by the Scottish Government. The travel and additional subsistence costs incurred by the Orkney and Western Isles panel members would be paid for by their respective local authorities. Costs which would require to be met by this Council would include accommodation for panel members, training organiser and the speakers; travel costs of the speakers; conference room hire and catering.

3.2 The themes chosen for these conferences allows for other agencies who are involved in the Children's Hearings System to participate, for example, police, social work and education, thus making the seminar very much a multi-agency event. Approximately 70 delegates have attended previous seminars and if the event was held in Shetland a similar number would be attending.

3.3 Costs have been estimated on the basis of the above and would be approximately as follows:-

Conference material and Administrative Costs	£	1,500
Speakers' Fees	£	1,500
Travel Costs	£	3,000
Overnight Accommodation (2 nights)	£	6,000
Room Hire and Catering (including civic dinner)	£	5,500
	£	17,500

4. Members' Consideration

4.1 As this clearly would be additional expenditure at a time when the Council is under pressure to cut budgets overall, Members need to consider if the benefits gained from hosting this event should be a higher consideration than the financial implications. In making a decision it should be borne in mind that Shetland panel members have enjoyed the hospitality of both the Orkney Islands and Western Isles Councils at the last two events. It should also be noted that the evaluation forms completed by all delegates, and compiled by the Training Organiser from previous events, strongly expresses the view that they are worthwhile seminars of national quality and are very beneficial for everyone involved in the Children's Hearings System in the islands. It is generally recognised by the Training Organisers and the Scottish Government that there are quite distinct differences between the problems experienced by panel members in island areas as opposed to the mainland.

5. **Financial Implications**

    5.1   The estimated costs for the Seminar to be met from the 2009/10 budget would be approximately £17,500 as set out in paragraph 3.3 above. This expenditure could not be met from existing budgets and would require approval of an additional £17,500 budget to be included in the estimates for Children's Panel for the financial year 2009/10.

6. **Policy and Delegated Authority**

    6.1   The Council approved the Head of Legal and Administration as responsible officer for the Children's Panel Advisory Committee (CPAC). As there is no delegation at Committee level for any of the functions of the Children's Hearings System, approval of additional expenditure requires a decision of the Council.

7. **Recommendations**

    7.1   I recommend that the Council considers the background information given in this report and approves the hosting of the Inter-Island Seminar as referred to above and notes that the expenditure requirement detailed in paragraph 3.3 above will be included in the estimates process for 2009/10.

30 April 2008
AC

Shetland
Islands Council

REPORT

To: Shetland Islands Council   14 May 2008

From: Head of Legal and Administration

Children's' Panel Members, Etc - Travel and Subsistence Allowances
Report No: LA-21-F

1.0   Introduction

1.1   The purpose of this report is to seek Council approval on the payments of fees, travel and subsistence expenses to be made to members of the various groups attached to the Children's Hearings system, and that these payments are tied to the statutory rates payable to Members.

2.0   Links to Corporate Priorities

2.1   This report links to the Council's Corporate Plan 2008-2011, specifically in relation to ensuring the Council s being efficient in everything it does.

3.0   Background

3.1   Local authorities have a duty to administer and meet the fees and expenses of the members of various groups attached to the Children's Hearings system, such as the Children's Panel. A description of each of the Groups is as follows:

- Children's Panel members: Volunteers appointed by Scottish Ministers to hold Children's Hearings in cases where children who are at risk or in trouble have been referred to the Reporter .   The Panel will decide on what is best for the child, calling where necessary on specialist services within the community.

- Children's Panel Advisory Committee members: appointed by Scottish Ministers to ensure that the Children's Panel has sufficient members to provide an adequate rota to deal with Panel business, to recommend recruitment to the Children's Panel, and to monitor Panel Members' performance and training.

- Curators ad Litem: Independent investigators appointed by the Court in adoption cases, to look into the circumstances of the child

and provide an opinion in the form of a report on how the best interests of the child might be met.

- Reporting Officers: Independent persons with specific witnessing duties relating to consents required from people with parental rights when permanent arrangements are being made for children in adoption cases.

- Safeguarders: Independent persons appointed by the Court or the Children's Panel who prepares a report for a Children's Hearing. The Safeguarder will review the child's situation, interview a range of people involved with the child and may offer a recommendation to the hearing.

- Legal Representatives: Solicitors appointed by the Children's Panel in specific cases when legal representation is required to allow a child to effectively participate at a hearing.

3.2 Until last year, Councils were advised by CoSLA or the Scottish Government of the rates of fees and expense limits to be applied, and these were applied in Shetland. However, no further advice on the rates are being issued, and Councils are now advised to use their discretion as to the rates to be applied. The only exception to this are the rates for Legal Representatives, which must adhere to the fee rates set out in the Scottish Government's Grant Scheme.

3.3 In this regard, many local authorities in Scotland have now decided to apply inflationary increases to current fees, and to adopt the current Scheme for payment of Councillors' travel and subsistence expenses.

3.4 The purpose of this report is therefore to propose that the Council adopts a similar stance to many other authorities with regard to the rates to be applied.

4.0 Proposal

4.1 To adopt the fees, travel expenses, day subsistence and overnight subsistence rates as detailed in Appendix 1.

5.0 Financial Implications

5.1 Whilst the day/overnight subsistence rates being proposed have increased, this does not necessarily mean an increase in subsistence costs as these rates are now based on actual expenditure rather than round sum allowances which were paid irrespective of the cost of the meals taken/accommodation provided.

6.0 Policy and Delegated Authority

6.1 Only the Council has authority to set fees and rates of payments.

7.0 Conclusions

7.1 In the absence of national guidance, and in the interests of efficiency and local consistency, the adoption of Members' rates for members of the various Children's Hearing related groups is recommended.

8.0 Recommendations

8.1 I recommend that the Council adopts the proposal detailed at Section 4.

8.2 I also recommend that these new rates commence with effect from 1 June 2008.

8.3 I also recommend that the Head of Legal and Administration be given delegated authority to increase these rates in line with any increases that the Scottish Ministers apply to the Members Travel and Subsistence payments in the future and to apply annual inflationary increases to any payable fees.

30 April 2008
AC

Travel and Subsistence Allowances – as per The Local Government (Allowances and Expenses) (Scotland) Regulations 2007 - for members of the Children's Panel, Children's Panel Advisory Committee, Curators ad Litem, Reporting Officers, Safeguarders and Legal Representatives.

SUBSISTENCE
Subsistence relates to overnight accommodation and meals. **Only itemised receipted costs will be reimbursed, excluding alcoholic beverages, to the prescribed maximum.**   The current maximum rates (which are inclusive of VAT) are detailed below:-

OVERNIGHT SUBSISTENCE (away from home within the UK)
i) Within Central London   £118.63
ii) Elsewhere   £ 94.82
These overnight rates are deemed to cover the costs of Bed and Breakfast.

MEALS
i) Breakfast (where no overnight subsistence is claimed) £8 per day
ii) Lunch £12 per day
iii) Dinner £25 per day

OVERSEAS TRAVEL
Overseas travel and subsistence is reimbursed on an **actuals basis** . It is therefore important that all receipts, for which reimbursement is required, are kept. (Note: Isle of Man and Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll.

OTHER TRAVEL EXPENSES
Receipts must be provided in respect of any miscellaneous travel incurred and subsequently claimed whilst on official business eg. Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares.

NOTE: Credit Card receipts **only** are insufficient unless they clearly itemise the expenditure incurred.

MILEAGE RATES
i) Car or Van: 49.3 pence per mile
ii) Motorcycle: 24 pence per mile
iii) Bicycle: 20 pence per mile

LOSS OF EARNINGS (CHILDRENS' PANEL MEMBERS ONLY)
A loss of earnings allowance is payable in respect of wages which you have lost due to undertaking your Panel duties, i.e. attending Hearings, training, etc. The maximum amounts paid are as follows:
- 	up to four hours - **£27.21**
- 	over four hours - **£54.43**
These are the maximum amounts payable – if the loss of earning is a lesser amount, then the actual loss only should be claimed. A 'Certificate of Loss of Earnings' form for employers to complete should be requested from the address below when required.

FEES

Curators ad Litem & Reporting Officers	Current Fee	New Fee 01/06/08
Fixed Sum – separate appointments	£219.69	£225
Fixed sum – joint appointment	£329.53	£338
Fixed sum – Petition going to Proof and being required to give evidence	£43.94	£45

Safeguarders – Appointments for Children's Hearings	Current Fee	New Fee 01/06/08
Fixed Appointment Fee	£219.69	£225
Fixed Attendance Fee	£109.84	£113
Fixed fee for each report provide for continued hearings	£109.84 (written) £54.93 (oral)	£113 (written) £57 (oral)
Fixed fee in respect of each of the second and subsequent children - living separately from the first child	£109.84	£113
Fixed fee in respect of each of the second and subsequent children - living together with the first child	£54.93	£57
Fixed fee for continued court hearings in respect of second and subsequent children – living separately from the first child	£27.46	£28
Fixed fee for continued court hearings in respect of second and subsequent children – living together with the first child	£13.74	£14

Safeguarders Appointments by the Sheriff	Current Fee	New Fee 01/06/08
Fixed Appointment Fee – when Safeguarder enters proceedings as a party	£219.69	£225
Fixed Appointment Fee – when Safeguarder does not enter proceedings as a party	£54.93	£57
Fixed Attendance Fee	£109.84	£113
Fixed fee for continued Court hearings	£54.93	£57
Fixed fee for second and subsequent children - living separately from the first child	£109.84	£113
Fixed fee for second and subsequent children - living together with the first child	£54.93	£57
Fixed fee for continued court hearings in respect of second and subsequent children - living separately from the first child	£27.46	£28
Fixed fee for continued court hearings in respect of second and subsequent children - living together with the first child	£13.74	£14
Additional Initial Appointment fee when not entering as a party for each second and subsequent child	£27.46	£28

Appeals - In circumstances where a Sheriff appoints a Safeguarder for the first time at the appeal stage, this will be treated as a fresh appointment and fees will be payable in accordance with the terms above.

In circumstances where appeals against hearing or court decisions are pursued, and the same Safeguarder is maintained throughout the appeal process, this will be treated as a continued case and fees will be paid accordingly.

Legal Representatives	Current Fee
No changes can be made to the current fees as the fees are stipulated by the Scottish Government's Children's Legal Representation Grant Scheme. However, all costs incurred by the Council under this Scheme can be claimed back from the Scottish Government	
Flat fee for preparation for and attendance at proceedings up to and including the conclusion of the Hearing following acceptance of the ground of referral or having been established by the Sheriff	£200
Flat fee for attendance at each subsequent review hearing	£80
Substantive new report at subsequent hearing	£130
Travel time – where the normal place of employment of a solicitor which the local authority has allocated to a case is more than 30 miles by road to where the case is to be heard by the Children's Panel	£10 per hour
Waiting time – where a case has been delayed more than 15 minutes beyond its allocated start time	£8 per half hour

There may be some cases where, prior to a Children's Hearing, the Scottish Legal Aid Fund has met (or will be meeting) a solicitor's costs under the terms of the advice and assistance scheme and that solicitor is subsequently appointed to represent the child as a Legal Representative. In such cases because the individual will already be familiar with the case papers etc, local authorities shall pay the Legal Representative a flat rate of £80 instead of the fee of £200. Thereafter, a fee of £80 (as above) will become payable for each subsequent review hearing. However, a solicitor may not claim from the Fund for any work provided in relation to the solicitor's role as an appointed Legal Representative.

It is expected that once appointed as legal representative, a solicitor will continue to represent a child until any supervision requirement ceases to have effect. Where a new solicitor is appointed (e.g. to enable a review hearing to proceed) the full fee of £200 will apply.

Where a legal representative has been appointed to a case on a Scottish Island (Shetland, Orkney, Hebrides), a flat rate island fee of £100 will be payable in addition to other fees.

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1 Executive Summary

Shetland Islands Council (SIC), HIE Shetland, NHS Shetland, Communities Scotland and Shetland Community Economic Development Trust have recognised that more people living, working and studying in Shetland are essential factors for sustaining communities and the economy in the long-term. In Autumn 2007, the partners commissioned Hall Aitken to research current and historic population trends and the projections of likely future trends. This was to include:

o Research into current and future population trends;

o Identifying the factors which may influence these future trends; and

o Developing a model that can produce more accurate projections.

1.1 Population trends

Historic trends

Historically the population of Shetland has fluctuated significantly from a high point of around 30,000 to its lowest level of 17,000. Population change has always closely mirrored economic opportunities and the population increased by around a third between 1971 and 1981 due to the major oil-related developments at Sullom Voe.

Current population

At 2006 the population was estimated to be 21,880 and the overall total has been relatively stable since the 2001 census. But since the 2001 Census there has been a significant rise in the percentage of the population aged 50-59, 60-69 and 80+. It has been estimated that, in the next 25 years, Shetland will experience a 50.7% increase in the number of islanders of pensionable age, while the working-age population will decrease by 20.7%.

Factors of change

While Shetland has a high birth rate and shows a natural population increase (more births than deaths) this is balanced by net out-migration. The net loss was 65 people between 2005 and 2006, and this loss impacts most keenly on younger age groups, particularly among females age 16-24 while the gains were in groups aged over 45.

Geographical aspects

Recent population changes also show variations across different parts of the Islands. Between 1991 and 2001, the population of the North Isles of Unst, Yell and Fetlar declined by 21%, while the population of the Greater Lerwick area increased by 0.9%. This is due to a drift of population towards the service centre of Lerwick combined with continuing population decline in more peripheral parts of the Islands. This has implications for services, for example the primary school roll in the North Isles has dropped by 50% between 1996 and 2006.

Service impacts

These population patterns are influencing housing demand with major increases in housing completions within Central and South Mainland over recent years.

Shetland has benefited from migration from the recent EU Accession states and other overseas nationals. The number registering each year increased from just 40 in 2003/04 to 170 in 2006/07. These people tend to be younger and more economically active than the overall population.

Current trends

Current and emerging trends that are likely to influence population change in the medium term are:

o A continuing flow of lifestyle in-migrants who are attracted by Shetland's natural environment and safe communities;

o A likely decline in the numbers of Eastern European migrant workers coming to Shetland; and

o Continuing drift of economically active population towards greater Lerwick contributing to ageing population in peripheral communities.

1.2 Drivers of population change

Job opportunities

Our research found that employment opportunities are critical to population sustainability. The decline in good quality job opportunities in some of the more peripheral parts of the Islands is accelerating the drift in population towards Lerwick where most services and employment opportunities are focused. The overall number of jobs taken by females has decreased and particularly within the private sector. It is becoming more difficult for both partners in a couple to find suitable job opportunities that match their skills and aspirations.

Education

The high standard of education and consequent school expectations mean that most qualified young people leave the Islands for education on the Scottish mainland. At the same time employers are experiencing problems in recruiting staff for some lower skilled jobs and are becoming more reliant on migrant workers.

A weak private sector

It appears that the jobs and services offered by the public sector in Shetland have limited the motivation and opportunities for private sector enterprise. There is a suggestion that many potential entrepreneurs have had to leave the islands to establish their business.

Housing is an important factor

Our research found that access to housing is an important factor that contributes to population change. The drift of population towards greater Lerwick has resulted in:

o More properties in outlying areas becoming second or holiday homes; and

o A pressure for new housing within parts of the Central and South Mainland.

And many younger households without access to land or family housing struggle to find affordable housing which it makes it difficult for them to re-settle in Shetland.

Environment attracts migrants

The quality of Shetland's natural environment and the levels of service provision available are attractive to lifestyle in-migrants. These in-migrants tend to be older and are often financially independent.

1.3 Experiences of population change

Our research looked in greater depth at the characteristics and motivations of different groups including:

o   Those who stayed in the Islands;
o   Those originally from Shetland who have left;
o   Those who left but have returned; and
o   Those who have chosen to live in the Shetland Islands

There are notable differences in the personal characteristics of these stayers, out-migrants, returners and in-migrants.

Stayers

Stayers were less likely to have degree level qualifications which highlights the role of pursuing education as a driver of out-migration. There were fewer people aged 16 to 24 I the stayers group perhaps because of this. Half of all stayers had actually considered leaving. The most influential factors in helping individuals in their decision to stay were:

o   A safe environment;
o   Being able to be close to family;
o   Raising a family; and
o   A natural environment.

For many stayers relationships and family connections were also key factors in their decision.

Returners

Most returners had left Shetland to pursue higher education, although over half stated that career progression was a factor. Returners (along with in-migrants) were more likely to have higher qualifications and higher skilled jobs than stayers. This suggests that the availability of good quality and well-paid jobs is a key driver for returners. The main drivers for their return centred on:

o   Being close to family;
o   A love of island life, an 'affinity' with its sense of community; and
o   Suitable employment opportunities.

The majority of returners had returned before they were 35 and the age profile of returners was therefore younger than the other groups living on Shetland.

In-migrants

In-migrants had the oldest age profile among the groups we surveyed with around 60% aged 45 or over. They were also most likely to be working as professionals or senior managers, with 68% of respondents identifying these occupations.

Shetland's quality of life is a major motivating factor for in-migrants, the main motivations were:

o   Natural environment;

o   Safe environment; and

o   Sense of community.

In-migrants in our survey were more likely to have dependent children than returners suggesting the presence of children may contribute to the desire for a safe environment.

Out-migrants

Out-migrants tended to be younger than the other groups surveyed and they were far less likely to have dependent children compared to Shetland-based groups. There are higher self-employment rates among out-migrants, almost twice that of Shetland-based groups. This suggests that there is some basis for the view that those wishing to set up a business often do so outside of Shetland. The main motivations for leaving were:

o   Opportunities for career progression;

o   Diversity of work available; and

o   Mainland lifestyle.

Only one in five respondents who left Shetland is planning to move back, and for two out of five it is either unlikely or they already know they will not return.

1.4   Population projections and implications

Population modelling

Our research involved developing a population model that will allow local agencies to test the implications of different trends and factors on population outcomes. It is not a population projection or prediction, but can be used to compare the likely implications of policies on population sustainability and service provision.

Results from the model based on current migration trends continuing show a sharp shift in population, including:

o   A steep drop in the numbers of children under 16;

o   A decline in the numbers of 16 to 24 year olds after 2010;

o   A rapid and continuing increase in the elderly population.

The overall population would, if current trends continue, drop from just under 22,000 to just over 20,000 by 2030. The number of people aged 65 and over would almost double between 2006 and 2030 based on this scenario.

Impacts of population change

These changes would have implications on the labour market, with a declining (and ageing) working age population and on the cost and viability of service-provision. In particular a reduction of a third in the school roll would threaten the current number of schools. And the major increase in the elderly population would put pressure on health and social care services both in terms of funding and recruiting the necessary

staff. The likely outcome would be a reduction in the level of services (mostly in outlying areas) and an increasing reliance on migrant labour.

1.5 Future population priorities

Our consultations and population research suggests that the overall size of the population is less important than achieving a healthier balance in terms of age and gender. Our research suggests that the overall aims for population sustainability by 2030 should be to:

o   Sustain the proportion of the population that is of working age;

o   Stabilise the school-age population;

o   Sustain the number of females of child-bearing age; and

o   Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 it is clear that significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

1.6 Areas for policy focus

Our interviews with service providers and other key stakeholders have highlighted several issues that need to be addressed by policy-makers. These are summarised below:

Living within our means

The research identified an overwhelming awareness among interviewees that the level of spend and service-provision is unsustainable. The Council is seen to be living beyond its means and 'squandering' the remaining oil revenue. Many people identify the need for tough decisions on prioritising expenditure in the very near future.

Re-adjusting services

The current expenditure on service provision will need to be reined in and this will clearly have an impact on the scale or quality of services that the Council can fund. The impact on levels of service provision might make the Islands less attractive to some groups who are currently attracted by the quality of service.

Balancing the population

There is a strong feeling that the current target of increasing the population to 25,000 is unrealistic. This was the high point of population when Sullom Voe was at its peak and it would be difficult to imagine any future employment opportunities on this scale. Many felt that adjusting the level of service provision to match realistic population estimates makes better sense than trying to grow the population to justify unsustainable levels of service provision.

Distributing population growth

There were mixed views as to whether there should be positive steps taken to grow key settlements outside of Lerwick. Some stakeholders felt that the drift of population towards Lerwick was inevitable and that policy should support market

forces. Others thought that some effort should go towards sustaining growth centres where there had been significant investment in providing facilities. However because the availability of jobs was seen to be the key driver behind population distribution this would require the Council taking the lead in devolving jobs. These devolved centres could then be the focus for developing incubator units for business start-ups and affordable housing.

Promoting self-reliance

The level of public sector services provided for residents has undermined the traditional self-reliance of crofting communities. A greater focus on communities developing their own solutions to meet community service needs will make services more responsive and cost-effective.

Affordable housing

Housing was seen as a key issue in sustaining and growing the Shetland population. In particular affordable rented or shared equity housing for younger people wanting to move back or into the Islands is a priority. The majority of housing need is focused within the greater Lerwick area but housing also needs to be provided elsewhere alongside economic opportunities.

Opportunities for renewable energy

Renewable energy is seen as one future opportunity to support the Shetland economy. There has been discussion about whether the oil revenue should be invested in renewable energy to create a more sustainable revenue stream in the longer term. However even if the Council chooses this option the money will be tied up for a considerable time before any revenue comes in.

Marketing the Islands

Several stakeholders felt that the oil boom had distracted agencies from making serious efforts to market the Islands in terms of local produce or tourism. They felt that some nationally significant resources were not being marketed and that the tourism product had considerable potential for development.

Supporting enterprise

Several stakeholders identified the need for a more strategic approach to developing and growing businesses and this is a current priority for HIE. The limited provision of broadband was seen as a key weakness in developing more globally competitive businesses. Stronger collaboration between the Public sector, Education establishments (such as UHI) and the private sector would help to identify and support a small number of opportunities to develop competitive advantage. Attracting skilled researchers or graduate placements could also help to stimulate enterprise. Providing incubator units or core business support services in association with better broadband access may help to stimulate business start-ups. However the low levels of risk-taking among the indigenous Shetland population is a major barrier to overcome.

Supporting the workforce

Problems in attracting staff in key sectors are predicted to get worse in the medium term suggesting a continued reliance on migrant labour. The growing burden of care

emerging from the ageing population will require a larger and more flexible workforce, and this in turn will have implications for housing provision.

1.7 Key priorities

Our research has identified key population drivers, the likely impacts of continuing trends and some of the challenges currently facing Shetland's communities. We have identified several areas where policy should focus on in order to promote a sustainable population in the medium to longer term.

Policy direction

Revising targets

While the target of 25,000 by 2025 provides an admirable level of ambition for policy-makers, it masks some more important issues around the balance and distribution of the population. We would therefore recommend that the target should be to:

o   Sustain the proportion of the population that is of working age;
o   Stabilise the school-age population;
o   Sustain the number of females of child-bearing age; and
o   Retain the populations of the most fragile communities.

Reviewing local public expenditure priorities

It is clear that Shetland has been living beyond its means for some time and that the current level of local public expenditure cannot continue. Difficult decisions will need to be made on:

o   Prioritising local public expenditure; and
o   A strategy for using the remaining oil fund.

Shetland has become accustomed to providing high quality public services and facilities. But the investment made has not always been in the long-term interests of sustaining communities. The Council and its partners should start to scale back spending to levels in line with other similar sized authorities. Any additional spending from the oil fund or other reserves should be clearly focused on promoting a more sustainable economy in the medium to longer term, for example through:

o   Promoting enterprise;
o   Developing innovation or competitiveness;
o   Generating revenue streams (for example through renewables); or
o   Developing business infrastructure (e.g. broadband or incubator units).

However these issues are both sensitive and important so we would recommend a period of community consultation on which course of action to take.

Devolving jobs

If a strategy of supporting more self-reliant communities outside of Lerwick is to be successful this will require sufficient employment opportunities within these areas and the local spend these would generate. As the Council is one of the biggest employers it should take the lead in promoting this policy by devolving employment from Lerwick to the key settlements elsewhere in the Islands.

Marketing Shetland as a place to live and visit

It is clear that the quality of environment and strength of communities are what attracts people to Shetland. However there has been little effort to market these attributes in order to attract either visitors or to add value to locally produced produce. There is also an opportunity to develop niche tourism markets through branding and marketing.

Economic development

Developing the private sector

It is clear that there is a need for more business start-ups in order to address the weaknesses in the private sector. This will require investment in infrastructure that will support new businesses such as start-up premises, broadband and other IT facilities. Business facilities should also help to promote the policy of devolving employment opportunities out of Lerwick.

It will also require more focused awareness-raising of enterprise opportunities among key target groups such as school-leavers, women and in-migrants. Bringing in Shetlanders who have become successful business men and women is one way of doing this.

Adding value to natural assets

Our research has identified some potential for developing greater economic advantage from Shetland's natural assets including produce, culture and environment. This links closely with the issue of marketing outlined above. Partners could help to develop greater added value through supporting the private sector to build clusters around different sectoral groupings such as:

o   Crafts;
o   Creative industries;
o   Eco-tourism; and
o   Food and drink.

Added value could be generated through differentiating these products and marketing their quality and exclusivity.

Developing knowledge-intensive sectors

Increasingly economic development requires ways of using knowledge to create competitive advantage and add value to basic production. However this is often difficult to achieve in rural and peripheral areas where there are no large scale Universities to promote research and development. However the North Atlantic Fisheries College already has international research specialisms in several areas and there are proposals for Shetland College (as part of UHI) to develop research programmes in specialist areas such as knitwear and music. Renewable energy will also present future research and development opportunities.

Public agencies should support the knowledge economy through identifying appropriate opportunities for research that link into Shetland's productive sectors. They can also assist through providing graduate placements and secondment opportunities and through joint ventures with research institutions.

Building community enterprise

Elsewhere in the Highlands and Islands community-based enterprises have developed innovative ways of meeting the different service needs of remote

communities. With public service budgets likely to come under increasing pressure in Shetland, the community sector will need to play a greater role in maintaining and delivering local services.

Infrastructure

Housing to support economic growth

It is clear that the availability of housing is a key barrier to increasing in-migration. And there is evidence from elsewhere to suggest that housing provision can help stimulate economic and population growth. While the Council and its partners have made efforts to increase the number of house completions it will be critical that housing continues to support economic development. This will mean providing accessible and affordable housing opportunities in the various growth settlements in conjunction with the devolved jobs and business infrastructure previously discussed.

Improving broadband

In rural areas self-employment is generally more widespread than in urban areas and reliable high speed broadband is increasingly important to running most types of business. So investing in broadband technology will be important for promoting Shetland as a location for self-employed lifestyle in-migrants and for developing indigenous business start-ups.

Community support

With an increasing need to attract in-migrants and the accompanying increased housing requirements, continued support for integrating the migrant community is essential. The efforts undertaken by the Council, Shetland College and the voluntary sector to date have been commendable. However it will be important that there are adequate resources to provide ESOL classes, language support for schools and translation services for public agencies. Support for community-based awareness raising and integration are also necessary to help the indigenous population to embrace these new Shetlanders.

This section outlines the background and rationale for the study. It also sets out the objectives of the research and the methods use to meet these.

2.1 Background

Shetland Islands Council (SIC), HIE Shetland, NHS Shetland, Communities Scotland and Shetland Community Economic Development Trust have recognised that more people living, working and studying in Shetland are essential factors for sustaining communities and the economy in the long-term. Population decline has now come to the fore as a key issue within several local policy documents:

o Population decline is identified as a key issue in 'A Sustainable Vision for 2016' (2000);

o Population has become a key priority area in the Shetland Structure Plan 2001-2016; and

o In 2006, the community planning partners set a target of 25,000 people living in Shetland by 2025.

Also, an ageing population is driving up service costs against a background where SIC are trying to secure financial sustainability (Audit Commission 2007).

2.2 Research objectives

In Autumn 2007, the partners commissioned Hall Aitken to research current and historic population trends and the projections of likely future trends. This was to include:

o Research into current and future population trends;

o Identifying the factors which may influence these future trends; and

o Developing a model that can produce more accurate projections.

Specifically, Hall Aitken were to address the following aspects while looking at issues such as age, gender, locality and economic activity:

o What has driven population change since 2001?

o What are the factors influencing migration and what are the characteristics of migration groups?

o What are the necessary factors for sustainable communities?

o How will the makeup of the population in 2030 affect Shetland society, economy and services?

o What actions can public agencies take to foster population and service sustainability?

2.3 Method

The research involved a wide range of approaches including:

o A review of official statistics to develop a population change model;

o A literature review;

o Interviews with 15 key stakeholders;

- A web-based survey, distributed through SIC contact lists and online "Shetland Networks" with 1570 responses from current and past residents of which 1,357 were fully complete. This represents around 7% of the current resident population;
- Four focus groups (Lerwick, Scalloway, Mid-Yell and Brae) with stayers, returners and in-migrants, with follow-up calls in the West Mainland;
- Two focus groups with international economic in-migrants in Lerwick;
- A focus group in Glasgow with individuals who have left Shetland; and
- A scenario-planning workshop with key agencies tasked with taking forward policies.

2.4 Report structure

Following this introduction, the remainder of this report is structured as follows:

- *Trends in migration* - examines population trends for each locality in Shetland and Shetland as a whole since 2001. The components of these trends are examined also including births, deaths, net migration and other changes.
- *Drivers of population change* - explores the drivers behind population change including jobs and career issues as well as infrastructure issues such as housing and transport.
- *Experiences of population change* – examines the motivations behind the migration decisions of stayers, out-migrants, in-migrants and returners. As well as looking at their experiences, it looks more closely at the characteristics and motivations of key groups like women of childbearing age and those out-migrants who are open to returning to Shetland.
- *Population projections and implications* – takes current components of population change and uses them to project forward population estimates up to 2030 by locality and for Shetland as a whole. It also offers an indication of the impacts of trends if they continue as currently.
- *Developing a sustainable community* - draws on our research, analysis and population modelling to identify what would be a desirable situation by 2030 years. It also identifies the scale and type of population component changes that would be necessary to deliver this, and alternatively, the target of 25,000.
- *Factors needed for sustainable communities* - sets out the factors we have identified that will underpin community sustainability and a desirable situation in fifteen to twenty years for a range of population drivers. It highlights the actions that agencies will need to focus on to achieve these outcomes.
- *Recommendations* - outlines some of the key longer term strategy objectives and priority areas that local agencies and communities will need to follow to achieve the type of sustainable communities outlined above.

This section examines population trends for each locality in Shetland and Shetland as a whole historically and more recently since 2001. The components of these trends are examined also including births, deaths, net migration and other changes.

Historic trends

Since the 1860s, when the population of Shetland peaked around 30,000, it fell steadily until the 1970s when it hit the historically low level of 17,000. After 1971, there was a significant increase, and in just 10 years the population of the islands rose by over a third, to 22,766 (GROS, 1981 Census). The increases in the 1860s and in the 1970s can be attributed to new economic opportunities. In the mid 19th century, a huge boom in drift-net fishing for herring had occurred and in 1971 major oil industry developments benefited population growth. After the early 1980s the population numbers fell again because of out-migration as oil construction activities ended, and difficulties at Sumburgh Airport emerged (SIC, 2006a, p. 10).

Sumburgh Airport traffic peaked in 1978 with 285,000 passengers on 51,000 aircraft movements. Construction workers for the Sullom Voe Oil Terminal no longer stopped here after 1978, with the re-opening of Scatsta Airport that August. Passenger and flight movements through the airport fell further during the early 1980s, mainly because of the introduction of helicopters, such as the Puma and the Chinook. These could fly direct to the oilfields from Aberdeen. By 1985, passenger numbers had dropped by around 20% while aircraft movements dropped by two thirds compared to 1978.

The overall change in population levels in Shetland is not uniform across all areas. There have been important changes to the distribution of the population within Shetland. Between the 1981 and 1991 Censuses, the population of areas in the South and Central Mainland remained relatively stable or grew, but that in the North Mainland and the North Isles has significantly decreased (SIC, 2000; Community Profiles North Isles and North Mainland). This decline is likely to continue, partly because of the centralisation of the population, and the loss of economic opportunities in the North Mainland and the North Isles. Between 1991 and 2001, the population of Unst, Yell and Fetlar declined by 21%, while the combined population of Lerwick, Gulberwick/ Quarff, Bressay, Scalloway and Tingwall (representing the core of the mainland) increased by 0.9% (SIC, 2005c, p. 5).

Shetland School Rolls

We have looked at changes to the school rolls across the different localities within Shetland since 1971. Primary school rolls provide a useful picture of the shifting population patterns because they are most closely associated with local communities. Looking at this time-frame also allows us to identify the population impacts of the Sullom Voe development and the extent to which the population increases from the 1970's have been retained.

Primary School Rolls

As Figure 1 shows, after major growth in the late 1970's because of the oil developments at Sullom Voe, Primary school rolls have declined in most parts of Shetland. In the North Mainland, the increased population because of the major influx of workers in the 1970s has been sustained to some extent, although the primary roll dipped substantially between 1981 and 1991. However it went from

having the second lowest primary roll in 1971 to having the second highest roll in 2006; approximately double the 1971 roll.

The primary rolls in Lerwick and Bressay remained fairly steady at between 750 and 800 until 2001, but have declined sharply since then to around 600.

Figure 1 Primary School Rolls by area (1971 to 2006)
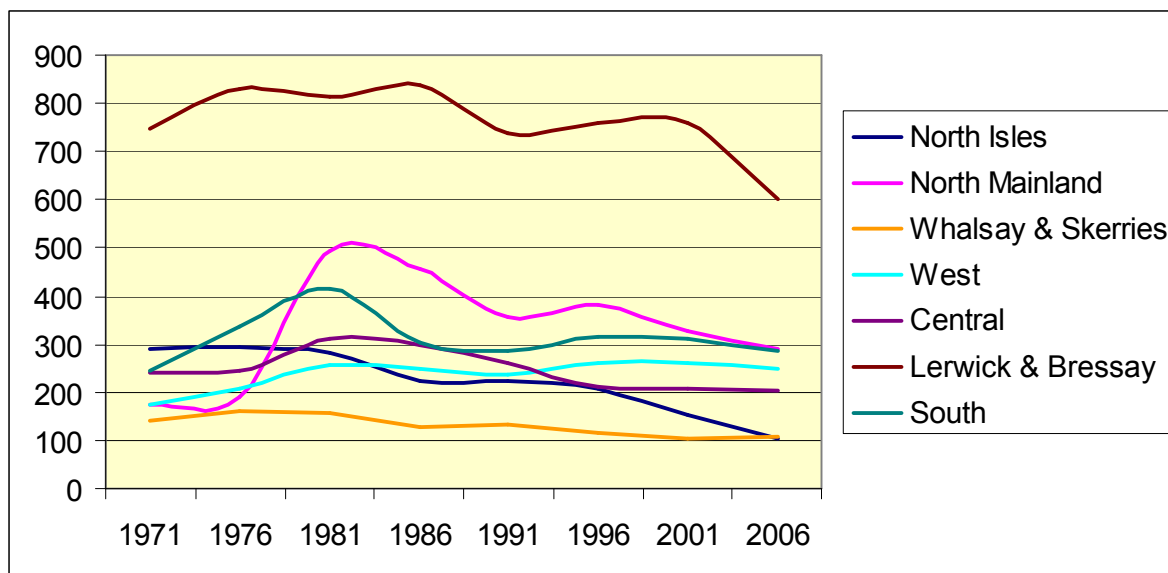
Source: Shetland Islands Council 2007

School rolls in the South Mainland showed a steady increase between 1971 and 1981, perhaps linked to the development of Sumburgh Airport, but dropped from around 400 to 300 between 1981 and 1986. However the primary school roll has remained fairly constant around 300 since then.

The West Mainland roll shows the most positive pattern, sustaining a higher number of children in 2006 than in 1976 when the oil boom began. The primary roll has shown a slight decline since 2001 however.

In the Central area of Mainland, an initial increase in the primary roll in the 1970s was followed by a steady decline between 1981 and 1996. The roll has subsequently stabilised and has remained relatively stable between 1996 and 2006.

The primary school rolls in the North Isles of Yell, Unst and Fetlar have declined since 1981, with a particularly steep drop since 1996. By 2006 the roll was only around a third of its 1971 level.

The situation in Whalsay and Skerries is less extreme, although there has been a slow but steady drop in the roll since the late 1970's. The roll has remained at approximately 100 since 1996. However the overall figures mask different trends for Whalsay and Skerries, with the Skerries school roll showing almost continuous decline since the 1970's.

If we look at the changes in primary school rolls overall since 1971, clearly most population growth has focused on the Mainland; with the North and West showing the biggest net increase in primary age children. However despite the increases in the West, North and South mainland areas, the primary school-age populations in Lerwick and the Central part of Mainland have dropped slightly compared to the 1971 level. This suggests that population growth stemming from the Sullom Voe development has resulted in families moving into communities in the more peripheral parts of Mainland.

Figure 2 Primary school roll changes (1971-2006)
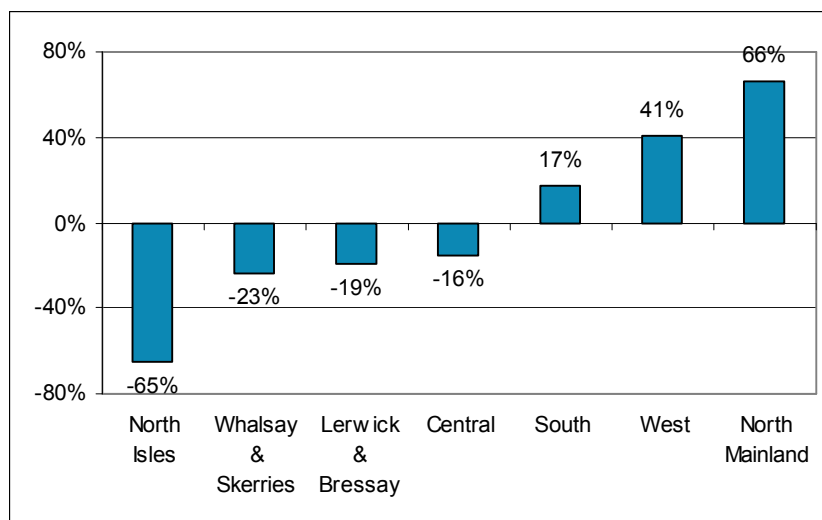
Over the same period however, there has been a significant drop in the primary age population in the North Isles of Yell, Unst and Fetlar. The primary roll has dropped by two thirds since 1971, with a 50% drop between 1996 and 2006.

Housing completions

Data on house-building and conversion provided by the SIC Planning Department provides another useful indicator of changes in demand caused by population movements (and changes to household structure). There is significant evidence from elsewhere that housing supply constraints can be a barrier to sustaining fragile populations. And in other island communities house-building has been an essential element in developing local economies.

Figure 3 Annual completions and 3-year rolling totals
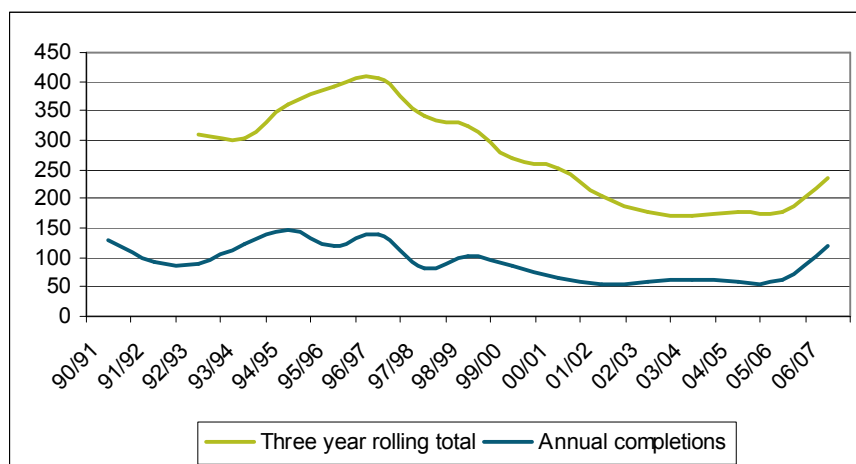
Across the Islands as a whole there has been a long-term decline in the number of annual house completions since the mid 1990's as Figure 3 shows. However the number of completions in 2006/07 at almost 120 is the highest annual total since 1999 and shows a doubling on the figure of around 60 which has been the approximate number of completions each year since 2000/01.

An analysis of housing completions by service delivery area in Figure 4 shows the overall housing output is dominated by the Greater Lerwick area (Lerwick, Bressay and the South and Central areas of the Mainland). These areas have been providing for between two-thirds and three-quarters of the total number of housing completions. However, the role of the South Mainland area has become more important recently, as land availability within Lerwick itself has declined. In particular, the areas of Gulberswick, Quarff and Cunningsburgh have seen a lot of development activity.

Figure 4 Housing completions by Service Delivery area
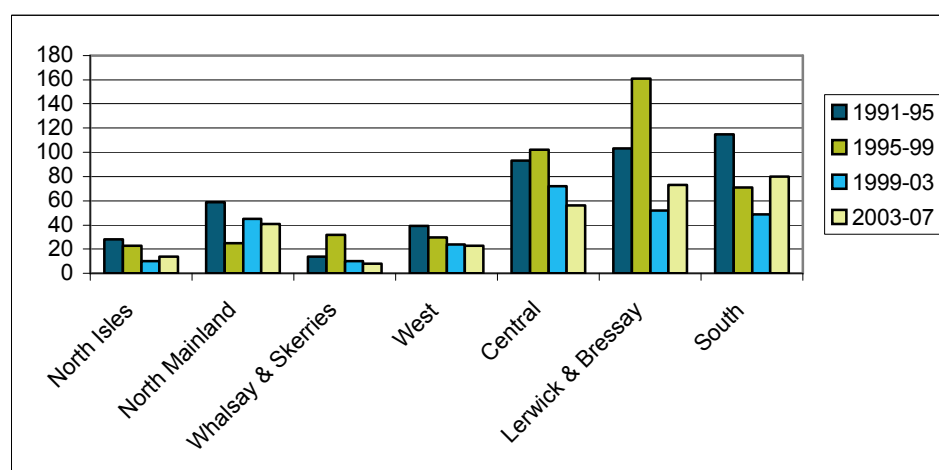
Rolling totals allow a more measured analysis of demand patterns as they tend to smooth out annual bumps caused by one or two large developments. Figure 5 shows there are clear trends in housing development which are influenced by demand patterns and available capacity. It is clear the dominant role of Lerwick and

Bressay in new housing provision has been in decline since the late 1990's because of the lack of suitable new housing sites. Completions for the Central area have also shown a broadly declining trend since the late 1990's although there has been a recent upturn in 2006/07. In contrast the South has seen a steady increase in the number of completions since the year 2000.

Figure 5 Three year rolling housing completions – Mainland areas
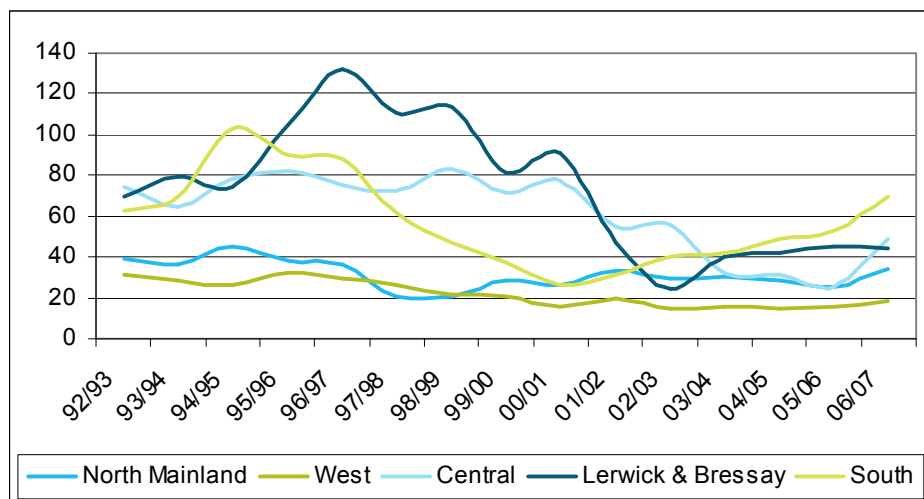
Source: Shetland Islands Council 2007

Data on house completions for the North Isles and Whalsay and the Skerries also show peaks in the late 1990's and a subsequent decline. However the three year rolling total for the North Isles has shown a recent upturn from just 3 in the three years to 2003/04 to 14 in the three years to 2006/07. However the three year total of five for Whalsay and Skerries is the lowest figure since the data was collected.

Figure 6 Three year rolling housing completions – North Isles, Whalsay & Skerries
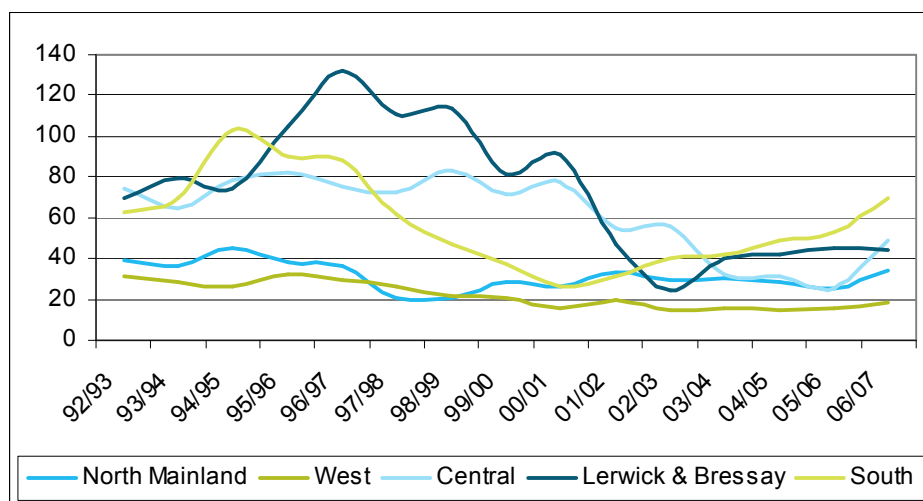
Source: Shetland Islands Council 2007

3.1 Recent population change

Over the last 20 years, the population of Shetland has declined by 3%. Since the 2001 Census, the GROS has estimated the population levels in Shetland have

remained relatively stable, with the latest estimates showing the population at 21,880 (GROS, 2006 mid-year estimates). There was a slight population increase between 2001 and 2005 (0.2%), although this was still below the increase for the Highlands and Islands (1.7%) and Scotland (0.6%) (GROS, 2001 Census and 2005 mid-year estimates). GROS estimates a decline in population to 19,783 by 2031 (GROS, 2006-based population projections). These projections assume both negative natural change (-2.7%) and negative net migration (-6.9%).

But since the 2001 Census there has been a significant rise in the percentage of the population aged 50-59, 60-69 and 80+ (GROS, 2001 Census and 2006 mid-year estimates). And this is most pronounced in Whalsay and Skerries (Community Profile Whalsay and Skerries).

It has been estimated that, in the next 25 years, Shetland will experience a 50.7% increase in the number of islanders of pensionable age, while the working-age population will decrease by 20.7% (GROS, 2006-base population projections). This is because of increasing life expectancy and older people moving to Shetland for an improved quality of life (SIC, 2006b, p10). There is an imbalance by gender in Shetland as a whole, with a much greater proportion of females than males over the age of 65 (Lerwick and Bressay Community Profile).

In contrast to the Scottish trend in general, and that of the Highlands and Islands specifically, Shetland's birth rate has been consistently higher than the death rate. Since 1995, the birth rate has been higher than the death rate by an average of 29.6 people per year (SIC, 2006b, p11). This suggests the population decline can be linked with net out-migration, which is mainly being driven by young people migrating from Shetland to seek higher education and better job opportunities. The decrease in the population of those aged between 20 and 44 years in Shetland indicates that more young people are leaving the area than are coming in (SIC, 2006b, p2).

The ageing population is a considerable challenge for the area, as communities with a large proportion of inhabitants over retirement age tend to generate lower levels of economic activity and, indeed, the confidence of communities and the sustainability of services can be negatively affected (HIE, 2007, p2.).

Migration data

Birth rates and death rates are fairly predictable characteristics of a population in the developed world. But migration is largely driven by economic and social opportunities and is susceptible to broader changes, even over the short-term. In Shetland, these were responsible for short-term population growth linked to economic factors as outlined earlier. Similarly, the decreases can be linked to economic downturns.

Data on who enters and leaves Shetland is less reliable. Figure 7 shows the best available and most recent data from 2006. While the net loss was 65 people, this loss impacts most keenly on younger age groups, particularly among females age 16-24 while the gains were in groups aged over 45. It is likely that this data underestimates out-migration, as many 16-24 year olds will keep their registration with a doctor in Shetland while at university.

Figure 7 Population migration (total and by gender) 2005-6

	0-15	16-24	25-34	35-44	45-54	55-64	65+
In (all)	54	38	63	76	40	41	19
Out (all)	102	61	70	76	39	29	19

Net (all)	**-48**	**-23**	**-7**	0	**1**	**12**	0
In (Males)	21	19	31	35	18	26	9
Out (Males)	65	26	40	35	17	17	10
Net (Males)	**-44**	**-7**	**-9**	0	**1**	**9**	**-1**
In (Females)	33	19	32	41	22	15	10
Out (Females)	37	35	30	41	22	12	9
Net (females)	**-4**	**-16**	**2**	0	0	**3**	1

Sources: National Health Service Central Register (NHSCR) patient movements mid-2005 to mid-2006. International Passenger Survey (IPS) data.

The Outer Hebrides Migration Study (Hall Aitken and INI, 2007) classifies people moving to the islands as returners, lifestyle migrants and economic in-migrants. According to Blackadder (2007, p.7) Shetland receives a good number of lifestyle migrants and they are important in stabilising the population. However, the age range of this group is not balanced with our survey showing that nearly 60% of people who have migrated to Shetland are now over the age of 45. Some of these will be in-migrants from the 1980s who will have had children in Shetland. But there is much anecdotal evidence to suggest that current in-migrants tend to be older people.

International economic in-migrants

Although not a perfect source of data, National Insurance Number (NINo) registrations provide some indication on the flow of workers from overseas. In line with the Scotland-wide pattern, the Shetland Islands have experienced a year-on-year increase in the number of NINo registrations to non-UK nationals since the accession of the eight East European states1 to the European Union in 2004. Figure 8shows the largest influx of overseas workers to the Shetland Islands occurred in tax-year 2006/07 when 170 NINos were registered to non-UK in-migrants. This is up to four times the level of registrations recorded in pre-EU expansion years. For example, in 2003/04 only 40 overseas NINo registrations were recorded.

Figure 8 NINO Registrations for Shetland Islands and other areas 2002/03 to 2006/07

AREA	NUMBER OF NINo REGISTRATIONS BY TAX YEAR					Post-accession total to 2006/07
	2002/03	2003/04	2004/05	2005/06	2006/07	
Shetland Islands	50	40	90	100	170	360
Orkney Islands	20	20	30	60	90	180
Western Isles	20	30	70	130	90	290
Highland	600	690	1,440	2,640	2,620	6,700
Argyll & Bute	180	240	360	700	820	1,880
Scotland	14,520	15,500	22,850	41,370	52,480	116,700

Source: numbers are based on 100% data from the National Insurance Recording System (NIRS).

Since EU expansion in 2004/05, the Shetland Islands have experienced a greater number of overseas workers than the other two Island Local Authorities; the Western Isles and the Orkney Islands. Shetland registered 360 NINos to non-UK nationals over the three year period up to 2006/07, compared with 290 in the Western Isles and 180 in the Orkney Islands over the same period of time. The proportion of overseas workers registering in Shetland has also been greater in terms of per head of resident population than that of Orkney and the Western Isles over the past three years (2004/05 to 2006/07). However, all three Island authorities had received fewer overseas migrant workers, per head of resident population, than both Highland and Argyll & Bute areas.

While the rate of NINo registrations in Shetland has continued to increase, the trend for the Highland Local Authority area has plateaued at around 2,600 for 2005/06 and 2006/07, after almost doubling on the level of 2004/05, while the number of those registering in the Western Isles has actually fallen from a peak of 130 in 2005/06, to 90 in 2006/07. Argyll & Bute and Orkney Islands have, like Shetland, experienced a continued increase in 2006/07.

Over the three post-accession years, NINo registrations for overseas nationals in the Shetland Islands account for less than half of one per cent of the Scottish total, and almost four per cent of the Highlands & Islands total.

In the Shetland Islands most non-UK workers registering for NINos were aged from 18 to 34 as Figure 9 shows. This mirrors the nationwide age-balance of migrant workers coming in to Scotland from overseas, with very few aged over 50 or under 18. However, in Shetland from 2004/05 onwards, the proportion of 35 to 49-year olds registering has slightly exceeded that of the national figure for that age group.

Figure 9 Age Group NINo Registrations for overseas nationals to the Shetland Islands
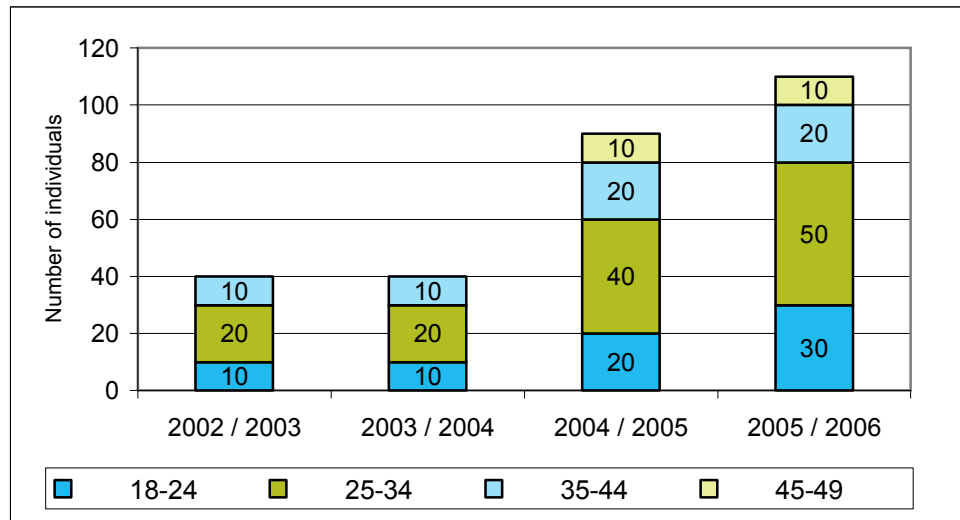
Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

Gender

Workers from outwith the UK registering in the Shetland Islands since EU expansion in 2004/05 have been predominantly male (see Figure 10). This is also similar to the national trend. However the male/ female imbalance is more pronounced in Shetland than for Scotland overall, with the female to male ratio of overseas NINo registrees in Shetland being 1 : 1.5 compared with the national ratio of 1 : 1.2 over 2004/05 and 2005/06.

Figure 10: Gender of NINo Registrations for overseas nationals to the Shetland Islands 2002/03 to 2006/07
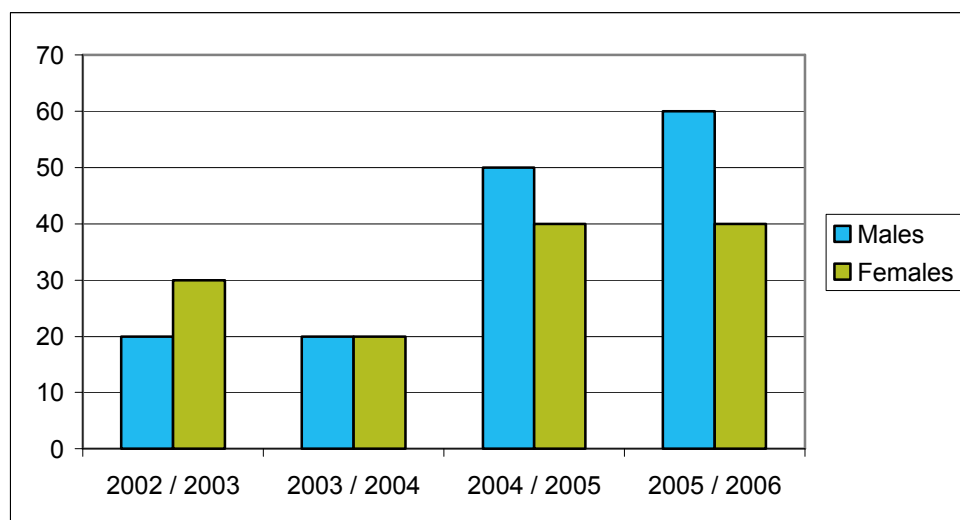
Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

The influx of migrants from the A8 States to Shetland, post EU expansion, is clearly evident. From 2004/05 to 2006/07, three in every four NINo registrations in Shetland to non-UK nationals have been to incomers from one of the eight East European accession states. This proportion is greater than the proportion of A8 nationals registering in Scotland overall, where one in every two NINo registrations to non-UK nationals was for those from the accession states.

Figure 11 Country of Origin of NINo Registrations for overseas nationals to the Shetland Islands 2002/03 to 2006/07
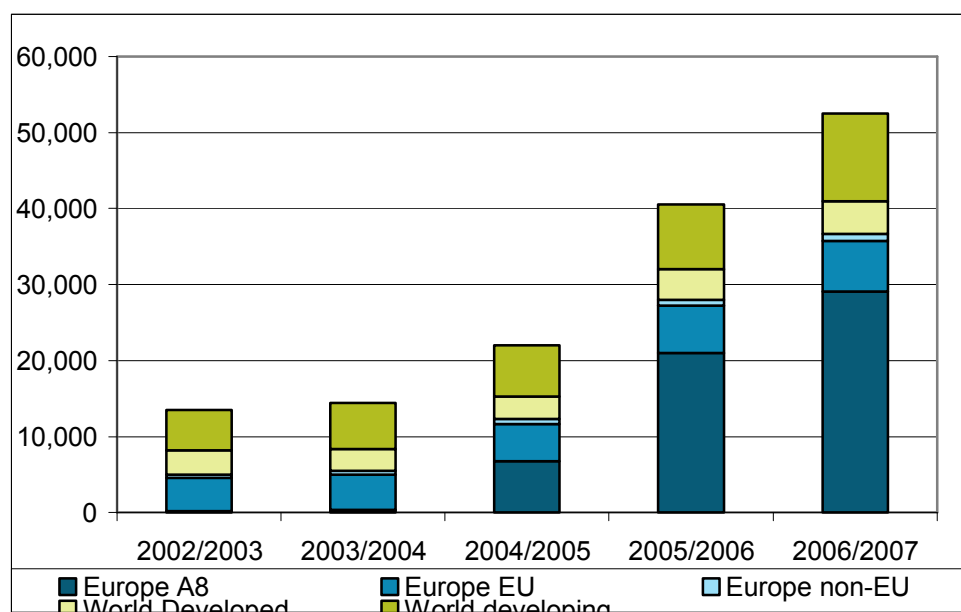
Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

3.2 Changes by locality

As outlined previously, one significant feature of population change across the Shetland Islands has been the shifting patterns of demand identified through different data sources. We have looked at information from our survey as well as data from school rolls, NHS registrations and housing completions to try to model what drives these patterns. These are also supported by interviews with service providers and other stakeholders.

Broadly there has been a shift in overall population from outlying areas (particularly the North Isles of Yell, Unst and Fetlar) to the areas within commuting distance of Lerwick. However reviewing the data suggests there are more subtle differences in these patterns perhaps related to age and economic situation. Overall the population has seen a slight increase of 1% over this time period with the biggest increases taking place in the South and Central parts of Mainland. There were also moderate population increases in the North and West Mainland and on Whalsay. However there have been population declines in the North Isles and in Lerwick and Bressay. The latter is likely to be due to limited sites for new housing within the main town which has led to major house-building focusing on the Cunningsburgh/ Quarff area and in Scalloway. However the population decline in the North Isles is fuelled by out-migration underpinned by limited job opportunities.

Figure 12 Estimated population change 2001 to 2007 by area
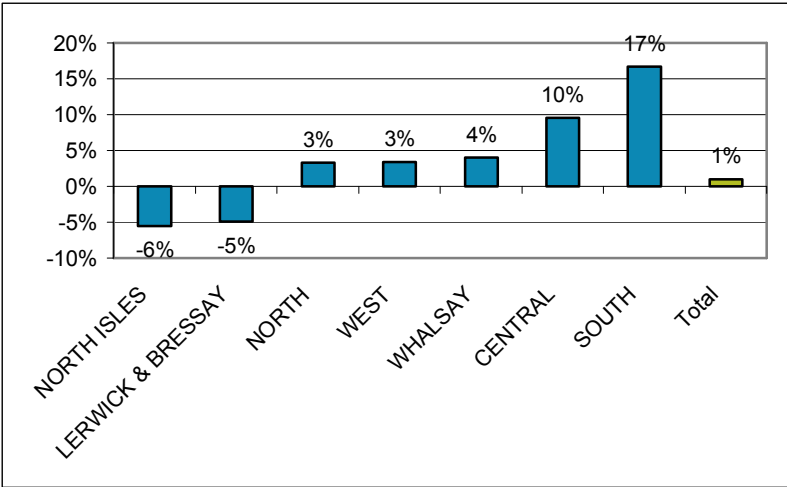
These population shifts have had an impact on the primary school rolls within different areas as Figure 13 shows. For example the primary school rolls in Lerwick have dropped by around 155 since 2001 suggesting that families with young children have been moving out. And in the North Isles there has been a drop of a third in the number of children at primary school. Whalsay & Skerries is the only service planning area that has seen an increase in the numbers of primary age children since 2001. This increase is due to Whalsay rather than Skerries where the roll has dropped from 4 to 3 children. However the overall pattern of declining rolls suggests that those moving to other parts of the Mainland are either older families or those without children.

Figure 13 Change in Primary School rolls 2001 to 2007
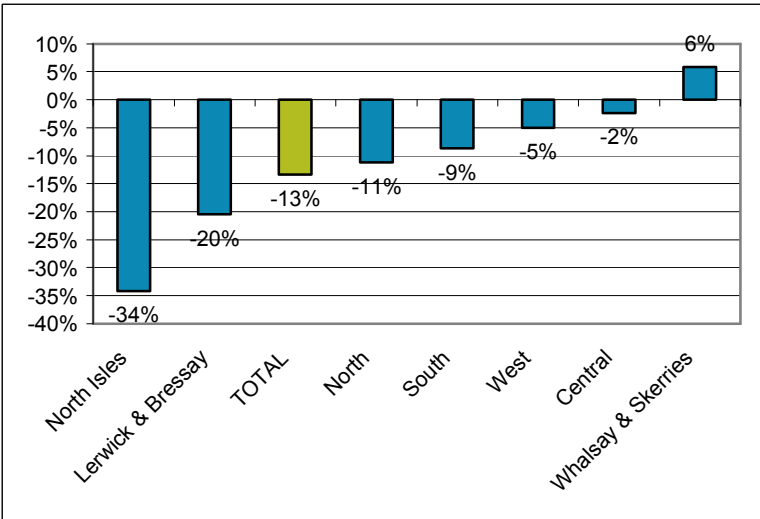
The age patterns of population changes identified through NHS registrations suggest that people of working age are moving mainly into the South and Central areas of Mainland. This is supported by both anecdotal evidence from our interviews and recent house-building data. However there appears to be a higher proportion of older people moving into the North and West of Mainland and an ageing profile

among the existing population as Figure 14 shows. However the South has also seen a significant increase in the number of elderly people in the population. In Whalsay there are less significant changes to the working age population but a major increase in the number of older people. This suggests the population here is stable but ageing.

Figure 14 Population changes 2001 to 2007 by Service Planning area
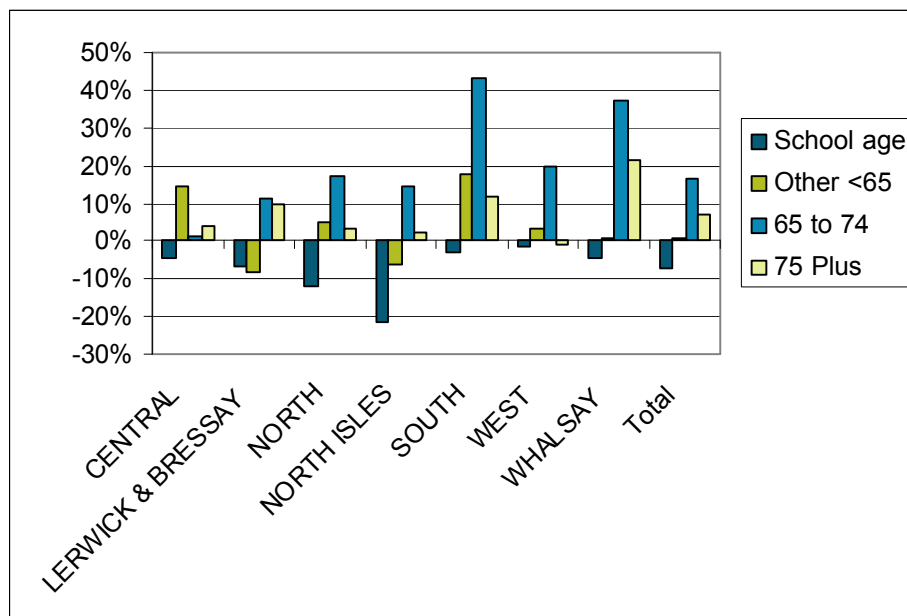
Source: SCROL, 2001 census data, NHS registrations and school rolls (SIC)

Figure 15 clearly shows that a significant increase in house-building in the South Mainland area has underpinned the population increases identified. Although the house-building rate on the North Isles also increased, the numbers involved are very small and variable. In all the other areas apart from the North Mainland there was a decrease in building activity.

Figure 15 Changes in housing completions 2001-2007 (3-year rolling averages)
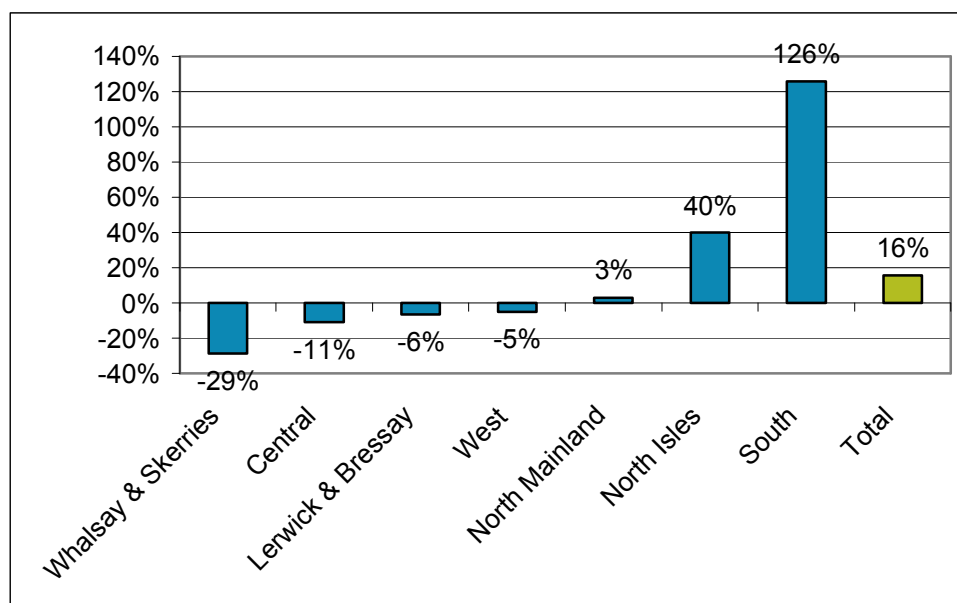
Source: Shetland Islands Council Planning 2007

It is estimated that over 30% of Shetland's population lives in Lerwick (SIC, 2006a, p.11), which is the main service centre and where most public administration is delivered from. And some 59% of Shetland's jobs are located in the capital (Community Profile, Lerwick & Bressay). The trend towards a centralised population in Lerwick, and in communities within a 15-20 minutes commute to Lerwick, is set to continue (Central Mainland Community Profile). Population projections indicate a significant decline by the year 2011 in all Shetland communities, except Lerwick and the villages within easy commuting distance to Lerwick (SIC, 2000). This suggests a further centralisation of population, which is seen as a threat to sustaining local services, such as schools and shops, in more remote areas (SIC, 2000).

3.3 Emerging trends

Our research points to several factors which are set to become more prominent over the next ten years and are outlined below.

Lifestyle migration to increase as a share of in-migrants

Stakeholders are concerned with the declining employment opportunities at Sullom Voe. Since 2001, employment has declined from over 1,000 employees to 712 in 2006. Some stakeholders felt that this decline in economic opportunities in the oil industry may lead to lifestyle in-migration becoming more important and mean a change in the overall makeup and motivations of in-migrants.

Future supply of economic in-migrants uncertain

The future of the supply of migrant workers is uncertain. Currently tightening immigration legislation is set to increase the barriers to in-migration and this is likely to have a greater impact on more peripheral parts of the country. Also, the economic climate in the UK is not as attractive as it was in 2004-6 after A8 accession. UK Treasury growth forecasts for 2008 are 1.75-2.25%. This sharply

contrasts with projections for the countries where Shetland's international in-migrants have come from:

o   Poland - 5.5%
o   Latvia – 5.8%
o   Lithuania - 6.5%

An improving economic climate in these countries may encourage workers to return to their native countries.

Continuing movement of population towards Greater Lerwick

A movement of population towards "Greater Lerwick" is clearly evident with population declines in peripheral areas like the North Isles – where 6 out of 10 of those born or reared there have left (HA Survey 2007). However, almost 70% of these North Island out-migrants are now living on the Shetland Mainland.

Decline in peripheral areas is also closely linked to economic opportunities. For example, the loss of associated employment opportunities at RAF Saxaford led to a significant drop in the North Isles population. Overall, there has been a decrease in employment opportunities in peripheral areas and this is explored in the next chapter.

Figure 16 (should be read from left to right) shows this movement in greater detail, highlighting:

o   The loss of those who were born or brought up in peripheral areas to the Central and Lerwick & Bressay areas as adults; and
o   The importance of in-migration in maintaining population numbers generally but particularly in the North Isles and North and West Mainland.

While areas like the North Isles and the South Mainland appear equally reliant on in-migrants form outside the Islands, anecdotal evidence highlights that in-migration in peripheral areas like the North Isles is more likely to be by older people.

Figure 16 Changes in population by locality

Figure 16 Changes in population by locality

People in these areas went to or came from (rows = where born/brought up; Out = orange, In = green)

	North Isles	North Mainland	Whalsey & Skerries	West Mainland	Central	Lerwick & Bressay	South	UK & Int.
North Isles	38% born/reared there remain	Out 6-10% / In 0%	1-5% / 1-5%	1-5% / 1-5%	11-15% / 1-5%	16-20% / 1-5%	1-5% / 1-5%	1-5% / In 46-50%
North Mainland	0% / 6-10%	50% born/reared there remain	0%	1-5% / 1-5%	6-10% / 1-5%	11-15% / 6-10%	1-5% / 1-5%	21-25% / In 46-50%
Whalsey & Skerries	1-5% / 1-5%	1-5% / 0%	44% born/reared there remain	1-5% / 0%	6-10% / 1-5%	26-30% / 11-15%	1-5%	6-10% / In 31-35%
West Mainland	1-5%	6-10% / 1-5%	0%	37% born/reared there remain	16-20% / 1-5%	16-20% / 6-10%	1-5% / 1-5%	11-15% / In 46-50%
Central	1-5% / 1-5%	1-5% / 1-5%	1-5% / 1-5%	1-5% / 1-5%	37% born/reared there remain	21-25% / 16-20%	1-5% / 1-5%	26-30% / In 41-45%
Lerwick & Bressay	1-5% / 1-5%	1-5% / 1-5%	1-5% / 1-5%	1-5% / 1-5%	11-15% / 6-10%	44% born/reared there remain	6-10% / 1-5%	26-30% / In 26-30%
South	1-5% / 1-5%	1-5% / 1-5%	0% / 1-5%	1-5% / 1-5%	1-5% / 0%	11-15% / 11-15%	47% born/reared there remain	26-30% / In 51-55%

Diagram shows locality where those born and brought up on the left hand side. Red arrows highlight the loss of these people and to where. The green arrow shows who is replacing them and where they are coming from.
For example, the North Isles lost 16-20% of people who were born or brought up there, to Lerwick & Bressay. 46-50% of its current population have come from the UK and international locations

Legend: % of a locality's children that live there now as adults — Out (orange arrow) — In (green arrow)
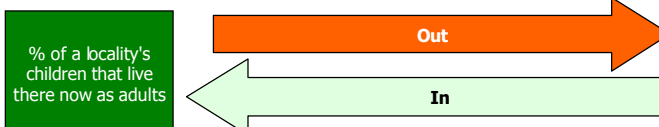
Note: This is based on 1,570 responses by adults of all ages to a web-survey. It should be taken as indicative of their experience rather than as an accurate picture of the whole population

3.4 Conclusions

In the past 20 years, Shetland's population has declined by 3%. Since the 2001 Census there has been a significant rise in the percentage of the population aged over 50. Both these trends are set to continue. This ageing population combined

with out-migration of 20-44 year olds presents a considerable challenge for community planning partners.

International in-migrants, mostly aged 18-34 and from Eastern Europe, have increased in importance, particularly since 2004. However, the future supply of these is at best uncertain. Other in-migrants have tended to be older, particularly those who move to outlying parts of the Islands for quality of life reasons.

There has been a clear shift in overall population from outlying areas (particularly the North Isles of Yell, Unst and Fetlar) to areas within commuting distance of Lerwick. Lerwick itself has lost population – probably as a result of smaller household sizes combined with a shortage of building land. However, the losses in the North Isles are mainly due to out-migration (to the Shetland mainland and beyond) which is driven by limited local economic opportunities. In-migrants of working age are generally settling in areas which are commutable to Lerwick (where 60% of Shetland's jobs are based) such as the Central and South Mainland.

The main brake on this movement towards 'Greater Lerwick' appears to be the availability of land for building on. The South Mainland has seen increases in housing completions as opportunities to develop contract in Lerwick and Central Shetland. While housing completion data in these areas reflects the job opportunities available and downturns reflect land availability, the situation is very different in the North Isles.

While areas like the North Isles have seen a fall in primary school rolls of two thirds, over the past 30 or so years, population loss has been far less dramatic recently (around 6%). This is despite a loss of around 120 FTE jobs in the North Isles. While some residents have out-commuted to work in the Shetland mainland, significant numbers have left the Islands (only 38% of those born there live there now). Older in-migrants with no dependent children have stabilised the population numbers for now – but these provide a challenge to the longer term sustainability of these communities.

This section explores the drivers behind population change including jobs and career issues and infrastructure issues such as housing and transport. It is drawn from the interviews with stakeholders but supported by the review of migration literature and policy documents.

4.1 Drivers of population change

Our interviews with stakeholders identified several key factors that have driven population change historically and continue to influence the population. These can be grouped into:

o   Economic factors

o   Educational Opportunities

o   Level of dependency

o   Housing options

o   Transport and infrastructure

o   Quality of life issues

4.2 Economic factors

Job opportunities

The economy underpins the demand for jobs which in turn drives population change. In the past, booms in population have occurred linked to fishing and the oil industry. Other opportunities have come through the RAF base at Saxaford. However the flip-side of these booms is the negative impact on population when these opportunities subside.

Good jobs on the decrease outside the public sector

One interviewee has suggested the higher skilled professional oil jobs available are already dwindling. Employment survey data (2003 and 2007) supports this and suggests sectorally that between 2003 and 2007 oil terminal employment contracted by 280 FTE jobs (56%). This has broadly affected men and women equally. But there have been decreases outside this in related sectors (and what might be considered good jobs) with business services jobs contracting by around 50 over the same time period (9%).

Since the direct opportunities from oil exploration and processing have started to decline the public sector employment created on the back of it has become more significant. Many interviewees identify a high-level of dependence on publicly funded services and jobs. And these well-paid job opportunities have helped to sustain population levels and attract back some of those who have left the Islands for education.

Gender issues in recent economic changes

The employer survey found that recent employment changes have had a specific gender component. While male full-time jobs increased marginally (by 25 jobs) between 2003 and 2007, female full-time jobs fell by 290.

Construction and the public sector have shown substantial growth in employee jobs. However, only 2 of the 156 additional full-time construction jobs are occupied by females. In contrast, the growth in public administration jobs has resulted in a growth in female employment. Some 580 more women are employed part-time and 94 more full-time in this sector compared to 2003, which would appear to offset similarly sized losses in social work and health jobs.

Catering is the third biggest employment growth sector since 2003 (+101 FTE jobs) and women account for most of these new jobs. This is not usually regarded as a sector that has good retention rates or progression opportunities. While this has helped to offset losses in jobs in business services (50 fewer women working full-time), the quality and attractiveness of these jobs is likely to be far lower to graduates.

Peripheral areas losing jobs

The closure of the RAF base at Saxaford has had a significant impact on the local economy of Unst. The loss of population and job opportunities has been disproportionate. Between 2003 and 2007, it lost 35% of its full-time equivalent jobs.

Other important employers in peripheral areas have also been in decline with, for example, fishing, aquaculture and textiles and crafts having 145 fewer FTE jobs in 2007 compared to 2003. The accommodation sector also has 79 fewer FTE jobs in 2007 compared to 2003. Much of this must be outside Lerwick with Shetland in Statistics (2007) highlighting the number of bedspaces in B&Bs, hostels and hotels outside Lerwick have all fallen significantly over the last ten years.

Whalsay has established itself as the focus for the fishing industry in Shetland. Between 2003 and 2007, full-time equivalent jobs on the Island grew by 77 or around a quarter. Women benefited most from this with female part-time employment increasing from 96 to 147 and full-time employment increasing from 32 to 52. Also, with a strong community and relatively healthy housing market it has managed to retain its population to a greater extent than many other parts of the Islands.

Perhaps related to this is the issue of trying to influence population dispersal through developing growth settlements outside Lerwick. Efforts were made in the past to improve services (in settlements like Brae) by developing more self-contained settlements. One stakeholder identified that the Council previously tried to devolve some jobs to these areas to help support this policy but that this was not very well-resourced and therefore not very successful. While the Council can influence housing development it is the availability of employment opportunities that is the biggest barrier to promoting growth centres outside Lerwick.

Future job opportunities may increasingly be low skilled

The large number of people attracted to the Islands during the Sullom Voe development will soon be moving towards retirement. However it appears their sons and daughters will not have the benefit of similar job opportunities.

With many younger more skilled people leaving the Islands for education many lower skilled jobs are now taken on by migrant workers. Many sectors such as fish-processing and hospitality rely on migrant workers (currently mainly from Eastern Europe) to sustain their workforce. But the continuing supply of these looks, at best, uncertain.

Limited opportunities for women or for both partners in a couple to secure jobs that match their aspirations is becoming an increasing issue. There are several reported

instances of one partner not being able to secure an appropriately skilled job resulting in both partners leaving the Islands.

Education opportunities

Levels of educational attainment in Shetland's schools are very high and because of this a high proportion of school leavers go into higher education. Our focus groups with younger out-migrants identified an expectation for most young people that to succeed they need to move on to university on the Scottish Mainland to complete their education. And this message is put across strongly by teaching staff. The local FE college provides few opportunities to keep more skilled young people in Shetland and focuses on the needs of local employers such as the care sector.

However educational opportunities can also be a positive factor in driving in-migration, with the North Atlantic Fisheries College attracting significant numbers of skilled staff and students to the Islands. The College has also attracted migrant workers. Future courses at Shetland College specialising in knitwear, creative industries and music might also help to attract a wider range of postgraduate and skilled students to live in the Islands.

Dependency

One issue that interviewees have often highlighted is the level of economic dependency that exists on public sector funding and jobs. One senior stakeholder estimated that half of all jobs were either directly or indirectly supported by the Council. The 2007 Employer survey found that 42% of jobs were in public administration, education and health – an increase from 40% in 2003.

Other interviewees thought the level of service provision supported by the Council had edged out private enterprise and undermined the local business base. Some thought that those who wanted to develop an enterprise found it easier to do so outside the Islands. It was also thought the jobs made available from the oil industry and the RAF base had taken people away from traditionally more enterprising sectors such as crofting and fishing. And some skilled fishermen on Whalsay have left the industry to work on the publicly funded ferries to find a more secure income.

The level of local public expenditure and the high levels of service that this has funded have created an expectation of provision that has perhaps stifled personal and community initiative.

4.3 Infrastructure issues

Housing

Housing opportunities are closely associated with the economy and population change. Average household sizes have become much smaller over the past decade and this trend is forecast to continue[1]. This, combined with an increase in holiday or second homes, is making housing more difficult to access for many people. Housing demand has shifted significantly towards the Greater Lerwick area so existing patterns of supply do not always match this. The influx of migrant workers has also put a strain on the private rented sector for housing.

Limited availability of rented housing prevents young people moving back to parts of the Islands where they would like to live. However there is an ongoing debate about

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[1] SIC Housing Market Forecast

whether housing development can promote economic growth or whether housing will simply follow jobs.

Transport & Infrastructure

Transport is particularly important for connecting economically active people to jobs. So transport patterns do influence population levels in different parts of the Islands. Some communities such as Mossbank for example have experienced a high turnover of population because, although there is available housing, public transport does not provide adequate connections to Lerwick for working people. So bus and ferry routes and timings take on greater importance in determining which areas are effectively commutable from Lerwick. Transport is also critical for those seeking to access jobs in the North Isles and North Mainland.

4.4 Social

Quality of Life

Many of the drivers of in-migration relate to the quality of the environment and services available in Shetland. However, several stakeholders highlight that the things which attract people to live there – the environment and safety – tend to attract older households in their 40's or 50's. Most of those who choose to move to Shetland have had several previous visits either as tourists or through having friends or relatives who live in the Islands.

These people are also attracted by the high level of services that are available and the sense of community. Many of these lifestyle in-migrants are financially independent and are not therefore fully economically active. Most have either no dependent children with them or have older children.

4.5 Conclusions

It is clear from our research that employment opportunities are critical to population sustainability. The decline in job opportunities in some of the more peripheral parts of the Islands is accelerating the drift in population towards Lerwick where most services and employment opportunities are focused. It appears that good quality job opportunities are increasingly concentrated in Lerwick and that many of these are within the public sector. Recent changes to the employment pattern across the Islands suggest the overall number of jobs taken by females has decreased and that this has been particularly within the private sector. It is becoming more difficult for both partners in a couple to find suitable job opportunities that match their skills and aspirations.

Shetland's schools provide a high standard of education and there are expectations that pupils will go on to higher education. This means that most qualified young people leave the Islands for education on the Scottish mainland. At the same time employers are experiencing problems in recruiting staff for some lower skilled jobs and are becoming more reliant on migrant workers. This growing mismatch in the labour market needs to be addressed if the economy is to be sustained.

It appears the jobs and services offered by the public sector in Shetland have limited both the motivation and opportunities for private sector enterprise. There is a suggestion that many potential entrepreneurs have had to leave the islands to establish their business. The level of public sector provision may also have inhibited growth in community sector provision which is far less evident than in other parts of the Highlands and Islands. However growth in the private and community sectors

will be necessary to ensure the Shetland economy remains sustainable in the medium term.

Access to housing is an important factor that contributes to population change. The drift of population towards greater Lerwick has resulted in:

o   More properties in outlying areas becoming second or holiday homes; and

o   A pressure for new housing within parts of the Central and South Mainland.

5 Experiences of population change

This section examines the motivations and experiences of four key groups: stayers, out-migrants, in-migrants and returners. It assesses and compares the characteristics of each of these groups and looks at the motivations behind their decision to stay, leave, return or migrate in. It also examines the positive and negative experiences of each of these groups and in particular, those that leave and are unsure they will return. These findings come from a survey of current and past residents and focus groups in the Islands and with those who have left.

Gathering data on motivations and experiences

Our survey was distributed randomly to those living or who had lived in Shetland. While responses are unlikely to be representative of the population as a whole they provide a useful insight into some of the characteristics and motivations of different groups. Further insights were gained through a series of focus groups with Islanders and those who were brought up in Shetland and now live in the Central Belt.

Characteristics of stayers, out-migrants, in-migrants and returners

Figure 17 shows the age range of respondents within the different sub-groups. Noticeable features include:

o The younger age profile of out-migrants, with the highest proportion under 44; and

o The heavily weighted age range of in-migrants towards the 45+ age bracket.

Figure 17 Age profile of different groups
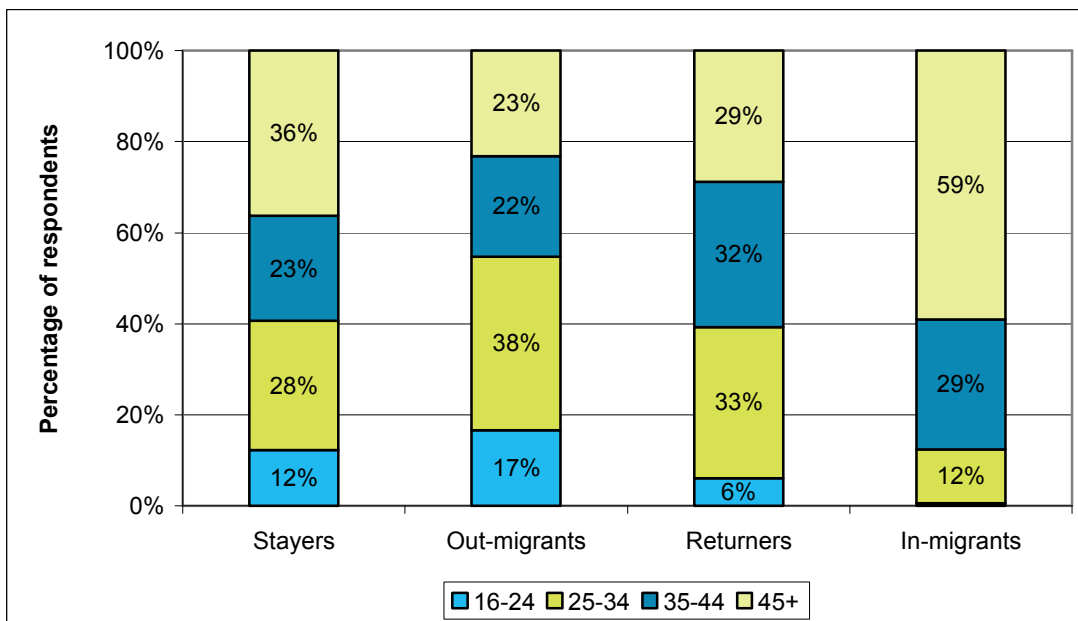
Source: Hall Aitken e-survey 2007, n=1,357

Figure 18 Family and work characteristics of the groups (25-44 age group)

	Stayers	Out-migrants	Returners	In-migrants
dependent children	54%	30%	48%	60%
qualifications to degree or above	14%	60%	62%	60%

occupation

Stayers: Manager/Senior 26%, Associate Professional 12%, Administration 31%

Out-migrants: Manager/Senior 59%, Associate Professional 15%, Administration 10%

Returners: Manager/Senior 64%, Associate Professional 6%, Administration 14%

In-migrants: Manager/Senior 68%, Associate Professional 11%, Administration 1%

| **self employment rate** | 3.3% | 8.9% | 3.8% | 4.8% |

Source: Hall Aitken e-survey, Stayers, n=152, Out-migrants, n=100, Incomer, n=188, Returners, n=212

As these groups were at different life stages and their characteristics (work, family etc) were likely to reflect this, we examined several characteristics for the 25-44 age group. We chose this age group to give a comparison among the key working age

populations while including a sufficient number within each sub-group. Figure 18 shows some of the specific characteristics in each of the categories.

There are notable differences in the personal characteristics of these stayers, out-migrants, returners and in-migrants when comparing 25-44 year olds. In-migrants and returners are more likely to have higher qualifications and higher skilled jobs than stayers which backs up findings from other strands of our research.

In-migrants were most likely to be working as professionals or senior managers, with 68% of respondents identifying these occupations. And the proportion of returners with higher level occupations was also high at 64% suggesting that the availability of good quality and well-paid jobs is a key driver for in-migrants and returners.

There are also higher self-employment rates among out-migrants, almost twice that of Shetland-based groups. This suggests there is some basis for the view that those wishing to set up a business often do so outside Shetland.

There are lower proportions of out-migrants with dependent children compared to Shetland-based groups. This perhaps points to the presence of children (or the desire to start a family) as a factor in returning or migrating to Shetland. In-migrants in our survey were more likely to have dependent children than returners – although this may be simply a factor of the age profile within this group.

5.1 Stayers' motivations and experiences

Stayers motivations

Just over half (51%) of stayers have considered leaving at some stage. Around a tenth (11%) of this group have not made up their minds about whether to leave or stay. Around 6% of stayers feel they will probably or definitely leave.

Motivations to stay appear closely related to quality of life and family considerations. Although based on relatively small groups the survey results give some pointers to motivations. Figure 19 shows the most influential factors identified in helping individuals in their decision to stay and these were:

o   A safe environment;
o   Being able to be close to family;
o   Raising a family; and
o   A natural environment.

For those that considered leaving but decided to stay, family and relationships were crucial with decisions shaded by:

o   Meeting someone- a partner;
o   Caring for someone – a parent or relative being ill at the time of the decision; and
o   Considering starting a family – having children or about to have children and believe that Shetland is a better environment for them.

This was supported by several focus group participants who identified that many of those who did not leave were looking to start a family rather than leave the islands to pursue a career.

Figure 19 How important were the following factors in influencing your decision to stay in the Shetland Islands?
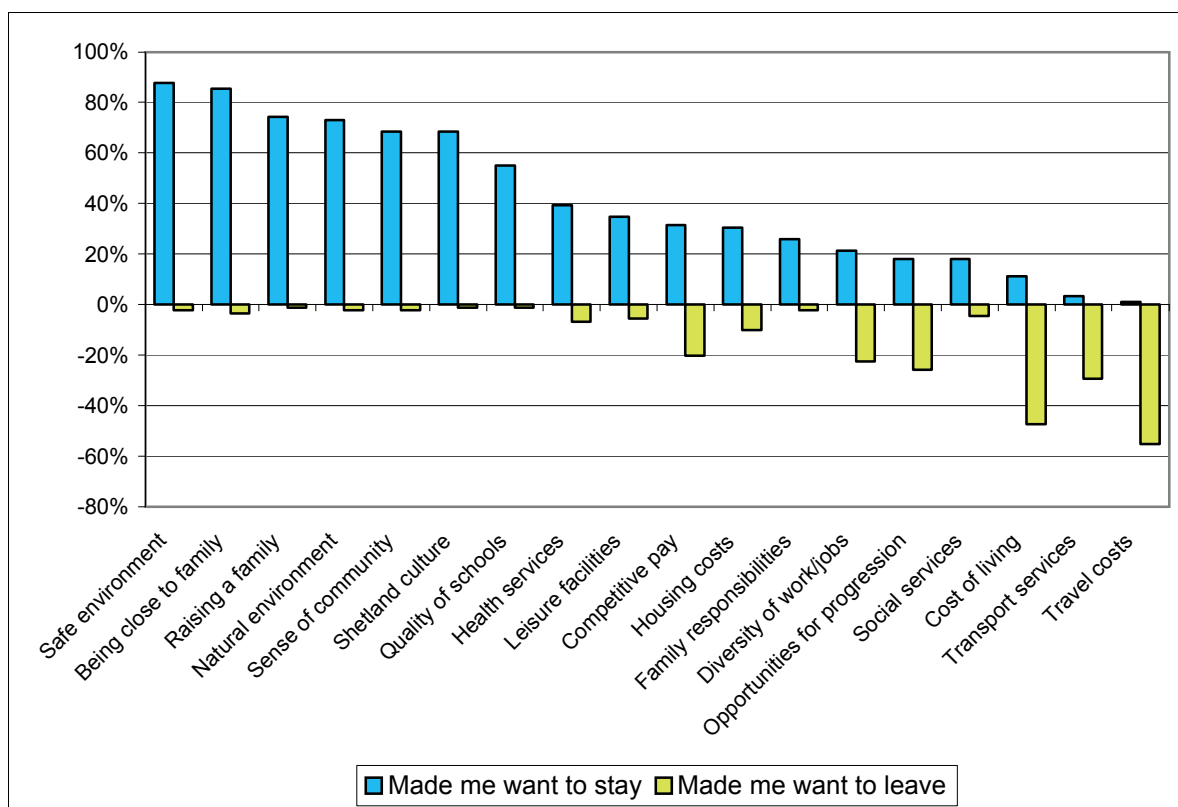
Stayers: jobs and careers

Figure 20 shows how those who considered leaving and stayed and those considering leaving now view job and career issues. It shows that diversity of work and opportunities to progress are more important issues for those who are considering leaving now. This reflects many factors, not least that those that do leave may be more likely to place a higher priority on work and careers. But it may also reflect a recent decline in quality/choice of jobs.

Competitive pay is less of an issue for those considering leaving now compared to issues of diversity and progression opportunities. This perhaps confirms what the Glasgow focus group perceived as the "catch 22" situation of working in Shetland – the pay is good but the choice of work is limited.

Figure 20 Aspects of career that made stayers want to leave or stay

Made/makes me want to stay

Diversity of work: 21% (Considered leaving but stayed), 2% (Considering leaving now)
Competitive pay: 28% (Considered leaving but stayed), 16% (Considering leaving now)
Opportunities for progression: 16% (Considered leaving but stayed), 7% (Considering leaving now)
Diversity of work: -22% (Considered leaving but stayed), -56% (Considering leaving now)
Competitive pay: -18% (Considered leaving but stayed), -28% (Considering leaving now)
Opportunities for progression: -25% (Considered leaving but stayed), -58% (Considering leaving now)

Made/makes me want to leave

Legend: Considered leaving but stayed / Considering leaving now

Source: Hall Aitken e-survey, n=100 considered leaving but stayed and 57 considering leaving now

Stayers: views on transport

For those who are considering leaving now, transport featured prominently in comments:

o The desire for greater and cheaper mobility that comes from living on the mainland – such as being closer to children who have left and being able to travel abroad cheaply; and

o Difficulties in public transport generally within Shetland.

Stayers: views on housing

Housing appeared to be less of an issue for stayers responding to the survey and, if anything, was a motivating factor to remain in Shetland. Similar proportions of those who decided to stay and those who were considering leaving (30%) felt it was a factor which made them want to stay. Only one in ten (10%) felt it was a factor that made them want to leave.

This may reflect some discussion at one focus group. Participants noted that those that do stay may be in a better position to inherit, own or build a home than in-migrants or returners. Also, they may have built up savings through having a reduced cost of living in their parental home. This perhaps highlights how important access to housing is in trying to retain people on the Islands.

Stayers: views on education, health and services

The views of those deciding to stay and those who were considering leaving on public services were generally positive. Those that are considering leaving now are more likely to cite Shetland's public service as a positive aspect than those who

considered leaving but decided to stay. The negativity attached by stayers (who have or are considering leaving) to some of the public services seems to be around:

- o Lack of specialist services in health and difficulties in getting appointments at health centres and with dentists;
- o Young people not having enough to do; and
- o related concerns about drugs and alcohol misuse.

The concerns for more activities for teenagers appears to be related to concerns over alcohol and drugs so young people are not "hanging around the street drinking" or being exposed to an "influx of heroin". One young stayer (Lerwick, 18) felt that:

'The 16-18 age group get bored. For them, it's the worst living in Shetland, there's nothing for them to do (other participants agree). There's a huge underage drinking culture and they get excluded from events. It's a critical age, when decisions are made about leaving, staying and even returning.'

While the sports facilities and music culture are regarded as vibrant, some respondents felt that if young people were not interested in 'music and sports', then they would perhaps feel left out.

Stayers views on Island life

The "Shetland culture" was seen as a positive influence on the decisions of six in ten who considered leaving but decided to stay and a similar proportion of those considering leaving. Sense of community was also cited as a positive influence by similar proportions of those who decided to stay (65%). But only around half of those who are considering leaving now felt it was a positive influence on their decision.

5.2 Out-migrants' motivations and experiences

The out-migrants group who responded to the survey were largely over 25 with 60% aged 25- 44. A majority of those who left Shetland are in employment (71%) and either have or are working towards a degree, postgraduate qualification or professional qualification (70%). A smaller proportion of out-migrants are in full-time further or higher education and just under 10% are self-employed.

Out-migrants - Motivations

A fifth of out-migrants wanted to stay but felt they had to leave, while for around four in ten it was 'a hard decision' and for a further four in ten, they had always planned to leave. Between a quarter and a third of out-migrants identified health, leisure, social services and housing as factors that made them want to stay.

The focus group of individuals who have left Shetland were a mix of incomers who have left again and people born and brought up in Shetland. The younger ones among the latter group left to go to university and graduated in the last few years. Some graduates had gone back to live in Shetland again after they completed their degree. But they left again for different reasons – either their partner didn't like living in Shetland or they left for better job opportunities. All of them could imagine living in Shetland again.

Two of the focus group participants were not originally from Shetland but moved there for their jobs – a Church post and a job with a Government agency. The natural environment was a key driver for these decisions.

All out-migrants feel deeply rooted in Shetland and several have kept their houses there so they can go back on holidays there or one day move back.

Jobs and education

Figure 21 shows the most common motivations given by out-migrants for leaving and those for people who eventually return. For out-migrants these were:

o Opportunities for career progression;

o Diversity of work available; and

o Mainland lifestyle

also shows the most commonly cited factors for out-migrants differ from those for returners.

Figure 21 Factors that made out-migrants, and returners (when they first left) want to leave Shetland
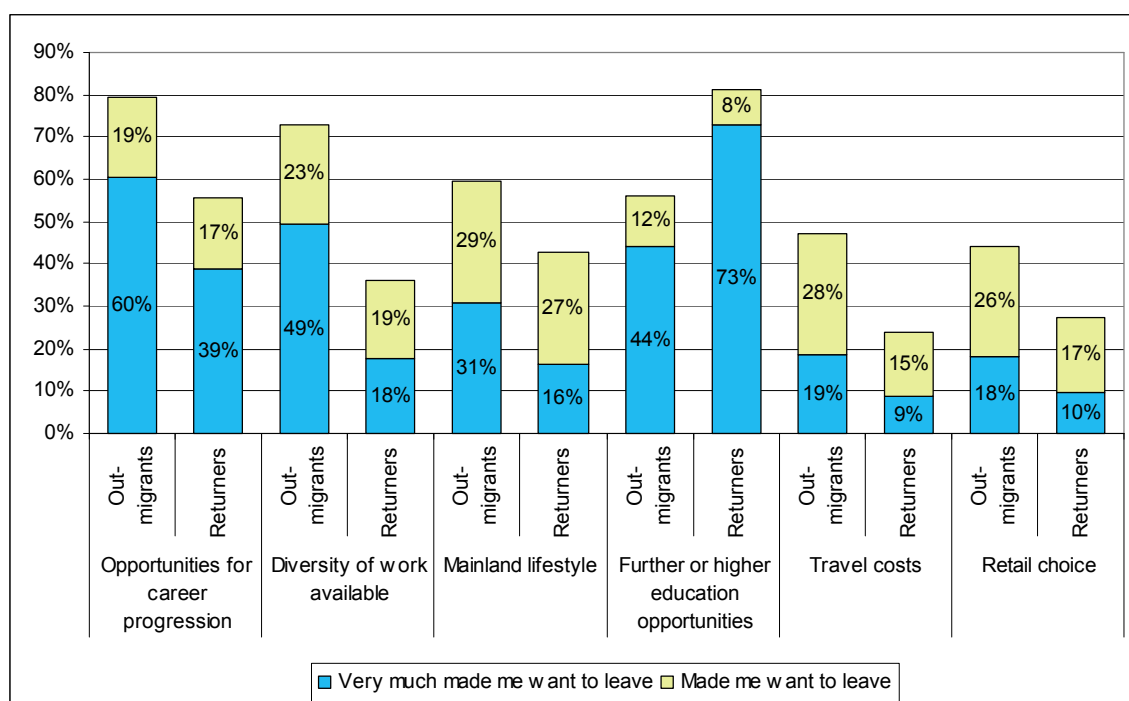
Source: Hall Aitken e-survey. Returners, n=286. Out-migrants, n=166.

Clearly greater proportions of out-migrants feel that opportunities for career progression and diversity of work made them want to leave compared to those who leave and return. This may reflect that those that do return leave Shetland viewing further or higher education as a means of returning.

Those that remain away from the Islands are also more likely to identify the Mainland lifestyle as a motivating factor for leaving (60% compared with 43%).

Job availability was also a feature of out-migrant survey respondents' comments. One typical response was:

'I am a qualified medicinal chemist. There are very few jobs for people with science degrees. I loved living in Shetland but I cannot have a career there. I also did not feel I would live at home permanently after I graduated.' (Female, 23'

Six of the nine Glasgow focus group participants had worked in Shetland as adults after university. One female out-migrant in the focus group had moved to the central

belt from Shetland as the company she worked for had closed down and she felt that she had to move to find employment. And another woman brought her family to the mainland as there was no opportunity for a promoted position in her organisation on Shetland.

In the survey, greater proportions of female out-migrants compared to men felt that opportunities for career progression made them want to leave. Figure 22 shows that 88% of female out-migrants felt this was a factor compared with 83% among males. Females were also slightly more likely to identify mainland lifestyle as an influencing factor than males.

Figure 22 Factors that made out-migrants aged 16-44 want to leave Shetland (by gender)
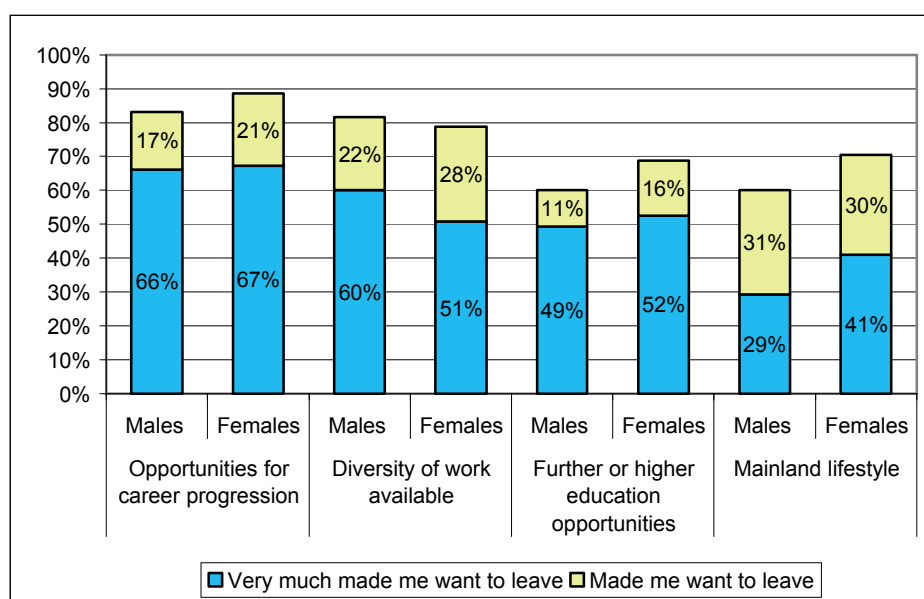
Source: Hall Aitken e-survey, n=61

This was an issue raised at our Glasgow group where there was some agreement among mid-twenties females that Shetland was good for pay but less good for careers and progression.

In the survey, a lower proportion of out-migrants cited "further or higher education opportunities" compared to returners. Participants in the Glasgow focus group felt that leaving for university was encouraged by teachers and schools but there was no discussion of other options. Participants criticised this aspect and agreed that 'nobody asks you what you would like to do'. This may explain that those who do return may be more likely see leaving for higher education as an inevitability but followed by a return.

Relationships that push and pull

The role of partners was important with this highlighted by both focus group participants and survey respondents. And job opportunities for partners were also important. The following reason for leaving is a typical example:

'I married someone from the Scottish mainland and due to the type of work he did, at that time he would not have been able to continue to work in Shetland'. (Female, 52)

The ability to visit family members was another important factor. One Lerwick participant left partly because of work but also because his grown up children were living on the mainland. This was not uncommon with even one stayer highlighting

that they had hired a holiday home for Christmas on the mainland so the family could spend the holiday period together.

Out-migrants - Likelihood to return

Only one in five respondents who left Shetland is planning to move back, and for two out of five it is either unlikely or they already know they will not return. As Figure 23 shows, out-migrants from Shetland seem less likely to consider returning than those from the Outer Hebrides – where 27% think they will return. The rest – just under 40% - are thinking about it or it is a possibility.

Figure 23 How likely are you to return to the Shetland Islands to live – all out-migrants.
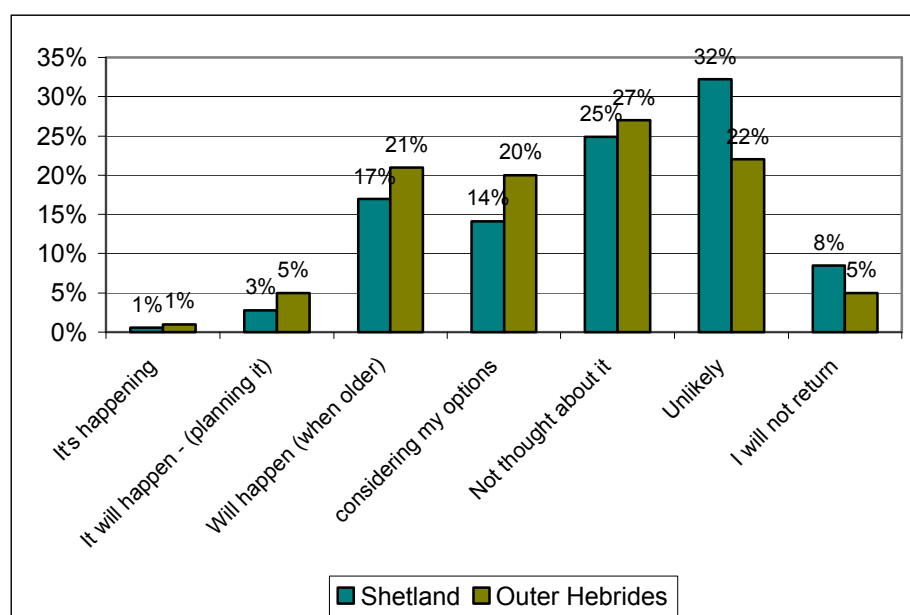
Source: Hall Aitken e-survey, all out-migrants, n=175, Outer Hebrides Migration Study

Out-migrants – views on Shetland jobs and careers

Women in the Glasgow-based focus group felt broadly that jobs available were male orientated. There was a perception that senior jobs in particular were male dominated but this was refuted by one recent out-migrant and there was some agreement that some women were in significant well-paid positions. Overall, participants felt that choice and movement were limited with one explanation being that 'people in higher posts don't move on to create an opening'.

Other perceptions of jobs in Shetland were that people were often underemployed and were prepared to take a secure job well below their capacity in order to return. These people were likely to be those who placed a secure environment and strength of communities above career progression opportunities – and are perhaps less likely to be risk-takers.

Out-migrants – views on Shetland housing

Three of the Glasgow group participants still owned houses in Shetland, two of which were second/ holiday homes (the other being rented out). There was an agreed perception that Shetland was getting 'built-up' and this was seen as a show of confidence in the Islands.

However participants considered that it was easier for those with access to land or family houses to return to the Islands than those who did not. So lack of access to housing was seen as a barrier to a potential return.

Out-migrants – views on Shetland transport

Around 18% of out-migrants in the survey cited transport costs as 'very much making them want to leave'. Focus group participants agreed that travel costs were among the biggest drawbacks of living in Shetland and that it was often cheaper to travel abroad than to go Shetland. The air discount scheme did seem to help some participants but affordable fares required extensive planning ahead.

Lower ferry costs (as will be available in the Outer Hebrides from October 2008) were seen as an important next step.

Out-migrants – views on Shetland services

Focus group participants generally agreed that:

o Schools are of good quality where pupils get a very high standard of education;
o Leisure facilities are also good; but
o There was a lack of activities for 16-18-year olds – which perhaps results in a more noticeable drinking culture.

They tended to compare these to the UK mainland and felt that services like education were better. One out-migrant working as a social worker felt that care services were significantly better in Shetland compared to the standards she had come across in the Central Belt.

Out-migrants – views on Shetland community and Island life

Focus group participants felt that Island life would offer them:

o An excellent natural environment; and
o An opportunity to be close to their family.

They also felt a strong sense of belonging, which was perhaps even greater than for those who lived in Shetland. Culture, music and creative industries were also seen as bringing confidence to the islands. However, they felt these were threatened by an ageing population and an uncertain future economically.

Negative aspects of living on the islands included issues common to small communities – difficulties in maintaining privacy and a perceived conservative environment. Alcohol and an 'alcohol culture' were highlighted as issues as well as a perceived growth in a 'drugs culture'. However the extent to which these issues are any different in Shetland is difficult to say.

5.3 Returners' motivations and experiences

Returners – leaving Shetland

For more than eight out of ten returners, further or higher education opportunities were one of the main reasons they left Shetland in the first place, with opportunities for career progression also important. Figure 24 shows these factors were by far the most significant. However four out of ten identified the mainland lifestyle as a factor and around a third identified diversity of jobs available. Other factors cited included the role of partners, and also a 'desire to travel and see the world'.

Figure 24 How important were the following factors in influencing your decision to leave?
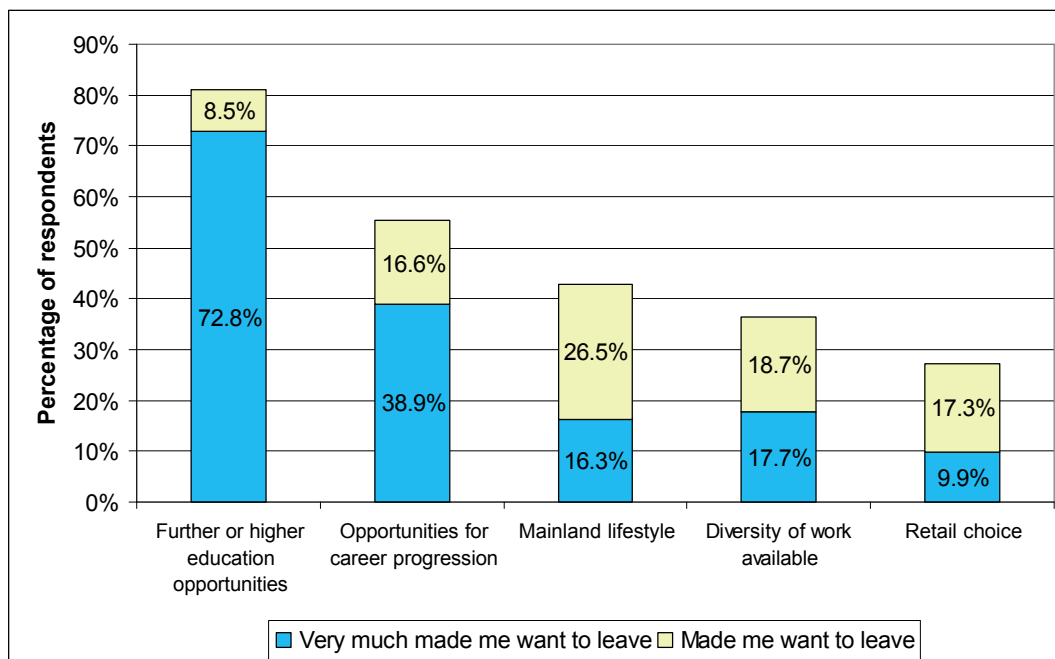
Source: Hall Aitken e-survey, n=283

All returners at our focus groups except one had left to go to college or university (mainly Aberdeen or Edinburgh). Three were women and three were men and were a mix of people who had left and returned in the 1980s, 1990s and 2000s. One had moved away because of his father's job when he was younger.

Just over half of returners in the survey (54%) came back aged 24 or less while another third returned aged 25 to 34.

Returners – motivations to come back

The main drivers for their return centred on:

o   Being close to family;

o   A love of island life, an 'affinity' with its sense of community; and

o   Suitable employment opportunities.

Returners described their historic links with the Islands ('mum's family go back for generations' – Yell returner) and spoke positively of the standard of education they received. Most commonly, people in both the focus groups and the survey commented on motivations around family and relationships.

Figure 25 compares what people who returned thought were 'an essential factor' in their return with what potential returners consider to be 'an essential factor' in a prospective decision to return. For those that have returned, being close to family was important for over half with considerations around the social environment and raising a family also an important factor.

Figure 25 Motivations to return (actual and potential)
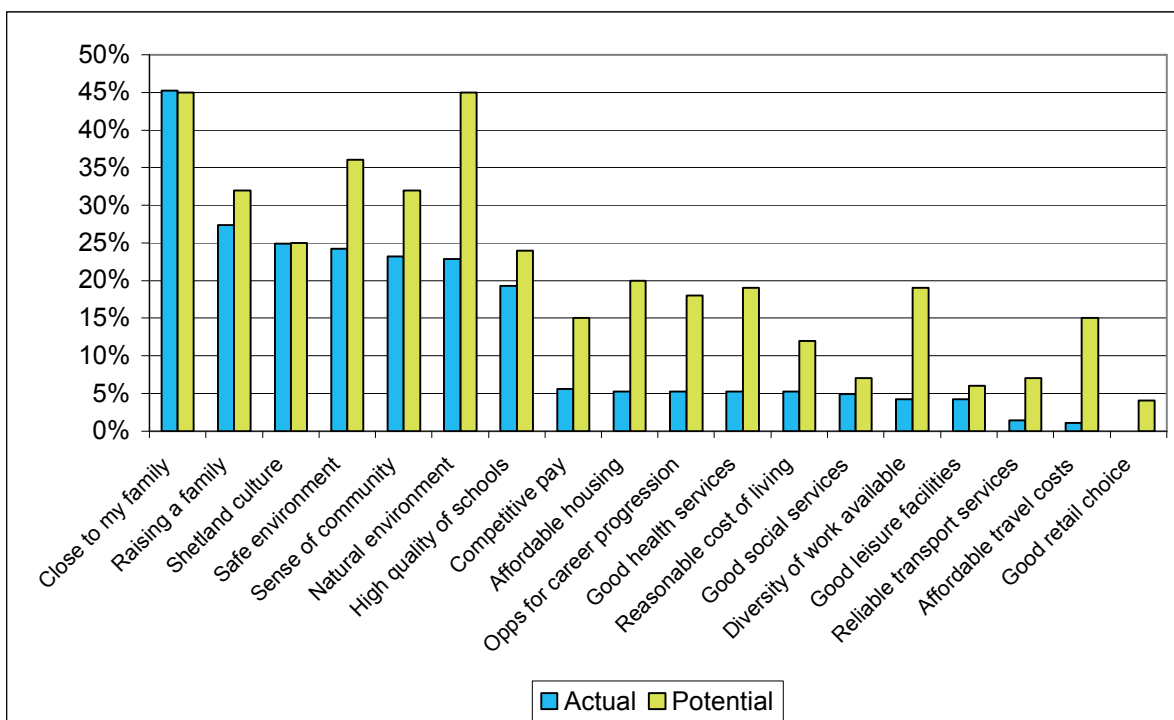
- 195 -

But for some returners, the choice to move back is not arbitrary with some having to fulfil family duties ("tied to family croft", "family business", "mothers death") while other survey respondents stated that they had no choice because of issues around student debt, accommodation and so on.

Potential returners

Comparing actual returners to those who are considering returning, these 'potential returners' had different 'essentials' for any move back to Shetland. A greater proportion of 'potential returners' put an emphasis on:

o *A safe and natural place* - Similar proportions cited being close to family as essential but Shetland's natural and safe environment were cited by higher proportions as 'must haves' in any move home;

o *A place where careers are possible* - A higher proportion considered opportunities for Career progression, diversity of work and competitive pay as 'must haves' in any move home; and

o *An affordable place* – a greater proportion of potential returners felt that affordable housing and affordable travel as 'must haves' in any move home.

Returners – views on jobs and careers

The returners attending the focus groups already had employment when they returned. However, there was an issue raised about returning in that even if one person has a job, a partner might not have secured one. Returners (as well as in-migrants) highlighted that friends are moving back to Shetland as 'one job couples'. Returners in the Lerwick focus group felt that it was a necessity 'everywhere' that both partners had to work but agreed the opportunities for women were limited and not always suitable or desirable.

The difficulty of finding suitable work for a partner was highlighted by one Lerwick returner:

'I had wanted to come back earlier but my husband could not get a job (trained in broadcast engineering). But when he saw a job as a supervisor in Sullom Voe, he just went for it. It was just a spur of the moment decision.'

One returner in the North Isles had set up his own business and had done so both to pursue his own specialism locally but also, he felt 'to try and change the image of the Islands as being just Sheep'. He had found this challenging as he felt there needed to be a greater 'entrepreneurial mindset' in the Islands'.

Returners – views on transport

Access to transport was identified by focus group participants as an important factor - mainly related to accessing employment opportunities within the Islands. The necessity of car ownership, price of petrol, public transport timetabling within Shetland and the cost of getting to and from Shetland all came up as issues both in the focus groups and in qualitative responses to the survey.

The North Isles businessman felt that getting off Island was expensive and getting to the point where he could get off-Island to a meeting in Glasgow (Sumburgh for 7.30am) required an overnight stay on the Shetland mainland. A West Mainland returner felt that broadband (which was available if somewhat unreliable) offered the opportunity to reduce the need for travel. However, since she worked in project management, it required her to be on-site most days (40 miles away, half on single track roads).

Returners – views on housing

Lerwick returners felt that housing was a crucial issue with 'rents extortionate' and buying now 'too expensive' with one returner also feeling it was more difficult to get a mortgage now. Other participants agreed that these were issues and that young families were likely to be worst affected. However, the returners appeared able to sort out housing through family and friends – something they acknowledged would not be available to in-migrants.

Housing was also felt to be a significant issue in the North Isles, with the business owner feeling that sourcing housing for workers was an extra distraction that he did not need for his new business. Generally, participants felt that housing was available (for example, MoD housing) but was being released slowly to prevent the housing market bottoming out. This was accepted as a necessary precaution as 'equity is the basis for an awful lot of businesses'. However, the standard of rented housing was seen to be low and 'insecure' – a returner in the North Isles highlighted how a teacher moved there for a year and had to change houses three times.

A West Mainland returner felt that North Roe was in decline as not many new houses were being built and little turnover perceived in local housing ("1 or 2 sales in the past few years" and "all 6 council units are full"). Her brother had wanted to move back there, but neither this nor her experience was encouraging him:

'I lived in rented accommodation for 7 years. We had planned to only do that for one year but it took us much longer to make a decision and find something we wanted which we did after four years. But the planning process took nearly 3 years and the cost of house building has doubled. If we'd known the process would take so long...'

Returners – views on education, health and other services

Health services were regarded as good in comparison to other areas and returners drew on their experiences elsewhere (for example, Aberdeen and Edinburgh). However, the availability of dentists was raised as problematic by several participants. Some survey respondents also found it difficult to get health appointments in Lerwick.

Returners also felt that schooling was of a very good standard in Shetland and this was also supported by views from those who had left the Islands. But the issue of school closures due to low numbers of pupils was becoming more prominent.

There were concerns over facilities for young people generally outside of leisure centres and sport among returners in the survey, again with alcohol/ drugs cited as possible issues.

5.4 In-migrants' motivations and experiences

Shetland's quality of life is a major motivating factor for in-migrants. shows the factors which attracted in-migrants but also the factors which put them off moving to Shetland. More than eight out of ten in-migrants stated the natural environment was a major factor in influencing their decision to move to Shetland. Other factors such as a perceived safe environment and a sense of community also ranked highly. While quality of life factors ranked highly in motivating factors, around four in ten in-migrants rated travel costs negatively. Other practical factors around retail, transport services and to a lesser extent, the diversity of work available, put in-migrants off moving to Shetland.

Figure 26 Factors that made in-migrants want to move/stay away from Shetland
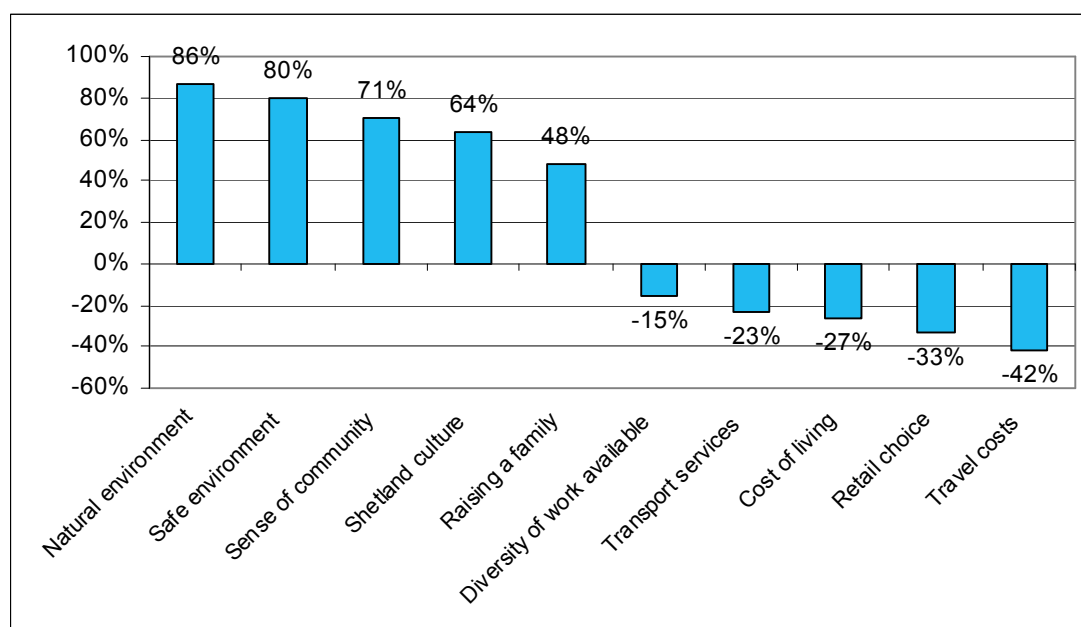
Source: Hall Aitken e-survey, n= 425 (Count consists of made me want to/very much made me want to move there versus made me want to/very much made me want to stay away)

Our focus groups included 6 female and 3 male in-migrants. Five of the group had moved to Shetland since 2000 and were living in Lerwick, South, Central and North

Mainland and in the North Isles. The age range of this group was from early twenties to their late fifties.

Most people in this group moved to Shetland from England. One person was from the US and one from the Czech Republic. Occupations include tourist information assistant, nurses, self-employed artist and physiotherapist. Most of the group own their houses. One research participant is disabled and has to use a wheelchair.

Motivations

Focus group participants and qualitative survey responses highlight the motivations, and the experiences that had motivated them to come to Shetland:

o Raising children – participants wanting a better life for their children;

o Employment – one participant being offered a physiotherapist position while another stayed on during a working visit;

o The urge for something different – this ranged from "wanting to be self-sufficient" to a curiosity and, in certain instances, a wish to leave the perceived ills of living on the mainland as far as possible behind;

o To maintain a relationship – while many people appeared to make joint decisions with their partners about moving to Shetland, some felt that their partner's job largely dictated the decision.

The chief sources of information that informed their decisions to move to Shetland were:

o A holiday or working visit/ placement; and

o Second-hand information – through internet and video.

For some in-migrants, decisions were firmly made with no-first hand information. For example, focus group participants were aware of some in-migrants who had bought houses in Shetland on the internet without visiting.

Motivations - Economic in-migration versus lifestyle in-migration

Lifestyle migration literature is more typically focused on migrants from Britain to France and Northern Europe and Scandinavia to the Mediterranean. More recently O'Reilly (2007) defines it broadly as:

'relatively affluent individuals, moving, en masse, either part or full-time, permanently or temporarily, to countries where the cost of living and/ or the price of property is cheaper; places which, for various reasons, signify a better quality or pace of life… often, but not always, later-life migrants and often partially or fully retired.'

Those that prioritise a relatively low cost of living and lifestyle factors appear to have two characteristics:

o Age – older people seeking an environment which fits with their lifestyle and changing needs; and

o Self-employment – where individuals seek to construct a working life around lifestyle.

Lifestyle migration and older age groups

The quality of life that Shetland broadly offers is heavily in demand among many groups – not least those starting a family, older people and other groups to whom its environment (natural, safe) appeals. Despite its broad appeal, it is generally older people who are now in-migrating and this can be explained by three 'push factors":

Older people's needs are more likely to be met on Shetland - Research in Northamptonshire into the priorities of older people found that their chief concerns were, among other things, more visible policing, better healthcare and support and cleaner, safer environments – all of which Shetland is well ranked in.

Their life stage facilitates the move - Downsizing in property size is a practical strategy for older people who have no dependent children and allows them to reduce expenditure with lower insurance, council tax and running costs generally. Moving into a smaller or cheaper home allows them to generate extra income to support their pension, a move which the Financial Services Authority regards as more effective than releasing equity.

Those Shetland in-migrants aged 55-64 were twice as like to identify health services as a motivating factor for moving to Shetland. Also, participants in the focus groups generally identified Shetland as a good place to grow old. There were examples given of younger in-migrants bringing their parents to Shetland so they could, among other things, access better health services.

Lifestyle migration and self-employment

While categorising in-migrants as either economic or lifestyle is difficult, one approach is to examine the views of those who are self-employed against the views of those who are employed. Stubbs & Stone (2007) found that:

'Self-employment is the crucial mechanism whereby longer-term lifestyle aspirations can be achieved within a new environmental, institutional and social context.'

Figure 27 shows the motivations of all in-migrants to Shetland against those who are currently self-employed. Self-employed people rated lifestyle factors highly in their motivations to come to Shetland, particularly "raising a family". Greater proportions also rated competitive pay and progression as motivating factors – reflecting perhaps their views on the economic benefits of becoming self-employed.

Figure 27 Factors that made in-migrants 'very much want to move to Shetland' by type of employment
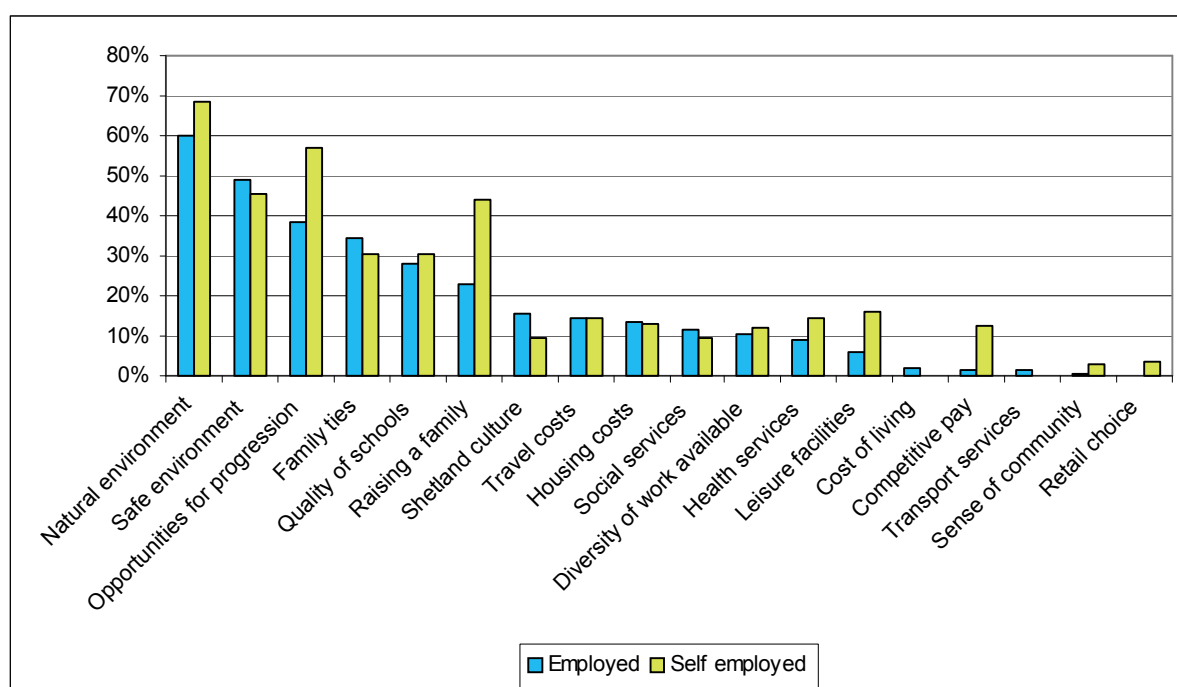
Source: Hall Aitken e-survey, n= 450. Note: self-employed respondents figures were low (40)

In-migration – Career opportunities less important for recent in-migrants?

Figure 28 shows what motivated people to move to Shetland by age group. Reflecting that many older in-migrants would have arrived at the time of the Sullom Voe development, factors like opportunities to progress are more highly rated among older age groups than for younger age groups.

Figure 28 Factors that made In-migrants 'very much want to move to Shetland' by age group
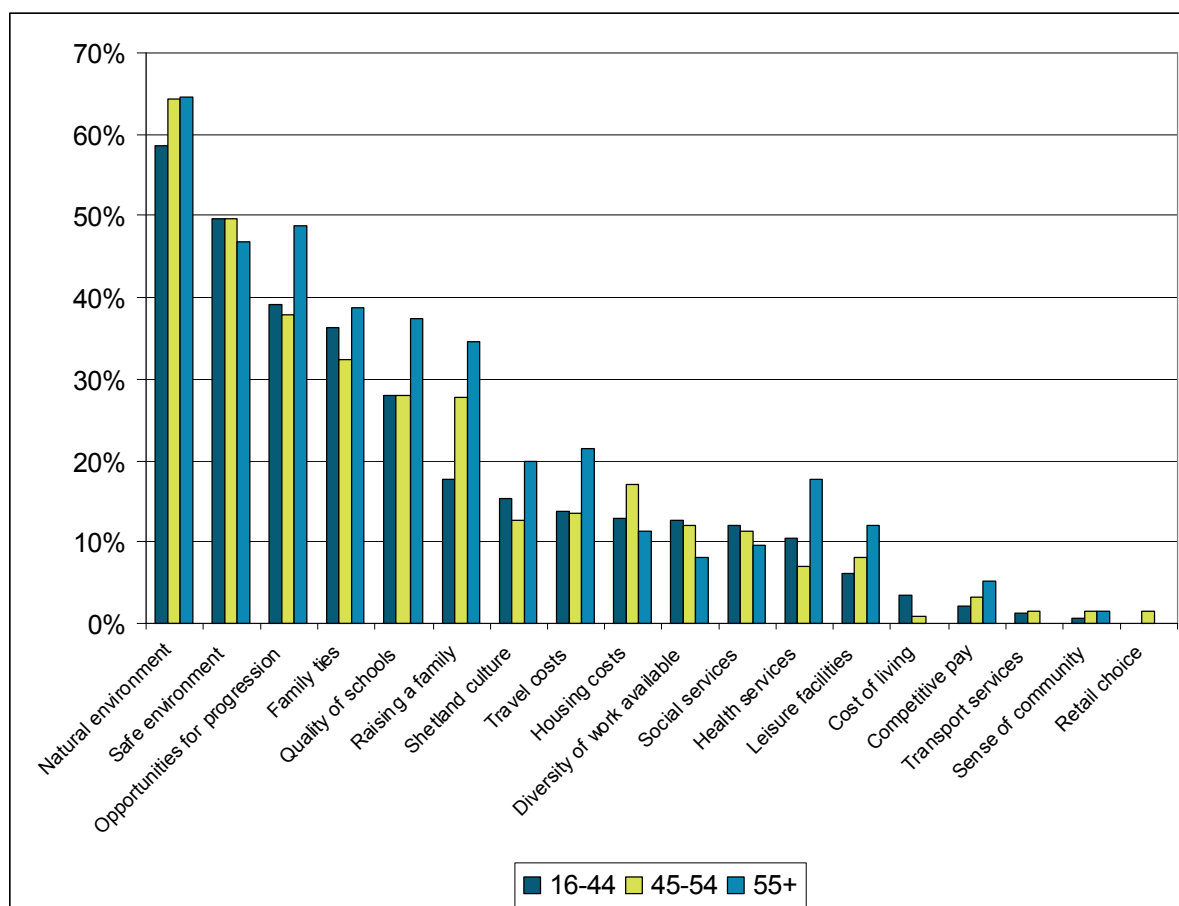
Source: Hall Aitken e-survey, n=468

5.5 In migrants - views and experiences

This section explores the views of in-migrants who attended the focus groups and were living in Yell, Lerwick, South Mainland, Scalloway and the West Mainland as well as qualitative responses to the e-survey.

In-migrants - views on jobs and careers

All but two of the focus group participants had secured employment before moving to Shetland. While these were reasonably happy in their jobs, one of the individuals who had not secured employment before arriving in Shetland described her experience working initially in a short-term job as 'horrendous'. She eventually became self-employed. Another found work as a nurse relatively quickly. In both the Yell and Lerwick groups, in-migrant couples were identified as often moving into

Shetland with one suitable job for one partner but leaving because there were none for the other partner.

Participants felt the Shetland economy was weak in terms of distribution of jobs and the dominance of the council and the oil industry as employers. Job opportunities were limited on the Islands with 'no coherent private sector' although this was seen to be improving. While none of the participants worked in the Oil Industry, they felt the opportunities from this were largely receding. There was also an impression that fewer people were applying for jobs compared to the 1980s and that businesses 'were lucky to get someone'. Employment opportunities were also felt to centre on Lerwick.

But participants also pointed to the North Atlantic Fisheries College as attracting international students and also the Contemporary Textiles course at Shetland College as doing similar and that these were highly regarded in other European countries. Shetland's 'entrepreneurial spirit' was praised as was SIC although there was a view expressed that maybe it 'tries to do too much'. Economic/ employment opportunities identified included remote working, creative industries and self-employment generally. Particularly, there were opportunities to have a 'global career' and examples were given of people in high value jobs basing themselves in Shetland (medical consultancy, fashion buyers, media personalities etc).

Transport

One of the main difficulties experienced by in–migrants while living in Shetland is visiting friends and family who do not live in the Shetland Islands. More than eight out of ten in-migrants stated this was either "very difficult" or "quite difficult". Transport between Shetland and mainland UK was seen as an issue mainly because of cost.

While the air discount scheme was seen as useful, it was still expensive to fly and required a lot of advance planning to get a reasonable airfare. The ferry was felt to be more cost-effective for families who wanted to go south for holidays or see family and friends. It was felt that these costs could be putting a brake on tourism but also other less obvious aspects. For example, Shetland's sports culture was seen as high achieving but the cost of getting young people to compete on the mainland UK was perhaps off-putting.

But one major area for adjustment for in-migrants was transport to and from the Islands. Participants highlighted that the length of the journey was what was difficult – in some situations, being notified of a sick relative in England and then taking two days to see them. This 'helplessness' in the face of a parent's illness on the mainland was not something that they had thought about.

Outside of petrol prices, travelling within Shetland was seen as cheap compared to Orkney with intra-Island ferries free or low in cost. However, the timing of public transport was seen less positively. Much of the issue appeared to be around the practicalities of being in Lerwick for either work or recreational opportunities. One Yell participant believed that her son was unlikely to remain in Shetland as it was difficult for him to access work in Lerwick without a car (cited as 'essential' by some survey respondents). For a nurse in the North Isles who had two student nurse placements, the timings of internal transport provided many problems for them in fulfilling their duties. Reflecting these difficulties, one participant in Lerwick felt that it was 'not uncommon' for in-migrants to move to Lerwick once their children became teenagers. Ferry timings, but particularly bus timings, were seen as being major factors in this.

Housing

The standard of rental housing, its conditions and costs were all issues. Two participants had secured housing for their family for three months initially but faced difficulties finding housing after that (North Isles). Renting housing was described as 'exorbitant' by one participant (Lerwick).

With the housing available to buy, it was felt to be relatively expensive and not always felt to be the right type or in the right places. Again, the issue off accessibility to Lerwick appeared important. Other issues highlighted by survey respondents included difficulty in getting planning permission (North Mainland) and lack of support in assessing housing options (North Isles).

Education, Health and other services

The standard of education on offer for young people was regarded as generally very good by in-migrant focus group participants. In the focus groups, school rationalisation was a controversial issue with many viewpoints on the decisions around closures. There was an acceptance among in-migrant participants in the North Isles that some sort of rationalisation was necessary – but where this would take place and what would be affected (for example, primary or secondary) was not agreed on.

Focus group participants described health care as generally good. A term frequently used to describe it was 'Rolls Royce' with day-to-day health services regarded as particularly good. However, there were issues with:

o   Access to specialist health services; and

o   Access to dentists.

While the latter is a significant issue nationally and accepted as a general problem, the provision of specialist services was seen as a more localised problem.

The free care provided to older people was also seen as attractive. There was one example of an in-migrant bringing their parents for family reasons but also for the quality of life and services available.

In the North Isles, there was an acceptance that the same level of health services as is provided on the Shetland mainland was impractical. However, maintaining the standard of emergency services appeared to be key.

Community and island life

Focus group respondents felt the Islands' safe and natural environment was one of Shetland's biggest strengths describing them as a wonderful place to bring up children.

In terms of attitude to new ideas, views were mixed. Focus group participants felt Shetland was quite outward looking (supported usually by citing Shetland's historic trading/ migration links). But this was not universal with some survey respondents feeling that it was difficult to get support for new ideas (supported by personal feelings/ experiences).

Focus group participants and survey respondents had mixed views on whether Shetland offered a supportive social environment for in-migrants. Shetland was described as a very welcoming place in the focus groups. But the positive comments in the survey about the islands were contradicted by a not insignificant number of negative comments around Islander attitudes to in-migrants – phrases used included "bigotry", "borderline racist", "discrimination" and "nepotism".

5.6 International in-migrants' motivations and experiences

We carried out two focus groups with international in-migrants in Lerwick. The first group had Shetland partners – these were from Norway, Spain, Thailand, Burma, and Russia. These were all female with two who had been living for two years in Shetland and another four ranging from 8 to 25 years. These were employed in education services, as cleaning operatives and one considered herself unemployed.

The second group were more recent in-migrants from Poland (6), France (1) and Spain (1). A mixture of men and women, three of the group had been on the Islands for less than a month with the rest resident there for between one and three years. They were employed in car mechanic services, hospitality, education services and sales.

International In-migrants – Motivations

The offer of employment was a key motivation for the move to Shetland for several focus group participants. Lack of work or low wages in their home country pushed most of them to seek employment outside their country of origin. In Shetland, one felt that 'in a week you can earn as much as in Poland in a month'.

These pioneers of sorts usually found a job through recruitment agencies. After settling in they were prepared to bring family members over or to provide support for friends who wished to come as well.

There were a few cases where people had established work contacts when they were students and had come to Shetland for summer jobs or on student programmes – and they then decided to come back after graduation. The initial decision of the destination for short-term term work was often influenced by friends' recommendation or – as in one case – by strong links between Shetland and Norway which made the decision almost obvious:

"We had always have loads of people every year from Shetland coming to visit Måløy and there were people from Måløy and the district around who moved over to Shetland. We always regarded Shetlanders as good neighbours, not even a part of the UK, but a neighbour over the sea – they were the same as us." (female, Norwegian)

There were some migrants who back in their country of origin had been working in the capacity in which they had been educated and trained, getting a fairly satisfactory salary. However, they found the pressure, workload and atmosphere at work very challenging. There were views that this was in contrast with the situation in Shetland where employees were perceived to be well respected and well rewarded. Alongside higher salaries, the pace of work and working environment were a pull factor for coming to Shetland. This was particularly the case for those whose friends or relatives had already been working on the islands, as they could get first-hand information on work experiences in Shetland.

A significant proportion of the focus groups participants moved to Shetland to follow their partner who got a job on the islands. Most often a male partner would find employment and a female partner would join them. One Thai female moved because her husband found a job in Shetland. When he moved again, she decided not to follow him:

'because I have two young sons and I thought Shetland offers safety and good education for my children'.

Equally, meeting a partner in Shetland during a placement turned a work placement for one French person into a more permanent move.

However, while financial or family situations encouraged some migrants to come to the islands, others arrived looking for adventure and in order to experience a different country and culture. They often followed friends' opinions about what Shetland is like, but sometimes they took the risk of arriving in a place about which they knew very little.

International In-migrants – views on employment

A considerable number of participants saw themselves setting up a business or going to college to improve their career opportunities. They tended to see themselves staying on the island longer or settling down.

Many interviewees regarded job opportunities on the islands as limited. They also thought that although it is fairly easy to get basic jobs, it is difficult to get into better paid and higher skilled posts. There was a view that this is because of networks of friends and relatives who strongly support one another and make it difficult for newcomers to compete for jobs with well-established community members. And limited availability of high-level jobs locally was seen as an additional barrier to career progression.

Employment was a significant decision-making factor for resettlement, and finding a satisfactory job which matched their skills was often regarded as a pre-condition for staying in Shetland.

International In-migrants – views on language services

Language was repeatedly mentioned as the key to succeeding in almost every aspect of life and work in the new country. There was the recognition among participants the initial language barrier is an obstacle when it comes to participating in community life, accessing public services and progressing their career.

ESOL classes available locally, provided at no cost to migrants and at flexible timing (including weekends), were much appreciated. In many cases the support they provided extended beyond teaching English only. Tutors often helped with practical aspects of life on the islands, such as dealing with application forms of various types, banking and similar issues. Attending classes was also felt to be a great way of expanding social networks. Many expressed the opinion that it was only when they progressed their English that they started to feel a part of the community. Those who arrived with no English found that advancing their language skills helped building up self-confidence which they were lacking at the beginning.

There was a feeling that local accents and the Shetland dialect made the spoken language very difficult to understand. This made general communication as well as further education (for those attending college) quite difficult.

International In-migrants – views on Transport

Transport was recognized as a problem, not so much for moving around on the island (Most lived in Lerwick) but in terms of air transport from the islands for holidays or to visit family. Cost and time involved were the main issues. The problem of unreliable public transport because of weather conditions was also mentioned.

Lerwick was the preferred place to live on the island but there were views that moving to the mainland of Scotland would make life easier in many ways, including transport, housing, entertainment and access to services and infrastructure.

'We are considering moving elsewhere in Scotland so it will be easier to travel to Poland. We might stay here longer though if we manage to buy a house. But it's not easy here with their 'bidding system''. (female, Polish)

International In-migrants – views on other services

There was a view that Shetland is an excellent place for retirement or for families but less so for young people and teenagers due to limited social life and leisure facilities.

International In-migrants – views on community and Island life

All participants found that there is a strong community spirit in Shetland and perceived people to be extremely welcoming and friendly. There was an impression that local people are curious about newcomers and that they welcome foreigners willing to live and work in Shetland.

The local community was seen as very supportive. This situation was regarded as invaluable when trying to adapt to the new environment and its "system" – 'a strict bureaucratic system and all these nice people'.

For those having Shetland partners or friends, connecting with the community was seen as easy and straightforward. They would enter already well-established social networks. At the same time, those who arrived on their own felt that a lack of connections with community members slowed down considerably the process of feeling included. As soon as people found a partner, this changed significantly or where they were following a friend or relative.

Some participants expressed an opinion that bigger groups of newcomers (for example Poles) showed the tendency to stick together and that they deliberately did not want to interact with other community members. Others disagreed with this view, and found the openness to interact with the local community varied depending on the individual's personality. Some people would be more willing to seek contact than others. One Thai woman stressed the importance of a cultural factor – that 'my attitude was initially a barrier to feeling comfortable in the community'.

Opinions on the social life on the islands varied among the participants. While some regarded Shetland as a culturally vibrant place where there was a lot to do others complained about limited entertainment and social opportunities. There were views that the social life in Shetland is often confined to going to a pub and the drinking culture was not attractive to some migrants of different cultural backgrounds.

International In-migrants – future plans

Views on longer term plans varied and there were different determinants influencing them. Generally the strength of links with the community established so far was a very significant decision-making factor. Those living in Shetland with family and children tended to be ready to stay for a longer period and some had already decided to settle down. Single and young people were generally keeping their options open and had no definite plans for the future, other than waiting to "see what happens". Some of the participants were ready to stay for the next few years, but were not considering resettlement.

6 Population projections and implications

This section looks at the current components of population change and uses them to project forward population estimates up to 2030 by locality and for Shetland as a whole. It looks at the likely impacts of different policy measures on future population patterns and offers an indication of the impacts of trends continuing as they are.

6.1 Baseline population modelling

The population model uses information from the General Register Office for Scotland (GROS). This information on population at local council level includes births, deaths and migration. We used the mid 2006 population estimate for the Shetland Islands Council area as our baseline for the population model. From this baseline we added in elements to cover natural change, in-migration and out-migration.

Purpose

The population model provides a transparent tool that will allow local agencies to test the implications of different trends and factors on population outcomes. It is not a population projection or prediction, but can be used to compare the likely implications of policies on population sustainability and service provision.

Inputs and assumptions

Figure 29 shows the inputs for the population model with the data source. Most of the data used is from the GROS.

Figure 29 Inputs for the population model with source

	Source
Baseline population estimates by gender and age	GROS – mid-year population estimates
Births	GROS quarterly returns
Deaths	GROS quarterly returns
In-migration	Custom data from GROS
Out-migration	Custom data from GROS

To calculate the baseline situation for future population figures we made several assumptions:

o   Live births per 1,000 women of childbearing age (15-44) will remain broadly the same in each year;

o   Death rates within gender and age ranges will remain broadly the same for each year; and

o   Rates of in-migration and out-migration by age and gender will remain constant (based on 2005 to 2006).

The model created in Microsoft Excel uses several linked spreadsheets to calculate the final figures and produce charts and tables that outline population components. We have subsequently run several iterations of the model to test the impacts of different trends on future population. We have based these on local knowledge collected through our interviews and focus groups to inform the assumptions in the model.

The baseline iteration of the population model assumes that the current trends continue. However it should be borne in mind that this is not a 'worst case scenario' given that the birth rates in Shetland are above national average and that there has been the recent phenomenon of Eastern European immigration. Any significant changes to these factors could have a further negative impact on the population.

Population age profile

Results from the model based on the assumptions outlined above give the results shown in Figure 30. These results from the baseline iteration of the model show a sharp shift in population, including:

o   A steep drop in the numbers of children under 16;

o   A decline in the numbers of 16 to 24-year olds after 2010;

o   A rapid and continuing increase in the elderly population.

The overall population would, if current trends continue, drop from just under 22,000 to just over 20,000 by 2030.

Figure 30 Population changes by age band (Baseline model)
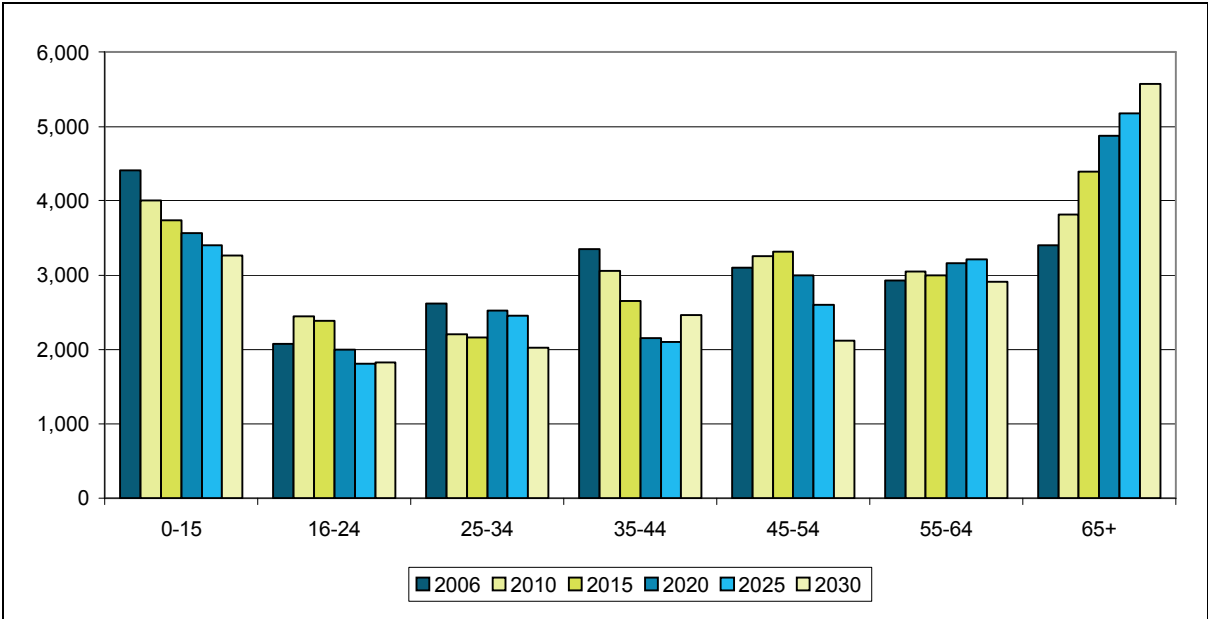
Source: Shetland Population Model

Figure 31 shows the clear change in the population age profile between 2006 and 2030. It shows a clear drop in the 40 to 60-year old population and a large increase in those aged 60 and over. The number of people aged 65 and over would almost double between 2006 and 2030 based on this scenario. The drop in the number of children is also notable.

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Figure 31 Population age profile at 2006 and 2030 (Baseline model)
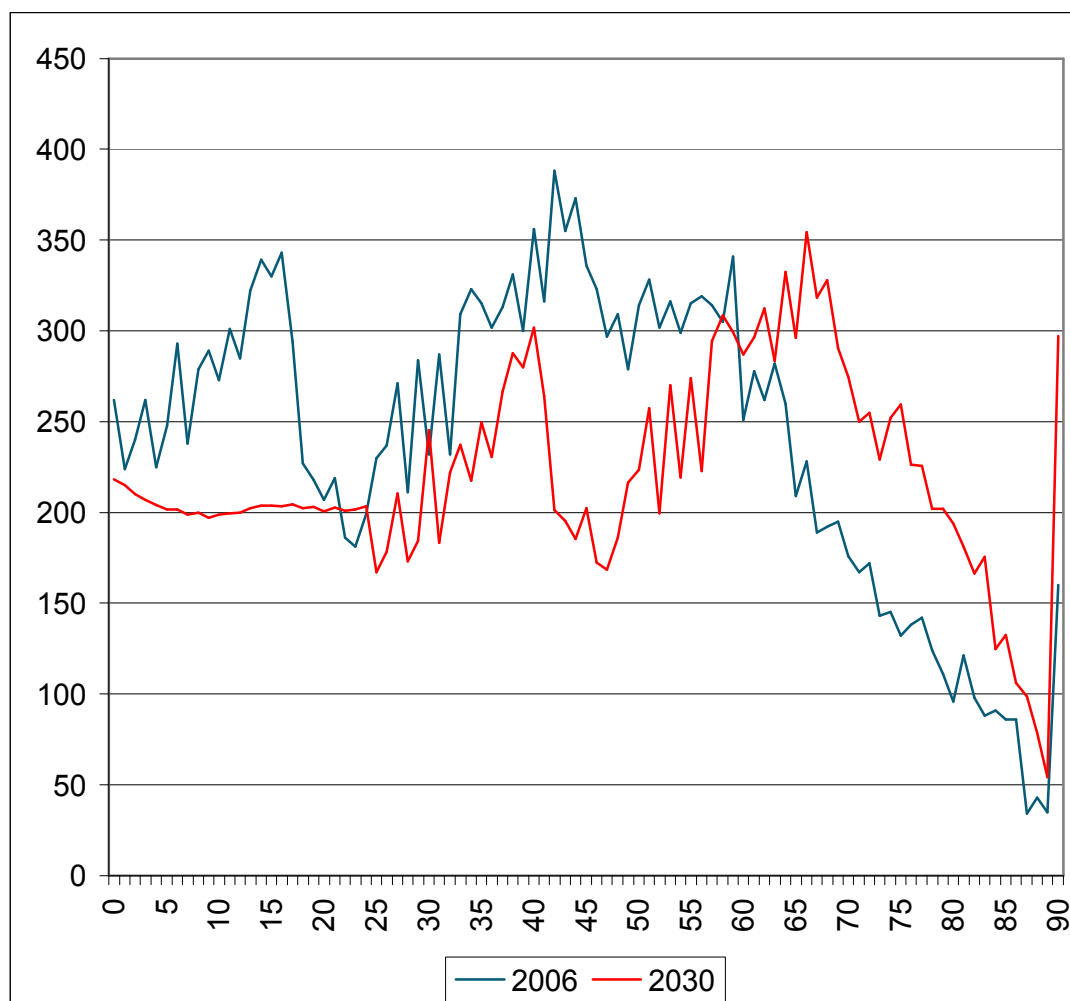
Source: Shetland Population Model

Women of childbearing age

In terms of population sustainability the number of women within the key childbearing age group is important. As Figure 32 shows, the number of women within the 16 to 44 age group would decline sharply from 4,100 to around 3,300 in 2025 before starting to gradually increase again.

Figure 32 Changes in number of women aged 16 to 44 (Baseline model)
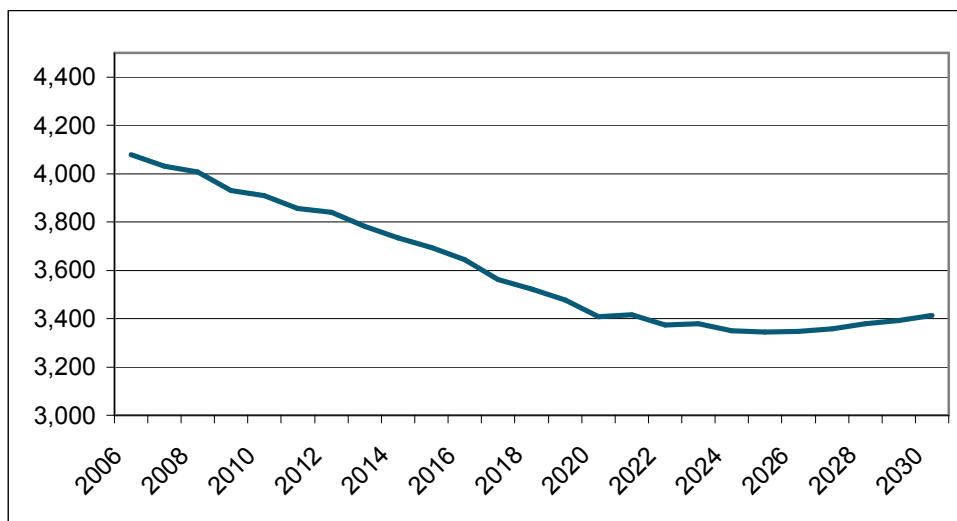
Source: Shetland Population Model

School-age population

There will also be implications from population change on the size and distribution of the school roll. As Figure 33 shows, if current trends continue the number of primary school-age children will drop from around 1,900 in 2006 to around 1,400 in 2030. However the impact on secondary age pupils appears to be more marked with a much steeper drop between 2006 and 2018. And overall numbers would drop from around 1,900 to just over 1,200 by 2030.

Figure 33 Changes in School-Age population (Baseline Model)
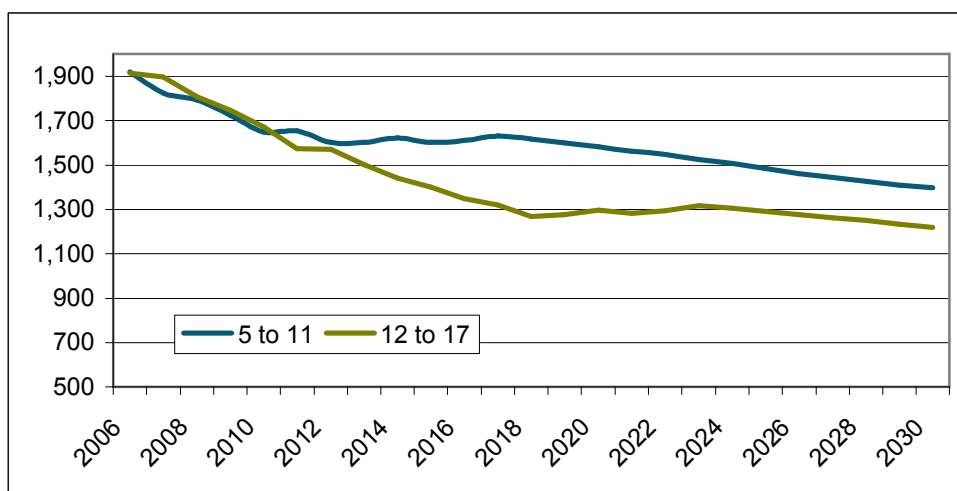
Source: Shetland Population Model

6.2 Impacts of population change

Population changes have various implications for service demands and provision. In areas where populations decline, there are concerns about maintaining existing services, such as schools, local shops and health care services (SIC, 2000).

From the interviews with service providers and other stakeholders, the main areas of impact were seen to be:

o Sustaining fragile communities;
o Retaining existing levels of services;
o Geographical shifts in population;
o Increasing reliance on migrant workers;
o Impacts on recruiting staff; and
o Impacts on housing demand.

Fragile communities threatened

Several stakeholders felt the declining population and the ageing patterns would impact most severely on those communities that were already fragile. In particular the communities of Fetlar and Papa Stour were seen to be at risk from these continuing trends. Limited employment opportunities, the cost of infrastructure and the lack of a critical mass for service provision all undermine these marginal communities.

Services

Public services were considered to be under threat from several different angles. The ageing population profile was putting greater burdens for care provision on the Council and NHS budgets. And many elderly households are living in isolated areas making the cost of providing services higher.

Council and NHS budgets are already stretched and several interviewees thought that service cuts would be inevitable in the very near future. If Public sector budgets are to be balanced then hard decisions need to be made about priorities. Declining school rolls in some communities will also increase pressure for rationalisation of services. The projected change to the age structure of the population in Shetland, as well as the continuing rise in Shetland's life expectancy will result in an increased demand for health care provision. A greater proportion of older people will mean a shift in the balance between education and healthcare provision, with a greater emphasis on resourcing the latter service (The Scottish Government, 2004; Community Profiles).

A decrease in the proportion of children and young people in the population has resulted in falling school rolls in some areas (for example, Baltasound Primary, Burravoe Primary and Uyeasound Primary in the North Isles; Dunrossness school in the South Mainland, Lerwick/ Bressay). However, in other areas, school rolls have stabilised, or in some cases even increased (for example, Scalloway Primary, Whalsay Secondary, The Anderson High School, and Brae Primary in the North Mainland). The changing overall school-age population will impact unevenly across the Islands with the biggest impacts likely in the North Isles.

Geographical shifts in population

Employment opportunities, which are often generated through the public sector, tend to focus on Lerwick. Because of this and the concentration of many services in Lerwick there has been a drift of population from more outlying communities towards the Greater Lerwick area. However the lack of suitable housing sites within Lerwick itself has meant that most recently development has focused on the communities to the South and West of Lerwick. Public transport patterns which focus on Lerwick also entrench this shift. Interviewees and focus group participants have reported

that families with teenagers and migrant workers both tend to favour locations within 15 to 20 minutes of Lerwick.

Impacts on recruiting staff

The declining working age population has led to pressures to sustain recruitment levels in some sectors of the economy. Many younger people are leaving the Islands to find higher skilled jobs with progression opportunities and there are fewer students who would fill these types of jobs in other areas. Lifestyle in-migrants are often financially independent and work fewer hours than others; they therefore contribute less to the local labour market.

The health and care sector in particular is reporting problems in recruiting and retaining staff in both skilled and unskilled jobs. The new care centre on Yell is struggling to find staff and service providers predict these problems will worsen.

Increasing reliance on migrant workers

Many sectors of the Shetland economy now rely significantly on migrant workers from Eastern Europe. Construction, hospitality and fish processing are all increasingly reliant on migrant labour to remain productive and competitive.

This leads to demands on services such as schools and ESOL providers. ESOL providers report around 170 migrant workers registering in 2007. However Shetland has a long history of welcoming and integrating people from other cultures and there have been numerous activities involving migrants and the wider community.

Adult Learning Education in Shetland has been increasing their provision to meet the growing demand: there were 32 learners in 2005/06 - 92 learners in 2006/07, and 169 currently in 2007/08. Developing the ESOL programme has been recognised as one of the four priority areas for 2008/09 (SIC, 2007b). At the same time it has been reported that Shetland's schools are facing challenges accommodating an unexpected influx of children with language needs (Press & Journal, 24 November 2006).

However there have been concerns voiced about the continuing availability of migrant workers once the UK Government points-based immigration policy has an impact. This will particularly restrict the numbers of migrant workers available for lower skilled jobs which are those for which the demand is highest.

Impacts on housing demand

Impacts of Shetland's population change on housing demand are reasonably well understood:

More housing will be needed - Slight drops in population (and the reduction in demand that this would normally bring) have been offset by decreases in the average household size (projected to drop further to 2.06 from 2.6 by 2014). This means that Shetland is likely to need 11% more houses by 2014 (SIC, 2000 & 2005).

More special needs housing will be needed - The increase of older people within the Shetland population is likely to impact on the demand and availability of special needs housing, such as level access housing, or sheltered housing. The need for special-needs accommodation was reported as being at crisis point already in 2005 (SIC, 2005b).

Affordability and availability is increasingly an economic development issue - House prices in Shetland rose between 2002 and 2005 by 26.1% (HIE, 2007, p11).

Shortages of good quality land for house building, as well as high additional costs for infrastructure at available sites, are not without impact on prices and stock (SIC, 2005b). There is a question of affordable housing, especially for the younger population – for those continuing their education and those leaving home and requiring independent accommodation (SIC, 2005a, p.4). A lack of low cost housing to rent, and increasing house prices, is also seen as a potential problem to labour recruitment and retention, which includes in-migrants to the area. A broad conclusion from Communities Scotland research (carried out also in Shetland) is that "housing affordability is a contributory factor to recruitment problems." (Communities Scotland (2005) Research Report 90: Affordable housing and the labour market in Scotland: do high housing costs create labour shortages?)

Service providers and stakeholders also highlighted that the increase in migrant workers and the shift towards Lerwick are also putting greater pressure on the housing market. Migrants tend to occupy private rented housing and often live in overcrowded conditions to keep costs down. We have also identified an increasing number of houses being kept as either holiday or second homes. Three participants in our Glasgow workshop still had a house in Shetland and several interviewees also recognise this phenomenon. While some of these properties may be available as winter lets the presence of these second homes limits housing supply and distorts the market.

The lack of accessible housing therefore becomes both a symptom and a cause of population change as it restricts access to the market for younger and lower earning households.

Cultural changes

Some interviewees have also highlighted a change in culture and attitude brought about by some lifestyle in-migrants. Some people who have come to Shetland for its quality of environment can be more reactionary in their views to new development such as social housing proposals. This phenomenon of the so-called 'drawbridge migrant' has been reported elsewhere.

6.3 Conclusions

By modelling current population trends we have developed a model to explore some of the likely implications of population change. This is based on birth rates and migration patterns continuing the present trends. Because this is unlikely to happen, this is not a prediction or projection, but a baseline scenario against which we can compare other possible outcomes.

The baseline run of the model indicates that continuing the current trends will result in the following changes by 2030:

o The overall population dropping to around 20,000

o A drop of 18% in the number of women in the childbearing age group;

o An increase of 63% in the number of residents aged 65 and over; and

o A decline of almost a third in the number of school-age children.

These changes would have implications on the labour market, with a declining (and ageing) working age population and on the cost and viability of service-provision. In particular a reduction of a third in the school roll would threaten the current number of schools. And the major increase in the elderly population would put pressure on health and social care services both in terms of funding and recruiting the necessary staff.

The likely outcome would be a reduction in the level of services (mostly in outlying areas and an increasing reliance on migrant labour. Some specialist maternity or anti-natal services could also be threatened by the longer-term decline in the number of births.

7 Developing a sustainable community

This section draws on our research to highlight what would be a desirable situation in 15 to 20 years. It also draws on the population model to show what a scenario is likely to require in terms of population component changes, as well as what changes would be necessary to meet the target of 25,000 people living in Shetland by 2025 identified by community planning partners.

7.1 Vision of a sustainable population

The previous chapter outlined that, if current trends continue, the population is projected to fall to just over 20,000 by 2030 with the percentage of the population of childbearing age set to be 18% lower than it is now. This will continue to impact on school rolls and it is likely, given the current movement of population towards 'Greater Lerwick' that this will disproportionately affect remoter communities. Whether schools should be closed may become less of an issue than actually finding the children to attend.

Our research suggests that attracting working age people, particularly families or those who are about to have families, can sustain the population. Focusing on actual numbers and targets (25,000) is perhaps distracting agencies from the core issue of having viable and balanced communities. In peripheral areas, this was seen as most important as 'one or two new families can make such a difference'.

Most of the factors that appeal to older people also make Shetland an ideal place to raise a family. However, the key difference between these life stages is the need for rewarding employment and it is in this area that Shetland is generally felt to be lacking.

7.2 Impacts of policy options

Using the population model we have tested some different options in terms of population change to identify their potential impacts. Figure 34 shows what the impacts of various changes to in and out-migration patterns would achieve by 2025.

Increasing the proportion of those returning after they have left the islands by 20% would have only a modest impact on increasing the population. This would result in an additional seven births per year by 2030 and would increase the overall working-age population by around 300 compared with the baseline model.

A higher rate of returners (40% increase) would lead to around 14 more births per year than the baseline and an additional 600 people of working age by 2030. Similarly, increasing in-migration among younger age groups (by 20%) would lead to an increase of 21 births and around 900 more working age people.

However, to actually achieve an increase in the population against the current level, there would need to be an increase in 40% in the number of in-migrants and returners aged 25 to 44 and a reduction of 33% in out-migration among Shetlanders aged 16 to 24. However this would still result in a drop of around 400 in the Primary school roll by 2030 and a lower number of women of childbearing age and births compared with 2006.

Figure 34 Impacts of different policy options by 2030

Policy option	Population at 2030	Change in childbearing population	Number of annual births at	Working age population	% population under 35	Primary school-age population –

Current situation (2006)						
2006	21,880		266	13,410	42%	1,921
Trends continue as is						
Do nothing	20,141	-18.0%	220	10,543	35%	1,398
Trends improve						
Increase returners aged 25-34 by 20%	20,524	-15.4%	227	10,850	35%	1,431
Increase returners 25-34 by 40%	20,923	-12.9%	234	11,170	35%	1,465
Increase all in-migrant age groups under 45 by 20%	21,352	-10.4%	241	11,432	36%	1,521
Reduce out-migration by 20% among 16 to 24	20,576	-13.9%	231	10,869	36%	1,443
Increase returners/in-migrants by 40% (25-34) and reduce out-migration by 20% (16-24)	21,339	-8.8%	244	11,480	36%	1,509
Increase returners/ in-migrants by 40% (25-44) and reduce out-migration by 33% (16 to 24)	22,373	-3.6%	258	12,289	36%	1,575
Community Planning target of 25,000 by 2025 met						
Increase all in-migrant age groups under 45 by 50% and reduce out-migration by 50% (16 to 34)	**25,184**	**17.8%**	**309**	**14,751**	**41%**	**1,911**

Meeting the community planning target of reaching a 25,000 population would require a significant coordinated effort to achieve. This would involve reducing the number of people under 45 leaving each year by 50% and increasing the current in-migration among under-35s by 50%. However if this could be achieved it would have several positive effects on the population:

o The number of annual births would be higher;

o The primary school roll would be sustained at the 2006 level;

o The proportion of the population aged under-35 would remain similar to 2006 levels.

However the proportion of the population above retirement age would still increase by 5 percentage points and the proportion of the population who are of working age

would drop. This perhaps highlights the scale of the problem in achieving a sustainable population structure. Even in this more positive scenario, the population aged 65 and over increases by 64%, however the rest of the population is likely to be more able to provide services for these older members of the community.

Figure 35 Age profile of different population options

Option	% Population under 16	% Working age	% Retirement age
2006	20%	61%	19%
Status quo continues	16%	52%	31%
Increase returners 25-44 by 20%	16%	53%	31%
Increase returners 25-34 by 40%	16%	53%	30%
Increase all in-migrant age groups under 45 by 20%	17%	54%	30%
Reduce out-migration by 20% among 16 to 24	16%	53%	31%
Increase returners/in-migrants by 40% (25-34) and reduce out-migration by 20% (16-24)	17%	54%	30%
Increase returners/in-migrants by 40% (25-44) and reduce out-migration by 33% (16 to 24)	16%	55%	29%
Community Planning target of 25,000 by 2025 met			
Increase all in-migrant age groups under 45 by 50% and reduce out-migration by 50% among 16 to 34	**18%**	**59%**	**24%**

7.3 Conclusions

Our consultations and population research suggests the overall size of the population is less important than achieving a healthier balance in terms of age and gender. Our research suggests that the overall aims for population sustainability by 2030 should be to:

o   Sustain the proportion of the population that is of working age;

o   Stabilise the school-age population;

o   Sustain the number of females of childbearing age; and

o   Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 clearly significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

8 Factors needed for sustainable communities

This section sets out some of the current factors we have identified that will underpin community sustainability. It summarises the key outcomes from the Scenario Planning exercise and then sets out the desirable situation in fifteen to twenty years across a range of aspects that were identified. It also identifies some of the actions that agencies will need to focus on to achieve these outcomes.

8.1 Scenario planning

As part of our investigation into the drivers of population change in the Shetland Islands, we held a scenario planning session involving both members of the Community Planning Partnership (CPP) and a group of officers from public sector organisations in the Islands. The session therefore represented a broad spectrum of views and expertise allowing us to investigate a range of issues.

The scenario planning session involved a short exploration of key issues and drivers with the main CPP followed by more detailed scenario planning with the officers group. The participants had also been given the opportunity to contribute issues to a brief e-survey prior to the session taking place.

The aim of the scenario planning session was to identify the key drivers of change over the next 15-20 years and enable key players to engage in a detailed discussion on a range of alternative futures that may result. It allows people not only to identify what the main drivers might be, but also to look at the complexities that arise when they interact and the range of possible outcomes that are possible from different events and eventualities.

8.2 Identifying the drivers of change

Through the e-survey and the initial identification exercise we were able to define around thirty-six separate drivers of change that people felt would be important in the next 15-20 years. These issues were discussed individually and prioritised by relative certainty and uncertainty. By identifying the likely impact that certain issues will have and the degree of certainty attached to them we can begin to identify those issues which will be the key drivers of change. These issues are usually those predicted to have a significant impact but with a high degree of uncertainty.

In broad terms the issues fall into the following categories:

|	
Economy	Economic drivers including business growth and economic activity.
Access	Access, communications and connectivity issues.
Politics	Global, political, social and economic drivers.
Society	Social factors including community integration and the demographic mix.
Community	Issues of civic pride and community esteem.
Environment	Uncertainty around climate change issues and the importance of natural environment

These issues were then analysed and mapped onto an impact and certainty grid to highlight what the potential impact they may have and the level of certainty about their occurring. Figure 36 shows the issues identified by the group mapped onto the Impact/ Uncertainty Grid. It was interesting that the CPP identified a large number of issues over which they felt they had some degree of control because of the availability of resources within the Islands. This is a level of empowerment we have not encountered in similar studies elsewhere in Scotland.

Those issues in the bottom right-hand quadrant are both uncertain and have high impact so will be of strategic importance when addressing population issues. These include:

Connectivity	electronic links and broadband
Business growth	the level of economic activity including opportunities for business growth
Being attractive	the attractiveness of the Islands for in-migration investment and tourism
Knowing the problem	the lack of knowledge about future population levels and its impacts
The albatross	the depletion of Council reserves
Skilled workers	the Islands' ability to keep its own graduates and to attract in-migrants in target sectors.

This analysis also identifies contextual issues over which people have some degree of control. These are those which although they have high impact they are less uncertain. These included community facilities, quality of life issues, housing, tenure, distribution of jobs and communications.

Figure 36 Impact/uncertainty grid developed by CPP members
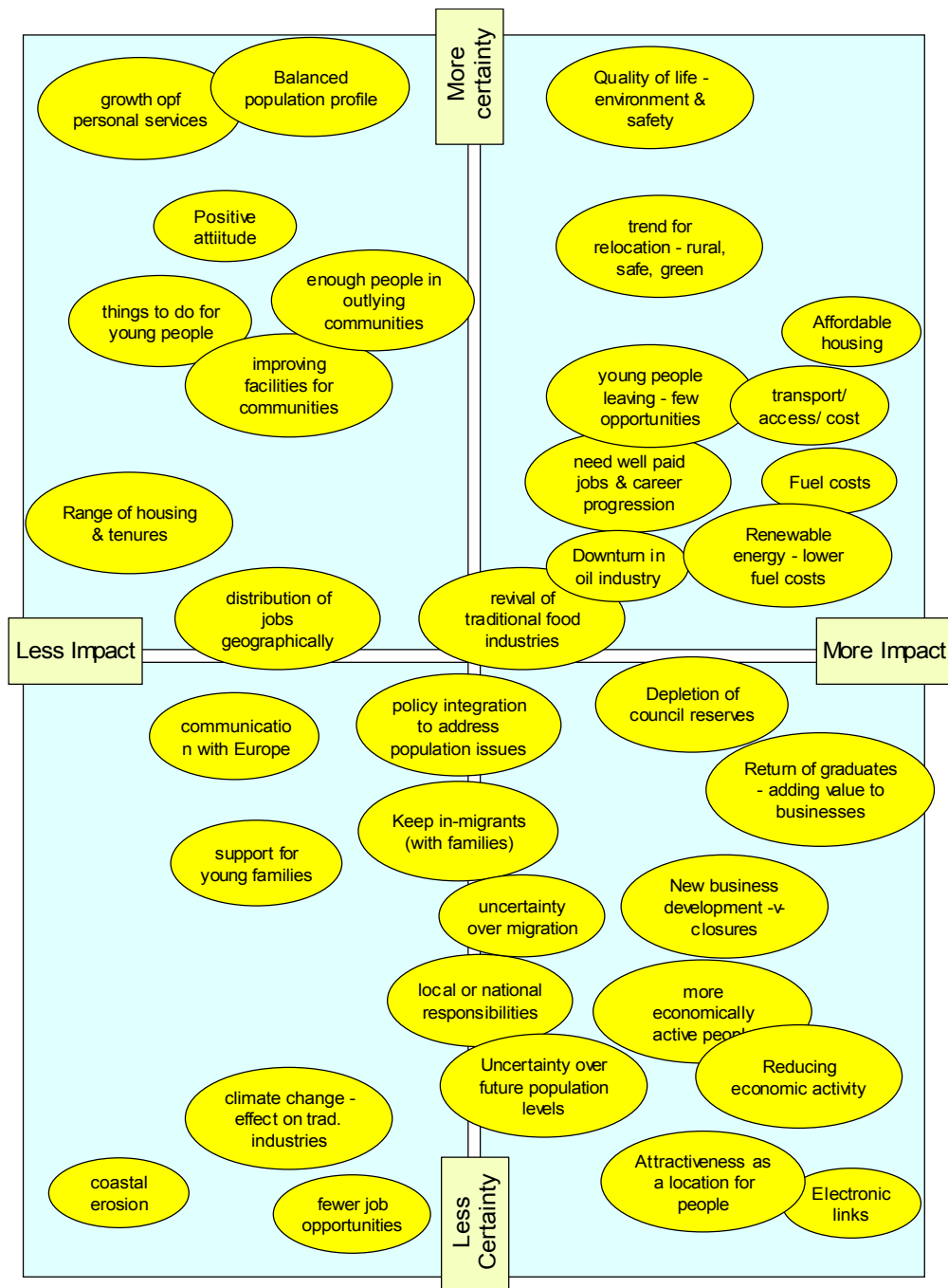
8.3 Alternative futures (scenarios)

We then took this information to the officers group to look in more detail at the inter-relationship between some of these high impact and high uncertainty issues. This involved a basic form of scenario planning and developed into a lively discussion covering a broad range of issues.

We looked at two sets of the most important issues and mapped different scenarios using different extremes of possible future outcomes. The value of doing this is that

it allows us to test possible policy interventions against several possible scenario outcomes. These outcomes are based on looking at different ways that participants feel that uncertain issues will play out. The outcomes from these sessions are illustrated in Figure 37 and Figure 38.

In the first scenario looking at availability of resources and communication links there were positive scenarios based on re-investing the current oil fund. This would be in renewable energy enterprises that allow service levels to be maintained in terms of schools, care provision and leisure centres and enable additional investment in housing and creating employment opportunities in rural areas. This would reduce dependency on Lerwick among outlying communities.

Figure 37 Scenario Grid 1
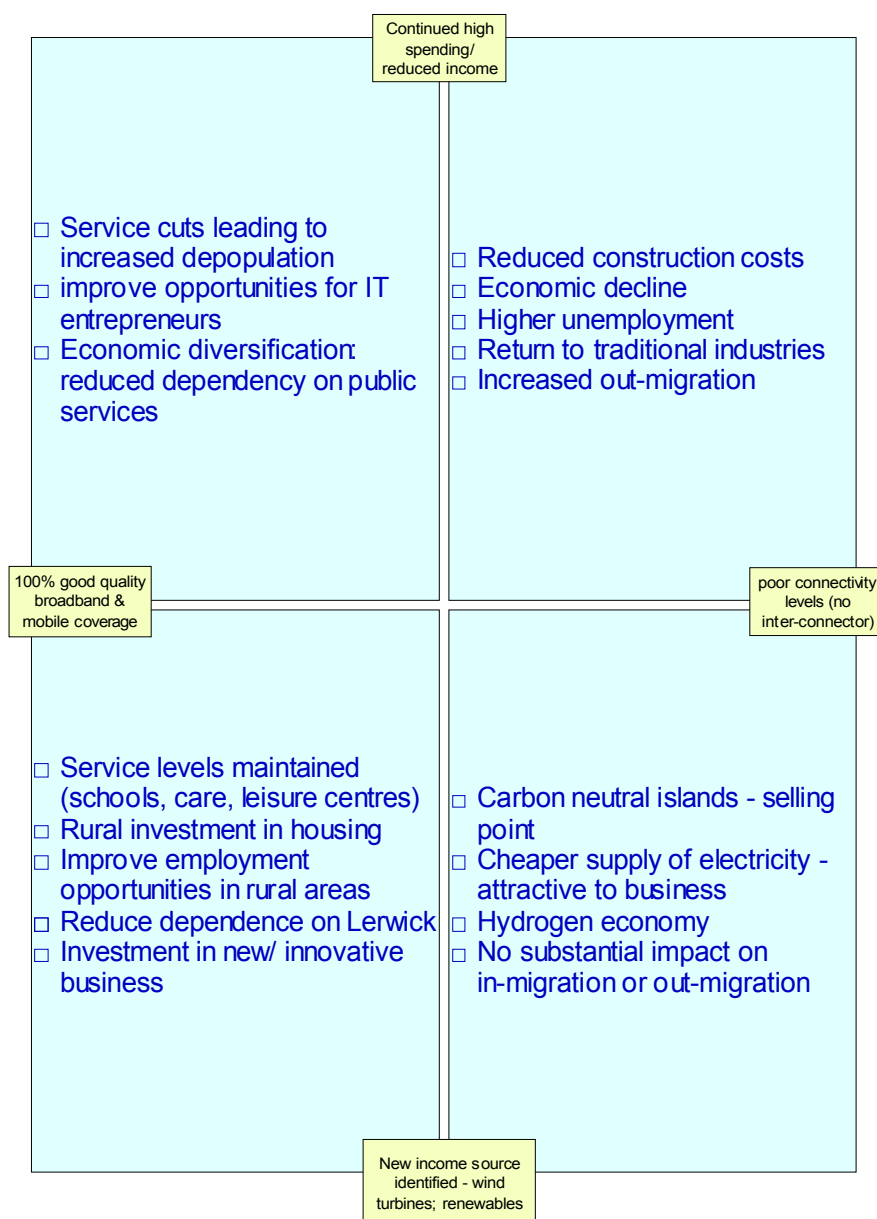
Alternative scenarios – with renewable energy resources being developed but poor connections - see the Islands as carbon neutral, a very big selling point, and a potential supplier of cheaper alternative electricity to businesses. But this may not have a substantial impact on either in-migration or out-migration.

The other scenarios look at the possibility of service cuts due to declining oil revenue which would lead to increased depopulation and particularly disadvantage rural areas. This would lead to higher unemployment, a return to reliance on traditional industries and increased out-migration. However the scenario with good electronic connectivity would enable some business diversification and new business start-ups, although this would not reverse the trend of depopulation.

Figure 38 Scenario Grid 2
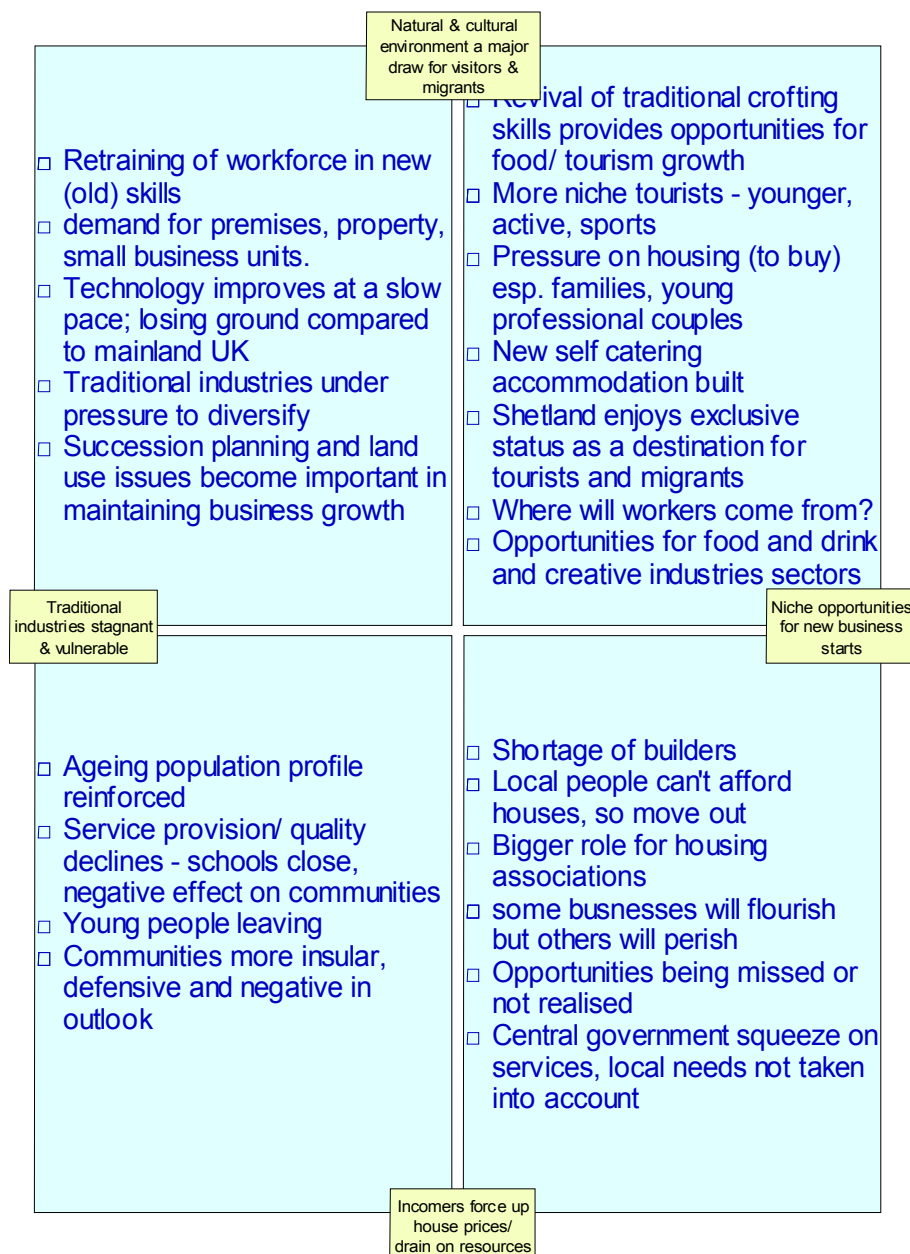
In the second scenario planning group the two factors reviewed were the strength of traditional industries and the role of lifestyle migrants. This session considered that where the Islands' natural and cultural assets are used as a major draw for both visitors and migrants, and in an environment where businesses can grow, a range of opportunities could be identified for growing tourism products and for developing indigenous food industries and developing creative industries. These all have a very strong base in the Islands and would be expected to grow given the right conditions. It was also recognised that this scenario would create pressure on housing

particularly for families and young professional couples and would also raise questions about where migrant labour might come from in the coming years. This scenario depends on the Islands becoming an exclusive destination (for tourists) to overcome the problems of the cost of access and the limited availability of accommodation. This equally applies to potential targets like inward investors, researchers and skilled workers.

An alternative scenario would show a situation where incomers may have an adverse affect on house prices and prove to be a drain on services and existing resources. Alternatively where the economic climate was not favourable to small businesses, we would see a decline in services, schools closing and a very negative effect on individual communities which would become less assertive and positive, more insular and defensive. The population would continue to age and the problem of demographic imbalance would worsen.

8.4 Broad direction needed

The scenario planning session concluded with a lengthy discussion on the implications of different scenarios and of how the key drivers could be manipulated to provide positive outcomes over the time-span we are looking at. The group came up with several issues that will be important in influencing population sustainability.

Virtuous circle	The first is a virtuous circle that involves growing businesses in the Islands linked to the need to create jobs. This involves a diversification of the economy but also involves supporting communities and aiming for support to outlying communities rather than driving the continued centralisation in Lerwick.
Barriers to in-migration	The second issue raised was the barriers to in-migration including housing which is a very obvious driver and whether housing can be used directly to influence both in-migration and economic growth. It was agreed that housing could be used for this but it required careful management. Other interesting issues include the availability of childcare given the increasing trend towards both partners in the household having jobs and also the issue of integration of in-migrants into communities to reduce feelings of isolation when entering a new society and, in the case of Shetland, a distinctly different culture. This applies to in-migrants coming from outside the UK.
Desirability and cachet	The third issue is the desirability of developing cachet for the Islands. Because of the distance from markets and the cost of access of the Islands, there is seen to be a need to develop exclusivity or a fashion desirability of the Islands that would allow Shetland to sell itself without having to go to extremes of subsidising travel for example. It would allow the Islands to target specific types of in-migrants and specific types of visitors that would in turn enable specific niche markets to be developed.
Environmental and cultural assets	Another key driver is the use of the Islands environmental and cultural assets as key drivers of population change. There is a feeling that the Islands have great strengths in terms of culture, environment and how people perceive the Islands and these can be used not only to drive business and jobs growth but also to be the drivers of changing the population towards the desired targets.
Review population targets	Related to this was a feeling that the currently agreed population target of 25,000 people is a blunt instrument and not sufficiently understood to be able to do anything about it. So the group recommended the targets be reviewed to better reflect the target demographic profile that is required to make the Islands sustainable.
A few catalytic interventions	They also agreed there was a need to concentrate on a few catalytic interventions to create change rather than attempt to be all things to all people. This may mean a focusing of expenditure on specific projects that will create the result that is needed rather than simply applying money evenly across the Islands. And the last issue was the need to balance academic vocational and entrepreneurial education for out-migrants to counter the in-built driver towards sending school-out-migrants to universities to complete their education.

8.5 Areas for future policy focus

Our interviews with service providers and other key stakeholders have highlighted several issues that need to be addressed by policy-makers. These are summarised below:

Living within our means

There is an overwhelming awareness among interviewees that the level of spend and service-provision is unsustainable. The Council is seen to be living beyond its means and 'squandering' the remaining oil revenue. Many people identify the need for tough decisions on prioritising expenditure in the very near future.

Re-adjusting services

The current expenditure on service provision will need to be reined in and this will clearly have an impact on the scale or quality of services the Council can fund. For example the cost of providing specialist care to all parts of the island is untenable in the medium to longer term meaning that some care services will need to be centralised. The impact on levels of service provision might make the Islands less attractive to some groups who are currently attracted by the quality of service.

Similarly school provision will need to be reviewed so services reflect the population. There needs to be a more realistic balance about what the Shetland population can sustain in terms of schools.

Balancing the population

There is a strong feeling the current target of increasing the population to 25,000 is unrealistic. This was the high point of population when Sullom Voe was at its peak and it would be difficult to imagine any future employment opportunities on this scale. Many felt that adjusting the level of service provision to match realistic population estimates makes better sense than trying to grow the population to justify unsustainable levels of service provision. The effort should be on attracting younger, working age households back to the Islands to balance the age profile of the population rather than growing the population per se.

Distributing population growth

There were mixed views about whether there should be positive steps taken to grow key settlements outside of Lerwick. Some stakeholders felt the drift of population towards Lerwick was inevitable and that policy should support market forces. Others thought that some effort should go towards sustaining growth centres where there had been significant investment in providing facilities such as schools and leisure centres.

However, the availability of jobs was seen to be the key driver behind population distribution. So any efforts to promote locations outwith Lerwick would need to be backed up by focused economic development activity. Given the dominance of the public sector this would require the Shetland Islands Council taking the lead in devolving jobs to these growth centres backed up by proper office facilities and broadband connection. These devolved centres could then be the focus for developing incubator units for business start-ups and affordable housing.

Promoting self-reliance

The level of public sector services provided for residents has undermined the traditional self-reliance of crofting communities. A greater focus on communities developing their own solutions to meet community service needs will make services more responsive and cost-effective.

However in some communities there is already a strong community sector and these could be developed and supported to take on more responsibility for local services.

Affordable housing

Housing was seen as a key issue in sustaining and growing the Shetland population. In particular affordable rented or shared equity housing for younger people wanting to move back or into the Islands is a priority. The majority of housing need is focused within the greater Lerwick area that is most attractive to people returning. However if the population is to be balanced and sustained in other parts of the Islands then housing needs to be provided alongside economic opportunities.

Some stakeholders considered that the Council and housing agencies could intervene more effectively in the housing market and possibly take a role in managing some of the holiday and second homes that are increasingly common.

Opportunities for renewable energy

Renewable energy is seen as one future opportunity to support the Shetland economy. There has been discussion about whether the oil revenue should be invested in renewable energy to create a more sustainable revenue stream in the longer term. However, even if the Council chooses this option the money will be tied up for a considerable time before any revenue comes in. And selling power to the grid will require considerable upfront investment in an interconnector to the mainland. The distance from the main energy markets makes this kind of investment less feasible for the private sector so some public investment will be required.

Marketing the Islands

Several stakeholders felt the oil boom had distracted agencies from making serious efforts to market the Islands in terms of local produce or tourism. They felt that some nationally significant resources were not being marketed and that the tourism product had considerable potential for development. Lessons could be learned from Orkney on how to effectively market Island goods and services.

Supporting enterprise

Several stakeholders identified the need for a more strategic approach to developing and growing businesses and this is a current priority for HIE. One interviewee felt that some investment was simply propping up hobby businesses rather than developing genuinely competitive enterprises. Some stakeholders considered that there were very few businesses that were globally competitive with most operating within a domestic market. The limited provision of broadband was seen as a key weakness in developing more globally competitive businesses.

Stronger collaboration between the Public sector, Education establishments (such as UHI) and the private sector would help to identify and support a small number of opportunities to develop competitive advantage. Attracting skilled researchers or graduate placements could also help to stimulate enterprise. Some sectors

identified as having potential include renewable energy, creative industries, knitwear and music; in addition to current strengths such as fishing and aquaculture.

Providing incubator units or core business support services in association with better broadband access may help to stimulate business start-ups. However the low levels of risk-taking among the indigenous Shetland population is a major barrier to overcome.

Supporting the workforce

Problems in attracting staff in key sectors are predicted to get worse in the medium term suggesting a continued reliance on migrant labour. The growing burden of care emerging from the ageing population will require a larger and more flexible workforce, and this in turn will have implications for housing provision.

This section outlines some of the key longer term strategy objectives and policy areas that local agencies and communities will need to pursue to achieve the type of sustainable communities outlined in the previous section.

9.1 Overall aims

Our research suggests the overall aims for population sustainability by 2030 should be to:

o   Sustain the proportion of the population that is of working age;
o   Stabilise the school-age population;
o   Sustain the number of females of childbearing age; and
o   Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 clearly significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

9.2 Key issues impacting on population

Broadly this research has identified three key areas whish influence population change and which should therefore be the focus for any future measures aimed at addressing out-migration; these are:

o   Economic development;
o   Infrastructure; and
o   Social issues.

We have summarised the key challenges around these below.

Sustaining the economy

The key challenges facing the Shetland economy are:

An over-reliance on public sector employment and an associated under-development of the private and community sectors. Outside of the public sector the prospects in traditional sectors such as crofting and fishing are questionable and outwith the control of the local agencies.

Most young people leaving Shetland's schools gain high levels of qualifications and are automatically encouraged to go to University on the Scottish mainland. However this fuels a brain-drain of potentially more enterprising members of the community and reduces the pool of people available for vocational training and skilled trades.

There are limited and declining opportunities for women and higher skilled workers. Most employment demand seems to be for lower skilled workers in the traditional industries, while the number and range of skilled opportunities in the oil sector has declined.

Employment opportunities are concentrated in Lerwick which has implications for trying to sustain some of the outlying Islands and communities.

Infrastructure

The key challenges around infrastructure are:

There is limited affordable housing of the right type and in the right locations to meet the needs of the labour market and to encourage greater in-migration. There appear to be an increasing number of second and holiday homes across Shetland while the existing housing stock is put under pressure by declining household sizes, a drift of population towards greater Lerwick and an influx of migrant workers.

While transport is generally considered good in Shetland, timings of public transport and cost of fuel will increasingly place barriers on travel to work areas. With most jobs based around the Lerwick area, transport connections are extremely important to support the local labour market.

Its peripheral location in the UK puts Shetland at an economic disadvantage and this is compounded by poor connectivity. Many businesses and self-employed people will rely on high-speed and reliable broadband connections but Shetland is at the trailing edge of broadband technology.

Social issues

The key challenges around social issues are:

Many outlying communities are strongly reliant on lifestyle in-migration to keep local services going and to sustain population levels. However some in-migrants are not fully engaged in the local life of the community and are not economically active. This needs to be addressed so the contributions of these skilled residents can be maximised.

With an increasing reliance on an international in-migrant workforce the level of integration of in-comers will be important to sustaining communities. While this has been a positive feature in Shetland so far, the scale of in-migration needed in the future will place a challenge on communities and agencies to maintain this.

9.3 Key priorities

Our research has identified key population drivers, the likely impacts of continuing trends and some of the challenges currently facing Shetland's communities. We have identified several areas where policy should focus on to promote a sustainable population in the medium to longer term.

Policy direction

Revising targets

While the target of 25,000 by 2025 provides an admirable level of ambition for policy-makers, it masks some more important issues around the balance and distribution of the population. We would therefore recommend the target should use the criteria outlined in 8.1 rather than setting a definitive population target.

Reviewing local public expenditure priorities

Clearly Shetland has been living beyond its means for some time and the current level of local public expenditure cannot continue. Difficult decisions will need to be made on:

o   Prioritising local public expenditure; and

- o   A strategy for using the remaining oil fund.

Shetland has become accustomed to providing high-quality public services and facilities. But the investment made has not always been in the long-term interests of sustaining communities. The Council and its partners should start to scale back spending to levels in line with other similar sized authorities. Any additional spending from the oil fund or other reserves should be clearly focused on promoting a more sustainable economy in the medium to longer term, for example through:

- o   Promoting enterprise;
- o   Developing innovation or competitiveness;
- o   Generating revenue streams (for example, through renewables); or
- o   Developing business infrastructure (for example, broadband or incubator units).

However these issues are both sensitive and important so we would recommend a period of community consultation on which course of action to take.

Devolving jobs

If a strategy of supporting more self-reliant communities outside of Lerwick is to be successful this will require sufficient employment opportunities within these areas and the local spend these would generate. As the Council is one of the biggest employers it should take the lead in promoting this policy by devolving employment from Lerwick to the key settlements elsewhere in the Islands.

Marketing Shetland as a place to live and visit

It is clear that the quality of environment and strength of communities are what attracts people to Shetland. However there has been little effort to market these attributes in order to attract either visitors or to add value to locally produced produce. There is also an opportunity to develop niche tourism markets through branding and marketing.

Economic development

Developing the private sector

It is clear that there is a need for more business start-ups to address the weaknesses in the private sector. This will require investment in infrastructure that will support new businesses such as start-up premises, broadband and other IT facilities. Business facilities should also help to promote the policy of devolving employment opportunities out of Lerwick.

It will also require more focused awareness-raising of enterprise opportunities among key target groups such as school-leavers, women and in-migrants. Bringing in Shetlanders who have become successful businessmen and women is one way of doing this.

Adding value to natural assets

Our research has identified some potential for developing greater economic advantage from Shetland's natural assets including produce, culture and environment. This links closely with the issue of marketing outlined above. Partners could help to develop greater added value through supporting the private sector to build clusters around different sectoral groupings such as:

- o   Crafts;
- o   Creative industries;

- Eco-tourism; and
- Food and drink.

Added value could be generated through differentiating these products and marketing their quality and exclusivity.

Developing knowledge-intensive sectors

Increasingly economic development requires ways of using knowledge to create competitive advantage and add value to basic production. However this is often difficult to achieve in rural and peripheral areas where there are no large-scale Universities to promote research and development. However the North Atlantic Fisheries College already has international research specialisms in several areas and there are proposals for Shetland College (as part of UHI) to develop research programmes in specialist areas such as knitwear and music. Renewable energy will also present future research and development opportunities.

Public agencies should support the knowledge economy through identifying appropriate opportunities for research that link into Shetland's productive sectors. They can also assist through providing graduate placements and secondment opportunities and through joint ventures with research institutions.

Building community enterprise

Elsewhere in the Highlands and Islands community-based enterprises have developed innovative ways of meeting the different service needs of remote communities. With public service budgets likely to come under increasing pressure in Shetland, the community sector will need to play a greater role in maintaining and delivering local services.

Infrastructure

Housing to support economic growth

It is clear that the availability of housing is a key barrier to increasing in-migration. And there is evidence from elsewhere to suggest that housing provision can help stimulate economic and population growth. While the Council and its partners have made efforts to increase the number of house completions it will be critical that housing continues to support economic development. This will mean providing accessible and affordable housing opportunities in the various growth settlements in conjunction with the devolved jobs and business infrastructure previously discussed.

Improving broadband

In rural areas self-employment is generally more widespread than in urban areas and reliable high-speed broadband is increasingly important to running most types of business. So investing in broadband technology will be important for promoting Shetland as a location for self-employed lifestyle in-migrants and for developing indigenous business start-ups.

Community support

With an increasing need to attract in-migrants and the accompanying increased housing requirements, continued support for integrating the migrant community is essential. The efforts undertaken by the Council, Shetland College and the voluntary sector so far have been commendable. However it will be important that there are adequate resources to provide ESOL classes, language support for schools and translation services for public agencies. Support for community-based

awareness raising and integration are also necessary to help the indigenous population to embrace these new Shetlanders.

Further examples of approaches taken to integrating in-migrants elsewhere are set out in Appendix B.

Factors such as age, gender, locality, qualifications and economic activity were considered at all times as well as ethnicity/disability

What has driven population change since 2001?

- What have been the trends for each locality in Shetland, Shetland as a whole and Scotland?

What are the factors influencing migration?

- What are the characteristics of in-migrants?
- What are the characteristics of out-migrants?
- What are the characteristics of returners?
- What influences their decisions to return, migrate in or out?
- What influences the decisions of those who choose to remain, particularly in fragile areas?

What are the necessary factors for sustainable communities?

- What are cultural, social, economic and infrastructure characteristics of a sustainable community?
- What is the level and type of population required for sustainable communities?
- Which localities are most vulnerable to population change?

How will the makeup of the population in 2030 affect Shetland society, economy and services?

- What are the implications of population trends continuing as is?
- What are the implications of policies that are moderately successful in influencing population change?
- What are the implications of meeting population targets?

What actions can public agencies take to foster population and service sustainability?

- Which vulnerable localities should policy makers particularly focus on?
- What policy and support mechanisms are likely to work to:
  - Reduce the vulnerability of these areas; and
  - Support population growth and retention.

Much attention has been paid in recent years to the development and implementation of policies that can encourage population growth in rural and remoter areas. Some of the conclusions and recommendations are presented below.

Retention of indigenous population

It has been argued that there is a close correlation between population growth and economic development. This can be shown in the Highlands and Islands, where structural developments since the 1960s have helped to reverse economic decline and, as a result, has reversed the long-term trend of out-migration from the area (Nicolson, 2004). Business growth requires labour and thus it is a pull factor for economic in-migration, yet it does not necessarily guarantee population retention. Some authors suggest the traditional pattern of out-migration and declining job opportunities does not hold in Shetland, as there is still net out migration, despite job growth (Blackadder, p. 17). The author suggests there could be a mismatch between available jobs and the employment people want or are trained for (p.18). A common characteristic of rural areas which makes them more susceptible for out-migration is that employment opportunities tend to require low skills levels, pay low wages, and do not offer progression within a career. The Outer Hebrides Migration Study provides evidence of a strong link between limited job and career opportunities and out-migration (p.22-27) and recommends that economic development policy should aim towards exploring the possibility of attracting businesses and activities in sectors that provide a wider range of opportunities for men and women (Hall Aitken and INI, 2007, p.97-98). Additionally, developing an electronic communications infrastructure and Broadband access, which are crucial to e-business, is seen as necessary to improve productivity and market expansion for rural businesses (Nicolson, 2004).

For many parts of rural Scotland, education has been recognised as a key driver of out-migration, affecting the younger age groups in particular (Stockdale, 2004). It might therefore be expected that regional educational institutions would be successful in retaining young people seeking further education. Lews Castle College (Outer Hebrides), for example, sees its future role as developing specialist courses and graduate programmes to attract back postgraduate students to carry out research (Hall Aitken, 2007).

It is evident from studies elsewhere that transport on islands and remoter areas can be an issue for both settled and migrant communities, in terms of availability and cost (Hall Aitken, 2007, p.29, p 60, 64-65, p70; Kociolek, 2007, p.16). Improving road, ferry and air services to make it easier and more affordable to get around the region is argued as essential, if communities in remoter locations are to be sustained (Nicolson, 2004).

There have been different policies and practices developed in response to the issue of rural depopulation across the world. Norway, for example, supports businesses in remote areas with grants and loans in addition to reduced personal and business taxation. In some parts of the country, graduates are offered reductions from student loan repayments for every year they spend working in a remote area (Hall Aitken and INI, 2007, p116). In Ireland, a proactive approach is taken by voluntary organisations such as Rural Resettlement Ireland, where field officers assist families to leave cities and resettle permanently in rural areas. Information on mainly housing, transport and education is provided (www.ruralresettlement.com). Also

Canada has developed a proactive approach to supporting its rural, remote and northern regions. The Canadian Rural Partnership works closely with the Canadian government to support rural communities through building community capacity, supporting rural agricultural communities with rural minority languages and youth-orientated actions (http://www.rural.gc.ca).

Retention of foreign migrant labour

One of the interesting characteristics of the recent Central and East European A8 migration wave consists of its fairly even distribution across the country with no indication of a preference for urban areas (CRC, 2007, p. 16). Rural areas which have been facing population ageing and decline and which are struggling to fill vacancies in some sectors have been beneficiaries of this phenomenon. In the attempt to attract and retain migrant labour, detailed research and project-work has been undertaken.

A survey of migrant workers in the Outer Hebrides revealed that most migrants did not have defined plans about their length of stay, and many left their decisions for the future undefined (Hall Aitken and INI, 2007a, p.40). This may suggest that, depending on their situation (housing, employment, feeling of being welcome etc.), they are open towards the prospect of resettlement.

The most common recommendations regarding action by public agencies are to focus on the following major issues (UHI and INI, 2005, p78-82; Hall Aitken and INI, 2007a, p. 52-58; Kociolek, 2007, p.24-27, Jentsch, 2007, p. 3):

o Access to information and access to independent advice and support – to families and to individual migrants;

o Promotion of good relations and community cohesion, for example, through interaction between different ethnic and cultural groups (see also below)

o Promoting inclusion – for example, through ESOL provision

o Addressing underemployment – through a strategy of matching skills with employment opportunities.

Given that 'integration' is commonly understood as requiring changes from migrants as well as from host communities, it needs to be noted that the latter also need support when the focus is often on the migrant population and their needs. Community support may include creating opportunities to interact with other cultures, and information about the new community members, including the benefits they can bring. At a policy level, 'integration' may refer to a type of engagement in which stakeholders from different ethnic and cultural groups participate, thereby promoting interaction. This can result in 'mainstreaming' so the development of policies and public provisions is inclusive of different ethnic and cultural groups, thus promoting equality (Jentsch, 2007, p. 3).

Many areas in Scotland have created multi-agency working groups, which aim to develop strategies and specific initiatives around the issue of migrant workers (for example, there are Migrant Worker Forums in Lochaber, Argyll, Dumfries and Galloway and a Highland-wide In-migration Action Group). These groups help to coordinate action by local agencies and provide a platform for information exchange.

The "Supporting Inward Migration" initiative could be given as an example of a multi-agency project within the Highland Council area. The project is aimed at migrant workers and employers who have migrant worker employees. It delivers services within four main areas of support: English classes, advice, family support and fire safety (Supporting Inward Migration [online]).

S.T.E.P, the "Migrant Worker Support Project" in Northern Ireland, operates on the basis of a similar idea. The Migrant Support Centre, that has been established to run the project, delivers its services in a range of languages, covering 9 different areas of expertise, including ESOL (provision, tutor training, quality checking), advice (citizen, employment rights, housing, immigration), interpretation and translation services, community development work and policy work.. The project – initially funded by public money – has been designed to be self-sustaining, with time (Migrant Workers Support Project [online]). This highlights opportunities and constraints of the role of the voluntary sector in promoting the integration of migrants: on the one hand, voluntary organisations are diverse and flexible, and thus well suited to identify and address migrants' needs. However, examples in Ireland have also demonstrated that unless the state co-ordinates such endeavours and facilitates a long-term strategy, an overly complex structure of programmes and initiatives may result. They may only be short-lived and project directed – a situation which obviously should be avoided (Jentsch 2007; Mac Éinri 2007).

Shetland Islands Council

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Date	March 2008
Version	Draft Final Report

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Shetland
Islands Council

REPORT

To: **Shetland Islands Council**

From: **Policy and Development Assistant**

Report No: CE – 20 – F

Shetland Population and Migration Study

1 Purpose

1.1 This study was designed to establish how the population in Shetland, and in different areas of Shetland, is changing; to make projections to 2030 and develop a model for predicting population change in the Islands.

This report informs the council of the progress achieved and the final analysis of the Shetland Population and Migration Study.

2 Link to Corporate Priorities

2.1 The Community Planning Board has committed to increasing the size of the population of Shetland to 25,000 by 2025. In – Migration will be a key factor in how we achieve this priority.

2.2 Shetland Islands Council subsequently endorsed this objective within the current Corporate Plan. The Plan goes on to commit to the completion of the study on population projections to assist in "basing all our decisions on evidence".

3 Background

3.1 The primary reason for the Shetland Population and Migration study was because existing population projections were heavily based on historic trends, which do not take into account either more recent trends or the potential impact of policies going forwards. As a result, there was a requirement to develop population projections based on an assessment of the current population situation, and an analysis of how current trends and policies may change this in the future.
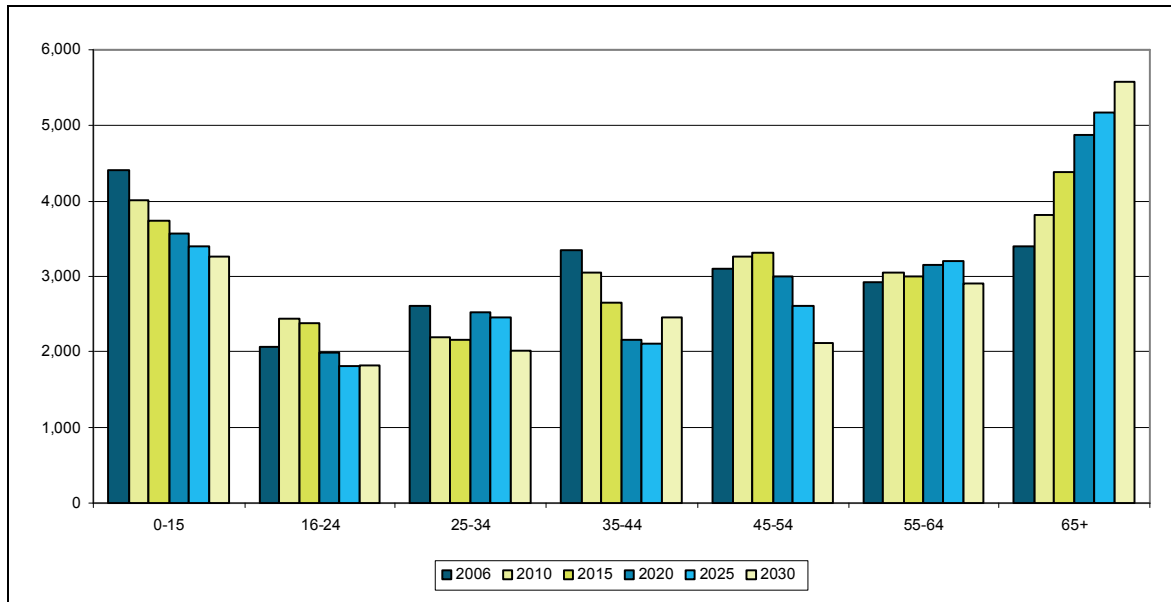
It has been recognised that more people living, working and studying in Shetland are essential factors for sustaining communities and the economy long – term.

4   Key Findings

4.1   A few of the key findings highlighted within the population and migration final report are as follows,

Population and Baseline to 2030

- Current population of Shetland is 21,880

The population model is based on birth rates and migration trends continuing as present. This indicates the following changes in Shetlands population by 2030;

- The overall population dropping to around 20,000

- A drop of 18% in the number of women in the child-bearing age group;

- A drop in the working age population (18-64) of 3,000

- An increase of 63% in the number of residents aged 65 and over; and

- A decline of almost a third in the number of school-age children

Council and NHS budgets are already stretched therefore with an aging population profile this will put a heavy burden on the extensive care service already provided. This is combined with a significant decline in the women of childbearing age and the number of school age children. This does not provide for a vibrant sustainable economy.

Education/school Rolls

- Primary School Rolls in the North Isles of Yell, Unst and Fetlar, have been in decline since 1981. Whalsay and Skerries school rolls have been declining since the late 1970's
- South Mainland and Central primary school rolls have stagnated at a 1991 level.
- The West Mainland School Roll has shown the most positive pattern, sustaining a higher number than in 1976 (Oil Boom).

- Population growth stemming from the development at Sullom Voe resulted in families moving into communities in the North Mainland area.

Housing

- Evidence shows that housing constraints can be a barrier to sustaining fragile populations, and in other Island Communities house building has been an essential factor in developing local economies.
- Since 1991 there has been a significant decline in the number of house completions, although last two years have been higher because of the increase in the number of homes being built by Hjaltland Housing Association.
- With available land in Ierwick in decline, the Central belt and the South have become much more important for development. Average size of households are becoming smaller, therefore need more houses to sustain the current population.

Migration

- Shetlands birth rates are higher than the death rates therefore Shetlands population decline can be linked to net out migration.
- Primary factor in the net out migration is young people leaving for Higher Education and to gain better career opportunities then not returning to Shetland.
- Drift of the population in peripheral areas, especially the North Isles, to the central mainland.
- Since EU expansion in 2004/05, the Shetland Islands have had a greater number of incoming overseas workers than the other two Island Local Authorities; the Western Isles and the Orkney Islands.
- Many Sectors of the Shetland economy now rely heavily on migrant workers, which in turn leads to increasing demand on services such as English for Speakers of Other Languages and school provision. The future of economic in-migrants is uncertain however, as immigration legislation is tightening and economic factors may mean that the UK is not viewed as such an attractive destination in forthcoming years.

Possible Policy Options (refer to page 75 of study for all options)

If we do nothing what will happen by 2030;

- Primary school age population falls by approx 600
- Working age population falls by 3,000
- % of under 35's in the population falls to 35%
- Number of annual births fall by approx 46
- Women of child bearing age falls by 18%

If we were to increase all in-migrant age groups under 45 by 20%, by 2030;

- Total population = 21,352
- Primary school age population falls by approx 400
- Working age population age falls by 1,500
- % of under 35's in the population falls to 36%

- Number of annual births fall by approx 20
- Women of child bearing age falls by 10.4%

To reach the Community Planning Target of increasing the Shetland population to 25,000 this will require significant effort and co-ordination, however this could be achieved by 2025 if we were to;

- Increase all in-migrants age groups under 45 by 50% and
- Reduce out migration by 50%(16-34).

5 Financial Implications

Dependent on follow up, there may be financial implications as a result of this report due to the policy initiatives necessary for the future of a Sustainable Shetland economy. Any such initiatives and their specific financial implications would however be the subject of future reports.

6 Policy and Delegated Authority

As this is a Council corporate initiative linked to Community Planning with potential Council wide significance it is appropriate to report back to Council and seek their views on further steps.

7 Recommendation

It is recommended that the Council discuss and advise a viable way forward for the proposals and recommendations outlined within the population and migration study

Date: 17/04/08
Our Ref: LS/JRS   Report No: CE – 20 – F

Shetland
Islands Council

MINUTE   'A & B'

Lerwick Town Hall/Lystina House Consultative Committee
Boardroom, Lystina House, Lerwick
Thursday 1 May 2008 at 2.15pm

Present:
L Angus   A J Cluness
A G L Duncan   J H Henry
A Johnston   C H J Miller
A Simpson   C L Smith
F A Robertson   A S Wishart

Apologies:
E L Fullerton

In attendance (Officers):
A Rolfe, Acting Asset and Properties Manager
A Arthur, Administration Officer
B Sandilands, Town Hall Steward
L Adamson, Committee Officer

01/08   **Chairperson**
         On the motion of Mr J H Henry, seconded by Mr A G L Duncan, Mr L
         Angus was appointed Chairperson of the Committee.

         Accordingly, Mr L Angus assumed the Chair.

Circular
The circular calling the meeting was held as read.

Minute – 27 March 2007
The minute of the meeting held on 27 March 2007, was confirmed.

01/07 - Town Hall Guide Book
The Administration Officer advised that the Town Hall Guide Book was progressing
well and following the selection of a number of photographs for inclusion, the
publication would be ready for printing. The Chairperson said that the Guide Book
was a Community Council publication, and the Committee was indebted to Mrs A
Simpson for the work undertaken. He added that Mr C H Simpson had carried out
thorough research and the revised booklet would contain amended and additional
information.

02/08   **Vice-Chairperson**
         On the motion of Mr C L Smith, seconded by Mrs C H J Miller, Mr J H
         Henry was appointed Vice-Chairperson of the Committee.

03/08 **Lerwick Town Hall: Main Entrance Steps**
The Committee considered a report by the Capital Programme Service Manager/Acting Asset and Properties Manager (Appendix 1).

The Chairperson reported that significant works had been outstanding to the Town Hall and Lystina House for some time, however following consideration by CPRT the project had ranked low in prioritisation, and no funding had been allocated.   However, with the forthcoming 125th anniversary of the Town Hall in July, it has been proposed that the exterior of the Town Hall should be improved with the replacement of the main entrance steps. Members noted that a skilled stonemason was available to carry out the works, and suitable stone had been sourced.

During the discussion, Mr F A Robertson provided Members with information on the works carried out for the centenary of the Town Hall, and advised that improvements to the main entrance steps had been included in the works, however at that time Historic Scotland had opposed the proposals.

Some discussion took place regarding the acoustics in the main hall. Mr Robertson suggested that to improve acoustics during choral events, the curtains could be suspended from a bar around the hall, with the curtains being raised during choral performances. The Chairperson said that this could be considered in the future and would also depend on funding.

In response to a question from the Chairperson, the Acting Asset and Properties Manager considered that the work to the main entrance steps should be complete in time for the 125th anniversary of the Town Hall. He added that following approval by the Committee, the works could start immediately, as the stone had been measured and sourced. On the motion of Mrs C H J Miller, seconded by Mr C L Smith, the Committee agreed to support the Chief Executive in recommending inclusion of the proposed works in the Council's Capital Programme for this year.

04/08 **AOCB**

Tapestry in the Main Hall
The Administration Officer advised that she had arranged for the work to be carried out to properly stretch and hang the tapestry in the main hall.

Town Hall 125th Anniversary
The Chairperson referred to the celebrations being arranged for the 125th anniversary of the Town Hall, advising that a week of events had been planned at the end of July, which included the launch of the Guide Book, a musical evening, dinner dance, and a photograph display.   The Committee agreed that the Chairperson and Vice-Chairperson would meet with the Administration Officer, to finalise arrangements.

The meeting concluded at 2.40pm.

……………………………
L Angus

Chairperson