



REPORT

To: Shetland Islands Council

25 March 2009

From: Head of Finance

Review of Members Remuneration and Travel and Subsistence Allowances **Report No: F-011-F**

1.0 Introduction

- 1.1 The purpose of this report is to bring to members attention the changes that have been introduced in respect of Members' remuneration and to seek Council approval on the payments to be made to Members in respect of travel and subsistence payments.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's Corporate Plan, specifically in relation to managing our financial resources so as to ensure that revenue budgets are kept within agreed limits.

3.0 Background

Remuneration

- 3.1.1 The payment of remuneration to Members is subject to legislation and is managed by the Scottish Government. The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (as amended) are the principal regulations.
- 3.1.2 The above regulations have been amended so as to award salary increases of 2.5% from 1 April 2008 and a further 2.5% from 1 April 2009. The payment made to Members in March 2009 will reflect the new rate and the arrears due.
- 3.1.3 The above regulations also confirm that as Members are regarded as office holders and are liable for PAYE and Class 1 National Insurance contributions, they are entitled to Statutory Sick Pay and Statutory Maternity Pay.

- 3.1.4 Members are also entitled to sacrifice part of their remuneration in exchange for childcare vouchers in the same way as is available to employees.

Travel and Subsistence Allowances

- 3.2.1 The payment of travel and subsistence allowances to Members is subject to legislation and is managed by the Scottish Government. The Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (as amended), are the principal regulations.
- 3.2.2 The revised types and maximum rates of travel and subsistence allowances permitted, as per the above Regulations, are set out in Appendix 1. These rates have been revised with effect from 10 February 2009. A new allowance has been introduced for Members choosing to stay with friends or relatives in lieu of claiming an overnight subsistence.
- 3.2.3 Also, attached as Appendix 2 are the rates that are currently being paid. These rates have been effective since May 2007.
- 3.2.4 Whilst this report deals with the payments to be made to Members in respect of travel and subsistence expenses a further report will be required to follow to review the level of payments made to officials, as officials' rates mirror those of Members, with the exception of mileage payments.

5.0 Financial Implications

- 5.1 There are no significant cost implications, and introducing a rate for staying with friends or relatives of £25 per night may even result in cost savings being generated. The mileage rate has reduced from 49.3p per mile to 40p per mile which will generate cost savings.

6.0 Policy and Delegated Authority

- 6.1 The Head of Finance has no delegated authority in respect of the payment of travel and subsistence allowances to Members as payment of these allowances is made under The Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (as amended).
- 6.2 Any decisions made today will be incorporated into the Scheme of Members' Approved Duties and Travel and Subsistence Allowances document, which will then be published and issued to all Members and relevant officers for reference.

7.0 Conclusions

- 7.1 This report confirms changes that have been introduced in respect of remuneration payments to Members.

- 7.2 This report also details the revised maximum rates that can be made to Members in respect of travel and subsistence payments.

8.0 Recommendations

- 8.1 I recommend that Members approve the revised rates detailed in Appendix 1 of this report.
- 8.2 I recommend that members note the revisals to the remuneration regulations which will be implemented as outlined in Section 3.
- 8.3 Note that the Scheme of Members' Approved Duties and Travel and Subsistence Allowances document will be updated with today's decisions, which will then be published and issued to all Members and relevant officers for reference.
- 8.4 Note that the new travel and subsistence rates took effect from 10 February 2009.

Date: 16 March 2009
Ref: MGS/S/1/37

Report No: F-011-F

**MEMBERS TRAVEL AND SUBSISTENCE EXPENSES
REVISED MAXIMUM RATES PERMITTED - 2009****MILEAGE RATES (Mandatory)**

i)	Car or Van:	40	pence per mile
ii)	Motorcycle:	24	pence per mile
iii)	Bicycle:	20	pence per mile
iv)	Passenger (where both the passenger and the councillor are carrying out any approved duties)	5	pence per mile

MEAL RATES

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

The above meal rates can only be claimed where a member takes a meal outside the electoral ward in respect of which they hold office and not within any local authority premises in the area of the local authority of which they are a member. With the exception that members representing the North Isles (Ward 1) can claim the above rates where a meal is taken within their electoral ward.

OVERNIGHT SUBSISTENCE RATES (away from home and local authority premises, either within or outwith the UK)

i)	Within Central London	£131
ii)	Elsewhere	£110

These overnight rates are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast.

Note: Subsistence claims (except when staying with friends or family) will still be on the basis of actual receipted costs up to the maximum rates.

STAYING WITH FRIENDS OR RELATIVES £ 25

Instead of claiming overnight subsistence rates, when away from home and local authority premises, either within or outwith the UK, a member can claim the above round sum allowance, per night, when staying with friends or relatives.

MISCELLANEOUS TRAVEL

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, Parking charges, etc – actual receipted cost of expense

TELEPHONE AND COMPUTER LINE RENTAL

- | | |
|--|---------------------------|
| i) Telephone and computer line rental (first line) | 50% of line rental cost |
| ii) Telephone and computer line rental (second line) | Receipted cost of expense |
| iii) Telephone and computer line rental (apart from
calls or line rental) | Receipted cost of expense |

TELEPHONE CALLS/FAXES/E MAILS

- | | |
|---|---------------------------|
| Telephone calls, e mails, faxes made in respect of
approved duties | Receipted cost of expense |
|---|---------------------------|

**MEMBERS TRAVEL AND SUBSISTENCE EXPENSES
MAXIMUM RATES PERMITTED – 2007**

MILEAGE RATE

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

MEAL RATES

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

The above meal rates can only be claimed where a member takes a meal outside the electoral ward in respect of which they hold office and not within any local authority premises in the area of the local authority of which they are a member. With the exception that members representing the North Isles (Ward 1) can claim the above rates where a meal is taken within their electoral ward.

OVERNIGHT SUBSISTENCE RATES (away from home and local authority premises, either within or outwith the UK)

i) Within Central London	£118.63
ii) Elsewhere	£ 94.82

These overnight rates are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast.

MISCELLANEOUS TRAVEL

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense

TELEPHONE AND COMPUTER LINE RENTAL

i) Telephone and computer line rental (first line)	50% of line rental cost
ii) Telephone and computer line rental (second line)	Receipted cost of expense
iii) Telephone and computer line rental (apart from calls or line rental)	Receipted cost of expense

TELEPHONE CALLS/FAXES/E MAILS

Telephone calls, e mails, faxes made in respect of approved duties	Receipted cost of expense
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REPORT

To: Shetland Islands Council

25 March 2009

From: Head of Finance

IRRECOVERABLE DEBT 2008/2009 REPORT No: F-007-F

1. INTRODUCTION

- 1.1 As part of the closure of the 2007/08 accounts provision has been made under a heading for potentially irrecoverable debt.
 - a) A provision of £195,973 relating to uncollectable housing debt;
 - and
 - b) A provision of £491,967 relating to sundry debts, Rates, and Council Tax.
- 1.2 As usual the appendices have not been reproduced with this report. This has the advantage of enabling this report to be discussed in public but if any member wishes to know the identity of particular debtors, subject to Data Protection requirements, they should contact the Income and Recovery Manager.

2. LINK TO COUNCIL CORPORATE PRIORITIES

- 2.1 There is no link to a specific corporate priority but this is a required function that contributes to the Council aim of being organised, efficiently run and sustainable.

3. HOUSING REVENUE ACCOUNT

- 3.1 A detailed review of all outstanding rent accounts has been carried out.
- 3.2 A review of all former tenant arrears balances has been carried out. There are 9 cases to the value of £18,065 that require to be written off. Appendix 1 details these balances.

3.3 In addition to this there are 4 balances totalling £10,982 relating to irrecoverable debts for tenants repairs to Council housing etc, details of which are contained in Appendix 2.

3.4 Housing Revenue Account Summary:

	No of Cases	Total £
Former Tenants	9	19,876
Other Balances (Formers)	4	10,982
Totals	13	30,858

4. GENERAL FUND

4.1 A review of outstanding sundry debt balances has been carried out. There are 12 cases with balances amounting to £35,795 that requires to be written off, details of which are contained in Appendix 2.

4.2 A review of outstanding rates balances has also been carried out. There are some 2 balances amounting to £5,352 that require to be written off, details of which are contained in Appendix 3.

4.3 Similarly, a review of all outstanding Council Tax balances has been carried out. There are 17 balances amounting to £19,600 that require to be written off, details of which are contained in Appendix 4. A charge of £14,475 should be carried against the General Fund and £5,125 against Scottish Water.

4.4 The overall position, as detailed above, is summarised in the following table:

General Fund Summary

Type of Debt	No of Cases	General Fund	Scottish Water	Total £
Sundry Debtor	12	35,795		35,795
Rates	2	5,352		5,352
Council Tax	17	14,475	5,125	19,600
Totals	31	55,622	5,125	60,747

5. HARBOUR ACCOUNTS

5.1 A review of all outstanding Harbour Accounts sundry debts has been carried out. There are 2 balances amounting to £4,915 that require to be written off, details are contained in Appendix 2.

6 PROVISIONS

6.1 Housing Revenue Accounts

There is currently a provision of £195,973 to cover potentially irrecoverable debts relating to the Housing Revenue Account. The write off of £30,858 will leave £165,115.

6.2 General Fund

There is currently a provision of £491,967 to cover potentially irrecoverable debts relating to the General Fund. The write off of £55,622 will leave £436,345 remaining. A provision figure will be calculated as part of the closure of accounts for 2008/09.

7. POLICY – DELEGATED AUTHORITY

- 7.1 The terms of this report are being reported to the Council for approval in accordance with Section 4.5 of the Financial Regulations, which states:

"No financial sums or other assets in excess of £1,000 shall be written out of the main accounts or subsidiary records of the Council except by the Head of Finance who shall report all such sums written off to the Council. Sums or other assets of less than £1,000 may be written out of the main accounts or subsidiary records of the Council with the express authority of the Head of Finance."

8. RECOMMENDATIONS

- 8.1 I recommend that the Council: -

- (1) Approve the write off of £30,858 against the current provision for bad debts in relation to housing debt detailed in 3.4, against the Housing Revenue Account provision.
- (2) Approve the write off of £55,622 of sundry debts, Rates and Council Tax balances against the General Fund Provision.
- (3) Approve the write off of £5,125 against Scottish Water.
- (4) Approve the write off of £4,915 against the Harbour Accounts.



REPORT

To: Shetland Islands Council

25 March 2009

From: Capital Programme Service Manager

Report No: CPS-04-09-F

Subject: Progress Report – Capital Programme

1.0 Introduction

- 1.1 This report seeks to advise the Council on the financial progress of the programme.
- 1.2 This report also reports on slippage/ savings which have occurred within the Capital Programme and makes recommendations on allocating this slippage to other projects.

2.0 Links to Council Priorities

- 2.1 The proposals within this report will link to the Council's corporate plan by enhancement of skills development and learning.
- 2.2 Section 3 of the Corporate Plan commits us to manage the Capital Programme in line with available funds.
- 2.3 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.

3.0 Slippage/ Savings and Allocation (Appendix A)

- 3.1 A total of £324,666 slippage/ savings have been identified as follows:

- GCY B9081 Mid Yell (Hillend Section) £40,000
Underspend of £40,000 due to delay in awarding the contract. This is committed expenditure which requires to be carried forward into 2009/10.
- GCY9206 Roads Rolling Programme – Various

Including schools 20mph speed limits £50,000
Underspend due to late allocation of additional budget from slippage and poor weather.

- RCM2309 Peerie Dock Symbister £7,000
Funding to enable the preliminary investigation and option appraisal to continue following the appointment of a conservation architect.
- GCX4315 IP Phones £50,000
IPT Project delayed until the next financial year following detailed project planning.
- GCX4311 SSIS £77,666
Significant time delays were experienced during Phase 1 of this project and although the project is now back on track, it was not possible to spend the full budget.
- GCK2002 Contingencies and Final Accounts £100,000
There was less requirement on Contingencies than there has been in previous years.

Total Slippage/ Savings Identified £324,666

3.2 It is proposed to allocate some of this slippage/ savings to additional requirements/ minor overspends that have occurred in 08/09, see Appendices A and B.

- GCY6116 B9074 Trondra Phase 2 £1,203
Project complete. Small overspend
- GCY6299 Roads Completed Schemes £1,202
Settlement of very old land transactions
- GCY9016 Public Toilets Rolling Programme £9,829
Additional grant to Walls Community Development Group for unforeseen costs in relation to the construction of public toilets.
- GCJ3003 Play Areas Rolling Programme £3,162
Additional drains in play area at Fraser Park, Scalloway to protect football pitch from flooding. Opportunity taken to install these drains during the construction of the new play area.
- GCY7203 Sumburgh Runway Extension £431
Additional minor overspend not accrued from last year.
- GCE1304 New Anderson High School £100,000
Additional ECI period expenditure (Services Committee Min Ref. 27/09).

It is also proposed to allocate slippage and re-profile the following project (the Mid Yell 10/11 capital budget will reduce by the 300K):

- GCE1315 Mid Yell School £300,000
This project had previously offered up slippage at two previous occasions throughout the year. However, following on from a successful tendering exercise and the appointment of a contractor, this project has achieved better than anticipated progress and has moved forward at a faster rate than programmed. This has resulted in the need for additional fees for current year 08/09 to the sum of £300,000 to cover the ECI period (design and development). This does not affect the approved overall contract budget (£8.5M) and simply seeks to re-profile expenditure reducing the 2010/2011 year budget.

Total Slippage Allocated to 08/09 £415,827

3.3 Committed slippage and additional budget for 09/10 has also been identified by BRO's. It is proposed to allocate this slippage/ additional requirement in 09/10 as follows, see Appendices A and C.

- GCY B9081 Mid Yell (Hillend Section) £40,000
Committed slippage carried forward £50,000
Additional Budget required
Tenders for these works were returned on 24th February, and the lowest one's tender is considerably more than the original estimate. Roads staff have checked the tenders, and it is clear that prices for many items of work have risen considerably since the last major rural road improvement was carried out. Options for lowering costs have been considered, and the following are acceptable. It is intended to negotiate an agreement on these reductions with the lowest tenderer:
 - a) Reduce the standard of carriageway construction over most of the scheme's length: this would be satisfactory in the North Isles.
 - b) Delete the footway alongside the by-pass: there will be an alternative suitable route along the old road.
 - c) Reduce the contingency ("Dayworks" allowance): the scheme has now been designed in close detail, and it is not expected that there will be significant additional costs.
 An addition to the scheme's budget of £50k will still be required before the Contract can be awarded.
- GCY9213 Schools 20mph Speed Limits £50,000
Committed slippage carried forward
- RCM2309 Peerie Dock Symbister £7,000
Funding to enable the preliminary investigation and option appraisal to continue following the appointment of a conservation architect.
- GCX4315 IP Phones £50,000
IPT Project delayed until the 2009/10 following detailed project planning.

- GCX4311 SSIS £77,666
Significant time delays were experienced during Phase 1 of this project and although the project is now back on track, it was not possible to spend the full budget.

Total Slippage/ Further Budget Required 09/10 £274,666

- 3.4 The proposed additional £415,827 in 3.2, plus new projects which have been funded from revenue totalling £133,603 bring the total Capital Programme for 2008/09 to £19,136,098 which is within the approved budget strategy for the General Fund Capital Programme to limit the draw on Reserves to £20 million in 08/09.
- 3.5 The proposed additional £274,666 in 3.3 brings the total Capital Programme for 2009/10 to £20,184,375 which exceeds the approved budget strategy for the General Fund Capital Programme to limit the draw on Reserves to £20 million in 09/10. However we anticipate slippage to occur within the year which will bring the draw on reserves back under £20 million in line with budget strategy.
- 3.6 Allocating slippage to projects as identified in paragraph 3.2 leaves the sum of £861,956 unallocated in this financial year.
- 3.7 Appendix B gives a summary of the Council's 2008/ 09 funded capital projects with proposed adjustments.
- 3.8 Appendix C gives a summary of the Council's 2009/ 10 funded capital projects with proposed adjustments.

4.0 Proposal

- 4.1 It is proposed that Members:
- 4.1.1 Note the financial progress of the current committed projects; and
- 4.1.2 Approve the allocation of slippage to both financial years 08/09 and 09/10.

5.0 Financial Implications

- 5.1 Approved budget strategy for the General Fund Capital Programme is to limit the draw on Reserves to £20 million in 2008/09 and 2009/10.
- 5.2 Amendments proposed to 2008/09 adjust the General Fund Capital Programme budget, and ultimately draw on Reserves to £19,136,098 million for 2008/ 09.

- 5.3 Amendments proposed to 2009/10 increase the General Fund Capital Programme budget, and ultimately draw on Reserves to £20,184,375.

6.0 Policy and Delegated Authority

- 6.1 Decisions relating to approval or variation to the Council's Capital Programme requires approval of the Council (Section 8.0 – Scheme of Delegations).

7.0 Recommendations

- 7.1 It is recommended that the Council:

7.1.1 Note the financial progress of the current committed projects; and

7.1.2 Approve the allocation of slippage to both financial years 08/09 and 09/10.

Our Ref: CPS-04-09-F/GMF/RS

Date: 17 March 2009

Enclosed:

Appendix A Summary of Budget Adjustments

Appendix B Prioritised Projects with Funding Allocations

Appendix C Capital Programme Progress Report

CPS-04-09 Budget Adjustments

08/09 Budgets			
Project	Additional Budget Required £	Budget Slippage / Savings £	Net Budget Saving £
B9074 Trondra Phase 2 - GCY6116	1,203.00	0.00	(1,203.00)
B9081 Mid Yell (Hillend Section) - GCY6121	0.00	40,000.00	40,000.00
Completed Schemes - GCY6299	1,202.00	0.00	(1,202.00)
Roads Rolling Programme - GCY9206 includes Schools 20 mph Speed Limits	0.00	50,000.00	50,000.00
Public Toilets Rolling Programme - GCY9016	9,829.00	0.00	(9,829.00)
Mid Yell School - GCE1315	300,000.00	0.00	(300,000.00)
Peerie Dock Symbister - RCM2309	0.00	7,000.00	7,000.00
IP Phones - GCX4315	0.00	50,000.00	50,000.00
SSIS - GCX4311	0.00	77,666.00	77,666.00
Play Areas Rolling Programme - GCJ3003	3,162.00	0.00	(3,162.00)
Contingency / Final Accounts - GCK2002	0.00	100,000.00	100,000.00
Sumburgh Runway - GCY7203	431.00	0.00	(431.00)
AHS ECI Period	100,000.00	0.00	(100,000.00)
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
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	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
Totals	415,827.00	324,666.00	(91,161.00)

09/10 Budgets				
Project	Budget Slippage from 08/09 £	Additional Budget Required £	Reduction in Budget Required £	Overall Total Budget Amendments £
B9081 Mid Yell (Hillend Section) GCY6121	40,000.00	50,000.00	-	90,000.00
Schools 20 mph Speed Limits - GCY9213	50,000.00	-	-	50,000.00
Peerie Dock Symbister - RCM2309	7,000.00	-	-	7,000.00
IP Phones - GCX4315	50,000.00	-	-	50,000.00
SSIS - GCX4311	77,666.00	-	-	77,666.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
Totals	224,666.00	50,000.00	0.00	274,666.00

Summary of Councils Funded Capital Projects 08/09

Budget Adjustments CPS-04-09

General Fund

Project Cost Centre	General Fund Projects	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
GCK2000	Feasibility Studies	400,000		400,000
GCL4403	Lerwick Library Design Works	80,000		80,000
GCL4402	Cinema and Music Venue	1,000,000		1,000,000
GCE1304	AHS - ECI	1,400,000	100,000	1,500,000
GCE1315	Mid Yell JHS	1,000,000	300,000	1,300,000
GCE3402	Sandwick - ASN	500,000		500,000
GCE1240	Bells Brae Alterations	100,000		100,000
GCA0231	Care Homes Fire Upgrade	80,000		80,000
GCY5132	Replacement Esplanade Toilets	302,000		302,000
GCY5133	Rova Head Reinstatement	1,830,000		1,830,000
GCY6106	A971 Haggersta to Cova	30,000		30,000
GCY6120	A970 Oversund Junction	353,500		353,500
GCY6123	Gilbertson Road Reconstruction	10,000		10,000
GCY7212	Bressay Link	120,000		120,000
GCJ3001	Water Based Facilities (Marinas)	445,000		445,000
GCX4311	SSIS Upgrade	94,500	(77,666)	16,834
GCX4315	IP Phones	80,000	(50,000)	30,000
GCJ3006	Community Organisation Grants	73,000		73,000
GCE1170	Cunningsburgh Nursery	20,000		20,000
GCY6116	B9074 Trondra Phase 2	11,000	1,203	12,203
GCY6121	B9081 Mid Yell (Hillend Section)	70,000	(40,000)	30,000
GCY6299	Roads - Completed Schemes	0	1,202	1,202
GCJ3002	Knab Dyke	200,079		200,079
GCY7552	Bluemull STAG for Ferries Terminals	76,800		76,800
GCY7508	FS Ext Links OD Survey	25,000		25,000
GCX4321	Risk Management	17,000		17,000
GCY9006	Energy Conservation	14,000		14,000
GCY9016	Public Toilets Rolling Programme	59,500	9,829	69,329
GCY9010	Conservation Grant Programme	20,000		20,000
GCX4323	Shetland Public Sector Network	285,000		285,000
GCX4328	CHRIS 5 (part funding)	10,000		10,000
GCY5129	Energy Recovery Plant	80,000		80,000
GCY6401	Scord Quarry Fixed Plant Replacement	215,000		215,000
GCY7626	Urgent Repairs to Ferry Terminals	230,000		230,000
GCK2002	Contingency and Final Accounts	220,000	(100,000)	120,000
GCB6002	Town Hall Steps	19,000		19,000
GCB6006	Ness of Sound Farm Byre Roof	42,500		42,500
GCY7213	Whalsay Link	150,000		150,000
GCY5137	Gremista Landfill Phase 2 (Design)	125,000		125,000
GCY****	Burial Ground Rolling Programme	211,411		211,411
GCA****	Social Care Rolling Programme	919,396		919,396
GCY9208	Roads Rolling Air Service	10,000		10,000
GCY9207	Roads Rolling Accident Investigation & Prevention	40,000		40,000
GCJ3003	Refurbishment of Play Areas	179,163	3,162	182,325
GCB6004	Disability Discrimination Act Works	170,000		170,000
GCY7601	Ferries Capital Rolling Programme	180,000		180,000
GCX4312	Schools ICT Equipment	226,000		226,000
GCH3120	Housing Temporary Accom (Homelessness)	22,391		22,391
GCY9211	Roads Rolling Roads Drainage Improvements	40,000		40,000
GCY9202	Roads Rolling Bridge Replacements	250,000		250,000
GCY9210	Roads Rolling Road Reconstruction	155,000		155,000
GCY9204	Roads Rolling Streetlighting Replacement	190,000		190,000
GCX4300	PC & LAN replacement	236,000		236,000
GCY9212	Roads Rolling Crash Barrier Replacement	220,129		220,129
GCJ3006	Community Organisation Grants	95,509		95,509
GCE1500	Education Capital Maintenance	1,301,818		1,301,818
GCX4319	LV/MV Photocopiers	70,000		70,000
GCH3102	Housing Chalet Accommodation	16,120		16,120

Project Cost Centre	General Fund Projects cont...	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
GCB6001	Copper Pipework Replacement	145,071		145,071
GCY9209	Roads Rolling Minor Works & Purchases Bus Service	47,254		47,254
GCY9201	Roads Rolling Development Related	50,000		50,000
GCY9206	Roads Rolling Traffic Management	133,508	(50,000)	83,508
GCY9200	Roads Rolling Minor Works & Purchases	49,109		49,109
GCY9203	Roads Rolling Footways	100,000		100,000
GCY6403	New Mid Yell Workshop	20,000		20,000
GCY5501	Gremista Re-cladding	23,000		23,000
GCY9030	Replacement Power Dist Sys - Gremista W/Shop	13,658		13,658
GCY7203	Sumburgh Airport	0	431	431
GCY7211	Transport Offices Grantfield	800		800
GCY7254	Vehicle & Plant Replacement Programme	1,000,000		1,000,000
GCH3100	Housing Staff Accommodation	14,589		14,589
Project Cost Centre	Capital Budgets created through Revenue Savings / Scottish Exec Funding	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
GCE1461	Education MIS	100,000		100,000
GCK2001	CCTV Lerwick	239,029		239,029
GCY9203	Cycling / Walking Safer Streets	40,000		40,000
GCX4319	LV/MV Photocopiers	2,500		2,500
GCX4326	MGF3 Funded Software (funded from revenue - budget allocated by Finance, not part of CPS-04-09 report)	30,503		30,503
GCX4328	CHRIS 5 (part funding)	65,800		65,800
GCY5138	Zero Waste Fund (funded from revenue - budget allocated by Finance, not part of CPS-04-09 report)	47,500		47,500
GCY5504	TF Facility Management Software (funded from revenue - budget allocated by Finance, not part of CPS-04-09 report)	55,600		55,600
	Sub Total	16,498,737	98,161	16,596,898
Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour General Fund)	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
RCM2208	Scalloway Dredging	14,200		14,200
RCM2309	Peerie Dock, Symbister	32,000	(7,000)	25,000
RCM2314	Uyeasound Pier	2,500,000		2,500,000
	General Fund Total	19,044,937	91,161	19,136,098

Harbour Account

Project Cost Centre	Port Operations Capital Funding	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
PCM2104	Ports & Harbours Nav Aids	30,000		30,000
PCM2101	Ports & Harbours Plant & Equipment	55,000		55,000
	Sub Total	85,000	0	85,000
Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by the Harbour Account in the form of debt charges 2008/09	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
RCM2313	Sellaness Tugs	2,561,600		2,561,600
	Sub Total	2,561,600	0	2,561,600
	Port Operations Total	2,646,600	0	2,646,600

Housing Revenue Account

Project Cost Centre	Ring Fenced Housing Expenditure 2008/09	Existing Budget Allocation
HCH3303	Land/Property Acquisition	1,739,190
HCH3403	Environmental Improvements	232,000
HCH3512	Community Care Projects	100,000
HCH3525	Feasibility Studies HRA	25,000
HCH3526	Opportunity Conversion	123,000
HCH3700	Tenants Rights Compensation	5,000
HCH3706	Heating Replacement Programme	150,000
HCH3708	External Re-Render Programme	393,000
HCH3709	Landward Crudens	115,000
HCH3710	Lerwick Crudens	923,000
HCH3711	Retentions/Final Account	40,000
HCH3712	Housing Quality Standard	340,000
HCH3800	Cap Rec/Sale Council Houses	95,903
	Total HRA Capital Requirement	4,281,093

Summary of Councils Funded Capital Projects 09/10

Budget Adjustments CPS-04-09

General Fund

Service Area	Project Cost Centre	General Fund Projects	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Social Care	GCA****	Social Care Rolling Programme	868,829		868,829
Social Care	GCA0106	Care Homes Additional Beds	225,000		225,000
Social Care	GCA0231	Care Homes Fire Upgrade	342,000		342,000
Social Care	GCG0232	Leog Replacement	400,000		400,000
Social Care	GCA0233	Joint Occupational Therapy Centre	100,000		100,000
Social Care	GCA0234	Taing House Capital Maintenance	76,500		76,500
Social Care	GCA0235	Viewforth Capital Maintenance	40,500		40,500
Education	GCE1315	Mid Yell JHS	4,000,000		4,000,000
Education	GCE1500	Education Capital Maintenance	1,354,500		1,354,500
Education	GCE1171	Little Tikes	38,300		38,300
Sports & Leisure	GCJ3001	Water Based Facilities (Marinas)	30,000		30,000
Sports & Leisure	GCJ3002	Knab Dyke	71,000		71,000
Sports & Leisure	GCJ3003	Refurbishment of Play Areas/Park Equipment	210,000		210,000
Sports & Leisure	GCJ3006	Community Organisation Grants	426,000		426,000
Sports & Leisure	GCJ3020	Islesburgh CC Capital Maintenance	36,000		36,000
Lifelong Learning	GCL4402	Cinema and Music Venue	2,967,248		2,967,248
Housing	GCH3100	Housing Staff Accommodation	9,872		9,872
Housing	GCH3102	Housing Chalet Accommodation	10,958		10,958
Housing	GCH3120	Housing Temporary Accom (Homelessness)	14,423		14,423
Asset & Property	GCB6001	Copper Pipework Replacement	135,000		135,000
Asset & Property	GCB6002	Lystina Maintenance	346,500		346,500
Asset & Property	GCB6004	Disability Discrimination Act Works	90,000		90,000
Asset & Property	GCB6006	Ness of Sound Farm Byre Roof	22,000		22,000
CPS	GCK2000	Feasibility Studies	500,000		500,000
CPS	GCK2002	Contingency and Final Accounts	100,000		100,000
ICT	GCX4300	PC & LAN replacement	231,300		231,300
ICT	GCX4311	SSIS Upgrade	0	77,666	77,666
ICT	GCX4312	Schools ICT Equipment	234,900		234,900
ICT	GCX4315	IP Phones	70,000	50,000	120,000
ICT	GCX4319	LV/MV Photocopiers	67,500		67,500
ICT	GCX4323	Shetland Public Sector Network	267,300		267,300
ICT	GCX4329	ICT - Planning Project	150,000		150,000
Waste Management	GCY****	Burial Ground Rolling Programme	399,079		399,079
Waste Management	GCY5129	Energy Recovery Plant	230,000		230,000
Cleansing Service	GCY5132	Replacement Esplanade Toilets	100,000		100,000
Waste Management	GCY5133	Rova Head Reinstatement	60,000		60,000
Waste Management	GCY5137	Gremista Landfill Phase 2 (Design)	20,000		20,000
Cleansing Service	GCY5139	Wheelie Bins	126,000		126,000
Roads	GCY6106	A971 Haggersta to Cova	70,000		70,000
Roads	GCY6120	A970 Oversund Junction	13,000		13,000
Roads	GCY6121	B9081 Mid Yell (Hillend Section)	260,000	90,000	350,000
Roads	GCY6401	Scord Quarry Fixed Plant Replacement	250,000		250,000
Roads	GCY6127	Murrister Depot Replacement	180,000		180,000
Roads	GCY6128	Bixter Bus Interchange	160,000		160,000
Roads	GCY9202	Roads Rolling Bridge Replacements	315,000		315,000
Roads	GCY9204	Roads Rolling Streetlighting Replacement	198,000		198,000
Roads	GCY9207	Roads Rolling Accident Investigation & Prevention	90,000		90,000
Roads	GCY9208	Roads Rolling Air Service	18,000		18,000
Roads	GCY9210	Roads Rolling Road Reconstruction	270,000		270,000
Roads	GCY9211	Roads Rolling Roads Drainage Improvements	72,000		72,000
Roads	GCY9212	Roads Rolling Crash Barrier Replacement	135,000		135,000
Roads	GCY9213	Roads Rolling 20mph Speed Limits	360,000	50,000	410,000

Service Area	Project Cost Centre	General Fund Projects cont...	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Building Services	GCY5505	New Mid Yell Workshop	195,000		195,000
Transport	GCY7254	Vehicle & Plant Replacement Programme	1,080,000		1,080,000
Transport	GCY7551	Whalsay Link	500,000		500,000
Transport	GCY7202	Tingwall Airport (H&SE Works)	500,000		500,000
Transport	GCY7214	Fetlar Breakwater	300,000		300,000
Ferry Operations	GCY7601	Ferries Capital Rolling Programme	162,000		162,000
Ferry Operations	GCY7626	Urgent Repairs to Ferry Terminals	261,000		261,000
Service Area	Project Cost Centre	Capital Budgets created through Revenue Savings / Scottish Exec Funding	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
		No Budgets created yet	0		0
Sub Total			19,759,709	267,666	20,027,375
Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour General Fund)	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Port Operations	RCM2309	Peerie Dock, Symbister	0	7,000	7,000
Port Operations	RCM2315	Scalloway Water Main	50,000		50,000
Port Operations	RCM2316	Walls Pier	100,000		100,000
General Fund Total			19,909,709	274,666	20,184,375

Harbour Account

Service Area	Project Cost Centre	Port Operations Capital Funding	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Sullom Voe	PCM2101	Ports & Harbours Plant & Equipment	150,000		150,000
Sullom Voe	PCM2104	Ports & Harbours Nav Aids	70,000		70,000
Sub Total			220,000	0	220,000
Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by the Harbour Account in the form of debt charges 2008/09	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Sullom Voe	RCM2313	Sellaness Tugs	11,152,000		11,152,000
Sub Total			11,152,000	0	11,152,000
Port Operations Total			11,372,000	0	11,372,000

Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by financial arrangement.	Existing Budget Allocation	CPS-04-09 Adjustments	Revised Budget Allocation
Education	GCE1304	AHS New Build	15,000,000		15,000,000
Total			15,000,000	0	15,000,000

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure 2008/09	Existing Budget Allocation
Housing	HCH3303	Land/Property Acquisition	678,851
Housing	HCH3404	Environmental Improvements	259,266
Housing	HCH3512	Community Care Projects	107,103
Housing	HCH3525	Feasibility Studies HRA	25,655
Housing	HCH3526	Opportunity Conversion	124,862
Housing	HCH3706	Heating Replacement Programme	157,103
Housing	HCH3708	External Re-Render Programme	387,758
Housing	HCH3710	Lerwick Crudens	1,146,933
Housing	HCH3711	Retentions/Final Account	40,000
Housing	HCH3712	Housing Quality Standard	360,000
Housing	HCH3713	Replacement MIS System	200,000
Housing	HCH3800	Cap Rec/Sale Council Houses	(889,886)
Total HRA Capital Requirement			2,597,645



REPORT

To: Shetland Islands Council

25 March 2009

From: Executive Director of Education and Social Care

Housing Strategy Groups

1 Introduction

- 1.1 This Report asks Members to agree an amended Terms of Reference for the Housing Allocations Policy Monitoring Group, to include the coordination of the strategic direction of the possible future direct investment in affordable social housing by the Council.

2 Links to Corporate Priorities

- 2.1 There is no specific link to the Corporate Plan. The work may contribute to the Sustainable Organisation objective to, “reduce bureaucracy by making sure that the work we do adds value and we eliminate any unnecessary or unproductive tasks”.
- 2.2 The outcome of the work may contribute to the Single Outcome Agreement to, “...increase the supply of housing to 12,000 by 2025” and the Corporate Plan objective to, “investigate ways to invest in existing General and Special Needs housing, as well as new builds, throughout Shetland, specifically aiming to provide an additional 100 affordable and or social housing units by 2012”.

3 Background

- 3.1 In 2007, Members approved the appointments to Steering Groups and Working Groups for Housing (Minute Reference 52/07), summarised in the Table below.

Table 1: Summary of Appointments to Housing Steering and Working Groups

Steering / Working Group	Remit	Member Appointments
Housing Strategies Steering Group	To ensure a joint partnership approach to all Housing Strategies required by legislation, and Scottish Executive guidance, and to ensure proper information sharing, consultation and feedback on an appropriate multi-agency level.	Mrs E L Fullerton Mr A G L Duncan
Housing Allocations Policy Monitoring Group	To ensure that there is an ongoing assessment of the effectiveness of the allocation policy and to annually review the allocation targets and letting profile area.	Mr A G L Duncan Mr J H Henry Mrs F B Grains Mrs I J Hawkins Mr C L Smith
Fuel Poverty Working Group	To monitor the Fuel Poverty Strategy's objective to eradicate fuel poverty by 2016	Mr J H Henry

- 3.2 In response to a Discussion Report on the Provision of Affordable Housing, at Services Committee on 5 February 2009, Members agreed that a Member from each area be represented on a Member/Officer Working Group (Minute Reference 07/09). It was further agreed that the Members from each of the areas would nominate their representative.
- 3.3 At the Council meeting on 18 February 2008 (Minute Reference 0809), Councillor L Angus suggested and the Council agreed that the remit of the Allocation Monitoring Group be re-determined to include the strategic issues addressed in the following Reports to Services Committee:
- Strategic Housing Investment Plan; and
 - Provision of Affordable Housing – Discussion Report

4 Proposal

- 4.1 The Housing Strategies Steering Group already oversees all housing related strategies, including the delivery of the Strategic Housing Investment Plan.
- 4.2 The focus of the Provision of Affordable Housing Discussion Report is on the financial options which may be open to the Council itself to build social housing. That work is due to be reported back to Services Committee within two cycles.

- 4.3 It is therefore proposed to amend the remit of the Housing Allocations Policy Monitoring Group to, “oversee the Council’s contribution to the provision of affordable housing, including possible funding mechanisms”.
- 4.4 Members may wish to consider appointing others to the Group, in light of the extended remit.

5 Financial Implications

- 5.1 If additional appointments are made to the Housing Allocations Policy Monitoring Group, all costs associated with approved duties can be accommodated from the existing Members’ expenses budget. Attendance at meetings of Member/Officer Working Groups to which Members have been appointed or invited is deemed an approved duty in terms of Section 3.2 of the Council’s Scheme of Members’ Approved Duties.

6 Policy and Delegated Authority

- 6.1 In accordance with Section 13 of the Council’s Scheme of Delegations, Services Committee has delegated authority to make decisions on matters within approved policy and for which there is a budget. The nominations and appointments for positions of responsibility would normally therefore fall within the remit of the Services Committee.
- 6.2 In order not to incur any delay in the timescale for reporting back on the funding options for potential investment in new affordable housing, the Chairperson of Services Committee has requested that the Report be considered by the Council.
- 6.3 It is Council practice that voting, if necessary, shall be conducted by secret ballot using first-past-the-post principles.

7 Recommendations

- 7.1 I recommend that the Council:
- (a) agree to amend the remit of the Housing Allocations Policy Monitoring Group to include responsibility for overseeing the Council’s contribution to the provision of affordable housing, including possible funding mechanisms; and
 - (b) consider the need for additional appointments to the Housing Allocations Policy Monitoring Group, in light of its extended remit, and, if necessary, make the required appointments to the Group.



REPORT

To: Shetland Islands Council

25 March 2009

From: Executive Director of Education and Social Care

Shetland Charitable Trust Funded Bodies Review Group – Terms of Reference

1 Introduction

- 1.1 This Report asks Members to agree the Terms of Reference for the Shetland Charitable Trust Funded Bodies Review Group and provides an indicative timetable for completion of the work, for noting.

2 Links to Corporate Priorities

- 2.1 There is no specific link to the Corporate Plan. The work may contribute to the Sustainable Organisation objective to, “seek to join-up our services internally and with other public sector employers in Shetland, to make best use of resources, wherever possible”.

3 Background

- 3.1 The Council appointed Councillors Josie Simpson, Allan Wishart and Leslie Angus, in their role as Chairs of the major committees, to the Shetland Charitable Trust Funded Bodies Review Group. Shetland Charitable Trust appointed seven Trustees to the Working Group. The Review Group is supported by the General Manager of Shetland Charitable Trust, the Head of Finance and the Executive Directors of Infrastructure and Education and Social Care.
- 3.2 The Group met on 26 February 2009 to consider the Terms of Reference for the Group and an indicative Work Plan.
- 3.3 The Trustees and Councillors on the Review Group wish to review all of the activity funded by Shetland Charitable Trust, by July 2009. This is a challenging Work Plan, when there are other significant tasks for Shetland Charitable Trust and Shetland Islands Council to undertake during the same timescale, for example: the governance of Shetland Charitable Trust; Viking Energy; the Blueprint for Education; major capital projects; etc. These other projects will involve some or all of the staff who have been nominated to support the Review Group. Practically speaking, therefore, the work

programme may require prioritisation to consider areas where the most significant efficiencies may be secured.

4 Proposal

4.1 The proposed Terms of Reference for the Review Group are set out below.

Review all the functions and activities that SCT funds.

Consider the functions, activities and services that SCT funds. Look to identify and remove duplication and overlap, ensure “value for money” and the provision of “added value” services. This will be in consultation with the organisations and activities under review, as well as any other appropriate body.

Ensure the most effective and efficient model of service delivery.

Identify ways in which the bodies funded by the Trust can work together, and with other organisations, in order to reduce and share overheads. This would include a review of “back office” functions including administration, finance, building and maintenance, procurement and governance arrangements (of the organisations which Shetland Charitable Trust funds). Innovative solutions to service delivery may be required.

Review the funding arrangements to support the most appropriate delivery models.

Review existing activities and services in line with available public funds and SCT policy of “self sustainability”.

Consider the implications of any change.

Where possible, consideration will be given to protecting service delivery. There may be a requirement to cut services, or cease funding certain activities. Where possible other potential funding sources or bodies will be sought.

4.2 The proposal is that everything which Shetland Charitable Trust funds should be reviewed. The list of organisations, programmes and activities is set out in Appendix 1.

4.3 The Draft Work Plan and Timetable is, as I say, challenging and is set out in Table 1 below.

Table 1: Work Plan and Timetable

Task	Timescale
First Meeting – appoint a Chair, agree terms of reference, agree work plan.	By end of February 2009
Report Terms of Reference to SCT and SIC.	By 25 th March to SIC By 26 th March to SCT
Review functions and activities that SCT funds.	May 2009
Identify potential savings and service delivery models.	June 2009
Review options and implications.	July 2009
Report to Shetland Charitable Trust and Shetland Islands Council.	By 1 st July to SIC By 2 nd July to SCT
Report to Shetland Charitable Trust and Shetland Islands Council.	By 16 th September to SIC By 17 th September to SCT

5 Financial Implications

- 5.1 There are no direct financial implications arising from this Report. Any proposals from the Review Group will be subject to separate Reports, in due course.

6 Policy and Delegated Authority

- 6.1 The organisations, activities and services funded by Shetland Charitable Trust support the work of all the Council committees, but predominantly those within the remit of Services Committee.
- 6.2 The activity of this Review Group is not delegated to any committee or officer, so a decision by the Council is required to agree the Terms of Reference.

7 Recommendations

- 7.1 I recommend that the Council:
- (a) agree the Terms of Reference for the Shetland Charitable Trust Funded Bodies Review Group, at Paragraph 4.1; and
 - (b) note the Work Plan and Timetable, set out at Table 1

Organisations to be reviewed:

- Shetland Amenity Trust
- Shetland Arts
- Shetland Recreational Trust
- Shetland Churches Trust
- The Swan Trust
- Shetland Charitable Trust

Charitable Companies

- Shetland Youth Information Service
- COPE Ltd

Activities SCT funds to be reviewed:

- Disability Shetland (Recreation Club)
- Development Grant Aid Scheme
- Arts Grant Aid Scheme
- Support Grant Aid Scheme
- Festivals: Folk Festival and Accordion and Fiddle Festival
- The New Shetlander
- Sheltered Housing Heating (SIC)
- SIC Education-Field Studies Service
- Citizens Advice Bureau
- Shetland Befriending Scheme
- Couple Counselling Shetland
- Senior Citizens' Clubs
- Shetland Art Therapy
- Shetland Link-up
- Shetland Council of Social Service
- WRVS
- Equalisation Residential Care Charges
- Local Charitable Organisations
- Social Assistance Grants
- Bus Services: Elderly and Disabled
- Springfield Chalet
- Christmas Grant Scheme (By a separate working group)



REPORT

To: Shetland Islands Council

25 March 2009

From: Chief Executive

Report No: CE-09-F

Options Review Council's Relationship with Shetland Charitable Trust

1 Background

- 1.1 The Trust was first established as Shetland Islands Council Charitable Trust, from Council derived funds in 1976. The reasons for this at this time were due principally to restrictions on local authorities regarding making investments and to protect the Council from potential impacts on its income from central government by continuing to manage these funds directly.
- 1.2 Since that time the Council and the Trust have worked closely together to ensure that best value for the Shetland community has been achieved through deployment of funds from either body in a co-ordinated and effective manner and to achieve both the Trusts objectives as well as those of the Council.
- 1.3 There has been considerable interaction over time between the Council and the Trust since its establishment to ensure that the Shetland community has benefited.
- 1.4 Recent examples include:
 - 1.4.1 A transfer from the Council of ownership of the Sullom Voe Terminal ensuring an annual income to the Trust from port operations.
 - 1.4.2 The Trust's initial ownership of Shetland Towage Ltd, which for a time provided very good profits for the Trust and the transfer of this to the Council once viability as a stand alone operation was lost.
 - 1.4.3 The investment of £24m of Council's Reserve Fund to enable transfer of local investments from SLAP to Shetland Development

Trust and thereby restoring SLAP to profitability with considerable benefit to Trust funds.

- 1.4.4 Transfer of services and costs previously undertaken by Shetland Welfare Trust and Islesburgh Trust to the Council to facilitate a requirement for the Trust to make required revenue savings.
- 1.5 More recently, however, in response principally to Council audit scrutiny, greater separation of the Trust and the Council has been put into place by establishing separate managerial arrangements from those of the Council.
- 1.6 Until the establishment of the Charities and Trustee Investments (Scotland) Act 2005, there had been no challenge faced by the Trust or the Council regarding governance or the close working relationship that exists and the benefits gained from that.
- 1.7 The Trust has now been challenged by the Office of the Scottish Charities Regulator (OSCR) to review its governance arrangements by July 2009 to provide 'better and more obvious evidence of independence' to comply with the requirements of the 2005 Act.
- 1.8 A possible concern from a Council perspective (and possibly also the Trust) is that such a requirement, potentially bringing with it an increased proportion of non-elected council member trustees could reduce considerably the benefits of close working that has been achieved in the past.
- 1.9 The Council has invested a considerable amount of community assets in the Trust and has obviously interest in how these are managed in the future to the best advantage of the Shetland community as a whole.

2 Options Going Forward

- 2.1 In parallel with the Trust's work on governance to meet the OSCR requirements, it is proposed that the Council, from its viewpoint, reviews alternative options and implications of these to manage the funds currently within the remit of Shetland Charitable Trust.
- 2.2 Dundas & Wilson, who previously reviewed the governance of Shetlands oil monies in March 2008, have prepared a short scoping paper for this work, which is appended. Dundas & Wilson would be appropriate to take forward this further work in view of their specialist and detailed knowledge and previous involvement in the history of formation of the Trust.

3 Financial Implications

- 3.1 Dundas and Wilson's estimate for undertaking this assignment is £50,000.

- 3.2 No budgetary provision has been made for this in the 2009/2010 budgets and therefore, should the Council wish to undertake this review these fees would be an additional draw on Council reserves set against policy should a virement within approved budgets not prove possible.

4 Policy and Delegated Authority

- 4.1 The Council's Standing Orders relating to Tenders and Contracts apply. As such, approval is required in respect of the negotiation of the terms of engagement and for this to be with Dundas & Wilson, if it is decided to proceed with the legal review. As this is not a matter on which authority has previously been delegated, a decision of the Council is required.

5 Recommendations

- 5.1 I recommend, should Council think it appropriate, that approval is given to the Chief Executive or his nominee to proceed with the engagement of Dundas and Wilson to undertake this legal review on behalf of Shetland Islands Council.

Date: 16 March 2009
Ref: MHG/AMA

Report No: CE-09-F

SCOPING DOCUMENT FOR SHETLAND ISLANDS COUNCIL

1. Background

- 1.1 Shetland Charitable Trust (SCT) and Shetland Islands Council (SIC) need to work together on matters of long term significance to the common interests of the Shetland community. Originally, the Council itself was the sole trustee of Shetland Islands Council Charitable Trust (the predecessor trust of SCT). The current position is that each of the 22 councillors of SIC, along with 2 "external" trustees, are the trustees of SCT. This arrangement has generally been seen as continuing to provide an appropriate level of accountability to the Shetland community.
- 1.2 The funds currently administered by SCT have derived from a variety of arrangements but can be conveniently categorised as Shetland's oil monies which are to be applied for the benefit of the Shetland community. They are currently held in trust under the SCT trust deed. Additional income continues to flow to SCT from:
 - (a) rentals under the Sullom Voe lease; and
 - (b) other investment returns.
- 1.3 The current arrangements are, however, not operating satisfactorily. This is illustrated by a recent example when the trustees of SCT were required to defer a decision on financial support for the Viking Energy windfarm project. Several councillors felt precluded from voting as trustees in view only of their position as councillors. As a consequence, there was no quorum and so no decision could be taken. Indeed, in our Report on Shetland's oil monies (March 2008), we raised the possibility of such a situation (para 8.2.1).
- 1.4 OSCR, the charity regulator, is also in discussion with SCT regarding its independence and other matters.
- 1.5 SCT has formed a working group of its trustees to look at matters from its perspective; SIC now wishes to consider the position from its viewpoint and has sought legal assistance from Dundas & Wilson CS LLP.

2. How we can help SIC?

- 2.1 We think we can best help SIC by looking both critically and creatively at the existing structures, to see whether they are fit for purpose and, if appropriate, to provide other options. Each option will have pros and cons which we would consider.

2.2 Without wishing to prejudge our consideration or narrow our scope, options to be reviewed would include radical steps such as:

- (a) winding up of SCT and the distribution or transfer of its funds; and
- (b) removing SCT from the supervision of OSCR;

2.3 We would also look at the processes that would be needed to achieve change.

3. **Deliverable**

3.1 We suggest that we prepare for, and present to, SIC a high level Options Appraisal. The purpose would be to help councillors make an informed decision on the best way forward in the interests of the Shetland community. We envisage presenting a paper to the full Council and being available in person to answer questions.

3.2 The Options Appraisal would cover not only a review of options but also consider, in respect of each option and at a high level, relevant regulatory framework and likely requirements of scrutinising bodies. We may need to consult with other experts (eg to review the tax implications of loss of charitable status or to consider areas of specialist trust law etc).

4. **Cost**

4.1 We estimate our fees for the preparation and presentation of our report would be in the region of £50,000 (exclusive of VAT and disbursements.)

David Hardie WS
Colin Boyd QC
Dundas & Wilson CS LLP
13 March 2009



REPORT

To: Shetland Islands Council

25th March 2009

From: Human Resources Manager

Chief Executive Recruitment Exercise – Progress Report

Report No: CE-13-F

1.0 Introduction

- 1.1 On 18th February, Shetland Islands Council approved the establishment of a selection panel for the recruitment of the Chief Executive (SIC Min. Ref. 24/09) to undertake the short-listing activity and in depth interview to progress to final formal presentation and decision by the Council. Those panel Members met with the Human Resources Manager to discuss the recruitment exercise in more detail with the purpose of presenting the proposals from that meeting to full Council for approval.

2.0 Links to Council Priorities

- 2.1 This appointment directly links to all aspects of the Single Outcome Agreement, Corporate Plan and Community Plan. The Chief Executive role as Head of Paid Service is fundamental for directing actions through the relevant services.

3.0 Background

- 3.1 Under the terms of the Council's Recruitment and Selection Policy, the decision to appoint a Chief Executive is taken by Shetland Islands Council, taking advice from the Executive Committee. In the absence of this Committee, the Council has approved the establishment of a selection panel consisting of the Convenor, Vice Convenor, Chair and Vice-Chair of the Council's three main committees, Infrastructure, Services and Development.
- 3.2 This group met with the HR Manager to discuss how to proceed with this recruitment and to review the Job Profile and Personal Specification for the Chief Executive post, bringing it up to date where necessary. The updated papers are attached as Appendix 1.

- 3.3 It was noted at this meeting that there are currently four other Chief Executive recruitment exercises taking place across Scotland, in Mid-Lothian, North Ayrshire, Dumfries and Galloway and Stirling. Aberdeenshire and Clackmannan have just successfully completed their recruitment exercise.
- 3.4 The short-listing panel discussed the various approaches taken by the Council in previous senior officer recruitment, alongside the need for this recruitment exercise to begin as quickly as possible. It was the view of the panel members that the most important and useful method used to assess the applicants was the interview process and that it was not necessary therefore to acquire the services of an external agency to assist in this exercise.

4.0 Proposal

- 4.1 The panel agreed that the Council should proceed as quickly as possible with a recruitment advert for this post based on the Job Profile and Person Specification attached. An advertising agency will be approached to produce an advert for the paper media and the post will be advertised on the Scottish Recruitment Portal, myjobscotland.gov.uk. The use of the Internet is critical for a post at this level and this will form an essential part of the marketing campaign, which will promote living and working in Shetland as well as the post.
- 4.2 The target for this exercise is to complete the recruitment advertising and receive applications by the end of April, with interviews taking place on May 18th and 19th.
- 4.3 The short-listing panel wish to propose that following the short-listing exercise, applicants are invited to take part in two events, over a two-day period and that both events are conducted by the short-list panel. The first event would be a presentation on a case study based upon a scenario developed by the present Chief Executive in discussion with the Human Resources Manager.
- 4.4 The second event would be an in-depth structured interview exploring the applicant's skills, abilities and experience and personal attributes. It is the view of the panel that a smaller interview and appointment panel will provide the opportunity for greater scrutiny and to be able to explore responses with rigour. A smaller appointment sub-committee is in keeping with current and best practise elsewhere.
- 4.5 The panel also recommend that references are sought and viewed in advance of the interviews taking place and that references should not be sought from Elected members.
- 4.6 If it is agreed that the short-listing panel should proceed with this proposal, it will be necessary for this group to make the decision to

appoint and in order to do that the panel must be formally constituted as an Appointment Sub-Committee of Shetland Islands Council.

- 4.7 This represents a deviation from the Council's Recruitment and Selection Policy as stated in section 3.1 above.

5.0 Summary

- 5.1 The current Chief Executive leaves his post at the end of May 2009. There is a need for the exercise to find a replacement to begin as soon as possible.

- 5.2 Shetland Islands Council agreed the establishment of a short-listing panel to discuss the appointment arrangements and who recommend the following procedure is followed:-

- Advert and Application process
- Appointment Committee short-listing meeting
- Appointment Committee interview with presentation
- Appointment Committee in-depth interview
- Appointment Committee make appointment decision

6.0 Policy and Delegated Authority

- 6.1 Under the Council's Recruitment and Selection Policy, the procedures relating to the appointment of the Chief Executive are not delegated to a Committee, therefore a decision of Shetland Islands Council is required. In accordance with Section 8.0 of the Council's Scheme of Delegations, determination or variation of existing Council Policy also requires the approval of the Council.

7.0 Financial Implications

- 7.1 The cost of advertising this post in the national media is likely to be approximately £20k will be met from within existing budgets with virements undertaken where necessary.

8.0 Recommendations

- 8.1 I recommend that the Council agrees to:-

8.1.1 The creation of an Appointment Sub-Committee of Shetland Islands Council and appointment of the Selection Panel Members (see 3.1) to that Sub-Committee; and

8.1.2 Put in place the recruitment procedure outlined in section 5.2.

Date: 20 March 2009
Ref: DB

Report CE-13-D1

JOB PROFILE

Post Title: Chief Executive

Post No: KXY001

Principal Roles and Responsibilities.

The Chief Executive is Head of Paid Service and provides strategic leadership and effective management to secure continuous improvement in the delivery and performance of the Council's services.

To promote Shetland locally, nationally and internationally.

To deliver on National Priorities of the Scottish Government as pursued locally through Community Planning Partnership and Single Outcome Agreement.

Develop and promote equality and diversity both in terms of service delivery and in employment covering all aspects of the Council's activities.

Ensure the health and safety of employees, contractors and the public through the implementation of policies to meet statutory requirements.

Ensure effective arrangements are in place for the corporate Governance of the Council and in particular shall be responsible for the strategic direction of Internal Audit, Risk Management and Performance Review and Best value as well as Member and Officer Codes of Conduct.

Strategic and operational direction of Executive Services Department comprising Legal and Administration, Organisational Development and ICT.

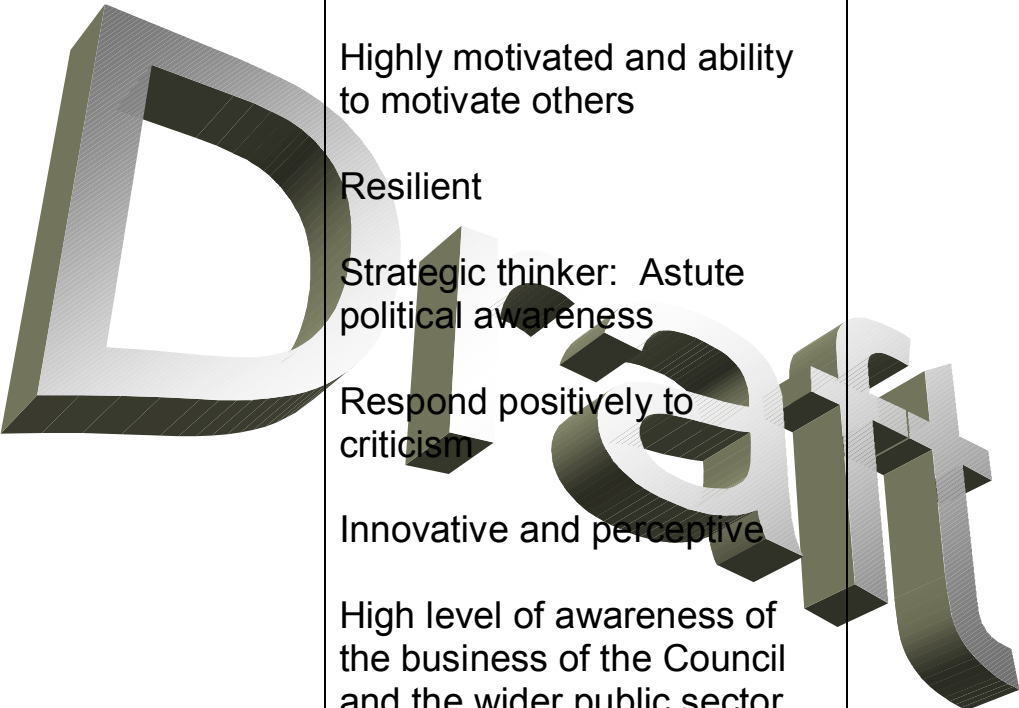
Encourage and develop a culture of corporate working, participation and innovation.

Main Duties

1. To lead and manage a strong, co-ordinated and effective Corporate Management team, to ensure effective and efficient strategic and operational management to meet the physical, environmental, economic and social needs of our community.
2. Work with Elected Members in ensuring effective Governance of the Council with robust processes and procedures that demonstrate openness and accountability.
3. Act as the principal policy adviser to the Council with clear advice on key policy options and major issues of risk ensuring that the Council is kept properly informed.
4. Ensure, through the Council's Chief Officers, that the strategies and policies developed by Council Services support the overall objectives of the Council.

5. Lead, promote and sustain Community Planning Partnership activities and all forms of joint working.
6. In conjunction with the Head of Finance, ensure that budget preparation is kept to programme and that appropriate financial advice and information is available to the Council.
7. To initiate and develop with Members and Chief Officers, strategies for coping with change, for medium and long term planning, and ensuring that new statutory obligations are met.
8. In pursuit of the interests of Shetland and the Council, to promote and foster good external relations with other Local Authorities, Government departments, other public agencies, community bodies, the media, the private sector and the public in general.
9. To lead, encourage, develop and motivate the Council's staff to secure the best possible professional and managerial standards, to ensure that the workforce delivers on all major objectives.
10. To maintain an up-to-date knowledge of trends and practices in the field of central and local government, and the theory and practice of management.
11. To identify and act upon issues which require co-ordinated action or which require special intervention in the Council's interests.
12. To undertake any other duties and responsibilities which may be assigned by the Council.
13. NOTE:
 - The Chief Executive is the designated controller for Civil Defence and Emergency Planning purposes.
 - The Chief Executive, as Head of the Council's paid service, has authority over all other Officers except where a Chief Officer is exercising a personal statutory responsibility, these are:-
 - Head of Legal and Administration – Monitoring Officer
 - Head of Finance – Section 95 Officer
 - Head of Schools
 - Chief Social Work Officer

PERSON SPECIFICATION**Post Title:** Chief Executive**Post No:** KXY001

	ESSENTIAL	DESIRABLE
Personal Features/Qualities 	<p>Vision</p> <p>Energy</p> <p>Highly motivated and ability to motivate others</p> <p>Resilient</p> <p>Strategic thinker: Astute political awareness</p> <p>Respond positively to criticism</p> <p>Innovative and perceptive</p> <p>High level of awareness of the business of the Council and the wider public sector</p> <p>Demonstrates discretion and tact</p>	<p>Demonstrates enthusiasm for Shetland</p>
Relevant Experience	<p>Experience of leadership within a complex organisation</p> <p>Evidence of leadership through a programme of change</p> <p>Proven track record of senior management in a large complex organisation</p> <p>Evidence of formulating policy on complex issues</p>	<p>Experience of working arrangements within the public sector</p> <p>Experience of partnership working</p>

Revised March 2009

<p>Education</p> <p>Knowledge, Skills and Ability</p>	<p>Experience in interpreting and understanding complex financial and budgetary information</p> <p>Proven track record of negotiating over a wide range of issues</p> <p>Degree or equivalent professional qualification</p> <p>Highly developed literacy and numerical skills</p> <p>Negotiating skills</p> <p>High degree of political sensitivity</p> <p>Able to appear calm under pressure</p>	<p>Member of a professional body</p> <p>Leadership or management qualification</p> <p>Knowledge of legislation affecting Local Government</p> <p>Up to date knowledge of trends and practises in fields of Central and Local Government</p> <p>Up to date knowledge of best practise in theory and practice of management</p>
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