



REPORT

To: **Shetland Islands Council**

1 July 2009

From: Chief Executive

REPORT NO CE-33-F

New Anderson High School Capital Project: Independent Review

1 Introduction and Key Decisions

- 1.1 This Report sets out the plans for the detailed implementation of the decisions taken by Services Committee and a Special meeting of Shetland Islands Council on 18 June 2009, to inter alia carry out an independent review of the new Anderson High School project. I have arranged for the appointment of Mr Andrew Laidler who will carry out the review and report back. I seek authority to instruct Mr Laidler to engage others on the Council's behalf.

2 Links to Council Priorities

- 2.1 The Council's Corporate Plan includes a commitment to, "improve our teaching facilities by completing the new Anderson High School....".

3 Background

- 3.1 In May 2009, Members gave authority to the Project Team to incur up to £540,000 on advance works, in order to meet an anticipated start on site date of 29 June 2009 (minute reference 51/09).
- 3.2 Planning Permission, with conditions, was granted for this project at a Special meeting of the Planning Board on 15 June 2009.
- 3.3 On 18 June 2009, Services Committee (minute reference 62/09) resolved to defer consideration of this item of business for one committee cycle, during which the council will:

- appoint an independent external expert to assess which of the two sites for the new AHS, Knab Road or Lower Staney Hill ('Clickimin'), offers best value in terms of its Whole Life Costs;
- ask Architecture+Design Scotland (A+DS) to give a detailed opinion on the current proposal;
- convene a local Architectural Review Panel to comment on the proposed design;
- instruct Council staff to carry out a full risk analysis of the current proposal, using the criteria of the Shetland Islands Council's new Risk Management Strategy endorsed by the Audit and Scrutiny Committee on 17 June 2009.

3.4 A Special Meeting of Shetland Islands Council on 18 June 2009 endorsed the decision of Services Committee as the way ahead for the project (minute reference 77/09).

4 Progress Report

- 4.1 Work on the current proposal at the Knab site has been put on hold, pending the outcome of the Independent Review.
- 4.2 The Contractor has indicated that they remain willing to commit to the project, if the Council are able to complete the review within the agreed timescales.

5 Proposals for Independent Review

- 5.1 The Independent Review is to be carried out under the direction of the Chief Executive, under the auspices of the Chair of Services Committee who contacted me on 21st June 2009 to ask that this be progressed as soon as possible.
- 5.2 I will instruct Mr Laidler to appoint all the experienced consultants required to undertake the task in the very short timescale allowed.
- 5.3 The four work streams noted in 3.9 above will be undertaken concurrently. The methods by which each of the tasks will be taken forward are set out in Appendix 1. The topics to be evaluated for the site selection and whole life cost analysis are set out in Appendix 2 and the programme of activities and timescales for the Review is set out in Appendix 3.
- 5.4 The work will be undertaken over a two month period, to be completed by mid-August 2009, for reporting to the scheduled Services Committee on 3 September and the full Council on 16 September 2009. The summer recess has caused the reporting timescales to be slightly longer than a normal Council cycle, so Members may wish to consider holding special meetings, if the work can be completed earlier. Depending on the work required to be done by the independent assessor, it may be the case that a longer

timeframe will be required to ensure that the findings are rigorous and evidence based.

6 Financial Implications

- 6.1 Total fees and expenses to be incurred to complete the review are estimated at £100,000 - £150,000 and will be met from the approved Anderson High School consultants budget, which forms part of the £15m overall approved budget in the current year for this project. Mr Laidler's fee and expenses is estimated at £18,000 and a more accurate total estimate for the review should be available once he has identified everything that is needed.
- 6.2 I appointed Mr Laidler on 24th June 2009 , understanding that his estimated fees would be likely to be under the five times de minimis sum allowed for under the Council's standing orders, at H2(b).
- 6.3 It may be that the estimated figure for the total expenditure turns out to be incorrect but it seems likely that there are no European Union Procurement issues as the various packets of work are not likely to exceed the £139,893 threshold. Even if they do, and the initial appraisal puts the upper limit slightly higher than that threshold, I understand that the aggregation rules that can apply in certain circumstances should not apply in this case. If an EU procurement exercise has to be undertaken the review could not take place within the timescale set.

7 Summary and Conclusions

- 7.1 This Report sets out the project management arrangements, brief for the site evaluation, likely costs and timescales associated with the decision to carry out an Independent Review of the proposed new Anderson High School project, to ensure that the process will deliver the Councillors' requirements for independence and deliver the additional information required to make a decision on the way forward for this project.

8 Policy and Delegated Authority

- 8.1 Section 13 of the Council's Scheme of Delegations enables Services Committee to approve capital expenditure within any allocation delegated to the Committee by the Council.
- 8.2 Shetland Islands Council Standing Orders H2 (b) states: There shall be exempted from the provisions of these Standing Orders all contracts for the supply of goods or materials on a periodic basis or for the execution of works or for the provision of services where the estimated price is below a five times factor of the de minimis sum referred to in Standing Order H2.(1). (For the sake of completeness it should be noted that the de minimis sum is £10,000).

- 8.3 Shetland Islands Council Standing Orders H2 (e) states: The Council may exempt from the provisions of these Standing Orders or any part of them, any contract when they are satisfied that the exemption is justified by special circumstances.
- 8.4 Shetland Islands Council, at its meeting in June 2008 [Minute Reference 94/08], made a specific recommendation to remit the detailed development of the Anderson High School project to Services Committee.
- 8.5 Due to the timescales involved and the forthcoming recess, this Report has been presented directly to Council to ensure that members are fully aware of the services they are instructing, there are no hold ups for want of authority and to enable the various packages of work to proceed as soon as possible.

9 Recommendations

9.1 I recommend that the Council:

- (a) agree that the project management arrangements for the Independent Review continue to be facilitated by the Chief Executive, on behalf of the Chair of Services Committee, with external expert consultants appointed in line with the brief set out at Appendix 1; and
- (b) note the steps taken to put on hold the current programme of work; and
- (c) agree the scale, scope and method of delivery for each of the tasks set out in Appendix 1 and Appendix 2;
- (d) under Standing Orders H2(e) (e), exempt all contracts to be awarded in fulfilment of this exercise from Standing Orders insofar as not already exempt by virtue of Standing Order H2(b); and
- (e) agree the programme of work, at Appendix 3.

Our Ref: DC/HAS/IS

Report No: CE-33-D1

Lerwick High-school Independent Review

Appdx 1

Brief for Independent Review Co-ordinator

Structure:

Gussie Angus is Leading the review on behalf of the council.

David Clark will facilitate this as 'lead officer'.

An Independent Review Co-ordinator will be appointed to manage the process;

Reporting directly to:	David Clark	Chief Executive
Liaising as required with:	Leslie Angus	Chairman of Services Committee
	SIC	As required
	External Professionals	As required

1 Process & Methodology

Prepare report outlining the process, methodology and proposed timescale.

Prepare report outlining the review costs, once these are available.

Agree costs with the Chief Executive. Manage and report on spend (funded from GCE 1304).

2 Life Cycle Costs

Prepare brief for cost consultants.

Prepare shortlist of cost consultants.

Confirm availability.

Get quotes and recommend appointment.

3 Review Current Design

A & DS

Contact A&DS for costs and availability.

Commission detailed opinion of current proposal.

Professor Stephen Heppell

Contact Professor Stephen Heppell for costs and availability.

If available, commission detailed opinion of current proposal.

4 Architectural Review Panel

Prepare list of local architects willing to participate, through Shetland Architectural Society

Confirm costs and availability.

Appoint an independent architectural firm to facilitate this event and record the findings.

5 Risk Analysis

Liaise with SIC Risk management Staff and facilitate a Risk Analysis Workshop

6 Consultation

Facilitate a public meeting and consultations as required.

7 Final Report

Collate reports and prepare for presentation to the Elected Members.

David Clark, Chief Executive

24 June 2009

New Anderson High School Brief for Site Selection Review

June 2009

1. Background

Plans for a new secondary school in Lerwick have been under review by Shetland Islands Council since at least the early 1990s.

The two main sites that have been considered during that time are the site of the current Anderson High School at the Knab and an area on the lower part of Staney Hill, north of the Clickimin Leisure Centre.

The Council decided in 2003 that future design and feasibility work should be restricted only to the Knab site, unless it proved impracticable on technical, financial or educational grounds.

A design brief has been agreed and plans for a school that meets the requirements of Schools Service, and can be accommodated on the Knab site, have now been prepared. Final, detailed design is ongoing.

Planning Permission, with conditions, was granted for this project at a Special meeting of the Planning Board on 15 June 2009. Subject to Council approval, work can now begin on site.

However, some Councillors, and members of the public, have concerns that the Knab proposals do not represent the best solution. The Council has now taken a decision to carry out an independent site selection review.

2. Introduction

On 18 June 2009, the Council decided to:

- appoint an independent external expert to assess which of the two sites for the new AHS, Knab Road or Lower Staney Hill ('Clickimin'), offers best value in terms of its Whole Life Costs;
- ask Architecture+Design Scotland (A+DS) to give a detailed opinion on the current proposal;
- convene a local Architectural Review Panel to comment on the proposed design;
- instruct Council staff to carry out a full risk analysis of the current proposal, using the criteria of the Shetland Islands Council's new Risk Management Strategy endorsed by the Audit and Scrutiny Committee on 17 June 2009.

3. Remit

The purpose of this commission is to assess which of the two sites for the new AHS, Knab Road or Lower Staney Hill ('Clickimin'), offers best value in terms of its Whole Life Costs. No other sites are to be reviewed.

The report must explore both negative and positive aspects under the topics set out in the scope below.

4. Timescale

A draft of the report must be submitted to SIC by 31 July 2009 and the final report must be completed, and submitted to SIC by 14 August 2009.

5. Scope of Report

The report should consider, but need not be restricted to, the following issues:

- 5.1. Land Use
 - 5.1.1. Historical
 - 5.1.2. Current
- 5.2. Geology, Hydrology and Soils
 - 5.2.1. Construction implications
- 5.3. Landscape and Visual Effects
 - 5.3.1. Effect of site on building
 - 5.3.2. Aspect/ outlook
- 5.4. Environmental Factors
 - 5.4.1. Designation
 - 5.4.2. Species of Interest
 - 5.4.3. Local Biodiversity Action Plan
 - 5.4.4. Sustainable Urban Drainage
- 5.5. Archaeology and Cultural Heritage
- 5.6. Policy and Planning Implications
 - 5.6.1. Zoning
 - 5.6.2. Alternative site uses
 - 5.6.3. Likely demographic changes
- 5.7. Land Ownership
- 5.8. Links with Other Properties
 - 5.8.1. Sharing of facilities
- 5.9. Effects on Other Properties and Users
 - 5.9.1. Wind
 - 5.9.2. Daylight
 - 5.9.3. Noise
 - 5.9.4. Vibration
- 5.10. Traffic/ Roads
 - 5.10.1. During construction
 - 5.10.1.1. Likely traffic movements
 - 5.10.1.2. Likely traffic routes
 - 5.10.2. Permanent measures required

- 5.10.2.1. Road realignment
- 5.10.2.2. New infrastructure required
- 5.10.2.3. Speed restrictions
- 5.10.3. Pedestrian safety
 - 5.10.3.1. Likely pedestrian habits
 - 5.10.3.2. Requirement for pavement realignment
 - 5.10.3.3. Requirement for additional pedestrian crossing points
- 5.11. Accessibility
 - 5.11.1. Transit distances
 - 5.11.2. Predicted changes to traffic patterns
- 5.12. Construction Issues
 - 5.12.1. Site restrictions
 - 5.12.2. Volumes of excavation
 - 5.12.3. Potential for re-use of materials on site
 - 5.12.4. Implications of disposal off site
- 5.13. Availability of Services
- 5.14. Financial aspects
 - 5.14.1. Site purchase cost
 - 5.14.2. Site development cost, including SuDS
 - 5.14.3. Reinstatement of displaced community facilities
 - 5.14.4. Earthworks costs
 - 5.14.5. Build costs (based on current design brief)
 - 5.14.6. Services costs
 - 5.14.7. Cost of roadworks including pedestrian protection
 - 5.14.8. Revenue implications
- 5.15. Conclusions
- 5.16. Recommendation

6. Sources of Information

It is accepted that the timetable for this review is limited and that it may not be possible to collate written feedback from the many individuals and organisations likely to be consulted. Notes of verbal consultation are acceptable, however the source of the information must be stated.

All background information will be made available as requested.

Lerwick High School Independent Review Process Proposal

ID	Task Name	Duration	Start	Finish	14 Jun '14/06	21 Jun '21/06	28 Jun '28/06	05 Jul '05/07	12 Jul '12/07	19 Jul '19/07	26 Jul '26/07	02 Aug '02/08	09 Aug '09/08	16 Aug '16/08
1	Process & Methodology	30 days	Mon 22/06/09	Fri 31/07/09										
2	Prepare report outlining process, methodology and proposed timescale	1 wk	Mon 22/06/09	Fri 26/06/09										
3	Prepare report outlining review costs, once available	2 wks	Mon 20/07/09	Fri 31/07/09										
4	Life Cycle Costs	35 days	Mon 22/06/09	Fri 07/08/09										
5	Prepare brief for cost consultants	1 wk	Mon 22/06/09	Fri 26/06/09										
6	Prepare shortlist of cost consultants	1 wk	Mon 22/06/09	Fri 26/06/09										
7	Confirm availability	2 wks	Mon 22/06/09	Fri 03/07/09										
8	Get quotes and recommend appointment	3 wks	Mon 29/06/09	Fri 17/07/09										
9	Make appointment	1 wk	Mon 20/07/09	Fri 24/07/09										
10	Life Cycle Cost Review	2 wks	Mon 27/07/09	Fri 07/08/09										
11	Review Current Design	30 days	Mon 22/06/09	Fri 31/07/09										
12	Architecture & Design Scotland	30 days	Mon 22/06/09	Fri 31/07/09										
13	Contact A&DS for costs and availability	1 wk	Mon 22/06/09	Fri 26/06/09										
14	Commission detailed opinion of current proposal	1 wk	Mon 29/06/09	Fri 03/07/09										
15	A&DS prepare opinion of proposal	4 wks	Mon 06/07/09	Fri 31/07/09										
16	Professor Stephen Heppell	30 days	Mon 22/06/09	Fri 31/07/09										
17	Contact Professor Stephen Heppell for costs and availability	1 wk	Mon 22/06/09	Fri 26/06/09										
18	If available, commission detailed opinion of current proposal	1 wk	Mon 29/06/09	Fri 03/07/09										
19	Report from Professor Heppell	4 wks	Mon 06/07/09	Fri 31/07/09										
20	Architectural Review Panel	35 days	Mon 22/06/09	Fri 07/08/09										
21	Prepare list of local architects willing to participate, through Shetland Architectural Society	2 wks	Mon 22/06/09	Fri 03/07/09										
22	Confirm costs and availability	3 wks	Mon 29/06/09	Fri 17/07/09										
23	Appoint an independent architectural firm to facilitate this event and record the findings	1 wk	Mon 29/06/09	Fri 03/07/09										
24	Review Panel meeting	1 wk	Mon 27/07/09	Fri 31/07/09										
25	Report from panel	1 wk	Mon 03/08/09	Fri 07/08/09										
26	Risk analysis	35 days	Mon 22/06/09	Fri 07/08/09										
27	Liaise with SIC Risk Management staff and facilitate a Risk Analysis Workshop	1 wk	Mon 22/06/09	Fri 26/06/09										
28	Further liaison	2 wks	Mon 27/07/09	Fri 07/08/09										
29	Consultation	20 days	Mon 29/06/09	Fri 24/07/09										
30	Announce public meeting	1 wk	Mon 29/06/09	Fri 03/07/09										
31	Facilitate a public meeting and consultations as required	1 wk	Mon 20/07/09	Fri 24/07/09										
32	Final Report	10 days	Mon 03/08/09	Fri 14/08/09										
33	Collate reports and prepare for presentation to the Elected Members	2 wks	Mon 03/08/09	Fri 14/08/09										

Project: MSProj11
Date: Thu 25/06/09

Task



Milestone



External Tasks



Split



Summary



External Milestone



Progress



Project Summary



Deadline





REPORT

To: Shetland Islands Council

1 July 2009

From: Head of Finance

2008/09 - PROVISIONAL FINANCIAL OUTTURN Report No: F-013-F

1.0 Introduction

- 1.1 The purpose of this report is to inform Members of the 2008/09 provisional outturn (this is still subject to audit) in relation to the 2008/09 revised budget. In line with the Code of Practice on Local Authority Accounting in the UK (2008), £3.928m of capital spend has been transferred to revenue. In addition, Single Status was concluded in May 2009 and back pay due has been accrued to 2008/09. I have highlighted the amounts of both back pay and capital transfers to give a true reflection of the variance against revised budget.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to reviewing financial performance relative to the Council's financial policies.

3.0 Format of the Report

- Section 1 - Introduction
- Section 2 - Links to Corporate Priorities
- Section 3 - Format
- Section 4 - Overall Position Statement Original Budget Strategy
- Section 5 - 2008/09 Outturn compared to revised budget for: -
 - Support Services
 - Recharged Services
 - General Fund
 - Reserve Fund
 - Housing Revenue Account
 - Harbour Account
- Section 6 - Overall Financial Implications v Original Budget Strategy
- Section 7 - Policy and Delegated Authority
- Section 8 - Conclusions

4.0 Overall Position Statement: Original Budget Strategy

- 4.1 The budget strategy for 2008/09 originally planned for £32m of expenditure from General Fund Reserves across the General Fund revenue (£4m), Reserve Fund revenue (£8m) and Capital Programme (£20m).

5.0 2008/09 Outturn Compared to Revised Budget

5.1 Support and Recharged Services

- 5.1.1 The Support Services ledger comprises the costs of Executive, Education & Social Care and Infrastructure Services, Economic Development Unit and Ports & Harbours Operations' support functions, which are ultimately recharged out to particular services and funds, leaving a zero balance. The Recharged ledger is for engineering services and catering/cleaning services which are also recharged out to particular services and funds, leaving a zero balance.

- 5.1.2 The following table compares the 2008/09 Support Services provisional outturn against the revised budget.

Table 1a Support Services	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	18,467	18,419	48	416		464
Operating Costs	6,330	6,151	179	(0)	111	289
Transfer Payments	(4)	(29)	25			25
Income	(499)	(991)	492			492
Net Departmental Expenditure	24,294	23,550	744	416	111	1,271
Capital Financing Costs	405	1,174	(769)			(769)
Net Recharges	17,134	17,744	(610)			(610)
Total Net Expenditure	41,833	42,468	(635)	416	111	(108)

- 5.1.3 The Net Departmental Expenditure on controllable items (including back pay and capital transfers) is £0.744m less than the budget, when you excluding back pay/capital transfers this increases to £1.271m favourable variance. Employee costs are underspent by £0.464m, this is due mainly to vacancies across services. There is general underspending across a range of operating costs budgets amounting to £0.289m, the largest of which was reduced electricity costs (£0.089m), supplier agreed to write-off old charges. The increase in income of £0.492m was a combination of charging external bodies for work carried out on their behalf on capital projects (£0.095m), a contribution from the Reserve Fund to fund the graduate placements (£0.194m) with the remainder being a general increase in miscellaneous income.

5.1.4 The following table compares the 2008/09 Recharged Services provisional outturn against the revised budget.

Table 1b Recharged Services (ferries/ports/catering/ cleaning)	2008/09 Revised Budget £'000	2008/09 Provisional Outturn £'000	2008/09 Variance Fav/(Adv) £'000	2008/09 Back Pay £'000	2008/09 Capital Transfers £'000	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital £'000
Employee Costs	3,427	3,810	(383)	515	0	132
Operating Costs	10,714	10,049	665	(93)	172	745
Transfer Payments	0	0	0	0	0	0
Income	(1,234)	(1,420)	186	0	0	186
Net Departmental Expenditure	12,907	12,439	469	423	172	1,063
Capital Financing Costs	0	(1)	1	0	0	1
Net Recharges	556	371	185	0	38	222
Total Net Expenditure	13,463	12,808	655	423	209	1,286

5.1.4 The Net Departmental Expenditure on controllable items (including back pay and capital transfers) is £0.469m less than the budget, excluding back pay/capital transfers this increases to £1.063m favourable variance.

5.1.5 The favourable variance includes a £1.295m underspend on the Jetties & Maintenance contract (wholly funded by BP). Once this is excluded there is a net controllable overspend of £0.182m. This is made up of an underspend on ports maintenance (£0.158m), and underspend on catering and cleaning service (£0.041m) and an overspend on ferries mainly on increased fuel costs (£0.381m).

5.2 General Fund

5.2.1 The table below compares the 2008/09 General Fund provisional outturn against the revised budget.

5.2.2 The budget was initially set with a requirement to utilise £4m from Reserves (SIC Min. Ref. 12/08). Within budgets was a savings requirement of £1.316m across all services. Throughout the year Council decisions increased the budgeted draw on Reserves to £4.540m and savings to £1.872m.

Table 2 General Fund	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital £'000
	£'000	£'000	£'000	£'000	£'000	
Employee Costs	58,211	58,446	(235)	2,377		2,142
Operating Costs	32,898	35,071	(2,173)	(213)	2,428	42
Transfer Payments	11,549	9,785	1,765		32	1,796
Income	(20,465)	(21,587)	1,123		(392)	731
Savings to be Achieved	(1,872)	0	(1,872)			(1,872)
Net Dept Expenditure	80,322	81,714	(1,392)	2,163	2,068	2,839
Capital Financing Costs	615	374	241		186	427
Net Recharges	22,019	22,870	(851)			(851)
Total Net Expenditure	102,956	104,958	(2,003)	2,163	2,254	2,415
Financed by:						
RSG	(81,488)	(81,830)	342			342
NNDR	(8,393)	(8,088)	(305)			(305)
Council Tax	(7,806)	(8,263)	458			458
Interest on Revenue						
Balances	0	(5)	5			5
Trading Undertakings						
(DLO/DSO)	(729)	(264)	(465)	647		182
Balance from Reserves	(4,540)	(6,507)	1,968	(2,810)	(2,254)	(3,096)
Total General Fund	0	0	(0)	0	0	(0)

5.2.3 Net Departmental Expenditure (including back pay and capital transfers) was over budget by £1.392m, however excluding these items, which were uncontrollable by budget responsible officers, there would have been a favourable variance of £2.839m over and above the savings requirement built into the budget of £1.872m. Table 3 below highlights departmentally where General Fund service budgets are being met and where budgets have been underspent or exceeded at Net Departmental Expenditure level.

Table 3 General Fund Net Departmental Expenditure	2008/09 Revised Budget £'000	2008/09 Provisional Outturn £'000	2008/09 Variance Fav/(Adv) £'000	2008/09 Back Pay £'000	2008/09 Capital Transfers £'000	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital £'000
Executive Office/ICT/Org Dev	606	538	68	0		68
Legal & Administration	125	112	13	12	56	81
Finance	466	506	(40)			(40)
Sub Total Exec. Services	1,197	1,156	41	12	56	109
Infrastructure Directorate	0	0	0			0
Environmental Services	7,590	6,876	713	206	38	957
Roads	5,292	5,666	(374)	16	250	(108)
Transport	8,581	9,126	(545)	408	43	(94)
Planning	(263)	(279)	15		29	44
Sub Total Infrastructure Services	21,199	21,390	(191)	630	359	799
Education & Social Care Directorate	158	(12)	170	0		170
Community Care	15,761	14,711	1,050	993	408	2,452
Schools	35,461	36,421	(960)	297	1,207	543
Children's Services	5,459	5,199	260	185	5	450
Criminal Justice	16	12	3	8		11
Housing	726	698	28	(83)	1	(54)
Adult Learning & Train Shetland	62	44	18	13		30
Sport & Leisure	1,821	1,769	52	100	31	183
Community Work	333	324	9	8		17
Sub Total Education & Social Care Svs	59,797	59,168	629	1,522	1,653	3,804
Savings	(1,872)	0	(1,872)			(1,872)
TOTAL	80,322	81,714	(1,392)	2,163	2,068	2,839

5.2.4 The adverse variances were on Roads, Transport, Housing and Finance services. The overspend on Roads is due to additional maintenance costs on traffic signs (£0.055m) and increased consumable costs for winter maintenance (£0.61m), the overspend on Transport is for School Transport (£0.168m), Housing, the main overspend is on homeless persons and the overspend on Finance is the inclusion of bad debt provision (£0.128m).

5.2.5 In Table 2 (excluding back pay and capital transfers), employee costs are underspent by £2.142m, this is mainly on Community Care (£1.273m), Children's Services (£0.212m) and Education (£0.343m). This is due to some activities not being undertaken as originally anticipated ie Montfield and the delay between a vacancy arising and the recruitment of staff.

5.2.6 Operating costs, there is a minor positive variance of £0.042m.

5.2.7 Transfer Payments are underspent across services by £1.796m, the largest of which are rent rebates (£0.261m), independent sector placements (£0.333m), private sector housing grants (£0.575m) and the Anti-Social Behaviour CCTV project (£0.178m).

5.2.8 Income has increased by £0.731m across services, the largest variances are increased grant income from the NHS (£0.138m), board and accommodation charges (£0.226m), rent rebate income (£0.137m) and reserve fund funding for graduate placements (£0.126m).

- 5.2.9 Capital Financing costs have reduced due to the reduction in interest rates reducing the Interest on Revenue Balance charge for the year by £0.385m.
- 5.2.10 Recharges In are more than budget due to increased costs on the recharged ledger due to additional fuel costs of the ferries.
- 5.2.11 The increase in Revenue Support Grant is due to additional income in respect of grant redeterminations by the Scottish Government.
- 5.2.12 The reduction in National Non Domestic Rate income is due to less NNDR income received than anticipated from the Scottish Government.
- 5.2.13 The amount of Council Tax collected is higher than anticipated due to additional property numbers and some prior years' outstanding Council Tax collected in 2008/09.
- 5.2.14 The contribution from the DLO is more than originally anticipated. This is from a combination of reduced costs and increased income.
- 5.2.15 The overall position on the 2008/09 General Fund revenue outturn is a draw on reserves of £6.507m including Single Status back pay of £2.810m and capital transfers of £2.254m. This does not include the following 22 carry forward requests: -

Tamil Nadu (£0.027m) – to support the Tsunami Appeal work which is ongoing
 Helicopter Landing Site (£0.010m) – committed external funding from Scottish Govt
 Bridges Project (£0.005m) – committed external funding from Scottish Govt (FSF)
 Adult Learning (£0.004m) – committed external funding from Scottish Govt (FSF)
 Kaizen Blitz (£0.056m) – committed external funding from Scottish Govt (E&RF)
 Schools Trips (£0.002m) – committed external funding from Scottish Govt (FSF)
 Outdoor Education & Activities (£0.010m) - committed external funding from Scottish Govt (FSF)
 A.S.B/CCTV (£0.164m) – committed external funding from Scottish Govt
 Safer Streets Grant (£0.004m) – committed external funding from Scottish Govt
 Support for GLOW (£0.018m) – committed external funding from Scottish Govt
 Data Sharing Project (£0.168m) – committed external funding from Scottish Govt
 Shetland GAS Prog (£0.006m) – ring-fenced external funding from Scottish Govt
 Football Prog Cashback (£0.001m) – ring-fenced external funding from Scottish Govt
 Eyecare Review (£0.012m) – ring-fenced external funding from Scottish Govt
 Private Sector Housing Grants (£0.575m) – ring-fenced external funding from Scottish Govt
 Health Weight Prog (£0.005m) – committed external funding from NHS
 Commissioned Svs (£0.066m) – committed external funding from NHS
 SADAT (£0.138m) – committed external funding from NHS
 Telecare (£0.028m) – committed external funding from NHS
 Youth Music Initiative (£0.039m) – committed external funding from Scot Arts Council
 Cultural Coordinator (£0.054m) – committed external funding from Scot Arts Council
 Active Schools (£0.006m) – committed external funding from Cycling Scotland Fund

- 5.2.16 The carry forwards above are either committed or ring-fenced externally funded projects for which monies have been received in 2008/09 but have not yet been spent. The total amount requested is £1.398m. This will increase expenditure in 2009/10 and consequently the draw on balances. The large number of carry forwards is due to income no longer being able to be automatically accrued but has to be reported as a

carry forward in line with the Code of Practice for Accounting in Local Authorities (2008).

5.2.17 In summary, excluding back pay and capital charges a draw on reserves of £3.096m would be needed to balance the General Fund in 2008/09. However both back pay and capital transfers require to be funded increasing the draw on reserves to £6.507m, this is further increased should the carry forwards be approved of £1.398m to £7.905m. It should be noted that the capital transfers were budgeted on the capital programme and will reduce the total spend on the capital programme for 2008/09.

5.2.18 In the past there has been criticism of outturn overspends occurring without prior warning. Much has been achieved in identifying these issues earlier, and now the priority needs to be on ensuring that appropriate action, where required, is taken to remedy budget setting, spend control and monitoring problems as they emerge. Ongoing training of Budget Responsible Officers across the Council is raising their awareness of what their responsibilities are in terms of managing service expectations within existing budgets and clarifying what input they must seek from line management when budget overspends are identified.

5.2.19 The budget strategy report in the next cycle will cover the wider financial implications of the 2008/09 outturn on the General Fund.

5.3 Reserve Fund

5.3.1 Table 4 sets out the 2008/09 Reserve Fund provisional outturn against the revised budget.

Table 4 Reserve Fund By Category	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	0	0	0		377	377
Operating Costs	1,552	1,872	(320)		5	(316)
Transfer Payments	4,833	5,065	(232)		956	724
Income	(78)	(5,918)	5,839		16	5,856
Net Departmental Expenditure	6,307	1,020	5,287	0	1,354	6,641
Capital Financing Costs	0	0	0			0
Net Recharges	1,159	1,229	(70)			(70)
Total Net Expenditure	7,466	2,249	5,217	0	1,354	6,571
Funded by: Reserve Fund Contribution	(7,466)	(2,249)	(5,217)		(1,354)	(6,571)
Total Reserve Fund	0	0	0	0	0	0

5.3.2 The above table shows that the provisional outturn for the Reserve Fund is £5.217m less than the budgeted Net Expenditure (including capital transfers), this underspend is increased to £6.571m if you exclude capital transfers.

5.3.3 The Reserve Fund received a grant repayment from the Shetland Development Trust of £5.825m as part of the SDT transfer back to the Council. This results in a draw on the Reserve Fund of £2.249m. Table 5 below shows the expenditure departmentally.

Table 5 Reserve Fund Net Departmental Expenditure	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital
	£'000	£'000	£'000	£'000	£'000	£'000
Legal & Administration	1,036	1,011	25		9	34
Organisational Development	237	290	(53)			(53)
Finance	921	922	(1)			(1)
Executive Services	2,194	2,223	(29)	0	9	(21)
Environment	299	43	256		0	257
Planning	649	530	119		20	139
Infrastructure Services	948	573	375	0	20	396
Sports & Leisure	2	636	(634)		636	2
Housing	156	151	5			5
Train Shetland	323	252	71			71
Education & Social Care	480	1,039	(559)	0	636	78
Economic Development Unit	3,844	4,239	(395)		689	293
Repayment of SDT Grant	0	(5,825)	5,825			5,825
TOTAL RESERVE FUND	7,466	2,249	5,217	0	1,354	6,571

5.3.4 There is an adverse variance on Organisational Development due to the increased cost and number of graduate placements. The underspend on Environment is for property and fuel poverty grants which have been requested to be carried forward below. The underspend on the Planning Service is due to reduced conservation grants. There is minor underspending across Economic Development budgets, the largest being on Renewable Energy Project (£0.098m).

5.3.5 There are four requests for carry forwards: -

Cunningsburgh Marina (£0.002m) – retention for Cunningsburgh Marina
 Leader Project (£0.028m) – external funds which are held on behalf of Leader (EU)
 Property Grants (£0.025m) – committed grants
 Fuel Poverty Grants (£0.232m) – committed grants

5.3.6 This will increase the draw on reserves in 2009/10 by £0.287m, resulting in a total draw on the Reserve Fund of £2.536m.

5.4 Housing Revenue Account

5.4.1 Table 6 below sets out the 2008/09 Housing Revenue Account (HRA) provisional outturn against the revised budget.

Table 6 Housing Revenue Account	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	0	30	(30)	8		(22)
Operating Costs	2,126	2,735	(609)	9		(601)
Transfer Payments	28	26	2			2
Income	(6,981)	(6,996)	15			15
Net Departmental Expenditure	(4,827)	(4,205)	(622)	16	0	(606)
Capital Financing Costs	6,425	5,141	1,284			1,284
Net Recharges	900	834	66			66
Total Net Expenditure	2,498	1,770	728	16	0	744
Funded by: Housing R & R Fund Contribution	(2,498)	(1,770)	(728)	(16)		(744)
Total Housing Revenue Account	0	0	0	0	0	0

5.4.2 Table 6 shows that the provisional outturn for the Housing Revenue Account (HRA) on net departmental expenditure is overspent by £0.606m (excluding back pay). This is mainly due to overspending on maintenance of £0.715m, from the “work- in-progress” backlog held by DLO. This overspend is offset by reduced void rents of £0.077m. Under capital financing costs the main reduction is lower capital from current revenue for house purchases £1.3m (this is currently under review).

5.4.3 The net impact of all these variances is a draw on the Housing Repairs and Renewals Fund of £1.770m which is £0.728m less than the budgeted contribution.

5.5 Harbour Account

5.5.1 Table 7 below sets out the 2008/09 Harbour Account provisional outturn against the revised budget.

Table 7 Harbour Account	2008/09 Revised Budget	2008/09 Provisional Outturn	2008/09 Variance Fav/(Adv)	2008/09 Back Pay	2008/09 Capital Transfers	2008/09 Variance Fav/(Adv) Excl Back Pay /Capital £'000
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	5,473	6,104	(631)	551		(81)
Operating Costs	1,072	802	269			269
Transfer Payments	79	96	(17)			(17)
Income	(16,370)	(17,468)	1,098			1,098
Net Departmental Expenditure	(9,747)	(10,465)	719	551	0	1,269
Capital Financing Costs	366	1,795	(1,429)			(1,429)
Net Recharges	6,991	5,443	1,548			1,548
Net Income	(2,390)	(3,227)	837	551	0	1,388
Contribution to RF	2,390	3,227	(837)	(551)		(1,388)
Total Harbour Account	0	0	(0)	(0)	0	(0)

5.5.2 The Harbour Account shows an increase in the contribution for use of capital assets to the Reserve Fund of £0.837m (including back pay). This increases to £1.388m if back pay was excluded. This is a positive step to achieving the target contribution of £5m for 2008/09.

5.5.3 There are minor variances on employee costs, operating costs are £0.269m less than budget due to reduced insurance costs (£0.132m) and reduced use of helicopter service and a change in weather services contract.

5.5.4 The income on the Harbour Account has increased by £1.098m. Sullom Voe harbour has increased by £0.725m, this has been mainly from Scheihallion dues (£0.136m), compounded annual dues (£0.111m), the Harbour 5C agreement (£0.131m) and miscellaneous income (£0.111m), towage dues (£0.181m) and Bunker fuel surcharge (£0.130m). The other piers have contributed to increased income of £0.373m, mainly on Blacksness (£0.297m).

5.5.5 Capital financing costs have increased due to a change in the Code of Practice on Local Authority Accounting in the UK (2008), which requires all capital asset spending to be registered as such. This increase is mainly for capital additions to the jetties.

5.5.6 The recharges have reduced due to reduced work on the jetties and spur booms.

6.0 Overall Financial Implications v Original Budget Strategy

6.1 The original budget strategy for 2008/09 spending was £4m on the General Fund and £8m on the Reserve Fund and £20m on the Capital Programme a total of £32m. Of the capital programme, £3.928m has been transferred to revenue in line with the Code of Practice on Local Authority Accounting in the UK (2008) and is included in the revenue expenditure.

	Original Draw on Reserves £m	Outturn Draw on Reserves (inc carryforwards) £m	Fav/(Adv) Variance £m
General Fund Revenue (incl capital transfers)	4.000	7.905	-3.905
Reserve Fund Revenue (incl capital transfers)	8.000	2.536	5.464
Capital Programme (excl capital transfers)	20.000	14.262	5.738
Total GF and RF Expenditure	32.000	24.703	7.297

- 6.2 Overall the Council has underspent against the original budget strategy draw upon reserves by £7.297m, which goes some way towards bringing the Reserves back into line with the “Good Case” projection reported to Council on 30 June 2005. There will be more comment on this aspect of long term financial planning in the budget strategy report to Council in the next cycle.

7.0 Policy and Delegated Authority

- 7.1 This report is being presented to the Shetland Island Council in terms of its remit for financial policy and monitoring.

8.0 Conclusions

- 8.1 In summary this report sets out the provisional outturn position for the General Fund, Reserve Fund, Housing Revenue Account and the Harbour Account for 2008/09.
- 8.2 The General Fund has overspent by £1.968m and has requests for carry forwards of £1.398m, increasing the overspend to £3.366m against a revised draw on reserves of £4.540m (this includes back pay and capital transfers).
- 8.3 The Reserve Fund has underspent by £5.217m and has requests for carry forwards of £0.287m, decreasing the underspend to £4.930m against a revised draw on reserves of £7.466m, (this includes capital transfers).
- 8.4 The Housing Revenue Account has underspent by £0.728m against a revised budget of £2.498m (this includes back pay).
- 8.5 The Harbour Account has increased the contribution for use of capital assets to the Reserve Fund by £0.837m against a revised budget of £2.390m (this includes back pay).
- 8.7 The original budget strategy for General Fund, Reserve Fund, Capital Programme was £32m, the actual for 2008/09 is £24.703m which is under the strategy by £7.297m.

9.0 Recommendations

- 9.1 I recommend that the Council:
- note the Outturn as detailed in Section 5 and the effect against original budget strategy in Section 6,

- b) approve the budget carry forwards on the General Fund of £1.398m as set out in Section 5.2.15 and the budget carry forwards on the Reserve Fund of £0.287m as set out in Section 5.3.5;
- c) note that the wider financial implications of the outturn position for 2008/09 will be addressed in the report on future budget strategy, which will be presented to Members in the next cycle.

Date: 25 June 2008
Our Ref: HKT/Provisional Outturn

Report No: F-013-F



REPORT

To: Shetland Islands Council

1 July 2009

From: Capital Programme Services Manager

Report No: CPS-11-09-F

Subject: The Capital Programme Outturn 2008/09

1.0 Introduction

- 1.1 The purpose of this report is to inform Members of the 2008/09 Capital Programme outturn expenditure position in relation to the revised expenditure budgets.
- 1.2 It should be noted that some of the capital projects being reported are outwith the control of the Capital Programme Service (CPS) and are managed and controlled independently by Budget Responsible Officers throughout the Council.
- 1.3 This report identifies overspends, slippage and savings that have occurred within the 2008/09 Capital Programme and makes recommendations on allocating slippage to the 2009/10 Capital Programme.

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 Overall Position

3.1 The Council set an original budget for the financial year 2008/09 of £27.847m across the Capital Programme as follows:

- General Fund £18.479m
- Reserve Fund £ 2.500m
- Harbour Account £ 2.683m
- Housing Revenue Account £ 4.185m

During the year CPS identified project slippage, some of which was re-allocated and rolling programmes topped up as approved by Council (Min Ref 18/08). Net budget savings of £3.076m were identified and the budgets reduced accordingly.

Additional capital budget of £0.613m was created from external funding and £0.373m was funded from savings on revenue budgets. The resultant revised budget was £25.757m and the under-spend for the year was £3.779m. A breakdown between funds is shown in greater detail in paragraph 3.2.

3.2 Expenditure Breakdown by Fund

The following table shows expenditure by fund.

Capital Programme Expenditure/ Income	2008/09 Original Budget £000	2008/09 Revised Budget £000	2008/09 Actual Outturn £000	2008/09 Total Variance £000
General Fund	18,479	16,387	17,948	(1,561)
Reserve Fund	2,500	2,539	2,471	68
Housing Revenue Account	4,185	4,184	574	3,610
Harbour Account	2,683	2,647	985	1,662
Total	27,847	25,757	21,978	3,779

3.3 The Housing Revenue Account and Harbour Account expenditure are ring fenced and funded from their own reserves.

3.4 The General Fund shows an overspend of £1.561m, this is due to the purchase of Islesburgh Complex for the sum of £4.308m in accordance with a report on the Review of Islesburgh Trust and Shetland Arts Trust (Min Ref 117/05). This purchase was offset by a General Capital Grant from the Scottish Government totalling £2.379m.

4.0 Capital Programme 2008/09 Slippage

- 4.1 Approval has already been granted by Council for £0.172m slippage on the Vehicle & Plant Replacement Programme (Min Ref 54/09). It is proposed that a further £0.964m be carried forward into 2009/10 for completion of other projects. Please refer to Appendices A and B for detail.

5.0 Financial Implications

- 5.1 Approved budget strategy for the General Fund Capital Programme is to limit the draw on Reserves to £20m in 2008/09 and 2009/10 (Min Refs 144/07 & 121/08). The General Fund Capital Programme expenditure funded by the Council in 2008/09 was £17.054m.
- 5.2 The proposed slippage from 2008/09 to 2009/10 will increase the General Fund Capital Programme budget, and possible draw on Reserves, to £21.394m in 2009/10. However slippage is likely to occur throughout the year which should reduce the spend to below £20m. Early indications already suggest slippage of £0.483m to 2010/11.
- 5.3 In line with the Code of Practice for Local Authority Accounting (2008). £3.928m was ultimately transferred to revenue for accounting purposes. For comparison purposes the figures included in this report are pre-transfer. A corresponding statement to this effect is included in the Revenue Outturn Report also being presented to the Council today.

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 contents of this report for the 2008/09 outturn; and
- 7.1.2 approve the allocation of slippage to 2009/10.

Our Ref: GMF/RS/CPS-11-09-F

Date: 23 June 2009

Enclosed:

Appendix A 2008/09 Capital Programme Progress Report

Appendix B Summary of Budget Adjustments to 2009/10

Economic Development Unit											
Revised budget		Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
60,338		GCD1570	Wind Farm Development	(1,445,602)	0	258,881	No Report			Income received for all previous years spend	
60,338				(1,445,602)							

ICT Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
236,000	GXC4300	PC/Lan Upgrade	236,043	236,000	236,000			N/A		
1,960	GXC4310	Decentralised Working	0							
16,834	GXC4311	SSIS Upgrade	16,833	16,833	16,833			N/A	Project slipped 78K previously c/f to 09/10	
226,000	GXC4312	Computers for Schools	226,268	226,000	226,000			N/A		
30,000	GXC4315	IP Phones	29,037	30,000	30,000		Slippage of 120K identified due to delays in Pathfinder	N/A	Project slipped 120K previously c/f to 09/10	
72,500	GXC4319	LV/MV Photocopiers	72,428	72,500	72,500			N/A		
17,000	GXC4321	Risk Management System	16,825	17,000	17,000			N/A		
283,069	GXC4323	Shetland Public Sector Network	298,459	285,000	285,000			N/A	Claim for 13.5K to Scottish Government not received in 08/09 financial year	
30,503	GXC4326	MGF3 Fund Software	30,503					N/A	Funded from revenue	
73,953	GXC4328	Chris 5	66,962	75,800	75,800		Complete Jan 09	N/A	Complete Jan 09	
987,819			993,358							

Legal & Administration Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
144,968	GCB6001	Copper Pipework Replacement	132,423	0	145,071		Ongoing			
99,111	GCB6002	Town Hall Steps	42,867	19,000	19,000	Complete	8K previously offered as saving, project complete and under budget	Excellent	Overspend due to recharges from Asset & Property 22K & Contract Compliance 2K	
169,730	GCB6004	DDA Access Audit Construction	155,433	0	170,000		Ongoing			
42,500	GCB6006	Ness of Sound Farm	43,808	0	42,500		Additional urgent repairs to metalwork have been required		Minor overspend on recharges	
	GCB6007	Capital Receipts, Sale of Assets	(93,366)	0	0					
456,309			281,165							

Housing & Capital Programme Services Rolling Programmes

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
277,666	GCK2000	Feasibility Studies: Overall	364,874	475,000	400,000		Various projects progressing	N/A	Over subscribed in funding requests, but some studies did not go ahead this year. Financial year end adjustment reduced budget from 400K	35K c/f required to cover ongoing projects Isleshavn, Bruce Hostel etc.
75,263	GCK2001	CCTV System Lerwick	166,093	239,029	239,029	Work in progress	Scotshield on site Feb 09 - Further c/f required	N/A	Scottish Government funding c/f from 07/08. Finance c/f of Scottish Govt grant reduced budget from 239K	Further c/f of Scottish Govt Funding balance required to complete project Finance to process
(30,000)	GCK2002	Contingency & Final Accounts	105,563	105,563	105,000		Various final A/C's & Housing move to North Ness included here		Budget held to cover unforeseen events. Financial year end adjustment reduced budget from 120K	12K c/f for Housing move to North Ness - delayed due to Solarhus
322,929			636,530							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND 2008/09
EDUCATION & SOCIAL CARE SERVICES

Sports & Leisure - Grants & Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
188,049	GCL3006	Grants Rolling Programme	186,757	324,420	168,509		Anticipate 20.5K underspend, and further 31K c/f to 09/10 (156K total c/f)	N/A	Various applications processed throughout year - overspend due to recharge	
444,736	GCL3001	Water Based Facilities	449,327	445,000	445,000	75%	Anticipate full commitment but 30K c/f to 09/10	N/A	Marinas committed, but unable to claim full grants by year end - 30K already allocated to 09/10 - overspend due to recharge	
195,079	GCL3002	Dyke Repairs	183,061	271,009	200,079	complete	On site	Excellent	71K previously c/f for completion in 09/10	Further c/f of 17K required to 09/10
182,325	GCL3003	Play Areas	185,083	189,783	182,325	On target	On time and minor overspend on budget		Overspend due to recharge	
998,734	GCL4402	Cinema/Music Venue	888,525	1,000,000	1,000,000	Design programme on target	Contractor appointed 31/03. Site start 06/07/09.	N/A	Project transferred to Shetland Arts at acceptance of Tender. Some slippage previously reported to Council.	311,475 c/f to 10/11 due to later start on site following negotiations with contractor to reduce tender cost to meet budget.
1,988,922			1,692,753							

Sports & Leisure Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	GCL3019	Purchase Islesburgh	4,308,262							
0			4,308,262							

Education Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
20,000	GCE1170	Cunningburgh Nursery	19,094	20,000	20,000	Complete	Final Certificate processed retention accrued	Progress slow, L&A damages applied	Contractor did not complete defects. Payment withheld.	Alternative contractor to completed snagging by year end.
98,890	GCE1240	Bells Brae Alterations	80,446	100,000	100,000	On target	Final Certificate processed retention accrued		Complete	No action to be taken on overspend as AHS subject of separate report to Council
1,397,254	GCE1304	Anderson High School Replacement	1,882,911	700,000	1,400,000		Now in early contractor involvement ongoing		Design brief being re-developed with reduced area.	
1,298,563	GCE1315	Mid Yell J.H.S.	1,127,977		1,300,000	ECI Design Stage	Finalising ECI Design Stage		Enabling project (site works) on site complete finalising final account	Balance of 172K to be carried forward to financial year 10/11
39,381	GCE1461	Education MIS Replacement	39,565		39,381				100% funding from revenue savings	
1,230,737	GCE1500	Maintenance School Buildings	1,340,777		1,301,818		Final A/C processed		Overspend due to recharges	
70,028	GCE1512	Re-roofing	0	0	0		Final A/C processed		06/07 Accrual (Final account)	
0	GCE3401	AHS ASN	0	0	0				06/07 Accrual (Final account)	
499,260	GCE3402	Sandwick JHS Add Support Needs	502,181	500,000	500,000	on programme	Cost reduction exercise reduced tender cost, to be complete Feb 09		On programme Feb 09 completion - possible retention required 09/10. Retention accrued at year end	
79,659	GCL4403	Lenwick Library Design Phase	66,674	80,000	80,000	Design	Design Ongoing	N/A	Min Ref 87/07. Design phase only. brief has been developed and design proposals outlined in 08/09.	Requires approval and prioritisation for construction phase in future years - anticipate 2.4M.
4,733,772			4,859,625							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND 2008/09
EDUCATION & SOCIAL CARE SERVICES cont

Social Care Projects & Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
1,980	GCA0120	Special Studies	0	1,931	1,931	Recharge	No detailed report, but BRO advised that the rolling programme was on target. Please note budgets can be moved within rolling programme headings. Minor underspend for year.	N/A	YE Recharge	
85,882	GCA1000	Special Aids Stock Items	100,819	18,900	85,882			N/A	On target	
251,640	GCA1001	Specialist Aids	212,230	75,250	251,640			N/A	On target	
42,361	GCA1003	Minor Adaptions	37,455	7,209	42,361			N/A	On target	
207,611	GCA1004	Major Adaptions	159,106	78,000	207,611			N/A	On target	
132,273	GCA1005	Housing Renovations	183,139	61,000	132,273			N/A	On target	
22,248	GCA1006	Professional Fees	18,839	0	22,248			N/A	On target	
41,604	GCA1007	Specialist Aids Refurbishment	35,324	4,574	41,604			N/A	On target	
23,996	GCA0100	Inspection, Health & Safety	20,757	24,005	24,005				On target	
37,959	GCA0101	Building Fabric	55,364	37,959	37,959				On target	
34,959	GCA0102	Electrical Sys Upgrade	5,288	34,959	34,959				On target	
14,959	GCA0103	Mechanical Sys Upgrade	24,486	14,959	14,959				On target	
1,959	GCA0104	Plant Equip Replacements	8,440	8,440	1,959				On target	
20,005	GCA0105	Safety Surfaces	19,933	20,005	20,005				On target	
919,416			881,180							

Social Care Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	GCA0221	Newcraiglelea	(25,933)	0	0	Complete	Final A/C passed to contractor, but has not yet been agreed	Final account to be agreed. Some outstanding M&E issues to be resolved as a defect.	06/07 Accrual c/f of 98K, however final A/C could not be agreed with contractor. Therefore only accrual for actual anticipated payment now carried forward resulting in balance	
80,000	GCA0231	Care Homes Fire Upgrade	34,626	40,000	40,000				Fees paid and Leog on site 33K+	
0	GCA0236	Montfield Care Home	49,970	40,000	40,000				Fees to be split between CT/SIC	
80,000			58,663							

Housing Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
12,500	GCH3100	Staff Accommodation	1,049	0			Feasibility study on Skerries schoolhouse			
12,100	GCH3102	Chalets	1,182	0			Storage charges - complete			
45,903	GCH3120	Homelessness Housing	38,452	0			Conversion works various addresses		Includes works to 51 Burgh Road (Focused Futures project) and 131 North Road.	
8,239	GCH3200	Homelessness Housing	5,750	0	0					
78,742			46,433							

Children's Services Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
2,544	GCG0232	Leog Replacement	0							
2,544			0							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND 2008/09
INFRASTRUCTURE SERVICES

Environment - General Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
14,000	GCY9006	Energy Conservation	19,075			Complete			Recharge from Heritage Section of 5K - budget overspent	
71,171	GCY9016	Public Toilet Rolling Programme	67,224	0	69,239	Fully Committed, but hall committee unable to process final claim before year end	Balance c/f 07/08			
13,658	GCY9030	Replace Power Dist System Gremista	13,658	13,658	13,658	Complete			Balance of £2,105	c/f balance to 09/10
98,829			99,957							

Environmental Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
23,112	GCY5114	South Whiteness Burial Ground	47,061	0	23,121	Majority of work complete, some snagging work to be carried out	Land purchase problems and previous underspend reported to Council. Further 48K savings at year end.			
35,378	GCY5120	Dunrossness Burial Ground	34,794		34,794	Retention payment				
33,878	GCY5121	Fellar Burial Ground	9,340		33,890	Awaiting land purchase, unlikely to start this year				
10,195	GCY5122	Bigton Burial Ground	6,218		9,611	Retention payment				
14,075	GCY5123	Lund Burial Ground	16,675		14,087	Work complete				
10,458	GCY5124	Baxter Burial Ground	2,585		10,456	Awaiting land purchase, unlikely to start this year				
7,598	GCY5125	Voe Burial Ground	6,210		7,601	Awaiting land purchase, unlikely to start this year				
62,374	GCY5126	Muckle Roe Burial Ground	27,566		62,970	Increase in Engineering Design and road access				
14,288	GCY5127	Skerries Burial Ground	13,187		14,831	land purchase				
						Design on schedule			£30k was offered up as underspend during the year. However this was an overestimate and actual spend exceeded the revised budget.	
80,000	GCY5129	Energy Recovery Plant Update Works	92,058		80,000	Work in progress				
301,844	GCY5132	Esplanade Toilets	216,457	302,000	302,000	Project Slipped	100K previously slipped to 09/10, further 85.5K not required.			
1,829,991	GCY5133	Rova Head Reinstatement	1,496,981		1,830,000	Work complete, awaiting final charges	Project ongoing & on schedule.		50% with LPA	Work complete no c/f required
125,000	GCY5137	Gremista Landfill Phase 2	54,786		125,000	Work in progress	Design fees only this financial year. Project Consultants. Project moved to future years so no c/f required.			

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND 2008/09
INFRASTRUCTURE SERVICES cont
Environmental Projects Contd

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
47,500	GCY5138	Zero Waste Fund	48,625			Complete	Budget created from revenue savings - however over spend of 1.2K			
0	GCY5302	Calibrate Lab Equipment	19,218		0	BRO invoicing partner for additional expenditure	Insurance Claim			
0	GCY5400	Local Air Quality Management	2,317		0	Project Design Fees, no further fees received from Arch Henderson on this at year end				Invoice being raised by M Dunn
23,000	GCY5501	Recladding Gremista Workshop	3,337		23,000				BRO advised this is on hold until funds are available.	
92,600	GCY5504	TF Facility Management Software	91,656						Budget created from revenue savings	
2,711,291			2,189,071							

Roads Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
79,899	GCY9200	Minor Works, Roads	139,561							
48,883	GCY9201	Development Related Roads	17,390			Rolling Programme 250K overspent due to unforeseen circumstances late in the financial year.				
230,072	GCY9202	Bridge Replacements	182,977							
190,106	GCY9203	Footways	220,625							
161,000	GCY9204	Street Lighting Replacements	119,386							
100,250	GCY9206	Traffic Management	152,136			Good winter weather accelerated project				
44,374	GCY9207	AIP	70,073							
10,000	GCY9208	Minor - Airstrips	0			progress and crash barrier materials ordered for 09/10 delivered and paid for in 08/09.				
37,254	GCY9209	Minor Works & Purchases, Bus Services	43,763							
148,042	GCY9210	Road Reconstruction	296,472							
25,000	GCY9211	Drainage Improvements	16,733							
201,159	GCY9212	Crash Barrier Replacement	265,805							
1,276,039			1,524,941							

Roads Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
10,736	GCY6000	Roads Rolling Programme	1,995						Recharge from Contract Compliance	
21,030	GCY6106	Haggersta A971	14,956	10,000	30,000	BRO advises this is behind schedule			BRO previously advised council of slippage	
12,203	GCY6116	B9074 Trondra Phase 2	13,519	10,778	12,203	Minor Overspend	No report		Financial year end adjustment created budget	
980	GCY6118	Germatwatt Footways	0						BRO reported direct to council requesting additional funding and advising of income adjustment	
339,085	GCY6120	A970 Oversund Junction	351,710		353,500	Complete				

INFRASTRUCTURE SERVICES cont

Roads Projects cont

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
30,022	GCY6121	B9081 Mid Yell Link to A968	30,496	4,000	30,000	Scope of project increased, but slipped into next year				
33,632	GCY6122	Papa Slour Road	0						Financial year end adjustment created budget	
12,193	GCY6123	Gilbertson Road	10,228	10,000	10,000	Minor snagging and retention due			Financial year end adjustment created budget	
22,270	GCY6124	A970 Scrd-Schl	0						Financial year end adjustment created budget	
39,044	GCY6125	B9071 Bixtr Alh	0						Financial year end adjustment created budget	
8,387	GCY6202	Burra Bridge	0						Recharge from Asset & Property re purchase of land for future schemes	
102,885	GCY6298	Advanced Design of Schemes	9,031				Feasibility work on possible future projects			
1,202	GCY6299	Completed Schemes	2,813							
215,000	GCY6401	Scord Quarry Plant Purchase	213,401	213,401	213,401	On Schedule	Fully committed			
20,000	GCY6403	Mid Yell Workshop	2,886		20,000	Design Fees not invoiced at year end			BRO requests 10K c/f for outstanding fees	10K c/f to 09/10
868,669			651,035							

Transport Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
1,000,086	GCY7254	Transport - Vehicle and Plant Replacement	459,688	631,268	631,268	Review of requirements complete				£171,600 c/f requested ISD-03-09
0	GCY9995	Infrastructure Vehicle & Plant Sales	(92,123)							
1,000,086			367,545							

Transport Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
431	GCY7203	Sumburgh Runway Extension	432				Ongoing involvement due to upgrading works			
800	GCY7211	Transport Offices Grantfield	789		789	Additional work required re building warrant				
119,638	GCY7212	Bressay Link	117,409			Underspent - previous progress report to Infrastructure Committee refers				
150,000	GCY7213	Whalsay Link	167,949		120,000					
0	GCY7214	Fellar Breakwater	987		150,000					Awaiting feedback from Transport
270,869			287,576							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND 2008/09
INFRASTRUCTURE SERVICES cont
Planning Rolling Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
19,027	GCY9010	Conservation Grants	20,000		20,000	Committed	Balance c/f 07/08		Grantee paid at financial year end	
19,027			20,000							

Planning Projects

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	GCY8402	Water Meters & Waste Control Measures	294		0	No report	Miscode?			
0	GCY8404	Printer GIS	14,184		0	No report			Funding available to be vired from revenue, but not actioned by year end	
0			14,478							

Ferry Operations

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
180,000	GCY7601	Ferries Rolling Programme	96,144	0	180,000	BRO anticipates full spend by year end				
180,000			96,144							

Ferry Terminal & Replacement Programme

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
230,029	GCY7626	Ferry Terminal Structural Improvements	255,164		230,000	Project Manager anticipates slippage of 60K to 09/10	25K overspend various capital accruals processed by Ports & Harbours			
25,000	GCY7508	FS Ext Links OD Survey	41,144	0.00	25,000.00	BRO anticipated full spend by year end, but some costs incorrectly coded here.			BRO states some of this expenditure was incorrectly coded	
76,800	GCY7552	Bluemull STAG for Ferries/Terminals	88,138	0.00	76,776.00	Additional work required			BRO states additional work was required to complete study	
331,829			384,446							

CAPITAL PROGRAMME - PROGRESS REPORT PORTS & HARBOURS (RESERVE FUND) 2008/09

Port Operations

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
584	RCM2207	Redevelopment West Blacksness	0			Work on consents now being processed				
14,200	RCM2208	Scalloway Dredging Consents	19,195	8,500			Overspent - 5K recharge from Port Operations			Awaiting info from Ports Ops
25,000	RCM2309	Peerie Dock, Symbister	35,383				Overspent - 21 K recharge from Port Operations		32K c/f from 07/08 - 7K slipped to 09/10, but project now overspent	Awaiting info from Ports Ops
980	RCM2311	Sellaness Pier Development	0							
2,497,793	RCM2314	Uyessound Harbour Development	2,395,976	2,79M		On schedule	Site works ongoing at year end - final instalment less retention due 09/10 - c/f balance to 09/10		Project on schedule and within budget, but tarmac surfacing dependant on weather conditions. Further HIE funding to be claimed.	Balance of 104K to be carried forward for works completion and retention
0	RCM2316	Walls Pier	20,815			Not started?	No budget 08/09 - overspent 21K recharge from Port Operations		No budget allocated to this project in 08/09	Awaiting info from Ports Ops
2,538,557			2,471,369							

CAPITAL PROGRAMME - PROGRESS REPORT PORTS & HARBOURS (HARBOUR ACCOUNT) 2008/09

Port Operations

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
55,000	PCM2101	Plant Vehicles & Equip	139,335	55,000	55,000		Purchase of generator (80K) has been delayed and is now not expected on site until April 09	n/a	84K spent at year end on equipment for tugs, however this should have been offset by money from revenue	Awaiting info from Ports Ops / Finance
30,000	PCM2104	Nav Aids - Sullam Voe	4,148	4,148	5,000		Navigation Aids have not required full spend this year, resulting in underspend of 55K, however 40K of this is to be carried forward to cover 50% generator costs (see above)	n/a		
0	PCM9995	Capital Receipts Vehicle & Plant Sales	(6,383)							
2,561,612	RCM2313	Tugs for Sellaness	847,823	0		No report			Budget allocated for this in 09/10 - debt funding of Tug purchase	None
2,646,612			984,923							

CAPITAL PROGRAMME - PROGRESS REPORT HOUSING REVENUE ACCOUNT 2008/09

Housing

Revised budget	Code	Project	Outturn	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
1,738,441	HCH3303	Land/Property Acq	355,760	0	0	Ongoing	Property purchase and conversion works	n/a	Increase investment in additional housing stock by purchasing , building and/or conversion.	
232,081	HCH3404	Environmental Improvements.	245,551	0	0		Stanehill Contract			
100,012	HCH3512	Community Care Projects	49,132	0	0	Ongoing	Several small contracts completed, mainly improved disabled access.	n/a		
25,019	HCH3525	Feasibility Studies HRA	53,136	0	0	Ongoing	Additional feasibility works required in connection with structural issues at particular address.	n/a		
122,934	HCH3526	Opportunity Conversions	10,560	0	0		Fees & preparatory work for extension 08/09.	n/a		
5,000	HCH3700	Tenants Rights Compensation	0	0	0		No claims.	n/a	Legal requirement to budget for this	
150,007	HCH3708	Heating Replacement Program	153,207	0	0	On Target	Phase 2 Fifth & Mossbank complete.			
393,031	HCH3708	External Re-Render Programme	417,163	0	0	On Target	Cunningburgh and Brae rehailing contracts.	Satisfactory	Cunningburgh complete & Brae nearing completion	
115,051	HCH3709	Landward Crudens	23,721	0	0	On Target	Retentions / Final Account			
923,212	HCH3710	Lenwick Crudens	612,114	0	0		Phase 1 progressed well in 08/09		Completion of phase 1 expected September 09	
40,000	HCH3711	Retentions/Final Accounts	0	0	0		None concluded			
340,000	HCH3712	Housing Quality Standard	197,010	0	0		Kitchen contract phase 1 successfully completed.	Good	Follow on contract awarded for 09/10	
0	HCH3713	Replacement MIS System	20,992		0		Project approved by full Council Feb 09 for 09/10.			
(1,287)	HCH3800	Cap Rec/Sale Council Hs	(1,562,890)				Right to Buy sales receipts of £1.5m exceeds expected sum			
	HCH3801	Capital Receipt - Sale of Land	(1,740)	0	0					
4,183,501			573,716							

General Fund

Service Area	Project Cost Centre	General Fund	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 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	150,000		150,000
Social Care	GCA0234	Taing House Capital Maintenance	76,500		76,500
Social Care	GCA0235	Viewforth Capital Maintenance	40,500		40,500
Social Care	GCA0237	Eric Gray Replacement	290,000		290,000
Schools	GCE1315	Mid Yell JHS	4,000,000	172,000	4,172,000
Schools	GCE1500	Education Capital Maintenance	1,354,500		1,354,500
Schools	GCE1171	Little Tikes	38,300		38,300
Sports & Leisure	G CJ3001	Water Based Facilities (Marinas)	30,000		30,000
Sports & Leisure	G CJ3002	Knab Dyke	71,000	17,000	88,000
Sports & Leisure	G CJ3003	Refurbishment of Play Areas/Park Equipment	210,000		210,000
Sports & Leisure	G CJ3006	Community Organisation Grants	426,000		426,000
Sports & Leisure	G CJ3020	Islesburgh CC Capital Maintenance	36,000		36,000
Lifelong Learning	GCL4402	Cinema and Music Venue	2,967,248	311,475	3,278,723
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	0	35,000	35,000
CPS	GCK2002	Contingency and Final Accounts	100,000	12,000	112,000
ICT	G CX4300	PC & LAN replacement	231,300		231,300
ICT	G CX4311	SSIS Upgrade	77,666		77,666
ICT	G CX4312	Schools ICT Equipment	234,900		234,900
ICT	G CX4315	IP Phones	120,000		120,000
ICT	G CX4319	LV/MV Photocopiers	67,500		67,500
ICT	G CX4323	Shetland Public Sector Network	267,300		267,300
ICT	G CX4329	ICT - Planning Project	150,000		150,000
Environment	GCY****	Burial Ground Rolling Programme	399,079		399,079
Environment	GCY5129	Energy Recovery Plant	230,000		230,000
Environment	GCY5132	Replacement Esplanade Toilets	100,000		100,000
Environment	GCY5133	Rova Head Reinstatement	60,000		60,000
Environment	GCY5137	Gremista Landfill Phase 2 (Design)	20,000		20,000
Environment	GCY5139	Wheelie Bins	126,000		126,000
Environment	GCY9016	Public Toilet Rolling Programme	0	2,105	2,105
Roads	GCY6106	A971 Haggersta to Cova	70,000		70,000
Roads	GCY6117	A971 W Burrafirth Jnct to Brig O' Waas	5,000		5,000
Roads	GCY6118	Germatwatt Footways	10,000		10,000
Roads	GCY6120	A970 Oversund Junction	13,000		13,000
Roads	GCY6121	B9081 Mid Yell (Hillend Section)	350,000		350,000
Roads	GCY6122	Papa Stour Road	20,000		20,000
Roads	GCY6124	Scord to School	10,000		10,000
Roads	GCY6125	B9071 Bixter to Aith Phase 2	20,000		20,000
Roads	GCY6126	Sletts Road Sea Wall	5,000		5,000
Roads	GCY6127	Murrister Depot Replacement	180,000		180,000
Roads	GCY6128	Bixter Bus Interchange	160,000		160,000
Roads	GCY6129	B9071 Parkhall to Sand Junction	5,000		5,000
Roads	GCY6130	B9082/3 Gutter to Cullivoe	10,000		10,000
Roads	GCY6131	Gulberwick Road	5,000		5,000
Roads	GCY6132	Gremista Footways	8,000		8,000
Roads	GCY6133	Vidlin Shore Road Footway	8,000		8,000
Roads	GCY6134	Scalloway East Voe Footway	8,000		8,000
Roads	GCY6135	Burra Voe, Yell Footway	8,000		8,000
Roads	GCY6136	Tingwall Footways	8,000		8,000
Roads	GCY6202	Burra Bridge	2,500		2,500
Roads	GCY6204	Trondra Bridge	2,500		2,500
Roads	GCY6205	Laxaburn Bridge	10,000		10,000
Roads	GCY6206	Burnbeach Seawall, Scalloway	10,000		10,000
Roads	GCY6207	Strand Loch Bridge, Tingwall	10,000		10,000

General Fund Contd

CPS-11-09 Appendix B

Service Area	Project Cost Centre	General Fund Projects cont...	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Roads	GCY6298	Advanced Design of Schemes	35,000		35,000
Roads	GCY6401	Scord Quarry Fixed Plant Replacement	250,000		250,000
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	410,000		410,000
Building Services	GCY5505	New Mid Yell Workshop	195,000	10,000	205,000
Transport	GCY7254	Vehicle & Plant Replacement Programme	1,251,600		1,251,600
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
Transport	GCY7601	Ferries Capital Rolling Programme	162,000		162,000
Transport	GCY7626	Urgent Repairs to Ferry Terminals	261,000		261,000
Sub Total			20,238,975	559,580	20,798,555
Service Area	Project Cost Centre	Capital Budgets created through Revenue Savings/External Grant Funding	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Social Care	GCA0236	Montfield Care Home (NHS Funding)	0	300,030	300,030
Development	GCD1570	Wind Farm Development	34,788		34,788
Sub Total			34,788	300,030	334,818
Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour)	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Ports & Harbours	RCM2309	Peerie Dock, Symbister	7,000		7,000
Ports & Harbours	RCM2314	Uyeasound Harbour Development	0	104,000	104,000
Ports & Harbours	RCM2315	Salloway Water Main	50,000		50,000
Ports & Harbours	RCM2316	Walls Pier	100,000		100,000
Sub Total			157,000	104,000	261,000
General Fund Total			20,430,763	963,610	21,394,373

Harbour Account

Service Area	Project Cost Centre	Funded directly from Harbour Account	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Ports & Harbours	PCM2101	Ports & Harbours Plant & Equipment	150,000		150,000
Ports & Harbours	PCM2104	Ports & Harbours Nav Aids	70,000		70,000
Sub Total			220,000	0	220,000
Service Area	Project Cost Centre	Funded through debt charges from the Harbour Account	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Ports & Harbours	RCM2313	Sellaness Tugs	11,152,000		11,152,000
Sub Total			11,152,000	0	11,152,000
Harbour Account 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 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Schools	GCE1304	AHS New Build	15,000,000		15,000,000
AHS Financing Arrangement Total			15,000,000	0	15,000,000

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure	Existing 09/10 Budget Allocation	CPS-11-09 Adjustments	Revised 09/10 Budget Allocation
Housing	HCH3303	Land/Property Acquisition	678,851		678,851
Housing	HCH3404	Environmental Improvements	259,266		259,266
Housing	HCH3512	Community Care Projects	107,103		107,103
Housing	HCH3525	Feasibility Studies HRA	25,655		25,655
Housing	HCH3526	Opportunity Conversion	124,862		124,862
Housing	HCH3706	Heating Replacement Programme	157,103		157,103
Housing	HCH3708	External Re-Render Programme	387,758		387,758
Housing	HCH3710	Lerwick Crudens	1,146,933		1,146,933
Housing	HCH3711	Retentions/Final Account	40,000		40,000
Housing	HCH3712	Housing Quality Standard	360,000		360,000
Housing	HCH3714	Replacement MIS System	200,000		200,000
Housing	HCH3800	Cap Rec/Sale Council Houses	(889,886)		(889,886)
HRA Total			2,597,645	0	2,597,645



REPORT

**To: Finance Working Group
Shetland Islands Council**

**29 June 2009
1 July 2009**

From: Willie Shannon, Assistant Chief Executive

REPORT NO: CE-32-F

Capital and Procurement Services

1.0 Executive Summary

- 1.1 Shetland has a number of large-scale developments in the pipeline over the next few years. Some of these are Council projects, others from our partners in the public sector and the remainder private sector development.
- 1.2 These developments will be taking place against a backdrop of a declining capital programme which will give greater impetus to identifying and prioritising projects, to buying goods and services as efficiently as possible, all with an underlying desire to stimulate the local economy and deliver best value.
- 1.3 We have to take a fresh look at our approach in terms of structure which means both our processes and people i.e. how we can get the best out of our resources.
- 1.4 This report sets the scene for any change that may be required, across the Council in our technical and professional services both at strategic and operational levels.

2.0 Introduction

- 2.1 One of the biggest issues which is currently facing the Council and has been a thorn in the side of previous Councils is establishing a long term planning approach to capital projects. This report advises members of the current position as well as identifying the next steps in the process.
- 2.2 How the Council buys goods and services is another area which I want to address in terms of our approach and what we are looking to achieve through efficiencies. This report also looks at our spending on consultants in the buying of goods and services both locally and outwith Shetland.

- 2.3 Over the past few months an audit of construction-related technical and professional staff (not including manual workers) has been carried out which highlights the resources that we have across the Council and identifies some gaps to be filled and consider better ways of working. This is attached as Appendix 1.

3.0 Links to Corporate Plan 2008 – 11

- 3.1 This report links to the Council's aim of improving our business and living within our means.

4.0 Background

- 4.1 At the meeting of Shetland Islands Council on 3 December 2008 the then Chief Executive restructured a number of services across the Council including Capital Programme which he split from Housing and passed to me to look at in conjunction with procurement and other related services.

5.0 Capital Programme

- 5.1 This years Capital Programme was finally approved in February which is very late in the day and is an area that we must improve on.
- 5.2 On the back of this I established a Finance Working Group, comprising Chairs, vice-chairs and spokespersons of the 3 principal committees which would amongst other things look at the Capital Programme in terms of planning, prioritisation and slippage. The remit of the group includes financial efficiencies, policy review as well as budget estimates and monitoring.
- 5.3 The Finance Working Group has had two meetings so far and has concentrated on the capital programme for longer term planning purposes as its main initial priority.
- 5.4 Members are aware that this year's capital programme has a ceiling of £20M that will reduce to £15M from 2010/11.
- 5.5 In terms of process the Council last October decided to delegate the decision-making for Capital Projects to the principal committees. In order to try and marry up competing projects at a corporate level I proposed that this be addressed through the Finance Working Group.
- 5.6 As an interested third party, the construction industry, which is represented by both contractors and consultants, has met separately with officials and collectively with elected members. There is a further meeting proposed on 30th June 2009 where they are preparing to come with their proposals for a longer term planning approach for consideration by the Council and at which a number of other issues that they have raised can be progressed.

6.0 Procurement

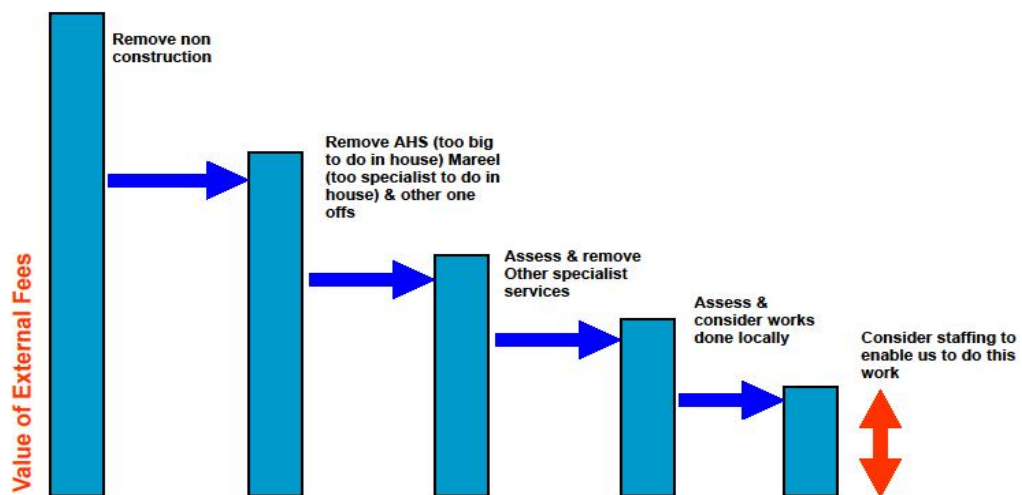
- 6.1 The buying of goods and services which the Council engages in to the tune of £35M annually has been given a clear focus in the corporate plan where 10% savings are forecast through a corporate procurement approach. This follows on from the McClelland Report for all local authorities and which is also an area that has been highlighted by Audit Scotland in their Best Value report.
- 6.2 The Chief Executive decided last year to second a member of staff to take procurement forward though this was only to be done on a part-time shared arrangement basis. This part-time approach has hampered progress and is an area that needs to be dealt with. We are at a point where there is a clear need for a dedicated team to make tangible progress which means visiting all service areas and examining contracts, both current and proposed.

7.0 Consultancy Services

- 7.1 Linked to the above point the table below shows the amount which the Council has spent on consultants for both the years 2007 and 2008.

	2007-2008	2008-2009
Architects, Services and Structural Engineers	£765,707.86	£510,633.34
Civil & Marine Engineers	£647,998.13	£1, 321,089.01
Education and Health care	£224,078.00	£320,897.00
Surveyors	£320,690.95	£321,484.85
Environmental	£66,518.95	£138226.83
Others	£1,532,083.68	£786,153.01
TOTAL	£3, 587, 077.84	£3, 398, 484.04

- 7.2 Members will note the average is in the region of 3.5 million pounds per annum. This is clearly significant although it should be highlighted that most of the spending is for professional services, namely architects and quantity surveyors relating to the bigger capital projects such as Anderson High School, Mareel and Mid Yell Junior High School. Members can see from the diagrammatic approach by the Capital Programme Manager which shows in simple terms our approach to spending on consultants for capital projects and the amount of work that is currently being performed in-house.



7.3 The final strand, which is identified in this report, is a simple audit of professional and technical services across the Council which is attached in Appendix 1.

7.4 Members have raised the issue of the former department of design and technical services which at its height in the early 1990's had a structure of approximately 100 FTE staff although numbers employed were approximately 80. Interestingly the current audit also shows an equivalent number of staff but spread across the Council rather than forming part of a coherent technical services department. Figures are not however comparable as in the 1990's there would have been additional staff employed within the Commercial Services and Housing Departments. It is not proposed in this report to go for a large scale restructuring but rather to identify some gaps, that in our view can be filled, and which can make a significant difference to how we operate and deliver services.

8.0 Proposals

Capital

8.1 The Finance Capital Working Group has asked for a breakdown of the projects as identified by the main committees and to have them split into committed projects, rolling programme and the projects members aspire to see carried out. This is being reported as a separate item to the Working Group and it's recommendations will be followed through in a report to Council.

8.2 The first section on committed projects is straightforward enough and easily identified. The main section is the rolling programme, which is significant for an authority of this size, and makes up a chunk of the overall capital programme spend.

- 8.3 It is clear that there are some projects which should be discrete in themselves rather than coming under the umbrella of maintenance programmes. Additionally there is an element of revenue spending which has to be calculated in order to clearly identify what is left to spend on capital. This is a key area for focussing our attention so that we can be clear what is genuinely left over for capital spending in order to meet and manage Members' aspirations on the remainder of the projects. These sections are set out in a separate report by the Capital Programme Manager to the Finance Working Group.
- 8.4 The Finance working Group has identified the need for a systematic approach as to how we carry out our business. This is a key point and this must extend beyond the Capital Programme Service to the broader range of Council Services if we are to take a strategic and focussed look at what processes we follow and how we are structured to deliver services.
- 8.5 It is important that before Members commit to a project, they can weigh up the benefits and take a decision whether what is proposed is fit for purpose i.e. are we going to deliver the objectives which were identified at the inception of the project. Having a "gateway" style approach will assist not just in prioritising but strengthen the work required to be carried out at the earlier stages of a business case being made and feasibility studies carried out. Experience has shown that these early stages of a project are critical in determining the requirements of a project.
- 8.6 Over the next two cycles of meetings I will work with the two Heads of Service closely affected Environment and Building Maintenance and Housing who have knowledge of gateway methodology. Although both of these areas have client responsibility I will ensure that there is appropriate consultation with our other client groups on the proposed detail of the methodology so that we clearly identify what will best suit our purposes.

8.7 Procurement

I would propose that the part-time secondment is insufficient to take forward and implement the Council's procurement strategy and to meet the potential efficiency savings. A small dedicated resource is required, which will be to establish a new team, for the purpose of achieving efficiencies in buying goods and services.

- 8.8 The Council at its meeting on 20 May 2009 heard a presentation by Dorothy Cowie who is the Director of Scotland Excel, of which we are a member, and it should be pointed out that Mrs Cowie emphasised that there is a flexible approach in using their services where if we can identify a better value service locally we are not required to follow the Scotland Excel route. There are nevertheless benefits from looking at bulk purchasing and being part of a larger local authority network.

Resources

- 8.9 Members will see from the bar chart diagram, 7.3 above what the impact that large projects such as the new high school has on our overall spending patterns. It is clear that the local contractors and consultants will be bidding to take on most of the projects that are advertised and will not be done in-house. They have made it clear from our meetings that they are keen to take on whatever size of project is coming out and are prepared to work together to achieve the best result. The past few years have not been typical in relation to the council's construction programme. Before this there were more projects but these were smaller. The impact of recent large projects has changed the workload of staff. In the future building projects are likely to tend to revert to the previous pattern of smaller projects which can generally be handled in-house or locally.
- 8.10 The Councils Capital Programme is a mix of Infrastructure and Building projects and the balance varies from year to year. The use of local consultants enables this varied level of workload to be managed.
- 8.11 One of the key points is the number of staff required for us to do work in-house and what savings might accrue from that. The audit of construction related professional and technical staff is interesting in where people are located across the Council but also in identifying some of the key gaps. We currently have one architect employed in the Council who is also our Capital Programme Manager. This is an area where, with an additional architect and an architectural technician to support them savings can be made without putting work out. This need not be to the detriment of the local industry who will be looking to bid for some of the bigger projects which will rest in the middle bar chart on the diagram. Although we now have an electrical services engineer which is much needed, we are still short of a Mechanical Services Engineer and are not aware of the services being delivered in Shetland. However, it will be worth our while looking to recruit in this area given the nature of the market changes on the mainland.
- 8.12 Another small change, which is mainly at an administrative level, is work in relation to managing the Council's capital programme which was transferred to the Capital Programme Service from the Finance Service some years ago. This workload is changing and is not just the requirement to look at budgets but also an increasing requirement to provide more comprehensive progress reports directly to Committees. This places an onerous burden on the few administrative staff available and additional support is also required here. These give a flavour of small changes that can make a difference but there is a need for a more strategic approach.

9.0 Broader Picture

- 9.1 There are a number of Capital Projects which will be happening across the length and breadth of the Islands over the next few years, not all of which will be run by the Council. These range from major refurbishments at Sullom Voe, Total with West of Shetland development that will involve approximately 500 workers over a 5-year period. The South Mainland will have developments at Sumburgh Head and Scatness run by the Shetland Amenity Trust and in the Central Mainland the proposed Lerwick High School and Mareel are significant projects.
- 9.2 In the Isles, the Uyeasound Pier has just been completed and Fetlar breakwater is proposed. There is also the significant proposed development of the Mid Yell Junior High School and the Whalsay terminals. The Harbour Board is proposing works at both Scalloway and Walls; over and above all of this the Council is proposing approximately 70 houses at Hoofield in Lerwick and SLAP has recently acquired the Staney Hill site with a view to residential development.
- 9.3 The Councils existing asset base includes Building Maintenance and elements of the Housing Service. These strands will have to be looked at in detail in order to decide on the best model for delivering services and looking after what we currently have.
- 9.4 The projects referred to at 9.1 and 9.2 does not include private sector development or any work to be carried out by either the LPA or the NHS both of which are large employers in the Islands.
- 9.5 Some of the gaps which have been identified on in-house staffing will, when augmented, assist in taking forward some of these projects but in the main I would expect that for the larger scale developments services will still have to be bought in. It has to be reiterated that these developments will be happening alongside a declining Capital Programme and that it would not therefore be prudent to add significantly to staff numbers within the Council.

10.0 Conclusions

- 10.1 Corporate procurement is an area that requires attention if it is to deliver the savings and efficiencies which are proposed in terms of our corporate plan and the Council's procurement strategy. It is also an area that has been highlighted by the external auditors as requiring attention. To drive this area ahead a small, dedicated team will be required. There are implications for related areas in the Council that will have direct links with the corporate procurement approach.
- 10.2 The additional resources which are required in the Capital Programme Service are architectural services, mechanical engineering services

and administrative support (to provide capital reports to the principal committees). I would propose that the task of identifying the additional resources required should be delegated to the Chief Executive or his nominee to take forward.

10.3 Work on a longer term planning approach to the Capital Programme is ongoing and proposals are being presented to the Finance Working Group as a separate item on the agenda. This separates out committed projects from the rolling programme and the remainder of the proposed projects from the main committees.

10.4 An additional piece of work will be required to look beyond the capital projects and procurement areas into Asset and Property Services in its broadest sense which will include Building Maintenance and elements of Housing Services. This work needs to be done in conjunction with the Head of Environment and Building Services and the Head of Housing Services. I would propose that this will be carried out and reported to members over the next two cycles of meetings which will follow consultation with client groups. This will be across Council Services and cover two main areas: -

- The process or method of delivering capital projects; and
- The organisation's structure to complement the process and to ensure that objectives are followed through.

10.5 This will also include the areas of work referred to on consultancy which have been highlighted in this report as well as the report by the Head of Environment in his reports to the Infrastructure Committee on 16 June which referred to the use of external specialists and consultants compared to directly employing staff and the delivery of services in maintaining the council estate.

11.0 Financial Implications

11.1 There are financial implications in terms of taking on additional staff and adding to the Council's establishment. I would propose at this juncture that this is delegated to the Chief Executive to identify the necessary budget which will then be reported back to members.

11.2 Any proposed additions to the Council's establishment must be taken in the context of £3.701m of revenue savings which require to be made together with any efficiencies and savings on the capital programme which can be achieved by handling additional work in-house.

12.0 Policy and Delegated Authorities

12.1 Changes to the Council Establishment and proposals for organisational change can only be approved by full Council.

13.0 Recommendations

13.1 I recommend that the Finance Working Group notes and comments on the terms of this report;

13.2 That Shetland Islands Council

- A) Approves the proposals to fill the necessary gaps which have been identified in the Capital Programme Service which will aid in delivering projects across the board and reduce costs overall;
- B) Notes and approves the approach taken by the Finance Working Group in proposing a systematic planning approach to capital projects;
- C) Approves the need to establish a small dedicated team to advance and achieve efficiencies through corporate procurement and;
- D) That with the assistance of the Heads of Environment and Building service and Housing I will consult with relevant groups and report within the next 2 cycles on the methodology and organisational structure to deliver best practice for the Council.

APPENDIX ONE

Professional/ Technical Staff Resources/ No names				
All Services				
	Service	Post	Specialism	Profession
Architecture	Capital Prog Service Architecture	Capital Programme Service Manager	Project Management/ Architecture	Architect
	Capital Prog Service Architecture	Contract Manager	Project Management/ Architecture	Architectural Technician
	Capital Prog Service Architecture	Apprentice Technician	Architecture	Apprentice Architectural Technician
	Housing - Asset Mgt	Architectural Technician	Architecture	Architectural Technician
	Housing - Asset Mgt	Architectural Technician	Architecture	Architectural Technician
	Roads Network	Network Engineer	Management and Improvement of streetlighting	Architectural Technician
Quantity Surveying	Capital Prog Service Quantity Surveying	Quantity Surveyor	Quantity Surveying	Quantity Surveyor
	Capital Prog Service Quantity Surveying	Quantity Surveyor	Quantity Surveying	Quantity Surveyor
	Capital Prog Service Quantity Surveying	Contract Manager	Project Management/ Quantity Surveying	Quantity Surveyor
	Capital Prog Service Project Management/ QS	Senior Project Manager	Project Management/ Quantity Surveying	Quantity Surveyor
	Roads Management	Quantity Surveyor	Finance and Programmes Management	Quantity Surveyor
	Housing - Asset Mgt	Quantity Surveying Technician	Quantity Surveying	Quantity Surveying Technician
	Housing - Asset Mgt	Quantity Surveying Technician	Quantity Surveying	Quantity Surveying Technician
Structural/ Marine Engineering	Capital Prog Service Structural/ Marine Eng	Design Manager Engineering	Structural Engineering/ Marine	Structural Engineer
	Capital Prog Service Structural/ Marine Eng	Contract Manager	Project Management/ Structural Eng./ Marine	Structural Engineer
Marine Engineer	Port Operations Structural/ Marine Engineering	Engineering Manager - Marine	Marine vessels, particulalry tugs.	Marine Engineer
Services Engineering	Capital Prog Service Services Engineering	Contract Manager	Project Management/ Services Engineer	Services Engineering (Electrical)
Project Management	Capital Prog Service Project Management	Contract Manager	Project Management	Contract Management/ Property
	Capital Prog Service Project Management	Senior Contract Manager	Project Management/ Engineering	Mechanical Engineer
	Capital Prog Service Project Management	Capital Projects Manager	Project Management	Interior Design
	Housing - Asset Mgt	Snr Housing Officer - Asset Mgt	Project Management	
Building Surveying	Housing Service	Head of Housing	Building Surveying	Building Surveyor
	Capital Prog Service Project Management/ Building Surveying	Capital Projects Manager	Project Management/ Building Surveying	Building Surveyor
	Building Maintenance	Building Services Manager	Facilities / Construction Management	Construction Surveying
	Building Maintenance	Building Maintenance Officer	Facilities Management	Maintenance Surveyor
	Building Maintenance	Building Maintenance Officer	Facilities Management	Maintenance Surveyor

	Building Maintenance	Building Maintenance Surveyor	Building Surveying / Project Management	Building Surveyor
	Building Maintenance	Maintenance Manager	Construction Management	Construction Surveyor
	Building Maintenance	Technical Support Manager	Facilities / Project Management	Construction Surveyor
	Building Maintenance	Building Maintenance Officer	Facilities Management	Maintenance Surveyor
Building Technician	Building Maintenance	Apprentice Technician	Building Construction	Building Technician (Trainee)
Clerk of Works	Capital Prog Service Clerks of Works	Head Clerk of Works	Clerk of Works	Electrical Construction background
	Capital Prog Service Clerks of Works	Clerk of Works	Clerk of Works	Building background
	Capital Prog Service Clerks of Works	Clerk of Works	Clerk of Works	Building background
	Housing - Asset Mgt	Clerk of Works	Clerk of Works	Clerk of Works
	Housing - Asset Mgt	Clerk of Works	Clerk of Works	Clerk of Works
	Roads Network	Clerk of Works	Supervision of Works, and Roads Inspection	Civil Engineering Clerk of Works
Housing Tech Officers	Housing - Asset Mgt	Technical Officer		
	Housing - Asset Mgt	Housing Officer - Tech/Mang'mt		Construction/building
	Housing - Asset Mgt	Housing Officer - Technical		Construction/building
	Housing - Asset Mgt	Housing Officer - Technical		
Building Maintenance/Forepersons	Building Maintenance	Senior Foreperson	Joinery	Construction / Maint. Supervisor
	Building Maintenance	Foreperson Electrician	Electrical Services	Construction / Maint. Supervisor
	Building Maintenance	Foreperson Plumber	Plumbing Services	Construction / Maint. Supervisor
	Building Maintenance	Foreperson (North Isles)	Joinery	Construction / Maint. Supervisor
	Building Maintenance	Assistant Foreperson	Joinery	Construction / Maint. Supervisor
Civil Engineering	Port Operations Structural/ Marine Engineering	Engineering Manager - Ports	Ports Infrastructure and navigational marks.	Civil Engineer
	Roads Management	Head of Roads	Head of Service	Civil Engineer
	Roads Management	Maintenance Manager	Service Manager	Civil Engineer
	Roads Management	Network & Design Manager	Service Manager	Civil Engineer
	Roads Maintenance	Area Engineer (Lerwick & South)	Road Maintenance and Minor Improvements	Civil Engineer
	Roads Maintenance	Area Engineer (North Isles)	Road Maint., Resurfacing, .Surface Dressing	Civil Engineer
	Roads Maintenance	Area Engineer (West & North)	Road Maintenance and Minor Improvements	Civil Engineer
	Roads Maintenance	Senior Engineer (Contracts)	Road Improvements & Civil Engineering Works	Civil Engineer
	Roads Network	Network Engineer	Management Road Network/ Roads&Streetworks Acts & Minor Road Improvements	Civil Engineer
	Roads Safety Engineering, Traffic Mgt, & Devt. Control	Senior Traffic Engineer	Road Safety Engineering & Traffic Management & Roads Development Control (for Planning Service)	Civil Engineer
	Roads Safety Engineering, Traffic Mgt, & Devt. Control	Road Safety Engineer	Road Safety Engineering and Traffic Management	Civil Engineer

	Roads Design	Senior Design Engineer	Design & Supervision of Roads & Other Improvement Works	Civil Engineer
	Roads Design	Senior Design Engineer	Design & Supervision of Roads & Other Improvement Works	Civil Engineer
	Roads Design	Design Engineer	Design & Supervision of Bridges, Culverts and Drainage Improvement Works	Civil Engineer
	Roads Design	Design Engineer	Design & Supervision of Improvement Works	Civil Engineer
	Roads Other Staff	Coastal & Flooding Engineer (Planning Service)	Coastal & Flooding Engineering	Civil Engineer
	Roads Network	Senior Network Engineer	Management Road Network/ Roads&Streetworks Acts	Civil & Transportation Engineer
	Roads Safety Engineering, Traffic Mgt. & Devt. Control	Traffic Engineer	Traffic Management and Roads Development Control	Civil & Transportation Engineer
	Roads Maintenance	Assistant Area Engineer	Road Maintenance and Minor Improvements	Civil Engineering Technician
	Roads Maintenance	Assistant Area Engineer	Road Maintenance and Minor Improvements	Civil Engineering Technician
	Roads Design	Design Engineer	Design & Supervision of Improvement Works	Civil Engineering Technician
	Roads Design	Design Engineer	Assists Other Design Engineers	Civil Engineering Technician
	Roads Other Staff	Civil Engineering Student	General Roads Engineering	Civil Engineering Student
	Roads Other Staff	Civil Engineering Student	General Roads Engineering	Civil Engineering Student
	Roads Other Staff	Civil Engineering Apprentice	General Roads Engineering	Trainee Civil Engineering Technician
Laboratory	Roads Laboratory	Laboratory Manager	Engineering Materials Testing	Geologist
	Roads Laboratory	Laboratory Assistant	Engineering Materials Testing	Highway Engineering Technician
Roads Inspection	Roads Maintenance	Training Supervisor & Roads Inspector	Technical Training and Roadworks Inspection	Construction Site & Plant Mgt.
	Roads Network	Roads Inspector	Roads Inspection	Background in Construction
	Roads Network	Roads Inspector	Roads Inspection	Certified Roads Inspector
	Roads Network	Roads Inspector	Roads Management & Maintenance System	Certified Roads Inspector
Quarry	Roads Management	Manager, Scord Quarry	Quarry Management	Technically Qualified



REPORT

To: Shetland Islands Council

1 July 2009

From: Head of Schools

Mid Yell Junior High School New Build: Permission to Proceed to Construction Phase

1 Introduction

- 1.1 The purpose of this report is to seek Council permission for the project team to authorise the contractor to proceed to the construction phase of the project in accordance with the contract.
- 1.2 The supporting appendices to this report are:
 - Appendix 1 – most recent visualisations of the proposed new school.

2 Links to Council Priorities

- 2.1 The Council's corporate plan includes reference to the following specific capital projects:
 - Improve our teaching facilities by completing the new Anderson High School and Mid Yell Junior High School.

3 Background

- 3.1 At the Council meeting on 7 May 2009 Services Committee considered a proposal to expand the design by 70m² to offer greater storage capacity and to enlarge accommodation for music and additional support for learning (min ref. 45/09).
- 3.2 It was noted that this expansion would cost an estimated £250,000.
- 3.3 It was suggested that by retaining the existing school building funds would be saved by the project and this saving could finance the additional space.

- 3.4 The project team were instructed to explore this possibility and report back this cycle.
- 3.5 At the Services Committee meeting of 18 June 2009 the Executive Director of Education and Social Care presented a report (ESCD-90-F) containing the outcomes of this investigation. The saving identified by this exercise were estimated at £70,000 which is significantly less than the £250,000 required.
- 3.6 Members agreed to visit the existing school to see first hand the issues raised and to talk to staff and pupils in the school. This was arranged for 30 June 2009.
- 3.7 It was agreed that the project team would deliver a presentation on the proposals for the new school to Council on 1 July 2009.

4 Progress Report

- 4.1 The project contractor M T Højgaard a/s have issued tenders to sub-contractors for the project.
- 4.2 Interim indications received from M T Højgaard a/s suggest that the project will be delivered on budget.
- 4.3 The contractors target costs for the project will be tabled for Members information at Council on 1 July 2009.

5 Proposal

- 5.1 It is proposed that the project team is authorised to instruct the contractor to commence construction of the new school within budget and to the target cost.

6 Financial Implications

- 6.1 The budget allocated to this project is £8.5 million.

7 Policy and Delegated Authority

- 7.1 In accordance with Section 13 of the Council's Scheme of Delegations, the Services Committee has delegated authority to make decisions relating to matters within its remit for which the overall objectives have been approved by Council, in addition to appropriate budget provision.
- 7.2 At the Services Committee Meeting of 18 June 2009 it was decided to defer to Council subject to 3.5 to 3.7 above.
- 7.3 The Council currently retains full authority for decisions on the Capital Programme.

8 Conclusions

- 8.1 Should Council approve the proposal contained within this report, the new build Mid Yell Junior High School can be completed for opening in August 2010.
- 8.2 Should Council decide not to approve the proposal and the project is delayed this will result in increased project costs and a delay to the proposed opening of the new school for the new term of 2010/2011.

9 Recommendations

- 9.1 Subject to satisfactory target costs, I recommend that Shetland Islands Council authorise the project team to instruct the contractor to commence construction of the new Mid Yell school within budget and to the target cost.

Our Ref: HB/JE/sm

Report No: ED-22-F











To: Shetland Islands Council

1 July 2009

From: Head of Schools

SHARED MANAGEMENT IN WESTSIDE PRIMARY SCHOOLS

1. Introduction

- 1.1 The purpose of this report is to seek approval from Members for changes to the management arrangements for the three primary schools on the Westside of the mainland of Shetland: Happyhansel, Skeld and Sandness.

2. Links to Corporate Priorities

- 2.1 The Council will ensure a model for education is developed by 2009 that considers the educational and financial viability for schools and communities and its outputs are then implemented.
- 2.2 The Council will work to create and maintain a culture where individual learners can strive to realise their full potential.

3. Background

- 3.1 A report (ED-10-F) entitled 'Shared Management in Schools in Shetland' was approved by Services Committee on 5 May 2005 (Min Ref: SC 38/05). This report established a shared management arrangement for the three primaries on the Westside where one non-teaching head teacher was shared between the three schools.
- 3.2 A report (ED-03-F) entitled 'Shared Management Guidelines for Shetland's Schools' was approved by Services Committee on 26 January 2006 (Min Ref: SC 03/06). The Appendix to the report, Shared Management Guidelines, contained a framework for consultation with communities on the subject of Shared Management, and provided for the appointment of a principal teacher in each school involved in shared management to support the school in the absence of a head teacher.
- 3.3 This framework contained specific procedures to be followed during any consultation process related to Shared Management in schools, and provided for any decisions related to Shared Management to be referred to Members for approval.

4. Current Position

- 4.1 There are three primary schools and one primary department which provide primary education for the children on the Westside of Shetland: Happyhansel Primary School, Skeld Primary School, Sandness Primary School and the primary department of Aith Junior High School.
- 4.2 Since May 2005, the established arrangement for managing the three primary schools has been that of a Shared Head Teacher between Happyhansel, Skeld and Sandness Primary Schools.
- 4.3 However, the current established Shared Head Teacher, was appointed to another post on 18 May 2009, and has resigned from the management of the three schools with effect from 17 August 2009.
- 4.4 Respective Parent Councils and the Parent Forum of Sandness Primary School were informed immediately of this situation with a view to commencing a recruitment process to replace the Shared Head Teacher for the three schools.
- 4.5 It became apparent to officers, from the outset, that Skeld Primary School Parent Council and Happyhansel Primary School Parent Council wanted to initiate a discussion again with Schools Service, as to whether the current management arrangements for their respective schools best suited their needs.
- 4.6 As a result the parent bodies of all three schools entered into a consultation process with the Schools Service as to their preferred way forward for the management of their school.

5. Consultation

- 5.1 Happyhansel Parent Council held a meeting of the Parent Forum on 1 June 2009 to seek opinion from all parents.
- 5.2 Skeld Parent Council and Happyhansel Parent Council requested separate meetings with central officers to discuss the possibility that they could revert to a Teaching Head Teacher structure. These meetings took place on:
 - 2nd June 2009: Skeld Parent Council
 - 3rd June 2009: Happyhansel Parent Forum
- 5.3 Sandness Primary School does not currently have a Parent Council. The Quality Improvement Officer met with a representative from each of the families on 5th June 2009.
- 5.4 Skeld Parent Council then undertook a consultation of its Parent Forum in the form of a questionnaire, the results of which are attached at Appendix A.

- 5.5 The feedback from Happyhansel Parent Council was that it was largely satisfied that a shared headship model worked well for Happyhansel and Sandness Primary Schools. They felt, however, that three schools in the model was a considerable challenge for the postholder, and that it should benefit from being reduced to two, that of Sandness and Happyhansel.
- 5.6 The parents of pupils at Sandness Primary School felt that the model had worked well for their school and that they would wish for shared management to continue either as it was or with one less school. Both Happyhansel and Sandness parents applauded the links between the two schools.
- 5.7 The majority of the parents of pupils at Skeld Primary School who responded to the questionnaire wished that the school should return to the Teaching Head Teacher model. They cited the availability of the Head Teacher, the number of schools in the model and the lack of promotion of their school's identity as the main areas of dissatisfaction. 12 out of 19 households responded.

6. Conclusions

- 6.1 The parents from the two communities of Happyhansel and Sandness hold the view that the shared management model has been mostly successful, but the parents of Skeld Primary School hold the view that it has not been successful. It has always been the view of the Schools Service that for shared management to work effectively all communities must support the model.
- 6.2 The Shared Head Teacher who has resigned has reported to officers that the model does work well, but that three schools is too much.
- 6.3 Reports by Her Majesty's Inspectors of Education and Shetland Islands Council's Quality Improvement Officers suggest that the best practice is already in place in schools on the Westside and that the sharing of developments and resources has benefited all three schools.
- 6.4 Continuation of the shared management model would not result in any significant financial savings.

7. Proposals

- 7.1 The Schools Service recognises that the wish of the School Community in Sandness is for the present scheme of provision to continue and appreciates the rationale for continuity within the model.

- 7.2 The Schools Service recognises that the wish of the School Community in Happyhansel is for the scheme of provision for a shared Head Teacher to continue, but feel that three schools is too many.
- 7.3 The Schools Service recognises that the wish of the School Community in Skeld is for the present scheme of provision to cease at the earliest date practically possible to provide their school with a full-time teaching Head Teacher.
- 7.4 In order to put in place a teaching Head Teacher for Skeld Primary School, there will be a requirement to redeploy one of the teachers currently in the school, unless the successful candidate comes from within the existing teaching staff of the school, and to redeploy the part-time management cover post for the Principal Teacher. This is because the new head teacher will require to have a class to teach, and in a teaching Head Teacher model there is no need for the Principal Teacher management duties.
- 7.5 There will also be a need to provide a management time cover post for the teaching Head Teacher at Skeld Primary School. Currently as a two-teacher school, this entitlement is at 0.33 full time equivalent (FTE).
- 7.6 The Schools Service, taking account of the feeling in all of the communities, recommends that Happyhansel and Sandness Primary Schools continue with the shared headship model and that Skeld Primary School seek to recruit a Head Teacher.

8. Financial Implications

- 8.1 If the current shared management arrangements were to continue for the Westside primary schools, the employee management costs for the whole financial year 2009/10 would be as follows:

Post	Total Employee Costs
Head Teacher Happyhansel, Skeld and Sandness	58327
Principal Teacher Happyhansel	49395
Principal Teacher Skeld	46814
Principal Teacher Sandness	46814
Management Time - Part time cover for 3 Principal Teachers	19019
Total Cost	220369

- 8.2 For comparison, if the proposals in this report are approved, the employee management costs for the whole financial year would be:

Post	Total Employee Costs
Head Teacher Happyhansel and Sandness	55755
Head Teacher Skeld	53988
Principal Teacher Happyhansel	49395
Principal Teacher Sandness	46814
Management Time - Part time cover for 2 Principal Teachers	12120
Management Time - Part time cover for Teaching Head Teacher at Skeld	15232
Less Difference between Principal Teacher and Teacher Salary Skeld	-3735
Total Cost	229569

- 8.3 The recommended option results in an overall budgetary increase of £9,200 per annum, which, if approved can be met from within the existing approved Schools Service budget for 2009/10. Budgetary provision for future years will be included in the revenue estimates exercise, in line with approved Budget Strategy.
- 8.4 The Shared Head post between the three schools carries an Essential Car User and this would continue for a Shared Head between two schools.
- 8.5 There will be the further cost of the recruitment exercise for the Head Teacher and Part-Time Teacher at Skeld Primary School. Recruitment costs for the Head Teacher may incur relocation costs of up to £8,000. These costs can be met from within existing approved budgets.

9 Policy and Delegated Authority

- 9.1 In accordance with Section 13 of the Council's Scheme of Delegations, the Services Committee has delegated authority to make decisions relating to matters within its remit for which the overall objectives have been approved by Council, in addition to appropriate budget provision.
- 9.2 As consultation with affected communities was completed outwith the timescale for Services Committee on 18 June 2009, but a decision is required with some urgency, in order to proceed to recruitment, this matter has been referred to Council for approval.

10 Recommendations

I recommend that Council:

- 10.1 Approve the dis-establishment of the current management arrangement for the three Westside Mainland Primary Schools: Happyhansel Primary School, Skeld Primary School and Sandness Primary School, whereby one Head Teacher is shared between the three schools;
- 10.2 Approve the establishment of a shared Head Teacher between Happyhansel and Sandness Primary Schools;
- 10.3 Give approval for Skeld Primary School to revert back to having a teaching Head Teacher, and for a management time post of 0.33 FTE to be created to provide management time for the teaching Head Teacher.

June 2009

HB/AE/sm

ED-21-F

Appendix A

Skeld Primary School - Shared Management Questionnaire Collated Responses

	Yes	No	Don't Know	Additional comments
1. Do you wish to reconsider the current shared management model?	6	4	2	<p>It hasn't worked for Skeld Primary School.</p> <p>It's worth considering. Perhaps a fresh employee would make a difference.</p> <p>We have had so many changes in our school over the years – further discussion with parents would be desirable.</p> <p>I think if the principal teacher would lose her job I would rather keep it as it is now.</p> <p>I would not like to lose the current principal teacher.</p>
2. Do you think the number of schools involved in a shared management matter?	8	3	0	<p>Workload, availability and identity are all detrimentally affected if there are too many schools.</p> <p>I think 3 is too many.</p> <p>Obviously the more schools the less time is spent in each one individually.</p> <p>Yes, the task for the Head must be overwhelming with 3 the absolute maximum.</p> <p>I think it doesn't matter how many if you have a good head.</p>
3. Do you think our individual school identity is sufficiently promoted under shared headship?	1	6	4	<p>It has been deflated by unfavourable comparisons to the other schools.</p> <p>I feel Skeld has not been sufficiently promoted under our present head.</p> <p>I feel that Skeld was left out. We are lucky to have such a competent principal teacher to pick up the slack.</p> <p>Probably not, but what would be sufficient?</p> <p>Not really as all three schools are compared from one another.</p> <p>Skeld School has a distinct and vibrant identity.</p>

Appendix A

4. Do you feel your access to the Head Teacher has been compromised by a shared head structure?	6	4	1	<p>Yes, especially with the time our present head has spent on other job related business and not what her original role was supposed to be.</p> <p>It was sometimes difficult to locate the HT and this was made more difficult because she didn't always stick to her timetable and was often away.</p> <p>Fortunately we have not needed much access but this could be difficult at times.</p> <p>I always contact my child's teacher about any concerns.</p> <p>In the first instance I would contact my child's teacher.</p> <p>Have always found Mrs Boxall accessible.</p>
5. Do you feel you need the Head Teacher to be available for daily contact?	6	4		<p>If necessary, then yes.</p> <p>You need to be able to access the HT if required.</p> <p>Not normally but I need to know where the head teacher is if I should need to contact them and also to be sure they are where they are supposed to be.</p> <p>I would not wish to contact the HT daily but would like the HT to be available at any time that I do.</p> <p>Probably yes, but as above I contact my child's teacher first.</p> <p>Not necessarily, providing the time table is stuck to.</p> <p>I do not feel that they need to be in the school as long as they can be contacted by phone.</p> <p>Only needed principal teacher.</p>
6. Do you think that the shared management workload is more manageable than that of a teaching Head Teacher?	1	1	9	<p>Not if they are trying to administer 3 separate and distinct schools.</p> <p><u>Has</u> to be manageable; access to the head has to be balanced against the job not being far too personally damaging.</p> <p>We realise that 3 schools must have a huge workload but to go back to teaching head would increase the teacher's workload immensely.</p> <p>I don't know enough about the workload to answer this.</p>

Appendix A

7. Do you think that shared management provides continuity of teaching for the children?	7	1	2	<p>But at the expense of the school vision, development and identity.</p> <p>Providing the head is doing the workload they should in our school to keep the principal in the classroom teaching.</p> <p>Shared management had nothing to do with continuity of teaching at Skeld. It's purely down to the competence of our teachers.</p> <p>It is better for the bairns as the class teacher is always there.</p>
<p>Any other additional Comments:</p> <p>We feel the shared management arrangements for Skeld has let us and the staff down and that Skeld has certainly become the poor relation in the whole scheme. A teaching head would certainly be more accessible and have a better understanding of parents and pupils within the school, giving us back a sense of our own identity. Providing the teacher appointed for the 1 ½ days a week is suitably qualified for the position, continuing the continuity of work set out by the head teacher and not end up with a succession of different supply teachers as has been in the past.</p> <p>The long term success and educational benefit to the school will be better achieved if there is a HT whose sole focus and vision is concerned with Skeld Primary. There is a very strong community tie to the school and a single HT would be more able to meaningfully engage with this distinct community and to restore trust, faith and confidence in what was once an excellent school. It has turned around and deserves to be excellent again.</p> <p>I do not think that the shared management works because the head teacher is hardly at the school. I think it would be better if we could go back to a teaching head teacher.</p> <p>If we go back to a teaching head teacher there would need to be a definite teacher to cover teaching duties when the head teacher could not be teaching due to office commitments.</p> <p>We are somewhat reluctant to revert to a teaching head teacher as we have had previous problems with this. Mainly as the head teacher was not in the classroom much as paperwork began to overrule that. However, if our current principal teacher's job was not jeopardised then we feel this would be better for our school's identity. However, perhaps the current shared management scheme could work again if the right person were appointed.</p> <p>Thank you for this important consultation exercise. We strongly believe that teachers are THE educational experts and that the job of Head Teacher has to give the incumbent breathing space and the ability to be creative; we think this more important than the immediate accessibility of the Head to parents.</p> <p>Our child is moving on to Aith and we feel that this is our last input towards this. Thank you.</p>				



REPORT

To: **Audit and Scrutiny Committee
Shetland Islands Council**

**17 June 2009
1 July 2009**

From: **Performance Management Co-ordinator**

CE-29-F

Annual Audit and Scrutiny Committee activity report

1 Introduction

- 1.1 When the original Scrutiny Committee was established back in 2006, a requirement was established for an annual report to be produced, outlining the areas that the Committee had covered during the past 12 months. This report fulfils that requirement.

2 Links to Corporate Priorities

- 2.1 This report does not directly contribute to the priority areas set out in the Council's Corporate Plan 2008-11. However, the audit and scrutiny function is an important part of ensuring that the Council is challenging itself and delivering continuous improvement.

3 Work carried out

- 3.1 The following section lists all items from the Committee's agendas, and highlights a few to show the impact of Audit and Scrutiny involvement.

August 2008

- Risk Health Checks;
- Environmental Management System: Update on Baseline Audit of Council Services;
- Audit and Scrutiny Committee Work Programme 2008/09;
- Annual Efficiency Statement;

- Housing Voids Investigation - Update Report;
The report showed that, since this item was last considered at the Audit and Scrutiny Committee in 2006, the Housing Service had doubled its performance in terms of high demand houses being re-let in 4 weeks, to 47%.

October 2008

- Strategic Risk Register - Economic Risks;
- Costs of the Islesburgh Complex;
- Statutory Performance Indicators - 2007/08;
- Capital Project Management;
- Private Use of Council Vehicles;
Following on from the Committee's investigation into Council vehicle usage, the following recommendations were endorsed by Council:
 - Internal Audit to include verification of vehicle usage data, as part of their ongoing Audit Plan. This would allow more detailed sampling to verify the data gathered from services and assist managers in the efficient management of their vehicle fleet.
 - The Fleet Management Unit to ensure that the Council is not increasing the overall size of its vehicle fleet and seeks to reduce this, wherever possible, during procurement exercises.
 - A target of 5% be set for reducing Council vehicle derv usage each year for the next 3 years.
 - A vehicle derv usage indicator to be added to service performance management reports. This will allow Members the chance to monitor progress against the 5% target at the quarterly performance review sessions. (starting in January 2009).
 - The Fleet Management Unit to be given responsibility to engage at an early stage with services seeking to procure new vehicles being sought are necessary for service delivery, fit for purpose, and more fuel efficient.

November 2008

- Abstract of Accounts 2007/08 and report by the Auditor;
- Internal Audit - Six-monthly Internal Audit Progress Report 2008/09;
- Capital Project Management: The Way Forward;
- Audit and Scrutiny Committee Investigation - Gender Balance May 2008;
Following on from the discussion of this report, the HR Service have confirmed that employee exit interviews are now taking place on a more systematic basis across Council services.

February 2009

- Study into the efficient use of Council Buildings;
- 2007-08 Statutory Performance Indicators - Comparative Analysis;
- Capital Project Management Best Practice: First Progress Report;
- Sickness Absence Data;

According to 2007-08 Statutory Performance data, the Council had the worst overall sickness absence record of any Scottish local authority. The Committee endorsed the action being taken by Human Resources to address this (having earlier discussed this at the April 2008 meeting). As at the end of March 2009, the Council's overall sickness rate had reduced from 6.4% to 5.8%.

March 2009

- Asset Management - Performance Indicators;

May 2009

- Scottish Government Audit of Shetland Islands Council's Building Standards Service on 23 and 24 February 2009;
- Overtime Expenditure 2008/09;
- Abstract of Accounts and International Financial Reporting Standards;
- Audit Scotland Annual Audit Plan;
- Discussion Paper on "Governance" and Shetland Islands Council;
- Corporate Plan Progress Report 2008/09;
- Shetland's Single Outcome Agreement – 2009;
- The Impact of the Race Equality Duty on Councils;
- Capital Project Management: Best Practice Methodology;
Following the consideration of three reports from the Head of Finance and a special meeting with the Convener and senior management, the Committee endorsed a report from the Head of Finance Services outlining a best practice approach to future capital project management.

- 3.2 Members may wish to reflect on the performance of the Audit and Scrutiny Committee over the past year and make comment on any of the items listed above.

5. Financial Implications

- 5.1 There are no financial implications arising from this report.

6. Policy and Delegated Authority

- 6.1 As described in Section 10 of the Council's Scheme of Delegations, the remit of the Audit and Scrutiny Committee includes reviewing Council performance information. However, as this report is reviewing the performance of the Audit and Scrutiny Committee, it is being referred to the Council for consideration.

7. Conclusion

- 7.1 This report has summarised the key areas of Audit and Scrutiny Committee activity during the past year.

8. Recommendations

- 8.1 I recommend that the Committee discuss the information in this report before it is then passed on to the full Council for further consideration.

June 2009

CE-29-F



REPORT

To: **Shetland Islands Council**

1 July 2009

From: **Executive Director of Education and Social Care
Executive Director of Infrastructure Services**

Tackling Poverty- Development of Local Strategy

1 Introduction

- 1.1 The Scottish Government released 'Achieving Our Potential – A Framework to Tackle Poverty and Income Inequality in Scotland' in November 2008. The Framework is fully agreed with COSLA. It is designed to fit within the context of new arrangements between the Scottish Government and local authorities and as a means of delivering on relevant national outcomes.

2 Links to Corporate Priorities

- 2.1 An effective approach to tackling poverty would ensure delivery of a key Corporate Plan objective: Health Improvement and Social Justice.

3 Background

- 3.1 The Framework is one of a suite of documents, alongside Equally Well and the Early Years Framework, to tackle inequalities and disadvantage. These documents are all jointly developed, based on early intervention and are to be shared across the public sector in Scotland. In promoting early intervention they support a shift in investment and action from 'costly and ineffective' reaction to social problems, to their prevention.

3.2 The Framework:

- ❑ sets out additional steps the Scottish Government will take;
- ❑ promotes a number of priorities for consideration by local authorities and their community planning partners;
- ❑ promotes a key role for third sector and private sector partners; and
- ❑ presents a set of principles on the operation of the tax credits and benefits as the basis for tripartite discussion between senior local authority leaders, Scottish Government and DWP Ministers.

- 3.3 At its heart is an intent to address Scottish Government targets relating to:

doing what it can within available powers to eradicate child poverty by 2020 (an all-UK target to which the Scottish Government are committed); and
to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017.

Key elements

3.4 The Framework is predicated on tackling income inequalities; addressing long-term drivers of poverty; and supporting those in poverty. The table below summarises the elements of each.

Tackling Income inequalities	Addressing long-term drivers of poverty	Supporting those experiencing poverty now
Making work pay: providing appropriate skills and training; supporting economic growth and creation of better employment opportunities; maximising take up of in-work benefits; encouraging enforcement of statutory workers' rights	Providing all children and young people with the best start in life: putting parenting at the heart of policy, providing better access to spaces to play and making every pre-school and school a family learning environment	Delivering a fairer system of local taxation: based on ability to pay
Maximising opportunities to work: removing barriers to employment, supporting those with caring responsibilities, building on the lessons of the Working for Families project	Promoting equality and tackle discrimination: challenging stereotypes and building on public sector equalities duties	Supporting more citizens who face hardship as a result of rising energy prices: implementing key recommendations of the Scottish Fuel Poverty Forum
Maximising income for all: through benefits take-up campaigns and provision of money advice services	Dealing with health inequalities: implementing the recommendations of <i>Equally Well</i> , including the provision of financial inclusion advice within mainstream public services and testing of innovative holistic approaches	Promoting financial inclusion: using new resources to raise awareness of entitlements and develop the necessary infrastructure to deal with rising demand
	Delivering good quality affordable housing: by investing in house-building and protecting the housing stock	
	Regenerating communities: by ensuring that the Fairer Scotland Fund, Urban Regeneration Companies and Social Enterprises work together effectively	

3.5 The Framework explicitly recognises that a contribution is required from the private sector and that this has to be stepped up. This need is supported by the fact that one third of the poorest 30% of households in Scotland have at least one adult in paid employment. To promote engagement the Framework indicates that:

- The Scottish Government will seek to further engage the Private Sector at the national level through the work of the National Economic Forum in 2009; and
- COSLA will work in 2009 with national representative business organisations to investigate how businesses can be better engaged in the Community Planning Process in all parts of Scotland.

3.6 It is proposed that Shetland Islands Council develop its own Poverty Strategy to ensure that the framework and the two supporting frameworks are delivered effectively locally; this will support delivery of the Single Outcome Agreement targets around poverty and Health Improvement. The Policy Unit will prepare the strategy with the support of the Poverty Reference Group (which includes staff from across the Council's departments, the Economic Development Unit and the Voluntary Sector) ensuring that it takes forward the Poverty and Social Exclusion Research undertaken in Shetland in 2006. The Strategy will be presented to the Council for approval by November 2009. It will also assist in the administration of the Fairer Scotland Fund in 2010/11.

4 Financial Implications

4.1 There are no financial implications to this report.

5 Policy and Delegated Authority

5.1 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.

6 Conclusions

6.1 The Scottish Government has placed addressing poverty at the centre of its activity and developed three documents, which aims to address the causes of poverty. The Council and its Community Planning partners need to consider these documents and ensure that the aims and activities set out are being delivered locally. Developing a Poverty Strategy will ensure that activity to address Poverty and Deprivation is effective.

7 Recommendations

7.1 I recommend that the Council

7.1.1 Note the release of the 'Achieving Our Potential' Framework and the proposal to develop a Shetland Poverty Strategy to ensure that the aims of the Framework are being delivered locally.

Our Ref: HAS/GG

Report No: ESCD-91-F



REPORT

To: Shetland Island Council

1st July 2009

From: ICT Unit Manager

Report No: CE-31-F

Occupational Therapy Stock Control System

1. Introduction

- 1.1. This report seeks approval for the procurement of a Stock Control system for the joint Occupational Therapy (OT) services of the Shetland Islands Council and NHS Shetland. It details the current situation, the stages already completed, and recommends next steps required in the project.

2. Links to Corporate Priorities

- 2.1. Sustainable Society - Reduce the OT waiting list to 49 people by the end of 08/09, which was not achieved – having a reliable joint stock control system will enable practitioners to function more efficiently, thereby relieving time to attend to their case loads.
- 2.2. Sustainable Organisation:
- 2.2.1. Promote a more sustainable approach to council spending – the system would enable improved use and maintenance of existing OT stock.
- 2.2.2. Achieve efficiency savings – the system would provide up to date accurate information on throughput of stock. This would enable improved control over purchasing and stock management.
- 2.2.3. Reduce bureaucracy by making sure the work we do adds value, and eliminate any unnecessary or unproductive tasks – all practitioners who make use of OT equipment will have access to accurate information regarding availability, location and status of stock.
- 2.2.4. Collect the right data to describe service needs and aspirations and commission research to fill the gaps in knowledge – there will be accurate, up to date information available for OT equipment, maintenance information and also for unmet need.
- 2.2.5. Effectively design services around the needs of individuals, families and communities – the information from the system will enable the production of reports which will be used to inform service planning.

3. Background

- 3.1. From January 2009 the NHS and SIC OT were brought together under a joint Service Manager as part of the Scottish Government Joint Futures Agenda. OT equipment has always been purchased and maintained by the local authority. This is standard national practice.
- 3.2. Shetland Islands Council Social Care implemented the Northgate SWIFT social work package in November 2003, replacing the previous SSIS system. SWIFT does not incorporate an integrated stock control element; a separate OT stock control system was therefore planned. This has been subject to a number of delays.
- 3.3. Each year the OT service purchases equipment to a value of £300,000. This is distributed to clients throughout Shetland by SIC OT and NHS Shetland practitioners. Equipment awaiting issue and items returned from the public is stored at one central store. Smaller ancillary supplies are retained at NHS Health Centres throughout Shetland to enable timely supply.
- 3.4. Since SSIS was discontinued in 2003, no adequate system has existed for keeping track of equipment. Manual records are kept for the most expensive items but up to £1.5 million worth of equipment exists in the community that cannot be easily accounted for.
- 3.5. The volume of equipment and regularity with which it moves around mean that manual records are not adequate.
- 3.6. The situation is the cause of considerable concern from various council departments:
 - 3.6.1. Safety and Risk - The service is unable to react appropriately to Medical Device Alerts or Safety Action Warnings from the Medical Health Regulatory Agency. These include warnings of incidents of fatal injuries such as entrapment or asphyxiation from faulty or poorly designed equipment. The Health and Safety at Work Act 1974 states that there should be **“Provision and maintenance of safe plant and work equipment and a safe system of work”** and **“It shall be the duty of every employer to conduct undertakings to ensure, so far as is reasonably practicable that non-employees who may be affected by the work activities are not exposed to risks which may effect their Health and Safety”**.
 - 3.6.2. The SIC Safety and Risk service, comprising Health and Safety, Road Safety and Insurance and Risk Management, advise that a suitable and sufficient risk assessment of the range and scope of this work activity highlights the need for a management system to be implemented in order to satisfy the legal requirements outlined above.
 - 3.6.3. There are additional responsibilities, to those already outlined, in that some of the OT equipment is subject to statutory testing at prescribed intervals, and the inability to carry out this type of inspection and testing

places and a significant risk on the OT service.

3.6.4. The SIC Safety and Risk service also advise that in order for equipment to be insured it must be presented to the insurance section on an inventory. This information cannot currently be supplied, therefore the equipment is currently uninsured.

3.6.5. Finance – The service is failing to operate in line with the Council's Financial Regulations with regards to:

- a) Proper maintenance of inventories.
- b) Best value.
- c) Recycling and disposal of assets.
- d) Having sound financial control and reporting with regard to stock levels.

3.6.6. Internal Audit - A system has not yet been devised to record issues to and from and disposals from the Occupational Therapy store, in line with Internal Audit's recommendations of 2006. A formal management system is required to enable this to be achieved.

3.7. Wider implications - The Scottish Executive document "Using the law to develop and improve equipment and adaptation provision" 2003 summarises the concern as below.

3.8. "In terms of reducing the risk of injury to equipment and adaptation users in the community, and of reducing the chance of negligence liability at organisational level, local authorities... will have to consider how to deal with the following sort of matter: purchasing suitable equipment, deploying competent personnel to assess and prescribe, inspecting, checking, recording, tracking, recall, maintenance, cleaning, storing, demonstrating, delivering, instructions, repair, replacement, emergency call-out, distribution and response to safety information.

3.9. A failure in an organisation to ensure the efficient receipt, distribution and action upon such communications from the Scottish Healthcare Supplies (and from the Medical Devices Agency) could well suggest a flawed system of work under health and safety legislation, and also render – in case of accident – the organisation more vulnerable to negligence actions."

3.10. It is anticipated that nursing equipment will also be include where possible as part of the joint store concept with external organisations as part of the Community Health and Care Partnership.

4. Progress to date

4.1. Early in 2009, requests for information were sent to potential suppliers to assess the market for suitable systems and the capital and revenue costs of those systems. This indicates that suitable systems do exist and are affordable.

4.2. A System Requirement Specification has been drafted.

5. Business Case

- 5.1. The acquisition of an OT stock control system, which was approved by the ICT Management Board on 21st May 2009, would:
- 5.1.1. Provide a reliable stock control system for joint Social Care and NHS OT service stock items.
 - 5.1.2. Interface with existing systems as necessary.
 - 5.1.3. Provide information for Safety and Risk, Insurance, Finance and Internal Audit.
 - 5.1.4. Improve on outcomes for service users through access to accurate and up to date information on stock availability, adaptations and maintenance management.
 - 5.1.5. Enable access to information from distributed sites providing location and management of stock items over a large geographical area.
 - 5.1.6. Provide improved information and stock sharing between Shetland Islands Council and NHS Shetland.
 - 5.1.7. Allow response to Safety Action Notices and equipment recall.
 - 5.1.8. Provision of required national statistics.
 - 5.1.9. Improved efficiency through reduction of time and resources related information gathering and recording.
 - 5.1.10. Improved co-ordination of service delivery.
 - 5.1.11. Effective joined up partnership across all agencies.
 - 5.1.12. Potential to develop cross agency reporting to support improvement planning.
 - 5.1.13. Increased service capacity by improving reliability and quality of data.
 - 5.1.14. Meet requirements of key national policies and strategies, e.g. Equipped for Inclusion.

6. Proposed Next Stages

6.1. The following stages are now required to proceed with the project:

- 6.1.1. Report to Council seeking approval to proceed (this report);
- 6.1.2. Full tender exercise;
- 6.1.3. Appointment of a supplier and award of contract on a most economically advantageous tender basis;
- 6.1.4. Implementation of the new system;

6.1.5. Installation and loading of data from SWIFT system;

6.1.6. Training of staff and commissioning of system.

6.2. The project will adhere to PRINCE project management principles in line with standard practice for ICT procurement projects.

7. Financial Implications

7.1. The current estimated costs of an OT Stock system would be £68,350. This will be met from the remaining Social Care SWIFT budget, GCX4311, which has an available budget that is not committed of £75,041.

7.2. Ongoing revenue costs of £6,050 per year commencing 2010/2011. A bid will be made in the revenue estimates exercise for 2010/11 for a revenue budget for ongoing revenue costs (at code GRA 5400). This will be funded from savings. .

7.3. Summary of deliverables for an OT stock control system and one-off procurement costs:

Deliverable	Estimated Cost
Hardware	£3,400
Application Software	£15,400
Interfaces	£10,100
Handheld Devices & Sundry Items (barcoding)	£15,300
Other Software	£2,800
Services	£15,450
Project Costs (including training)	£5,300
Corporate Backup	£600
Total	£68,350

7.4. As all of the OT equipment is owned by the SIC and is therefore the responsibility of the SIC, it is not deemed appropriate for NHS Shetland to fund the Stock Control System. It is part of our Requirements Specification that the Stock Control System will be accessible via a standard Internet browser. This will enable NHS staff to access the system from a standard PC. The system will be owned by the SIC.

7.5. Financial estimates do not include any staff cover costs as all work will be carried out by existing resources within the OT Service and Social Care Information Systems team.

7.6. It is estimated that the minimum savings will be equivalent to approximately 0.5 FTE Occupational Therapist salary (£17,149 in 2008/09) and £20,000 worth of equipment, per annum.

8. Policy and Delegated Authority

8.1. Whilst the scope of this project falls within the remit of the Services Committee any amendment to the Capital Programme requires the approval of Council.

9. Conclusion

9.1. The proposed purchase of an Occupational Therapy Stock Control System would provide a range of benefits for service users, the joint OT Service and other council departments as detailed above.

9.2. The implementation of a Stock Control system will enable the OT Service to meet health and safety requirements.

10. Recommendations

10.1. I recommend that the Council delegate authority to the ICT Unit Manager, or his nominee, in consultation with the ICT Management Board and other appropriate officers, to proceed to the tendering process for the Occupational Therapy Stock Control System (Scotland Excel is inappropriate for this type of procurement), and to the award of the contract, all in accordance with the Project Initiation Document and the Council's Standing Orders for Tenders and Contracts.

Appendix A – Project Initiation Document. v1.2

Date: 8th June 2009

Our ref: SM/JC

Report No: CE-31-F



**Shetland
Islands Council**

Information & Communications Technology

Project Initiation Document (PID) (Version 14)

Occupational Therapy Stock Control System Version 1.2

PROJECT INITIATION DOCUMENT v.14	Project:
Author: Jo Robinson / Jane Cluness	Stage:
Date: 11/11/08 / 11/5/09 / 19/5/09	Version Number: 1.2 Page 2 of 17 17215

1. Project Initiation Document Sign-off Form

Project Initiation Document Minor ICT Project

Project Authorisation Sign Off

We accept this Project Initiation Document as superseding all previous documents and authorise the project to go ahead.

Project Authorisation	Name	Approved Date
Senior Executive	Emily Weston, Service Manager Adult Services	
Senior Business	Service Manager Josephine Robinson	V1.2 – 8 th June 2009 at OT Stock System Project Board
Senior Technical	Stuart Moncrieff, ICT Unit Manager	V1 - 23 rd January 2009 at Swift Project Board

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2. Project Brief

Background:	<p>Describe enough background to explain why we are initiating the project.</p> <p>Shetland Islands Council Social Care implemented the Anite SWIFT social work package in November 2003, replacing the previous system SSIS. SWIFT does not incorporate an integrated stock control element; a separate Occupational Therapy (OT) stock control system was therefore planned. This has been subject to a number of delays.</p> <p>Each year the OT service purchases equipment to a value of £300K. This is distributed to clients throughout Shetland. Equipment awaiting issue and items returned from the public is stored at one central store. Smaller ancillary supplies are retained at NHS health centres throughout Shetland to enable timely supply.</p> <p>Since SSIS was discontinued in 2003, no adequate system has existed for keeping track of equipment. Up to £1.5M worth of equipment exists in the community that cannot be easily accounted for. This amount will continue to increase by £300K per year.</p> <p>The volume of equipment and regularity with which it moves around mean that manual records cannot be used to record the situation adequately.</p> <p>The situation is the cause of considerable concern from various council departments:</p> <p><u>Safety and Risk</u></p> <p>The service is unable to react appropriately to Medical Device Alerts or Safety Action Warnings from the Medical Health Regulatory Agency. These include warnings of incidents of fatal injuries such as entrapment or asphyxiation from faulty or poorly designed equipment.</p> <p>The Health and Safety at Work Act 1974 states that there should be “Provision and maintenance of safe plant and work equipment and a safe system of work” and “It shall be the duty of every employer to conduct undertakings to ensure, so far as is reasonably practicable that <i>non-employees</i> who may be affected by the work activities are not exposed to risks which may effect their Health and Safety”.</p> <p>Safety and Risk advise that a suitable and sufficient risk assessment of the range and scope of this work activity highlights the need for a management system to be implemented in order to satisfy the legal requirements outlined above.</p> <p><u>Insurance</u></p> <p>In order for equipment to be insured it must be presented to the</p>
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	<p>insurance section on an inventory. This information cannot currently be supplied, therefore the equipment is currently uninsured.</p> <p><u>Finance</u> The service is failing to operate in line with the Council's Financial Regulations with regards to:</p> <ul style="list-style-type: none"> • Proper maintenance of inventories • Best value • Recycling and disposal of assets • Having sound financial control and reporting with regard to stock levels <p><u>Internal audit</u> A system has not yet been devised to record issues to and from and disposals from the Occupational Therapy store, in line with Internal Audit's recommendations of 2006. A formal management system is required to enable this to be achieved.</p> <p><u>Wider implications</u> The Scottish Executive document "Using the law to develop and improve equipment and adaptation provision" 2003 summarises the concern as below "In terms of reducing the risk of injury to equipment and adaptation users in the community, and of reducing the chance of negligence liability at organisational level, local authorities... will have to consider how to deal with the following sort of matter: purchasing suitable equipment, deploying competent personnel to assess and prescribe, inspecting, checking, recording, tracking, recall, maintenance, cleaning, storing, demonstrating, delivering, instructions, repair, replacement, emergency call-out, distribution and response to safety information.</p> <p>A failure in an organisation to ensure the efficient receipt, distribution and action upon such communications from the Scottish Healthcare Supplies (and from the Medical Devices Agency) could well suggest a flawed system of work under health and safety legislation, and also render – in case of accident – the organisation more vulnerable to negligence actions."</p> <p>The council is therefore seeking the most cost-effective solution for selecting, purchasing and controlling its OT equipment.</p> <p>It is anticipated that nursing equipment will also be included where possible as part of a joint store concept with external organisations as part of the Community Health and Care partnership.</p>
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Objectives:	<p>List what the project is to achieve:-</p> <ul style="list-style-type: none"> • To procure and implement a reliable stock control system for Joint Social Care and NHS OT Service stock items. • Consider the business case for an interface with SWIFT Social Care system to transfer OT requests to the stock control systems and transfer details of adaptations and stock delivered. The interface will also send changes in client details from Swift to the stock control system. • Consider the business case for an interface with Integra system to transfer automated stock purchase orders with correct approval. • To provide information for Audit and Insurance purposes • Improve on the outcomes for service users through delivery of accurate and up to date information. • Improve efficiency through more streamlined service delivery with decisions based on full and up to date information. • To enable system access from distributed sites. • Meet requirements of key national policies & strategies e.g. Equipped for Inclusion • Minimise duplication of data entry and maintenance and synchronisation between OT Stock System and Swift.
Scope	<p>List what is to be included in the scope and what is to be excluded:- <u>Within Scope</u></p> <ul style="list-style-type: none"> • OT stock control system <ul style="list-style-type: none"> • Client details (note – full details & assessments held on Swift) • Inventory of equipment, aids and adaptations • Stores management • Multiple locations for stock control • Allocation of stock • Purchasing of equipment • Maintenance scheduling • Equipment disposal • Interface to SWIFT • Identification in response to Safety Action Notices • Interface to INTEGRA <p><u>Outwith Scope</u></p>

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	<ul style="list-style-type: none"> • Referral process and details – to be held on Swift • Financial assessment including means testing • Charging for equipment • Cost of provision of ICT equipment and network access at satellite stores • Physical storage and security of stock. • Collection of location and allocation of historic equipment, other than where there are existing records (hoists, stair lifts, beds and riser recliner chairs).
Business Case	<p>List the benefits to the business of the Council</p> <ul style="list-style-type: none"> • To improve the provision of OT equipment to Shetland residents. • To enable location and management of stock items over large geographical area. • Provide more accurate management and planning data to improve and inform decision-making. • Provide improved information and stock sharing between SIC and NHS. • Allow response to Safety Action Notices, and equipment recall • Provision of statutory national statistics. • Improved efficiency through reductions of duplication of time & resources related to information gathering and recording. • Improved co-ordination of service delivery. • Effective, joined up partnership across all agencies. • Potential to develop cross agency reporting to support improvement planning. • Increased service capacity by improving reliability and quality of data. <p>Links to Corporate Plans (if appropriate) There is a considerable demand for Occupational Therapy services with 140 people currently waiting to be seen. Provision of a stock control system would mean practitioners could function more efficiently, thereby relieving time to attend to their caseloads.</p> <p>The Corporate Plan and Single Outcome Agreement aim to:</p> <ul style="list-style-type: none"> • Reduce the OT waiting list to 49 by the end of 08/09 <p>The Corporate Plan also seeks to:</p> <ul style="list-style-type: none"> • Promote a more sustainable approach to council spending • Achieve efficiency savings • Reduce bureaucracy by making sure the work we do adds value, and eliminate any unnecessary or unproductive tasks • Collect the right data to describe service needs and aspirations and commission research to fill the gaps in

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	<p>knowledge</p> <ul style="list-style-type: none"> Effectively design services around the needs of individuals, families and communities
Constraints:	<p>List any constraints on the project (eg. Budget, timescales, objectives).</p> <ul style="list-style-type: none"> NHS will provide and install any necessary IT equipment to access and maintain a joint OT Stock System from the NHS premises.
Customers:	<p>List the customers of the project and estimate numbers:-</p> <ul style="list-style-type: none"> Community Care and NHS OT staff (20) NHS Community Nursing staff (20) Present and future users of the Occupational Therapy service in Shetland (approx 700 users per year) SIC Senior Social Care Workers (35)
Volumes	<p>Estimate the number of key transactions and other volumetrics for this project:-</p> <ul style="list-style-type: none"> Approximately 700 people receive OT equipment and adaptations per year Approximately 1,200 items of equipment are delivered or collected per year
Deliverables:	<p>List the deliverables of the project (eg. A working system, trained users):-</p> <ul style="list-style-type: none"> Fit for purpose OT stock control system Trained users SWIFT interface (computerised interface dependent on future business case analysis). Integra interface (computerised interface dependent on future business case analysis). Approved IT access points for identified users. Hardware required to support the system and linked software. Training for users of the system. Training for maintaining system and system administration. Agreed inter agency processes regarding use of system. Agreed security protocols/policy for system.
Risk Analysis:	<p>List the risks associated with this project (the things which could cause the project to fail). Estimate the risk in terms of probability and impact on a scale of 1 to 5, where:-</p>

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	<ul style="list-style-type: none">• 1 is very low• 2 is low• 3 is average• 4 is high• 5 is very high <table><tr><th>Description of Risk</th><th>Prob (1-5)</th><th>Impact (1-5)</th><th>Risk (Prob x Impact)</th></tr><tr><td>Budget insufficient to meet tender quotes</td><td>2</td><td>5</td><td>10</td></tr><tr><td>Lack of dedicated staff to see project through to completion</td><td>2</td><td>4</td><td>8</td></tr><tr><td>Data population – collection of existing inventory (limited existing records).</td><td>5</td><td>1</td><td>5</td></tr><tr><td>No system will meet the requirements</td><td>1</td><td>5</td><td>5</td></tr><tr><td>Staff unwilling to use system</td><td>2</td><td>4</td><td>8</td></tr></table> <p>Summarise these risks and designate the project to be low, medium or high risk. And explain why.</p> <p>The project will be low to medium risk. The remaining Swift budget has been identified for use for this project. The Head of Service for Community Care has also indicated that if there is more costs incurred for the interfaces to Swift and Integra there is likely to be other funds available to meet reasonable costs which go beyond the Swift budget. The actual level of risk will be undetermined until the specification is complete and final estimates received, although the work that has already been done would indicate that the budget will be sufficient</p> <p>The Project Team has been identified. The Team and their line management understand the commitment required to see the project through.</p> <p>Clear processes which link into System User Manuals will be created. These will be used for training to help facilitate staff 'buy-in' and uptake of the system.</p>	Description of Risk	Prob (1-5)	Impact (1-5)	Risk (Prob x Impact)	Budget insufficient to meet tender quotes	2	5	10	Lack of dedicated staff to see project through to completion	2	4	8	Data population – collection of existing inventory (limited existing records).	5	1	5	No system will meet the requirements	1	5	5	Staff unwilling to use system	2	4	8
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Data population – collection of existing inventory (limited existing records).	5	1	5																						
No system will meet the requirements	1	5	5																						
Staff unwilling to use system	2	4	8																						
Assumption	List any assumptions made (eg, resources will be made available, technology will work etc):- <ul style="list-style-type: none">• Relevant staff will be able to dedicate time to the project.																								
Resourcing:	Estimate staff resources that will be required to successfully implement the entire project.																								

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	<ul style="list-style-type: none">• Dedicated Project Manager (0.5FTE)• A project team from the Council’s Community Care Service and NHS Shetland• Technical support for installation and initial set up of system.					
Overall Project Stage	Major Task	Project Manager	User Days Total	Technical/Analyst Days Required	Total Days Required	
	Produce PID	5	7	2	14	
	Produce Report for Funding	4	-	1	5	
	Pre-Tender Stage	2				
	PQQ	2				
	Produce Tender	20	70	10	100	
	Produce Tender	6	14	2	22	
	Issue ITT	2	-	1	3	
	Evaluate tender	6	14	1	21	
	Demonstrations (assume 3	6	75	3	84	
	Site Visits	8	20	5	33	
	Evaluation Report	5	2	1	8	
	Installation & Setup	1	-	5	6	
	Familiarisation and Training	3	60	2	65	
	Conformance Testing	10	60	5	75	
	Procedures	5	30	-	35	
Re-work	5	30	3	38		

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	<table><tr><td>Data Conversion</td><td>Plan</td><td>3</td><td>12</td><td>2</td><td>17</td></tr><tr><td></td><td>Final Data Cleansing</td><td>5</td><td>20</td><td>2</td><td>27</td></tr><tr><td></td><td>Data Transition</td><td>5</td><td>10</td><td>2</td><td>17</td></tr><tr><td>Implementation</td><td>Document Procedures</td><td>2</td><td>18</td><td>10</td><td>30</td></tr><tr><td></td><td>Train Users</td><td>3</td><td>120</td><td>3</td><td>126</td></tr><tr><td>Go Live</td><td>Go Live</td><td>1</td><td>20</td><td>1</td><td>22</td></tr><tr><td>Post Implementation</td><td>Operations Handover</td><td>1</td><td>2</td><td>2</td><td>5</td></tr><tr><td></td><td>Post Implementation Review</td><td>5</td><td>14</td><td>2</td><td>21</td></tr><tr><td colspan="6"><hr/></td></tr><tr><td></td><td>Total Estimated Days Required :</td><td>116</td><td>616</td><td>66</td><td>794</td></tr></table>	Data Conversion	Plan	3	12	2	17		Final Data Cleansing	5	20	2	27		Data Transition	5	10	2	17	Implementation	Document Procedures	2	18	10	30		Train Users	3	120	3	126	Go Live	Go Live	1	20	1	22	Post Implementation	Operations Handover	1	2	2	5		Post Implementation Review	5	14	2	21	<hr/>							Total Estimated Days Required :	116	616	66	794
Data Conversion	Plan	3	12	2	17																																																								
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	Post Implementation Review	5	14	2	21																																																								
<hr/>																																																													
	Total Estimated Days Required :	116	616	66	794																																																								
Impact on Building Services	<p>List expected input required from Building Services. This could include network points, power points, associated builders works, and any need for building warrants.</p> <ul style="list-style-type: none">• .N/a <p>Has this been discussed with Building Services Y/N? Has the work been formally agreed with Building Services Y/N? Have timescales for Building Services work been incorporated into the Project Plan Y/N?</p> <p>Building Services Work Order Number _____</p>																																																												
Internal Audit Involvement	<p>Does this project involve any financial or other implications which means that Internal Audit ought to be involved? Explain below:-</p> <ul style="list-style-type: none">• Shared information with NHS. <p>Has this been discussed with Internal Audit Y/N? Y – email of 11th May 2009. What level of involvement has been agreed with Internal Audit None/ Project Board / Project Team / Other</p> <p>Please explain level of involvement:-</p> <ul style="list-style-type: none">• Internal Audit would like to see the updated PID. Copies of minutes and outcomes of the Project.• If any specific requirements arise they are happy to attend meetings to provide advice.																																																												

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Network Strategy	<p>List impact on the network or any expectations of network requirements:-</p> <ul style="list-style-type: none"> The system should integrate with Swift and be directly accessible through NHS and SIC IT networks.
Related Projects	<p>List any projects, or parts of other projects, which have to be successfully completed before this project can be started/completed, and explain:-</p> <ul style="list-style-type: none"> <p>List any projects which will require this project, or parts of this project, to be completed before other projects can be started/completed, and explain:-</p> <ul style="list-style-type: none"> N/a
ICT Security	<p>List any issues for ICT Security, associated with this project:-</p> <ul style="list-style-type: none"> Standard SIC ICT security protocols should be followed
Data Protection	<p>Does this project involve personal data or are there any other implications under Data protection? Explain below:-</p> <ul style="list-style-type: none"> Yes. Data would be shared in line with the Shetland Personal Information Sharing Policy. Specific Information Sharing Procedure will be required to comply with the Policy. Clear agreement should be in place before implementation for data security and data ownership between NHS and SIC. <p>Has this been discussed with Legal Y/N? Yes Please explain level of involvement:-</p> <ul style="list-style-type: none"> Anne Cogle will have to approve the Information Sharing Procedure.
Server Requirements	<p>Describe any requirements for environmental (including air-conditioning, rack space, access) and power requirements (including UPS and generators) required for this project:-</p> <ul style="list-style-type: none"> Server requirements will be specified by the supplier. <p>Where will servers be located:-</p> <ul style="list-style-type: none"> SIC ICT Machine Room <p>How will backups be carried out, estimate data volumes:-</p> <ul style="list-style-type: none"> In line with Corporate backup routines. Will require Corporate NetBackup licences.

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Environment and Sustainability	<p>List any potential environmental impact issues and steps taken to alleviate these and promote sustainability (in terms of both environmental sustainability and socio-economic sustainability):-</p> <ul style="list-style-type: none"> • Recycling of equipment, therefore reduction in waste and reduced purchase of new equipment • Increased sustainability of service • Reduced travel to/from stores to manually check on whereabouts of stock
Acceptance Test Plan	<p>Will a formal acceptance test plan be produced for this project? (Yes/No) Yes</p> <p>Reason:</p> <p>If a formal acceptance test plan is to be produced, please give details:-</p>

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Budget:	<p>Detail Budget Sources</p> <p>Requirement for stock control system was always part of the Swift project. The remaining budget of £75,041 is available to fund this project.</p> <p>If this budget is insufficient , additional funds need to be sought initially from across the Community Care budget.</p> <p>Indicative costs from RFI exercise:</p> <table> <tr> <th>Deliverable</th><th>Estimated Cost</th></tr> <tr> <td>Hardware</td><td>£3,400</td></tr> <tr> <td>Application Software</td><td>£15,400</td></tr> <tr> <td>Interfaces</td><td>£10,100</td></tr> <tr> <td>Handheld Devices & Sundry Items (barcoding)</td><td>£15,300</td></tr> <tr> <td>Other Software</td><td>£2,800</td></tr> <tr> <td>Services</td><td>£15,450</td></tr> <tr> <td>Recurring Costs (per annum)</td><td>£6,050</td></tr> <tr> <td>Project Costs</td><td>£5,300</td></tr> <tr> <td>Corporate Backup</td><td>£600</td></tr> <tr> <td>Total</td><td>£74,400</td></tr> </table>	Deliverable	Estimated Cost	Hardware	£3,400	Application Software	£15,400	Interfaces	£10,100	Handheld Devices & Sundry Items (barcoding)	£15,300	Other Software	£2,800	Services	£15,450	Recurring Costs (per annum)	£6,050	Project Costs	£5,300	Corporate Backup	£600	Total	£74,400
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Recurring Costs (per annum)	£6,050																						
Project Costs	£5,300																						
Corporate Backup	£600																						
Total	£74,400																						

3. Organisation and Reporting Structure

ROLES		NAMES OF STAFF
Project Board	Senior Executive	Emily Weston, Service Manager Adult Services
	Senior Business	Josephine Robinson, Service Manager OT
	Senior Technical	Stuart Moncrieff, ICT Unit Manager
Project Manager		Jane Cluness, Data Sharing Manager
Project Team	Business Assurance	Norma Wishart, Senior OT
	User Assurance	Colin Manson, Occupational Therapy Aide, Anne Bateson, Occupational Therapy Assistant (NHS Shetland)
	Technical Assurance	Michael Coutts, Network Analyst
	Other Implementation Team Members	Kerry Burgess, Occupational Therapist, Jesma Fraser, OT Admin Support Worker, Elaine Park, Information Systems Officer

Reporting:	<p>The Project Manager will report to the Project Board.</p> <p>The Project Manager will have overall responsibility for the project and ensuring that all aspects of the projects are carried out to plan, on time, within budget and that all deliverables are achieved.</p>
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Limits of Authority:	<p>Minutes must be taken of all Project Board meetings.</p> <p>The Project Board must authorise any changes from the PID or the scope of the project.</p> <p>Any changes must be documented. Fundamental changes to the project will require a complete review of the PID (eg. this is normal when moving from PID version 1.0 to 2.0). Other changes should be documented in the Project Board minutes.</p> <p>Normally changes to the project must be authorised at a board meeting. However, where this is impractical, authority may be granted by email but the changes must be ratified at the next board meeting. Such exceptions must be discussed and agreed in advance with the ICT Unit Manager.</p>
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4. Products

Management Statement

Explain how success of the project will be managed:-

Management Products	Planned (Y/N)	If not planned, please state reason
Signed off PID	Y	
Operations Handover documents	Y	
Post Implementation Review	Y	

Quality Statement

Explain how success of the project will be ensured:-

Quality Products	Planned (Y/N)	If not planned, please state reason
Proposed Solution	Y	
ICT Briefing Session	Y	

Technical Products

Technical products have been listed in the Deliverables section.

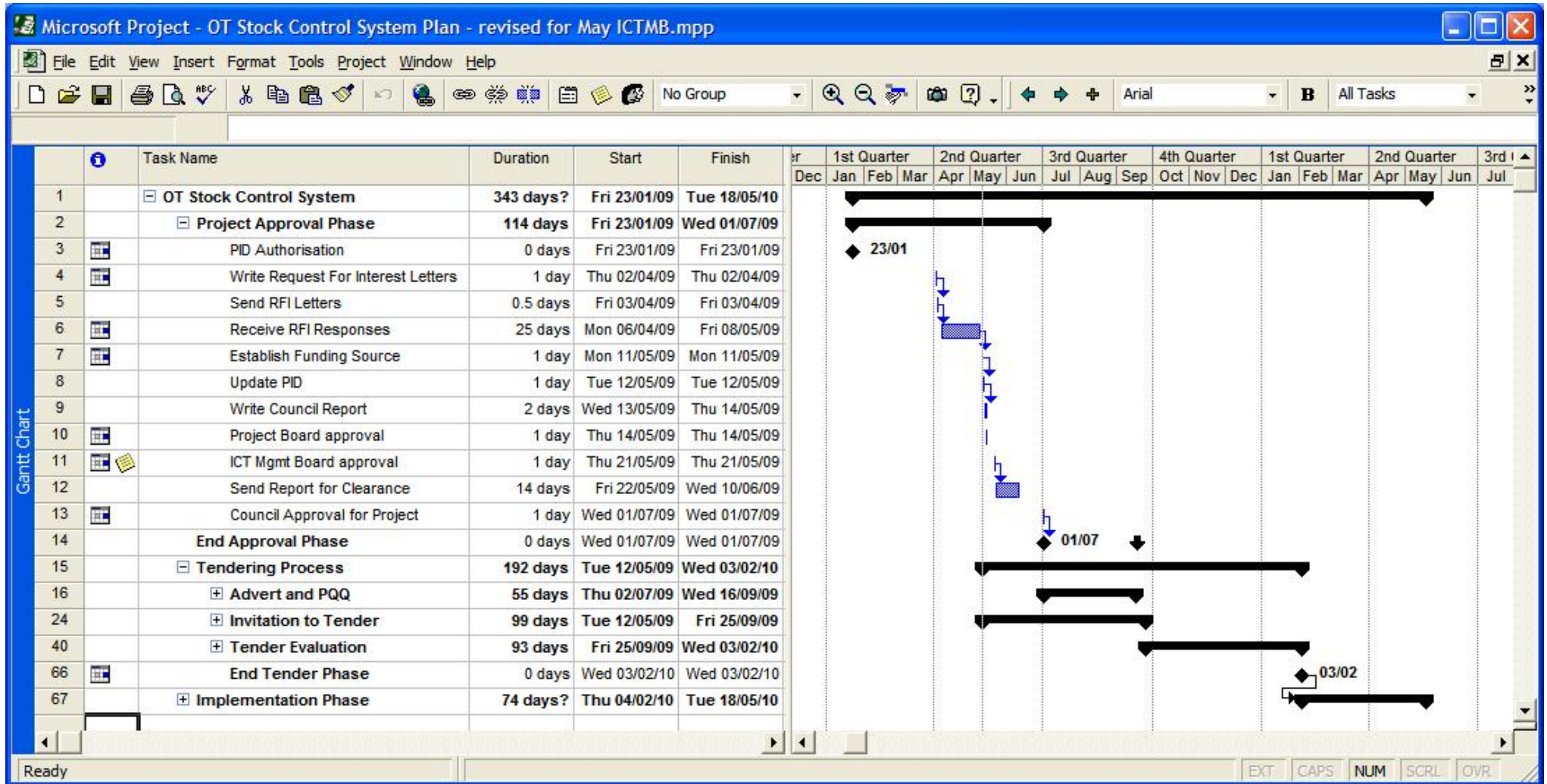
5. Timescales and Resource Plans

Please complete all tasks and identify all stage end milestones.

Task	Duration	Start	End	Resp

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Copy Gantt chart from Microsoft Project File [reference] is shown below:-





REPORT

**To: Shetland Islands Council
Employees JCC
LNCT
College Lecturers JCC**
**From: Human Resources Manager
Executive Services**

**1 July 2009
9 June 2009
22 June 2009**

Report No: CE-24 F

Leave Policy – Part 2

1. Introduction

- 1.1 The purpose of this report is to obtain approval for the attached set of leave policies. These policies form part of a larger suite of policies covering all aspects of employee leave which will include Annual Leave & Public Holidays, Carer & Compassionate Leave, Special Leave and Flexi-time. The Council at its meeting on 12 September 2007 agreed the policies on Maternity Leave, Adoption Leave and Parental Leave. The Adverse Weather policy was agreed by Council on 22 October 2008. However it was decided at the Employees JCC on 7th August 2007 that the other leave policies would be held back in order to account for and to consider the implication of Single Status on the implementation of any changes.

2. Background

- 2.1 All three recognised trade unions have returned a 'yes' vote to the Single Status proposals. The report considered by the Council on 20 May 2009 gave delegate authority to the Chief Executive to conclude the Collective Agreement and progress the implementation if Single Status. (min. reference 68/09)
- 2.2 Approval is now being sought for the Annual Leave & Public Holidays Policy, Carer & Compassionate Leave Policy, Special Leave Policy and Flexi-time Policy. Once approved the policies will 'go live' at the same date as Single Status implementation.
- 2.3 The policies are being presented for approval by all staff. However not all policies will apply to all staff. Notably the annual leave policy and flexi-time policy will not apply to teachers, instructors and lecturers.
- 2.4 Related to that consultation and communication is beginning with Chief Officers with the aim of harmonising terms and conditions with the Single Status conditions and therein the adoption of these policies. It is

expected that these negotiations will be complete before Single Status implementation.

- 2.5 Once implemented, the suite of leave policies should ensure that the Council has an over-arching set of policies and guidelines, which clarify employees' statutory and contractual entitlements to time off from work. In addition they will help promote better work-life balance.

3. Links to Corporate Plans and Priorities

- 3.1 These policies make a positive contribution to the commitments to staff set out in the Council's Corporate Plan by recognising and valuing employee's contributions and ensuring that we treat employees fairly and consistently.
- 3.2 These policies also support the Council's Improvement Plan by helping develop an economy that is prosperous, competitive and diverse and ensuring that the Council is organised, efficiently run and sustainable.

4. Changes to Current Policy

The most significant of these are outlined below:

4.1 Leave Policy Statement

- 4.1.1 This statement is new and aims to pull together all of the policies related to leave.

4.2 Annual Leave & Public Holidays

- 4.2.1 This is a new policy for the Council. Minimum annual leave and public holiday entitlements are prescribed in the SJC National Conditions of Service for Local Government Employees (the Red Book), the Scheme of Pay and Conditions of Service for Craft Operatives and the Scheme of Salaries and Conditions of Service for Chief Officials.
- 4.2.2 This policy pulls together the revised enhanced proposals for annual leave and public holidays under Single Status.
- 4.2.3 All leave will now be calculated in hours as opposed to a mixture of days and hours as at present.
- 4.2.4 It confirms the Christmas shut-down arrangements.
- 4.2.5 It confirms entitlements and approval procedures.

4.3 Special Leave

- 4.3.1 Special Leave is a feature of the SJC National Conditions of Service for Local Government Employees (The Red Book). However it does not specify in what special circumstances additional leave can be granted with or without pay.
- 4.3.2 This is a new policy for the Council, which sets out in what circumstances additional leave can be granted. It will replace previous policies on Employees Serving in the Emergency Services and Service in Non-Regular Forces.
- 4.3.3 A White Paper; 'Standing for office: Time-off entitlements' is currently being considered which if adopted will further the rights to time off during working hours for recognised community roles.

4.4 Carer & Compassionate Leave Policy

- 3.4.1 The Council approved the previous Compassionate Leave policy in May 1991 for the purpose of outlining when paid time off for employees experiencing emergency situations would apply. The Compassionate Leave Policy was developed in the absence, at that time, of any statutory provision or national conditions of service.
- 3.4.2 The Employment Relations Act 1999 later introduced the statutory provision for unpaid time off for employees to care for dependants in a variety of emergency situations.
- 3.4.3 Time off for dependants was previously covered within the Parental Leave and Time Off for Dependents Policy but has now been included in the Carer and Compassionate Leave Policy in recognition that unlike Parental Leave, it applies to employees within a wider definition of caring responsibilities regardless of their length of service.

4.5 Flexi-time Agreement

- 4.5.1 The Flexi-time Agreement has been produced following the work of a short-term working group of employees from across the Council.
- 4.5.2 Its aim is to provide a framework for the introduction of flexi-time across Council Services where this is practical. Whilst it is written for those services who predominantly operate Monday – Friday 9am – 5pm, it has provision for the introduction of other such arrangements in other services with the approval of the Head of Service and the Human Resources Manager.

5. **Consultation and Communication**

- 5.1 These policies were consulted on both formally and informally with Trade Union Representatives and the Personnel Liaison Group in 2007. Since

then informal and formal consultation has continued and all comments have been considered and incorporated where possible.

- 5.2 These policies will be promoted and communicated electronically and council-wide. It is intended to run short briefing sessions for managers on the practical application of the policies.

6. Financial Implications

- 6.1 There are no financial implications arising directly from this report, although these policies relate to the award of both paid and unpaid leave and so by their nature have a cost implication. However the policies pull together and formalise statutory entitlement to leave and to existing practice. Therein it is unlikely that these policies would lead to any increase in costs.

7. Policy and Delegated Authority

- 7.1 The determination of new, or variation of existing policy, has not been delegated. It therefore remains a decision of the Council, in terms of Section 8.0 of the current Scheme of Delegations.

8. Conclusion

- 8.1 By approving the attached policies, the Council will be brought in line with current legislation and best practice. It will also enable the Council to promote better work-life balance for its employees.
- 8.2 With the introduction of a clear set of policies that set out the many options available to staff to manage their time in and out of work, it will be possible for employees to more effectively manage situations which require them to take time off work, reducing the stress that this can cause and allowing better attendance management for managers and staff.

9. Recommendations

- 9.1 It is recommended that the Council approve the attached leave policies to be implemented simultaneous to the implementation of Single Status.
- 9.2 It is also recommended that the Council delegates authority to the HR Manager, or her nominee to update further the Special Leave policy to account for any changes to legislation brought about by the White Paper currently being considered, as referred to in paragraph 4.3.3 above.

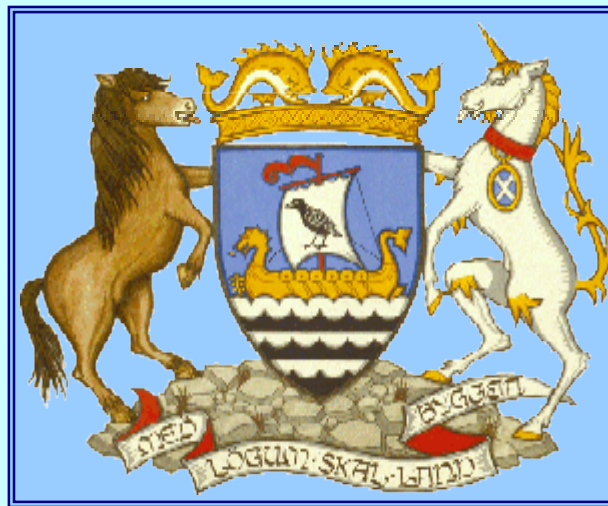
64 St. Olaf Street
Lerwick

May 2009

Our Ref: JO Report No: CE-24

SHETLAND ISLANDS COUNCIL

Leave Policy Statement



Operational Date:
Applies to: All Staff

LEAVE POLICY STATEMENT

Operational Date:

Review Date:

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1 LEAVE POLICY STATEMENT

Shetland Islands Council acknowledges that all employees need and have a statutory entitlement to time away from work. The policy documents within the leave policy statement aim to clarify entitlements to annual leave, public holidays, maternity leave, adoption leave, paternity leave, parental leave and carer and compassionate leave.

Shetland Islands Council also acknowledges that employees have commitments outside work that may on occasion disrupt their working week. It is considered to be in the interests of both the Council and employees that the 'work/life balance' of employees is maintained.

To address the problems that work/life conflicts can cause, a number of types of special leave are available to help employees balance their work and other commitments.

The special leave available covers a wide range of reasons and may be with or without pay. In a number of cases specific amounts of leave available may not be stated as this will depend on the circumstances.

2 DEFINITION OF PAY

For the purposes of this policy where paid leave is authorised then pay will include any regular payment made under the contractual terms of an employees contract only. Non-contractual payments and allowances will not be paid. Workers engaged on non-contractual arrangements e.g. relief workers will not normally be granted paid leave of absence.

Where unpaid leave is authorised actual contractual hours due to be worked in the authorised unpaid leave period will be deducted from pay.

3 LEGISLATION

Civil Partnership Act 2004
Disability Discrimination Act 1995
Employment Act 2002
Employment Equality (Age) Regulations 2006
Employment Rights Act 1996
Employment Relations Act 1999
Employment Relations Act 2004
Equal Opportunities (Religion or Belief) Regulations 2003
Juries Act 1974,
Maternity and Parental Leave etc Regulations 1999
Maternity and Parental Leave etc and the Paternity and Adoption Leave (Amendment) Regulations 2006

Race Relations Act 1976
Scottish Schools (Parental Involvement) Act 2006
Sex Discrimination Act 1975
Trade Union and Labour Relations (Consolidation) Act 1992
Work and Families Act 2006
Working Time Regulations 1998

4 SCOPE

- 4.1 This policy applies to all council employees, with the exception of Teachers and Lecturers for some aspects. In that regard Teachers and Lecturers have separate policies and entitlements relating to Annual Leave and Public Holidays, Adverse Weather, Maternity Leave and Adoption Leave. In addition there are certain aspects of leave that will apply differently to different work groups eg term-time and shift workers.

5 LINKS TO OTHER POLICIES

- 5.1 This policy is intended to cover all forms of leave except leave related to ill health. This is covered by the Council policies on absence management and ill health capability policy. The leave policies include; Annual Leave & Public Holidays, Maternity Leave, Adoption Leave, Carer & Compassionate Leave, Parental Leave, Special Leave and Adverse Weather.

6 ROLES / RESPONSIBILITIES

6.1 **CHIEF EXECUTIVE**

The Chief Executive has overall responsibility for ensuring that the Council's Leave policies are implemented properly, consistently and fairly.

6.2 **HUMAN RESOURCE MANAGER**

The Human Resource (HR) Manager has responsibility for ensuring that policies and procedures are developed and reviewed as necessary.

Ensures that appropriate support and advice is available through HR to services requiring assistance in any leave request.

6.3 **EXECUTIVE DIRECTOR**

Executive Directors have responsibility to ensure that requests are dealt with reasonably and consistently and in line with the terms of this policy. Executive Directors may delegate the authorisation of requests to Heads of Service / Quality

Improvement Officers or Service Managers within their service areas.

When approving requests for special leave, managers should consider the operational requirements of the service as well as any requests that have previously been granted, outstanding annual leave and requests governed by legislation.

Applications for special leave must be submitted initially to line managers / head teachers for onward submission and authorisation by Service Managers, Heads of Service / Quality Improvement Officers, where authority has been delegated. Appointment cards or other notification should be presented, where available by employees requesting special leave.

6.4 ALL EMPLOYEES

All employees, with the exception of teachers and lecturers for some aspects have a right to make a request in accordance with this policy statement and in terms of annual leave have a duty to manage this reasonably during the course of the leave year.

Managers and employees should consider flexible ways of working to help support situations where the work / life balance is strained.

7 COMPLAINTS IN TERMS OF THIS POLICY

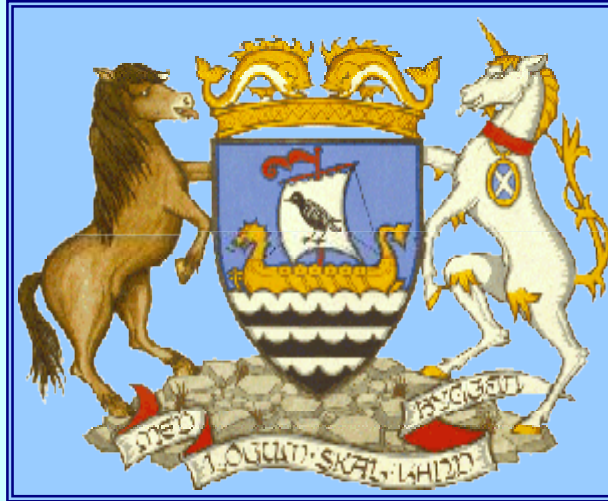
- 7.1 If any individual is dissatisfied with a decision made in terms of this policy statement they may submit their complaint in writing to their Service Manager. This complaint shall be dealt with in accordance with the Council's Grievance Procedure.

8 ABUSE OF THE POLICY

- 8.1 Abuse or attempted abuse of the policy statement will be dealt with in accordance with the Council's Disciplinary Procedure.

SHETLAND ISLANDS COUNCIL

Annual Leave and Public Holidays



Operational Date:

Applies to: All Staff (except Teachers, Instructors and Lecturers)

Shetland Island Council

ANNUAL LEAVE AND PUBLIC HOLIDAYS POLICY

Operational Date:

Review Date:

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ANNUAL LEAVE & PUBLIC HOLIDAYS

1. SCOPE

The document details the entitlement to annual leave and public holidays for all employees except teachers, instructors and lecturers.

2 GENERAL

- 2.1 Annual leave is a statutory entitlement for all workers. The statutory entitlement is 5.6 weeks paid leave per annum including public holidays. Shetland Islands Council currently offers contracted employees an annual leave and public holiday entitlement in excess of the statutory minimum.
- 2.2 The annual leave year is 1 January – 31 December for all employees.
- 2.3 Annual leave accrues for each complete month of service in the leave year.
- 2.4 Annual leave is expressed in hours for all employees in order to ensure consistency in application for all workers irrespective of their work patterns.
- 2.5 Employees will not normally be restricted from taking leave in excess of their accrual at a particular point in the leave year. However this should not exceed normal full annual leave entitlement and leave cannot normally be taken from the following year's entitlement.
- 2.6 Some workers however will have restrictions placed on their annual leave. For example school and the college, some workers work only during term-time and their leave is fixed during school / college holidays. Such workers would be restricted from taking leave during term-time unless in exceptional circumstances. And such leave where granted would require to be unpaid.

3 ANNUAL LEAVE ENTITLEMENT

- 3.1 The full annual leave entitlement for employees whose contract is for 37 hours per week or more and who works 52 weeks per year is 29 days or 215 hours per annum; rising to 34 days or 252 hours per annum after five years continuous service. The increase to annual leave entitlement takes place on 1 January in the year succeeding 5 years continuous service being completed.
- 3.2 Any employee who works fewer contracted hours and / or who works fewer weeks e.g. term – time; will receive a pro rata share of this

entitlement. For more information on leave calculations please refer to the appendices.

- 3.3 Annual leave will not accrue for employees working non-contractual additional hours or for hours worked in excess of 37 hours.
- 3.4 All non-essential Council services will close to the public between Christmas and New Year. Employees in these services will require to use three days of their annual leave entitlement to facilitate this; pro-rata for part-time employees. Staff who do not normally work at Christmas such as school based staff will receive payment, built into their salary, for this extra entitlement. Workers required to work in essential services on these days will receive normal contractual payments for hours worked.
- 3.5 For workers who work on an as and when required basis and who have no contracted hours, their annual leave will accrue based on actual hours worked. Departmental administrators will calculate this entitlement periodically e.g. monthly and will inform the service manager who must ensure that the worker arranges to take this paid leave entitlement and that pay is processed timeously.

4 MANAGEMENT OF ANNUAL LEAVE

- 4.1 It is the responsibility of employees to ensure that they request to take their annual leave entitlement during the course of the leave year.
- 4.2 Managers should aim to manage their employees leave entitlement by communicating with staff on notice periods required to request leave, how many employees can normally be absent at any one time, to allow employees to access authorised leave information, to encourage staff to use up annual leave through out the year i.e. workers should be encouraged to use quarter of their leave entitlement in the first quarter of the year. Notice periods to request leave should be at least twice the length of the leave requested, however in establishments where cover is required then this can be varied.
- 4.3 Certain staff groups e.g. shift workers and term-time workers have fixed holidays. It is the responsibility of managers setting shift patterns and term dates to ensure that staff are informed of their fixed holiday dates as soon as it is reasonably practicable to do so,
- 4.4 When employees are not managing their leave effectively then managers in consultation with Human Resources (HR) may arrange periods of annual leave on the employee's behalf.

5 HOLIDAYS AND SICKNESS ABSENCE

- 5.1 An employee who falls sick during the course of annual leave will be regarded as being on sick leave from the date of the doctor's statement

and the remaining annual leave will be returned to the employee's entitlement.

- 5.2 Where an employee has been absent from work through illness for a continuous period exceeding three months, the Council will limit annual leave and public holiday entitlement to an amount equal to the period of actual service given in the leave year, subject to the statutory minimum of 5.6 weeks (28 days / 207 hours). Employees will only be entitled to take their annual leave when they return from sick leave.

6 BORROWING AND BANKING ANNUAL LEAVE

- 6.1 Where practical, the Council is willing to consider employees varying the annual leave they take on an annual basis on individual request.
- 6.2 All employees must arrange to take the statutory minimum leave per year. This is 5.6 weeks paid leave per year. This equates to 28 days or 207 hours for a full time employee. This 5.6 week minimum includes public holiday entitlement.
- 6.3 Employees may, with prior authorisation, request to bank leave they are entitled to in excess of the minimum to carry over to the following leave year. Similarly, employees may, with prior authorisation, request to borrow leave in excess of these minimums from the following leave year.
- 6.4 The maximum leave that can be considered to be carried over / borrowed is 52 hours (7 days) for employees with less than 5 years service and 89 hours (12 days) for employees with more that 5 years service.
- 6.5 Where such requests are made, managers will consider service requirements and workload and employee performance and attendance before approval can be given.
- 6.6 Where this is authorised there will need to be specific agreement regarding pay back of annual leave should the employee leave the council's employment before the entitlement accrues.
- 6.7 Any additional remaining leave will be forfeited unless in exceptional circumstances and as agreed by their line manager.
- 6.8 The exception to this are employees who have been absent on maternity leave across two leave years; their outstanding leave from the previous year will carry over in its entirety to the following leave year.
- 6.9 Payment in lieu of annual leave should not be payable, unless in the case of termination of contract (please see section 7 below). Statutory

annual leave entitlement cannot be replaced by financial compensation. Any leave in addition to the statutory entitlement not taken and not carried over to the following year will be forfeited unless in exceptional circumstances and as agreed by their line manager.

7 HOLIDAY PAY ON TERMINATION OF CONTRACT

- 7.1 Employees leaving Council employment during the course of the leave year may receive payment in lieu of annual leave not yet taken but accrued at point of termination or may require to pay back the value of excess annual leave taken.
- 7.2 Employees moving between posts in the Council will not be expected to do this.

8 PUBLIC HOLIDAYS

- 8.1 Shetland Islands Council recognises six public holidays across the year. These are;
- New Years Day
 - 2nd January
 - Day after Lerwick Up-Helly-Aa
 - Easter Monday
 - Christmas Day
 - Boxing Day
- 8.2 These days are granted, subject to service requirements, as holidays with pay.
- 8.3 Entitlement to public holidays, like annual leave is calculated in hours. The full public holiday entitlement is six days or 44.4 hours.
- 8.4 Employees contracted to work fewer than 37 hours and / or fewer than 52 weeks per year (e.g. term-time) shall receive a pro-rata share of public holiday entitlement. Where the pro-rata entitlement is more than the number of holidays which would actually fall into the working pattern then the difference should be added to employee's annual leave entitlement. Similarly where the pro-rata entitlement is less than the number of holidays which would actually fall into the working pattern then the difference should be deducted from the employee's annual leave entitlement. Where there is insufficient annual leave to accommodate this then the hours will require to be made up by the employee as agreed with their line manager or a deduction made to pay..

- 8.5 Temporary employees will receive a pro-rata entitlement in accordance with 8.4 to paid time off for public holidays that fall during the course of their contract.

For more information on public holiday calculations please refer to Appendix ii.

- 8.6 Employees required to work on a general or public holiday shall be paid at the rate of treble time for all hours required to be worked (salary plus double time where appropriate), but will not get any other extra rates such as overtime or unsocial hours. Payments for work required accrue from midnight am on the designated day to midnight pm on that same designated day. Such payments will not be awarded on any alternative day. Where an employee works on a public holiday and attracts the enhanced rate, they will not be able to take that day at another time.
- 8.7 Where an employee chooses to work a public holiday, and prior approval has been granted subject to service requirements, time off will be at the rate of straight time for hours worked.
- 8.8 Where a public holiday coincides with a rest or free day, the day shall be treated as a public holiday with pay and in addition a substitute rest day or free day will be given by arrangement. For example where Christmas day falls on a Saturday, employees who normally work Monday–Friday will be granted a substitute day off on the following Monday. Any work required on that Monday will not attract any enhanced payments.
- 8.9 Where an employee is absent on sick leave on a public or extra statutory holiday then sickness allowances will continue. No substitute public or extra statutory holiday will be given.
- 8.10 Where an employee has exhausted sickness allowance entitlement, no payment should be made in respect of a public holiday occurring during the period of sickness absence.

APPENDIX i

Annual Leave Entitlement

The Council's annual leave year runs from 1 January to 31 December each year.

Full-Time Employees

Annual Leave for Complete Years

1 day = 7.4 hours, i.e., 37 hours / 5 days

29 days 215 hours (under 5 years continuous service)	34 days 252 hours (over 5 years continuous service)
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Annual Leave Table for Broken Periods of Service

$214.6 / 12 = 17.88$ rounded to 18 hours

$251.6 / 12 = 20.96$ rounded to 21 hours

Complete months of service in current leave year *	215 hours (under 5 years continuous service)	252 hours (over 5 years continuous service)
1	18	21
2	36	42
3	54	63
4	72	84
5	90	105
6	108	126
7	126	147
8	144	168
9	162	189
10	180	210
11	198	231

- * A complete month means the period between a date in one month and the immediate preceding date in the following month (e.g. 15 February to 14 March inclusive).

Part-Time Employees

Part-time staff will have a pro-rata full leave year entitlement as follows: -

Calculations should be rounded to the nearest 0.5 hour

29 days entitlement (i.e. $29 / 5 = 5.8$)

$5.8 \times \text{contracted hours per week} = \text{total annual leave entitlement in hours}$

34 days entitlement (i.e. $34 / 5 = 6.8$)

$6.8 \times \text{contracted hours per week} = \text{total annual leave entitlement in hours}$

Temporary part-time staff (or for periods of service under 12 months) will have a pro rata entitlement as follows: -

$\text{contracted hours per week} / 37 \times \text{hours entitlement (refer to table above)} = \text{total Annual Leave in hours}$

Example

Temporary part-time employee with under 5 years service, contracted to work 20 hours per week from 05 January to 30 April inclusive (3 complete months of service)

$20 \text{ (hours per week)} / 37 \times 54 = 29.18 \text{ hours (rounded to 29.5 hours)}$

Public holidays, which fall within the contract, should be awarded on a pro-rata basis as above.

APPENDIX ii

Public Holiday Entitlement

Entitlement

6 days public holidays in a full leave year.

These days are generally: -

- New Year's Day
- 2nd January
- Day after Up-Helly Aa
- Easter Monday
- Christmas Day
- Boxing Day

Employees working for part of a year will be awarded a pro-rata public holiday entitlement.

Full-Time Employees

Full-time employees are entitled to 6 days public holidays in a full leave year. This may also be expressed as 44.4 hours. (6 x 7.4)

Full-time established employees who start employment during a leave year are entitled to any public holiday, which falls within their contract.

Examples

A full-time employee who starts work on 4 February is entitled to 3 days (or 22.2 hours) in that year, ie 1 day at Easter & 2 days at Christmas.

A temporary full-time employee who works from 4 February to 30 April is entitled to 1 day (or 7.4 hours) during their contract, ie 1 day at Easter.

Part-Time Employees

Part-time staff will have a pro rata entitlement as follows: -

contracted hours per week / 37 hours x 44.4 hours = public holiday in hours

Example

part-time employee contracted to work 18.5 hours per week

$18.5 / 37 \times 44.4 = 22.2$ hours

Temporary part-time staff for periods of service under 12 months) will have a pro rata entitlement as follows: -

contracted hours per week / 37 hours x public hol hours during contract =
public holidays in hours

Example

A temporary part-time employee who works for 18.5 hours per week from 4 February to 30 April is entitled to 1 day during their contract

$18.5 / 37 \times 7.4 = 3.7$ hours

APPENDIX iii

Salary Calculation For Part-Time Fixed Holiday Employees (Such As School Based Staff)

All employees earn their basic wages for the hours they spend at work plus their leave entitlement. This is the same for full-time and part-time staff.

The proportion of leave that a part-time member of staff is entitled to is dependant on the number of hours **at work**, compared with the number of hours **at work** for a full-time employee.

A full-time employee with under 5 years service is entitled to 29 days leave plus 6 public holidays giving a total leave entitlement of 35 days.

Leave is calculated on a calendar year basis using 37 hour, 5-day weeks. Therefore a leave day is 37 hours ÷ 5 days = 7.4 hours. Full-time leave entitlement is therefore 35 days x 7.4 hours = 259 hours.

The number of working hours in a year is 1930.6 (see section xxx), therefore the number of hours **at work** for a full-time employee is 1930.6 - 259 = 1671.6 hours.

Example employee calculation using 4-hour days for 39 school weeks:

Time at work = 4 hours x 5 days x 39 weeks = 780 hours at work *.

$$\begin{aligned}\text{Leave entitlement} &= \frac{\text{hours at work}}{\text{full-time hours at work}} \times \text{full-time leave entitlement} \\ &= \frac{780}{1671.6} \times 259 = 120.9 \text{ hours leave entitlement}\end{aligned}$$

Therefore Salary = hourly rate x (hours at work + leave entitlement)

$$= \text{hourly rate} \times (780 \text{ hours} + 120.9 \text{ hours})$$

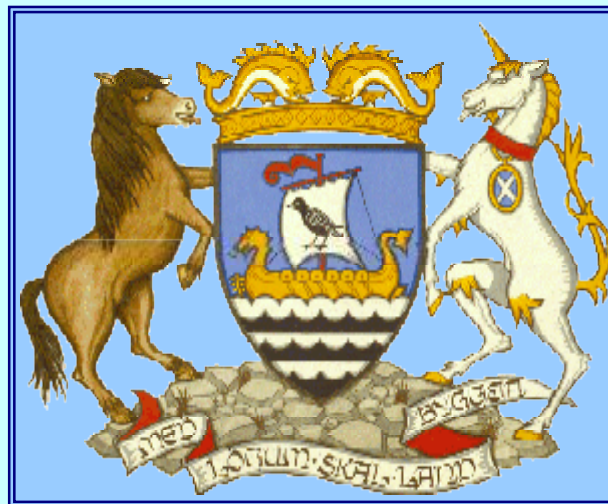
$$= \text{hourly rate} \times 900.8 \text{ hours}$$

If pay rate is £10 per hour, annual salary is therefore £ 9008

* If a part-time fixed holiday employee has a public holiday, e.g. Lerwick Up-Helly-Aa Wednesday. The "hours at work" figure should be reduced by the appropriate amount. In the example above, the 780 hours would be reduced to 776 to allow for the 4 hours not at work on the public holiday.

SHETLAND ISLANDS COUNCIL

Special Leave Policy



Operational Date:
Applies to: All Staff

Shetland Island Council

SPECIAL LEAVE POLICY

Operational Date:

Review Date:

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1 INTRODUCTION

Shetland Islands Council acknowledges that employees have commitments outside work that may on occasion disrupt their working pattern. It is considered to be in the interests of both the Council and employees that the 'work/life balance' of employees is maintained. To address the problems that work/life conflicts can cause, a number of types of special leave are available to help employees balance their work and other commitments. The special leave available covers a wide range of reasons and may be with or without pay. In a number of cases specific amounts of leave available may not be stated as this will depend on the circumstances. It is however expected that in most cases the leave required will be short. Where extended leave is requested then further considerations are required. Please refer to Section 5.

2 SCOPE

These leave provisions apply to all established and temporary employees. Part time and job-share employees are entitled to the same provisions on a pro-rata basis.

3 LINKS TO OTHER POLICIES

This policy forms part of a group of policies relating to leave, including Annual Leave & Public Holidays, Carer & Compassionate Leave, Flexi-time, Maternity Leave, Adoption Leave, Parental Leave and Adverse Weather Policy.

4 SPECIAL LEAVE CONSIDERATIONS

4.1 Annual Leave

Annual leave will continue to accrue during periods of special paid/unpaid leave unless in the case of special leave being granted in excess of one month. In the case of absences lasting longer than one month then no annual leave will accrue for the period of special leave granted. Where pay has been granted for a period of special leave in excess of one month then annual leave may be reduced proportionally to the amount of actual service given, provided that this does not fall below the statutory minimum of 5.6 weeks per year.

4.2 Sickness

No substitute special leave will be given if an employee is sick during a period of paid special leave. There is no entitlement to sickness allowance during periods of unpaid special leave.

4.3 Public Holidays

Where a general or public holiday falls during a period of special leave, no substitute day off will be given.

4.4 Continuous Service

Periods of paid/unpaid special leave up to one month will normally count as continuous service, and will therefore be included when calculating statutory and occupational benefits and entitlements.

Where periods of unpaid leave are granted in excess of one month, it will be regarded as continuous for the purposes of employment legislation. However, in the event of redundancy, the period of leave will not be included for the purpose of calculating reckonable service.

4.5 Salary Progression

Periods of special leave either paid or unpaid do not generally interrupt employee's incremental salary progression. The exception to this may be where extended leave (in excess of one month) is authorised and the employee requires to demonstrate a level of experience to move through the salary scales.

4.6 Return to Work

An employee who has been absent on a period of special leave in excess of one month is entitled to return to their own post or, where this is not practicable, to a reasonable alternative in duties, terms and conditions.

4.7 Pension

An employee who is granted unpaid special leave for a continuous period of less than 31 days must make contributions at the standard contribution rate on the pay they would have received during that period. Where an employee has been granted unpaid special leave for a continuous period of more than 30 days, they may make contributions on their return for the whole of the period of absence provided it does not exceed 36 months. The corresponding employer's contributions is also payable. If an employee wishes to do this they must make arrangements for this direct with the Payroll / Pension Section no later than 30 days after their return to work.

Different arrangements apply in respect of members of the Reserved Armed Forces who are mobilised. Please refer to Section 8.3.

4.8 Car and Telephone Allowances

Allowances will continue to be paid during short periods of paid leave of absence. However where a car or telephone is not used for work purposes due to paid special leave being granted in excess of one month then no allowances will be payable.

4.9 Disruption to Service Provision

Both employees and the authorising managers need to consider and take steps to minimise the level of disruption to the service that a leave request may cause. Granting a requests should not result in an unreasonable

burden on the service and / or colleagues; nor should it place service users at risk. Managers may refuse requests if the level of disruption would be too great. They should in this case however attempt to suggest an alternative time for the leave to be taken or some other compromise agreement.

5 CONSIDERING AN EMPLOYEE'S REQUESTS FOR LENGTHY UNPAID LEAVE

5.1 When Heads of Service are considering granting unpaid leave in excess of one month they should consider the following questions:

- What are the costs to the Council in allowing the unpaid leave?
- Can cover for the post be arranged? And will there be any recruitment costs?
- Are line management supportive of the request?
- What will be the benefits for the Council?
- Is the length of time reasonable for the service or would management suggest a compromise to prevent major service disruption?

Ultimately having considered all of the above; the decision normally lies with the Head of Service.

5.2 If the request is approved you also need to inform the employee of their entitlements during their unpaid leave:

- Annual leave will not accrue during the period of unpaid leave.
- Should the employee become ill during the agreed period there will be no entitlement to sick pay.
- The period of unpaid leave will be regarded as continuous for the purposes of employment legislation. However, in the event of redundancy, the period of leave will not be included for the purpose of calculating reckonable service.
- The employee will be responsible for finding out the effects of the unpaid leave on pension contributions.
- The Council will not make Employer's National Insurance Contributions during the period of unpaid leave. The employee is responsible for contacting the Benefits Agency to find out the effects on Employee National Insurance.

- It is an essential condition of granting the period of unpaid leave that the individual returns to post by a specified date. Failure to do so could prejudice future employment.

All of the above should be confirmed in writing and a copy placed in the employee's personal file – Human Resources have a standard letter for this purpose. Payroll also needs to be informed.

6 PROCEDURE TO REQUEST SPECIAL LEAVE

- 6.1 Unless otherwise stated then requests for special leave should be made in writing to the employee's Service Manager giving sufficient information on the type of leave requested, the expected duration and where possible the employee's view of how any disruption caused by the absence could be minimised. A form that should be used is attached in Appendix i.
- 6.2 Whilst wishing to respect individual's rights to confidentiality, it should be clear that management can only make a decision based on the information provided. The reason for requests may be kept confidential between the employee and the Service Manager. Although the Service Manager may agree with the employee to share the information with the line manager and/or Human Resources for example where further advice is required.

7 SPECIAL LEAVE (PAID LEAVE POSSIBLE)

7.1 Donating Blood or Bone Marrow

- 7.1.1 Employees are expected to make every effort to attend out with work time, however where this is not possible paid leave of absence from work will be granted for making donations of blood or bone marrow.
- 7.1.2 Up to a maximum of 4 hours may be given for the purpose of donating blood at a Transfusion Service premises or for joining the register to donate bone marrow. The maximum permitted attendance during work time for blood donation is once every 12 weeks.
- 7.1.3 To minimise the time off required, where possible employees are expected to donate at mobile units visiting their area rather than travelling to a donor centre.
- 7.1.4 Paid leave of up to 5 days will be given for the purpose of donating bone marrow. At least one week's notice should be given. If a longer recovery time is required then the employee should follow normal sickness absence notification procedures. Please refer to the Absence Management policy.

7.1.5 Employees requesting such time off should discuss this with their line manager giving a minimum of one weeks notice. Employees should present appointment cards etc as evidence of their visit.

7.1.6 No travelling expenses will be reimbursed for this purpose and employees will not be able to claim back time for any donations made during time off work, annual leave or if it coincides with a public holiday

7.1.7 Emergencies

Where an employee is called upon to make an immediate donation of blood or bone marrow, employees will be allowed reasonable time off for this. Employees must notify their line manager of the need for this. The request will not be refused unless their immediate departure would leave service users / children / customers at risk.

7.2 Election Duties

7.2.1 Paid leave is available to all employees who are employed by the Returning Officer at an election (e.g. as Presiding Officer, Counter or Polling Clerk) and for attendance at required briefings. This applies to election duties for Local Government, European Parliamentary, Westminster and Scottish Parliamentary elections and national Referendums.

7.2.2 There is a statutory duty placed upon all local authorities to support the administration of elections, and therefore all managers are encouraged to support their staff in volunteering to undertake election duties. Any member of staff wishing to volunteer should discuss this with their line manager and Service Manager and so long as their absence would not affect base level of service provision, then the employee should be released.

7.2.3 Employees are entitled to a fee for undertaking polling duties. This will be paid in addition to their day's salary. Where employees are required as part of their election duties to work past midnight; they will be authorised to take a further half days special leave if required to attend work the following morning. Therein such employees must have an 11 hours uninterrupted rest break before resuming work.

7.3 Elective Surgery

7.3.1 Where employees elect to have optional surgery then time off will normally be unpaid and at the discretion of the Head of Service, in consultation with Human Resources.

7.3.2 Consideration to paid time off will however be given where the surgery is as a consequence of GP referral and is being paid for by the NHS. In this circumstance this should be treated as sickness absence. Refer also to section 7.10 for further guidance on medical appointments.

7.3.3 In either case, recovery time required as a consequence of the surgery, when employees are unfit for work, should be treated as sickness absence.

7.4 Emergency Services

7.4.1 The Council recognises the fact that the emergency services are essential to communities throughout Shetland and therefore seeks to support their work wherever possible.

7.4.2 Emergency Services are defined as Shetland Coastguard, RNLI and the Highlands and Islands Fire and Rescue Service.

7.4.3 In order to ensure that cover arrangements can be made at short notice, and to ensure general effective management of these arrangements, employees should seek agreement from their Head of Service, before joining an emergency service.

7.4.4 Where there is such agreement an employee will be granted special leave with pay to attend emergency service call-outs whenever these occur. The Council will not seek repayment of any allowance paid to the employee for attending the call-out.

7.4.5 Where attendance emergency services training courses requires time off work, employees must use annual leave or request unpaid leave. The Council will not seek repayment of any allowance received for attending the training. School or college based employees will be required, where possible, to attend training courses during the fixed holidays. No travelling expenses will be reimbursed for this purpose and employees will not be able to claim back time for any training courses which take place during time off work, annual leave or if they coincide with a public holiday.

7.5 Foster Carers and Adoptive Parents

Shetland Islands Council is committed to its corporate parenting policy. To support this commitment foster carers and both prospective adoptive and adoptive parents will be allowed reasonable time off with pay to attend necessary training required by the authority and to attend looked after reviews.

7.6 Fertility Treatment

- 7.6.1 If an employee is undergoing fertility treatment, paid leave will be granted for necessary related absences during one cycle of treatment. Employees are required to schedule appointments out with their work hours where possible.
- 7.6.2 If an employee's partner is undergoing fertility treatment the employee will be granted paid leave to attend related appointments during one cycle of treatment. This includes appointments where he/she accompanies his/her partner for support, as well as those at which he/she is required to be present.
- 7.6.3 Should further treatment be undertaken, it will be necessary for the employee to use annual leave or request unpaid leave to cover the above.

7.7 Investiture

- 7.7.1 Employees who receive Honours in the Queen's Honours List (e.g. an MBE) in recognition of their council work; may take 3 days paid leave to attend their Investiture. If a travel allowance is offered then this should be claimed. If however this is not the case, necessary expenditure may be reimbursed in accordance with travel and subsistence rates. Employees who receive Honours in the Queen's Honours List, which is not in recognition of their council work, will require to use annual leave or request unpaid leave.

7.8 Job Interviews

- 7.8.1 Time off with pay will be granted to employees asked to attend internal job interviews during their working shift. Such employees should give their line manager as much notice as possible.
- 7.8.2 No paid time off will be granted for external interviews except in the case of employees facing redundancy. Employees should request annual or unpaid leave.

7.9 Jury Service / Witnesses

- 7.9.1 Leave of absence will be granted for employees undertaking jury service or if they are summoned as a witness. Where an allowance is claimable for loss of earnings the employee should claim and inform the Council through their line manager and departmental administrator in order that an appropriate deduction is made.
- 7.9.2 The form that is used by the Court (F108B) has a section on loss of earnings. This section must be completed by the Payroll Section of Finance Services.

7.9.3 Once jury service has been completed and a 'loss of earnings' payment has been made to the employee the employee must then notify payroll of the amount they received.

7.9.4 Payroll will then adjust the employees pay accordingly.

7.10 Medical Appointments

7.10.1 Employees are expected to make every effort to attend medical appointments out with work time. However where this is not possible reasonable paid leave may be granted. Employees should however still try and arrange these to minimise disruption to their work e.g. at the start or end of their shift or during unpaid breaks. For this purpose medical appointments include necessary and preventative GP, dentist and optician appointments.

7.10.2 For appointments which the employee cannot influence the timing or location e.g. to attend hospital / consultant appointments as an out-patient, or one-day in-patient appointments not requiring an overnight stay; paid leave of absence will be awarded where possible and employees will therefore not be required to complete sickness absence SAL forms. Where such appointments involve being admitted to and discharged from hospital, the absence should be treated as sickness absence.

7.10.3 In all cases sufficient notice and evidence should be provided. Time off will not normally be refused unless for example their absence would leave service users / children / customers at risk. Employees should present appointment cards etc as evidence of their appointment.

7.10.4 In terms of the Guidance Notes to Maternity provisions employees who are pregnant have a statutory right to reasonable time off from work with pay for antenatal appointments. Employees should present appointment cards, etc as evidence of their appointment.

7.11 Public Duties

7.11.1 Reasonable time off with pay will be granted to employees with prior approval to serve on public bodies and/or undertake public duties. This may include Justice of the Peace or member of the Children's Panel. Where an allowance is claimable for loss of earnings the employee should claim and inform the Payroll Section of Finance through their line manager and departmental administrator in order that an appropriate deduction is made.

7.11.2 Membership of the following bodies will be considered:

- A local authority
- A statutory tribunal
- A police authority
- The Service Authority for the National Criminal Intelligence Service or the Service Authority for the National Crime Squad
- A board of prison visitors or a prison visiting committee
- A relevant health body
- A relevant education body
- The Environment Agency or the Scottish Environment Protection Agency

On the question of reasonableness Service Managers should consider the length of time, the frequency and the operational requirements of the service.

7.12 Religious Ceremonies

- 7.12.1 An employee will be granted up to two days paid leave in any one leave year for the purpose of conducting religious ceremonies, subject to the exigencies of the service e.g. lay preachers conducting funerals, weddings and christenings.
- 7.12.2 Requests should be made in writing to the employee's Service Manager.

7.13 Parent Council Membership

- 7.13.1 An employee who is a member of a parent council in Shetland will be entitled to paid leave for the purpose of attending appointment committees or sub-committees and required related training. Leave for other parent council activities occurring within working hours will be unpaid.
- 7.13.2 No travelling expenses will be reimbursed for this purpose and employees will not be able to claim back time for any meetings which take place during time off work, annual leave or if they coincide with a public holiday.

7.14 Service in Non-Regular Forces (Training Camps)

- 7.14.1 An employee who is a member of the Non-Regular Forces and required to attend annual training camp(s) for a period not exceeding 15 days per annum should be granted special leave with pay for the duration of the camp(s).
- 7.14.2 The Council will not seek repayment of any allowance paid to the employee for attending the training.

7.15 Sporting / Cultural Events

- 7.15.1 An employee representing Shetland or their country at a sporting/cultural event e.g. Island Games, may be granted reasonable unpaid time off depending on the nature and duration of the event.
- 7.15.2 Paid leave of absence may be awarded where an employee can demonstrate that the event is of significant importance at a national or international level.
- 7.15.3 Requests for both paid and unpaid leave of absence should be made in writing to the employee's Service Manager.

7.16 Trade Union Duties

- 7.16.1 Reasonable time off with pay will be granted to trade union representatives and office bearers of the recognised trade unions to:
- Carry out union duties;
 - Consult with the employer, or receive information from the employer, about mass redundancies or business transfers; or undergo training for union duties (as approved by the union or by the Trades Union Congress).
 - To receive necessary training to their trade union role.
- 7.16.2 No recompense is made for any duties undertaken out with the employees normal work hours.
- 7.16.3 An employee who is a member of a recognised trade union is also entitled to reasonable time off for certain trade union activities - for example, attending a union conference. Those employees nominated by the trade union to attend the annual conference and notified to the Service Manager will be awarded special paid leave. Other employees would require to use annual leave or request unpaid leave to attend..

7.17 Trade Union Learning Representatives

- 7.17.1 Reasonable time off with pay will be granted to trade union learning representatives to carry out certain functions, these being:
- . Analysing learning or training needs, providing information and advice about learning or training matters, arranging training or learning, or promoting the value of learning or training in relation to qualifying members of the trade union;
 - . Consulting the employer about carrying on any such activities;

- Preparing for any of the above.

7.17.2 He or she is also entitled to take time off to undergo training relevant to the role.

7.18 Safety Representatives

7.18.1 Trade union Safety Representatives will be granted reasonable time off with pay to carry out their function and undergo necessary training.

7.19 Young Persons (for study or training)

7.19.1 Young employees aged 16 or 17 who have completed full-time secondary or further education without having attained a prescribed standard of achievement shall be permitted reasonable time off with pay to enable them to attend studies or training leading to a 'relevant academic or vocational qualification'.

7.20 Volunteering

7.20.1 Shetland Islands Council is supportive to employees who wish to participate in the community. To that end it is committed to considering the award of paid leave of absence to undertake any training necessarily required as part of voluntary work benefiting the community of Shetland.

7.20.2 Time off required for the normal participation in voluntary work will require to be considered as a request for unpaid leave, or the use of annual leave. If the arrangement is long term consideration may also be given to a permanent variation to working pattern.

7.21 Work Associated with GTC, SSSC or Other Approved Professional Bodies

7.21.1 Reasonable time off with pay may be granted to officers required to carry out work associated with their professional body. This does not include work necessary to maintaining professional body membership e.g. continuous professional development.

8 **SPECIAL LEAVE (UNPAID)**

8.1 Extended Leave / Career Breaks*

* SNCT 08/07 Career Breaks for Teachers and Associate Professionals contains separate provision for teaching staff.

- 8.1.1 Unpaid leave for the purposes of extended holidays / sabbaticals may be requested. Up to 6 months leave may be granted to employees who have 5 years continuous service. The requests may be to allow employees to undertake self-funded study, self-development, to provide medium-term care for family members etc but should not be for the purpose of taking up other employment / starting a business.
- 8.1.2 A minimum of three months written notice of request should be given and employees should normally only be granted one period of extended leave in any five year period.
- 8.1.3 Any employee who is successful in obtaining new employment whilst on extended leave should notify their Head of Service as soon as possible. If the new employment is within the local authority employees should be aware that the new Head of Service will not be obliged to honour the leave arrangement.

8.2 Political Candidature

- 8.2.1 Please find below an excerpt from the Council's Handbook for Prospective Candidates for election;

Protocol for Council employees requesting time off to stand for election

"

2. Politically Restricted Posts

The Local Governance (Scotland) Act 2004 introduced a number of important changes that all prospective candidates must be aware of.

It is no longer the case that all employees of the Council must resign upon announcement of their candidature for the local Council elections. Employees are only prohibited from standing for election if their post is included on the "Shetland Islands Council - List of Politically Restricted Posts". If the post is not on this list, the employee is free to stand for election.

The decision as to whether a post would be classed as "politically restricted" and included in the list is based upon the duties that are undertaken. As well as specifically named posts, such as the head of the Council's paid service and Monitoring Officer etc, politically restricted posts include those where the employee is involved in one or both of the following;

(a) giving advice on a regular basis to the authority themselves, to any committee or sub-committee or sub-committee of the authority or to any joint committee on which the authority are represented;

(b) speaking on behalf of the authority on a regular basis to journalists or broadcasters;

All prospective candidates who are currently employed by the Council (and Managers) are advised to check the list to ensure that they are aware of the restrictions which apply. This is available from the Human Resources Section (see Resources and Contact details on page 18).

The list has been discussed and agreed with all the main Trade Unions recognised by the Council (UNISON, GMB, TGWU, AMICUS, EIS, PAT, SSTA) and will be regularly updated.

3. Requests for Time off

Employees not on the list who are considering standing for election may;

(i) request annual leave to conduct his/her campaign – this will be subject to the established procedure for authorising annual leave, but will normally be granted;

(ii) request a period of ‘special leave’ to conduct his/her campaign – this may be granted, although it will be **unpaid** and **will not exceed 10 working days in total**;

(iii) request time off to shadow a current elected Member, as part of the Member Shadowing Scheme – this may be granted, although it will be **unpaid** and **will not exceed 1 working day in total**

4. Requirements After Election

In the event of an employee being elected, s/he must resign from his/her post on the first working day after the election result is declared. (‘working day’ excludes weekends or public holidays).

5. Public Perception

It will be important that managers are keenly aware of the contact their employees are having with elected Members and whether there will be any potential to influence the political process in the run up to the election. Although this

might be infrequent or incidental to the employee's work, both managers and employees have to be sure that they are resistant to a perception by the public that they are able to unfairly exert influence on the election process. "

8.3 Service in Non-Regular Forces (Mobilisation)

- 8.3.1 An employee who is mobilised as a member of the Volunteer Reserve Forces will receive unpaid leave. The Ministry of Defence will pay the employee during this period. Time off will normally be granted unless there is a formal request for an exemption or deferment. In doing so the Council would need to show that the absence of the employee would cause serious harm to the Council's business.

8.4 Other Unpaid Leave (Employees with Fixed Annual Leave)

- 8.4.1 Employees whose leave is designated to be taken at set times i.e. those employed in schools; may be granted unpaid leave for purposes such as attending a wedding or graduation, sitting a driving test or moving house.

APPENDIX I

SPECIAL LEAVE REQUEST FORM

To: Service Manager*

From:

Service:

I should like to apply for the following special leave:

First day of leave:

Last day of leave:

No of days requested or if unable to specify please specify likely duration:.....
.....

No of special leave days taken to date during the current annual leave year:
.....

I have hours holiday outstanding.

Type of special leave requested:

Paid/unpaid (delete as necessary)

Category/purpose of special leave request:

.....
.....

View as how disruption caused by absence may be minimised

.....
.....
.....

APPROVED

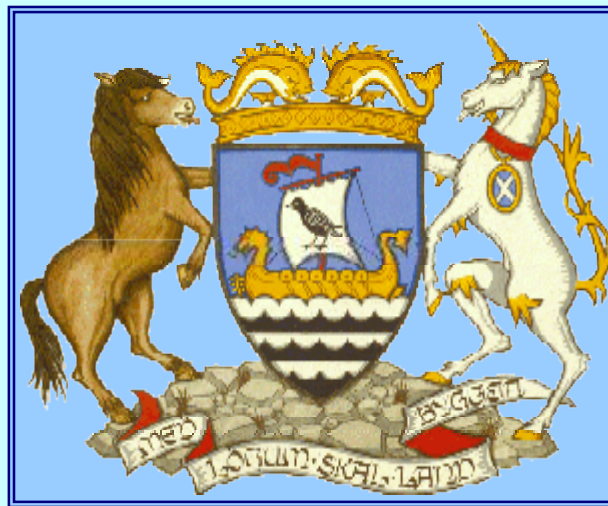
.....
(Service Manager)

.....
(Date)

* If leave request is for more than one month then it should be passed on to the Head of Service for approval

SHETLAND ISLANDS

Carer and Compassionate Leave Policy



Operational Date:

Applies to: All Staff

Shetland Islands Council

CARER AND COMPASSIONATE LEAVE POLICY

Operational Date:

Review Date:

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1 INTRODUCTION

The Council acknowledges that many of its employees have to deal with the daily demands of caring for dependants, dealing with emergency situations and bereavement. It is recognised that, on occasion, it is possible for a clash of work and domestic issues to occur, which may require time off work, usually at short notice.

The Employment Relations Act 1999 provides a statutory right for employees to take a “reasonable” amount of time off work to deal with unexpected or sudden emergencies and to make any necessary longer term arrangements. The emergency must involve a dependant of the employee and does not include an entitlement to pay. Shetland Islands Council will however in addition consider paid leave in certain circumstances where the annual leave entitlement of the individual concerned may be inadequate or inappropriate to the circumstances.

The following leave provisions should provide employees with adequate short and long-term solutions to meet caring responsibilities and deal with domestic problems and bereavement. They aim to encourage managers and employees to discuss sensitively and openly these difficulties in a mutually acceptable manner. Section 10 deals with considerations where longer-term arrangements are required.

2 SCOPE

These leave provisions apply to all established and temporary employees. Part-time and job-share employees are entitled to the same provisions on a pro-rata basis.

3 LINKS TO OTHER POLICIES

This policy forms part of a group of policies relating to leave.

4 PRINCIPLES

Staff may apply for Carer or Compassionate Leave if they need to be absent from work in circumstances not covered by the provisions for sick leave, annual leave, maternity leave, parental leave or special leave. Compassionate Leave is not an entitlement but applications should be sympathetically considered in the light of individual circumstances.

- 4.1 Service Managers, or in the case of Service Managers applying for such leave the Head of Service, are responsible for considering leave application for periods of up to **five** working days or in special circumstances equivalent to **five** working days, e.g. over a two week period.

- 4.2 Where a Service Manager wishes to approve compassionate leave greater than these provisions such leave shall be unpaid unless otherwise authorised by the Head of Service in consultation with Human Resources. An example of when this may be considered is in the case of an employee caring for a terminally ill dependant
- 4.3 Applications for compassionate leave should, whenever possible, be made in advance in writing to the Service Manager. Due to its nature it is accepted that on occasion applications for such leave will be made in retrospect. However they should be made as soon as is reasonably practicable.
- 4.4 In all cases a Service Manager/Head of Service may request supporting evidence, with the exception detailed in 5.4. If not forthcoming, this may be regarded as sufficient reason to decline the compassionate leave request. Managers are however advised to consult Human Resources before refusing any application for compassionate leave.
- 4.5 Leave requests in terms of this policy should be made where someone is not able to attend their work due to a reason specified below. It should not be awarded for compensatory time off because the employee has had to deal with a carer or compassionate circumstance out with their working hours.

5 CATEGORIES FOR APPROVAL

5.1 Illness of a Partner, Close Relative or Dependent

Compassionate leave with pay may be granted to help staff cope with the illness of a partner, close relative or dependant. Compassionate leave should be allowed in order to deal with the initial emergency but not for providing longer term nursing care. If leave is required to attend someone who is seriously ill either at home or in hospital, supporting medical evidence (if obtainable) should be produced as soon as practicable.

5.2 Partner, Close Relative or Dependant in Hospital

Although there may be exceptional cases, compassionate leave with pay is not normally intended to cover cases where a partner, close relative or dependant is in hospital. Special consideration should however be given to an application where, for example:

- (a) A young child is admitted to hospital, parental presence is called for and assistance is required with other family members.
- (b) In cases involving critical or terminal illness.
- (c) An escort is specifically required to bring the patient to/from hospital. In this case the normal time off allowed would be the actual time required to travel to, attend and return from the hospital. Escorting a

dependant to a GP, dentist or optician appointment is not covered by this clause.

5.3 Care of a Partner, Close Relative or Dependant on Discharge from Hospital

Compassionate leave with pay may be granted to allow staff to look after a partner, close relative or dependant to allow after-care immediately following discharge from hospital. This should be to allow staff to make arrangements for longer term after-care.

5.4 Bereavement

Applications for compassionate leave with pay for bereavement should be dealt with promptly and sympathetically and statements should be accepted without verification at this distressing time.

- (a) Staff may be granted up to five days paid leave (with a minimum of two days leave) for the death of:
 - i. A spouse/partner with whom the member of staff lives.
 - ii. A father, mother, brother, sister or child.
 - iii. A stepfather, stepmother, stepbrother, stepsister or stepchild.
 - iv. A father-in-law, mother-in-law, son-in-law or daughter-in-law.
 - v. A more distant relative provided that:
 - the person concerned acts as the executor of the estate; or
 - the deceased normally resided with them; or
 - there is no one else who could reasonably be expected to take charge of the funeral arrangements.
- (b) In cases of exceptional hardship, for example, where long distances (outwith Shetland) or difficult journeys are involved, up to two additional days with pay may be granted.
- (c) In other circumstances up to one day's leave with pay to attend the funeral of more distant relative/friend/or work colleague may be allowed.

Where the person is attending the funeral on behalf of the Council/Service/Department, as an official duty, then compassionate leave procedures are not appropriate.

6 TIME OFF FOR DEPENDANTS

- 6.1 Service Managers may grant additional day's unpaid leave, if requested, in addition to compassionate leave, or where compassionate leave is not appropriate. Unpaid leave may also be granted as an alternative to compassionate leave if the employee so requests.
- 6.2 For example it is not normally appropriate to award compassionate leave with pay for caring for sick children, only for dealing with the initial emergency. Service Managers may consider a request for unpaid leave to provide the care when other arrangements cannot be put in place.

7 KEY ELEMENTS

- 7.1 The key elements of the entitlement to time off for dependants are as follows:

- to help when a dependant is ill, gives birth*, or is injured or assaulted;
- to arrange for an ill or injured dependant to be cared for;
- because a dependant's care arrangements are unexpectedly changed;
- as a result of the death of a dependant;
- to deal with an incident involving a child which occurs unexpectedly in school time.

* please refer to maternity support leave and statutory paternity leave provisions contained in the Council's Maternity Guidelines.

- 7.2 A dependant is defined as a:

- spouse;
- child;
- parent;
- a person who lives in the same house as the employee (otherwise than as a lodger, boarder, tenant or employee);
- a dependant will also include any person who reasonably relies on the employee for assistance on an occasion when the person falls ill or is injured or assaulted, or to make arrangements for the provision of care in the event of illness or injury.

8 REQUESTING TIME OFF FOR DEPENDANTS

- 8.1 The employee must tell their employer as soon as possible that they need the time off and the likely duration. This request does not have to be made in writing.

- 8.2 It should be noted that an employee will not be entitled to time off unless the Council has been advised of the reason for absence as soon as is reasonably practicable and of the expected length of absence.
- 8.3 No limit has been set in the legislation in relation to the extent of time off. The operative word used by the 1999 Act is “reasonable”. The Government has stated that one or two days should be sufficient to deal with most problems.

9 LEAVE FOR EMERGENCY DOMESTIC INCIDENTS

- 9.1 There are also other emergency situations, which occasionally arise affecting you and your family or dependants that may require you to take time off work. These may include emergencies such as fire, flood and the after effects of crime. In such circumstances the employee should submit their request for leave in writing to the Service Manager. Service Managers should consider each case on its merits.

10 LONGER TERM ARRANGEMENTS

- 10.1 Where more time is needed, or where paid leave is exhausted, or it is necessary to make a commitment to a dependant for a longer time period, the following can be considered:

Such arrangements should normally be considered when the time off requirement is for more than five days.

- a) Temporary Amendment to Working Patterns
You can request a change in either your pattern of weekly hours or a reduction in hours worked. Any reduced hours working would be for a specific period of time with the requirement to revert to your original contract at the end of an agreed period, unless a permanent change is agreed with your line manager.
- b) Annual Leave
With the agreement of your line manager, annual leave may be taken in less than half shift blocks if you need to time away from work through the working day.
- c) Flexi-time
In exceptional circumstances where other alternatives are exhausted, those employees who work in a service that participates in a Flexi-time Scheme may be allowed additional flexibility over and above normal restrictions. Where appropriate, this may involve allowing time off during core periods for making arrangements. This will be acceptable as long as the absence does not push the balance of time beyond the maximum debit limit.

APPENDIX I

CARER AND COMPASSIONATE LEAVE REQUEST FORM

To: Service Manager

From:

Service:

I should like to apply for the following carer/compassionate leave:

First day/time of leave:

Last day/time of leave:

No of days/time requested:

No of carer/compassionate leave days/time taken to date during the current annual leave year:.....

Type of leave requested:

1- Paid/unpaid (delete as necessary)

2- Illness of a partner, relative or dependent

Partner, relative or dependent in hospital

Care of a partner, relative or dependent on discharge from hospital

Bereavement

Time off for dependants

Other reason, as follows:

.....
.....
.....

I have hours holiday outstanding.

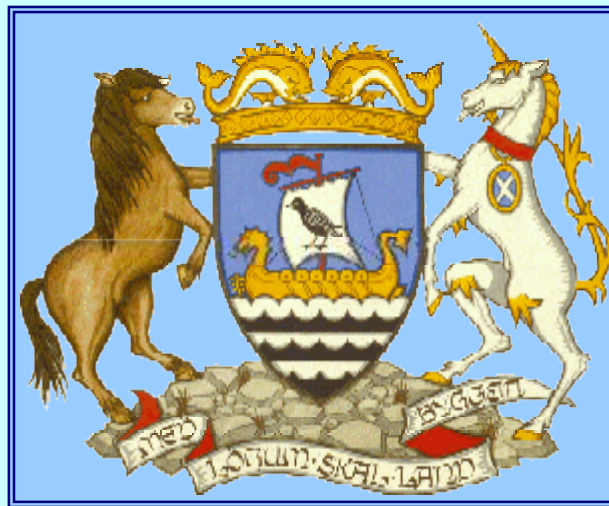
APPROVED with/without pay (delete as appropriate)

.....
(Service Manager)

.....
(Date)

SHETLAND ISLANDS COUNCIL

Flexi-Time Policy



Operational Date:
Applies to:

Shetland Island Council

FLEXI-TIME POLICY

Operational Date:

Review Date:

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1 SUMMARY OF CONDITIONS

This policy has been written for those services who predominantly operate Monday to Friday 9am – 5pm. Other services may where feasible introduce similar arrangements. Any such arrangements must comply with the principles of this scheme although the band width, core time and break periods may vary, and must be agreed by the relevant Head of Service and Human Resources

Band Width	:	Monday – Friday 7.30am – 8.00pm
Core Time	:	Monday – Friday 10.00am – 12.00 Noon 2.00pm – 4.00pm
Break	:	Minimum of 20 minutes between 12 Noon and 2.00pm
Accounting period	:	4 weeks
Weekly Hours	:	37
Notional Daily hours	:	7 hours 24 minutes*
Maximum Credit Hours	:	15 hours per period
Maximum Debit Hours	:	7 hours 30 minutes per period
Participants	:	All staff where flexible working is in operation

*7 hours 24 minutes is derived from dividing the standard working week hours by 5

2 PRINCIPLES OF THE SCHEME

The scheme of flexible working hours must observe the following fundamental principles: -

- (a) Standards of efficiency, performance and level of service provided in any part of the Council must be maintained at all times.
- (b) It will not be possible for all members of staff to reconcile flexible working hours with the needs of the service or the requirements of their post. The Council therefore reserves the right to exclude from participation in the scheme any post or service areas which it considers is of such a nature that inclusion in the Scheme will reduce the effectiveness of the service provided by the Council. While the needs of the service must take priority, a member of staff or group of staff will have the opportunity to show that flexible working hours,

whether all in accordance with the scheme or in some other restricted form, can be operated successfully for his/her post or staff group.

- (c) The scheme is dependant upon co-operation between staff and department or service heads to ensure provision of the service at all times throughout normal service hours.
- (d) At public contact points, or to suit particular workload patterns of a section or service area, the line manager, as appropriate, must make arrangements with staff to ensure proper cover for the maintenance of the service.
- (e) Staff participating in the scheme will be required to record their hours of work by manual, mechanical or electrical means as determined by the Council.
- (f) Any grievances relating to the operation of the scheme should be pursued in accordance with the Council's normal grievance procedures.
- (g) Any abuse of the scheme by an employee may result in that employee being excluded from the scheme and returned to standard working hours. This may also result in disciplinary action being taken.
- (h) The primary object of the scheme is to allow employees covered to vary their starting and stopping times of work, from the normal starting and stopping times, to a degree. This should mean that whilst suiting their personal circumstances, including travelling arrangements, that in the majority of cases the total number of weekly hours worked should vary little from the normal contracted weekly hours and usually will equalise over the accounting period of four weeks. There will be exceptions to this, which are catered for within the terms of the scheme, which must be agreed between staff and management and reviewed periodically.
- (i) It is recognised that the introduction of the scheme could lead to improvements in job satisfaction and performance and thereby improve efficiency and staff morale.
- (j) Arrangements made under the Scheme will at all times consider the needs and priorities of the services provided by the service area.

3 BAND WIDTH

An employee may begin work between the hours of 7.30am to 10.00am and may finish between the hours of 4.00pm and 8.00pm. Employees are expected to co-operate to ensure their work pattern does not interfere with service delivery. Therefore employees choosing to vary their starting and/or finishing times should discuss this with their colleagues and manager to ensure there is sufficient cover to provide adequate services during normal opening hours. The right is reserved by each Head of Service to require any employee to work at specific times in the period 9am to 5pm Monday to Friday to ensure adequate service provision.

4 CORE TIME

All staff participating in the system shall work during the hours 10.00am to 12.00pm and 2.00pm to 4.00pm

5 BREAK

The break period shall normally be from 12noon to 2.00pm and each employee may choose the duration of the break subject to a minimum of 20 minutes.

6 ACCOUNTING PERIOD

The timescale over which flexi hours can be built up or saved is 4 weeks.

7 CREDIT HOURS

A maximum of 15 hours may be carried forward from any one accounting period to the next i.e. in to the next 4 week period.

8 DEBIT HOURS

A maximum of 7 hours 30 minutes owing may be carried forward from one accounting period to the next.

9 FLEXI-LEAVE

Hours worked in excess of the employees normal contractual hours in any week may be counted as credit hours for flexi-leave. With the prior agreement of the Service Manager/Head of Service an employee who has the necessary credit hours may be granted not more than 2 full days flexi-leave during any accounting period. There must be a minimum of three working days notice of any such request. Requests should be made using the departments standard leave request form indicating that it is flexi-leave that is requested. For flexi-leave purposes a full day is 7 hours 24 minutes. A half-day is 3 hours 45 minutes.

10 TIME CREDITS/DEBITS - SETTLEMENT

The maximum **credit** which may be carried over to the next Accounting Period is **15 hours**.

The maximum **debit** which may be carried over to the next Accounting Period is **7 hours 30 minutes**.

Where an employee is regularly accruing hours in excess of the maximum allowable; the manager and the employee should review the working arrangements to assess if any further action is required to reduce the level of excess hours worked.

Settlement of any debits must be made within the next Accounting Period. Where at the end of an Accounting Period an employee is in debit, it is expected that a zero or credit balance will be realised during the next accounting period. Persistent breaches of this requirement will lead to a review of the employees inclusion in the scheme.

11 WORK REQUIRED OUTWITH THE FLEXI SCHEME TIME BANDS

For those employees who have access to the flexi-scheme, overtime will be paid (at the appropriate rate) or time-off in lieu of payment (at equivalent straight time) will be given to eligible employees for hours worked out with the band width hours at the specific request of management and in accordance with overtime rules.

Overtime will not accrue or be payable for additional hours worked during the band width hours of 7.30am – 8pm, unless pre-authorisation has been granted by the employees line manager.

12 CREDIT HOURS

In cases where an employee is absent due to holidays or for any other authorised reason, they will be regarded as having worked standard hours during the period of their absence as follows: -

One Week	:	37 hours
One Day	:	7 hours 24 minutes
Half-day	:	3 hours 45 minutes

13 DUTIES OUTWITH OFFICE

Where in the pursuit of duties, an employee goes direct from home to alternative place of business the starting time credited will be calculated by taking the time from home to alternative place of business, less the normal time from home to office if travelling time is greater than normal.

Travelling time at the end of the working day will be calculated in a similar fashion.

14 FLEXI-RECORD

Each employee participating in the scheme shall be responsible for recording hours accurately. Disciplinary action will be considered where an employee is found to be falsifying their own or another's record.

15 SUPERVISION

All employees participating in the scheme will have their records checked and signed off by their manager periodically. Records will be held by departmental administration teams. Any discrepancies found will be investigated as required and appropriate action taken.

16 TERMINATION OF EMPLOYMENT

Employees resigning from employment or whose contract of employment is terminated or moving from one Council employment to another will be required to reduce their credit / debit hours balance to nil by the due date. Any failure to do so in respect of a debit balance, will be rectified by offsetting against outstanding accrued annual leave entitlement. Where that is not possible a salary deduction will be made.



REPORT

**To: Shetland Islands Council
Employees JCC**

**1 July 2009
9 June 2009**

**From: Human Resources Manager
Executive Services**

Report No: CE-26-F

Review of Career Grade Policy

1. Introduction

- 1.1 The following report seeks Council approval for a new revised Career Grade Policy. A copy of the proposed policy is attached as an appendix to this report.

2. Background

- 2.1 The Council's current policy came into force on 22 May 2002.
- 2.2 The policy is designed to increase the potential pool of applicants when recruiting to vacant posts, therefore enabling the Council's aim of 'grow your own' and maximising local recruitment.
- 2.3 On the 27 May 2009 a Collective Agreement was signed between Unions and the Council, which enables the implementation of Single Status. The existing career grade policy has been identified as one, which Single Status would have significant impact on and would require revising prior to its implementation.

3. Links to Corporate Plans and Priorities

- 3.1 This policy makes a positive contribution to the commitments to staff set out in the Council's Corporate Plan by recognising and valuing employee's contributions and ensuring that we treat employees fairly and consistently.
- 3.2 The policy also supports the Council's Improvement Plan by helping develop an economy that is prosperous, competitive and diverse and ensuring that the Council is organised, efficiently run and sustainable.

4. Changes to Policy

- 4.1 The new Career Grade policy includes the revised Job Evaluation process, which has been introduced with Single Status.
- 4.2 The new Career Grade policy has been developed to comply with Equal Pay and Age Discrimination legislation.

5. Consultation and Communication

- 5.1 To raise awareness of and promote this new policy consultation has taken place both formally and informally with Trade Union representatives.
- 5.2 The policy will be promoted and communicated electronically and council-wide with the following:
 - SIC Employees;
 - SIC as an Employer;
 - Service Users; and
 - Trade Unions

Training on implementation of the policy will take place through the Recruitment and selection training course as part of the Corporate Training Programme provided through Train Shetland.

6. Financial Implications

- 6.1 There are no financial implications arising from this report.

7. Policy and Delegated Authority

- 7.1 The determination of new or variation of existing policy has not been delegated, and therefore remains a decision of the Council, in terms of Section 8.0 of the current Scheme of Delegations.

8. Conclusion

- 8.1 The proposals outlined will bring this policy further in line with legislation and will continue to enable the Council to widen pools of candidates during recruitment exercises. These proposals will facilitate and support the Council's aim of 'grow your own', and will also support the Council's Corporate Plans and Priorities.

9. Recommendations

9.1 It is recommended that the Council approve the attached new policy.

64 St. Olaf Street
Lerwick

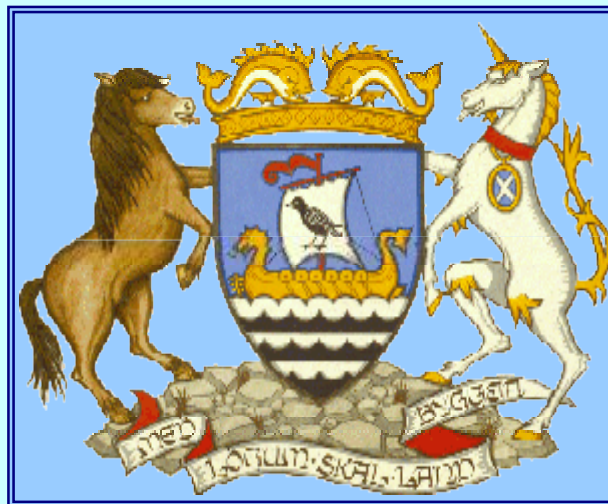
May 2009

Our Ref: EEM

Report No: CE-26

SHETLAND ISLANDS COUNCIL

CAREER GRADE POLICY



Operational Date: July 2009
Applies to: All Single Status Staff

Shetland Island Council

CAREER GRADE

Operational Date: July 2009

Review Date: July 2012

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1. Introduction

This policy describes how the Council makes use of career grades, in an open and transparent way that assists the Council to attract, motivate and retain staff.

To ensure their fairness and success it is important that progression within career grades is underpinned by sound job evaluation principles in order that the approach satisfies equal pay requirements.

2. Scope of Policy

This policy applies to all Single Status posts within Shetland Islands Council.

3. Statement of Policy

- 3.1 Shetland Islands Council recognises that career grades can provide flexibility and increase the potential pool of applicants for posts. This can assist with the Council's aim of "growing our own" and maximises local recruitment.
- 3.2 Career grades increase development opportunities for existing staff, as well as providing an additional recruitment tool in difficult to fill posts.
- 3.3 Progression within a career grade will be through clear stages, taking account of job evaluation outcomes, and increases in the rate of pay for a job must be underpinned by a clear increase in role and responsibilities.

4. Legislation

Equal Pay Act 1970

The right to equal pay for work of equal value is derived from European legislation and from the Equal Pay Act 1970.

Age Discrimination Regulations 2006

The Age Discrimination Regulations makes it unlawful in most circumstances for an employer to treat employees/applicants less favourably because of their age.

5. Links to other policies

- Recruitment and Selection
- Equality and Diversity
- SJC Job Evaluation Scheme
- Training and Development

6. Application of Career Grades

- 6.1 A career grade can be considered for new posts and when a post becomes vacant. The Vacancy Notification Form will indicate that a career grade is being applied.
- 6.2 When considering whether a post should have a career grade applied, the Service Manager will take account of budgetary constraints, and consider the balance of skills in the team.

7. How is a Career Grade Agreed?

- 7.1 The starting point in agreeing a career grade is to identify the requirements of the **substantive post**, that is the responsibilities of the role carried out by a suitably experienced, fully competent and appropriately qualified post holder. That post is then evaluated using the agreed council job evaluation scheme, and a grade is identified. The Service Manager or nominee will then, in conjunction with Human Resources, identify the number of steps and the time taken to progress from entry level to the achievement of the substantive role.
- 7.2 Care must be taken to ensure that there is a clear increase in roles and responsibilities at each step of progression in the post. Criteria, such as experience, competence, and qualifications will be agreed as progression routes. To ensure that equal pay requirements are met the post will be measured using Job Evaluation processes at key stages of the progression route, for example at the entry stage, on the achievement of key competences, at the achievement of necessary qualifications and specific developed experience.
- 7.3 Once the career grade is agreed between the Service Area and Human Resources, the appropriate trade unions will be provided with the proposed career grade for their approval. . The trade unions will confirm their acceptance in writing.

8. Recruiting Using a Career Grade

- 8.1 The post is advertised highlighting that 'appointment to the appropriate point on the career grade will be dependent upon relevant qualifications and/or experience' and that if appointment is made to a career grade, progression is dependent upon the attainment of a specific qualification and on the application of higher duties. It is vital that the specific qualification requirements to progress through the grade are discussed at the interview to avoid confusion at a later date.
- 8.2 It is important to remember that appointment to a Career Graded post must be made on merit in line with the Council's Recruitment and Selection policy. What this means is that the successful applicant may not necessarily be the one who is fully qualified, as they may fail to meet other essential criteria.

- 8.3 A written outline of the career grading stages must be sent out to each applicant with the application pack or be available for downloading on the Council's recruitment portal.
- 8.4 The career grading forms the basis of a written agreement between the line manager and the successful candidate and forms part of the offer letter. This must include reference to any qualification bar that exists and the agreed timescale in which to complete the training successfully.
- 8.5 Payroll must be provided timeously with the necessary details to enable payment of the appropriate salary at the appropriate stages in the career grade.

9. Issues to be Aware of in drawing up Career Grades

- 9.1 Care must be taken when applying career grades to a post that any one criteria such as experience or qualifications alone does not have too much weight. It is important that at each stage of progression there is a corresponding increase in role/responsibility within the post.
- 9.2 In the interests of transparency of grading, progression within the career grade is dependent on meeting the criteria set, within reasonable timescales. Where an employee on a career grade does not meet the specified career milestones within the timescales agreed this must be discussed at an early stage. The consequences of failing to meet the progression requirements will be made clear and dismissal is a possible outcome.

10. Communication

Council employees will be made aware of this policy through existing departmental communication channels and will be made available on the Council's intranet pages.



REPORT

**To: Shetland Islands Council
Employees JCC**

**1 July 2009
9 June 2009**

**From: Human Resources Manager
Executive Services**

Report No: CE-27-F

Policy for use of Market Forces Supplements

1. Introduction

- 1.1 The following report seeks Council approval for a new revised Policy for the use of Market Forces Supplements. A copy of the proposed policy is attached as an appendix to this report.

2. Background

- 2.1 The Council's current policy came into force on 6 December 2000.
- 2.2 The policy is designed to establish when Market Forces Supplements should be applied to posts where there is recruitment and retention difficulties and where the evaluated rate of pay is significantly lower than the 'market rate'.
- 2.3 As part of the implementation of Single Status across Scotland, guidance has been issued from CoSLA on the application of Market Forces and its compliance with Equal Pay legislation.
- 2.4 On the 27 May 2009 a Collective Agreement was signed between Unions and the Council, which enables the implementation of Single Status in Shetland. The existing policy for the application of Market Forces Supplements has been identified as one, which Single Status would have significant impact on and would require revising prior to its implementation.

3. Links to Corporate Plans and Priorities

- 3.1 This policy makes a positive contribution to the commitments to staff set out in the Council's Corporate Plan by recognising and valuing employee's contributions and ensuring that we treat employees fairly and consistently.

- 3.2 The policy also supports the Council's Improvement Plan by helping develop an economy that is prosperous, competitive and diverse and ensuring that the Council is organised, efficiently run and sustainable.

4. Changes to Policy

- 4.1 The new policy includes the need to provide clear objective evidence that the rate of pay for a specific post is significantly lower than the market rate rather than using anecdotal evidence.
- 4.2 The new policy also stipulates that Market Forces Supplements will be seen as a temporary measure, which will be reviewed and if necessary, will be removed once it is established that there is no longer justification to continue paying it.

5. Consultation and Communication

- 5.1 To raise awareness of and promote this new policy consultation has taken place both formally and informally with Trade Union representatives.
- 5.2 The policy will be promoted and communicated electronically and council-wide with the following:
- SIC Employees;
 - SIC as an Employer;
 - Service Users; and
 - Trade Unions

6. Financial Implications

- 6.1 There are no financial implications arising from this report.

7. Policy and Delegated Authority

- 7.1 The determination of new or variation of existing policy has not been delegated, and therefore remains a decision of the Council, in terms of Section 8.0 of the current Scheme of Delegations.

8. Conclusion

- 8.1 The proposals outlined will bring this policy further in line with legislation and will continue to enable the Council to retain and recruit staff in areas where pay is a significant barrier. These proposals will also support the Council's Corporate Plans and Priorities.

9. Recommendations

9.1 It is recommended that the Council approve the attached new policy.

64 St. Olaf Street
Lerwick

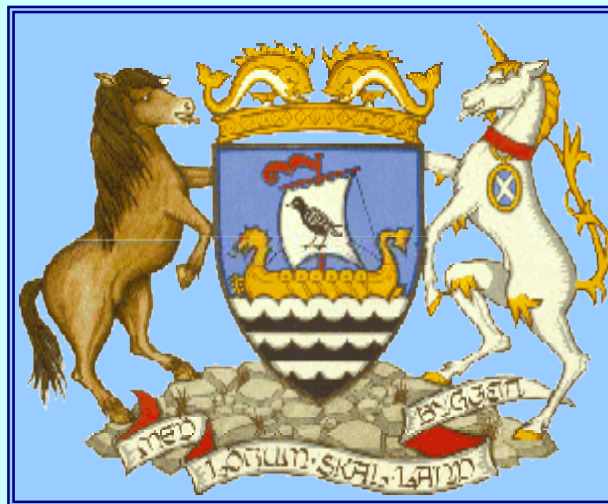
May 2009

Our Ref: EEM

Report No: CE-27

SHETLAND ISLANDS COUNCIL

POLICY FOR USE OF MARKET FORCES SUPPLEMENTS



Operational Date: July 2009
Applies to: All Single Status Staff

Shetland Island Council

POLICY FOR USE OF MARKET FORCES SUPPLEMENTS

Operational Date: July 2009

Review Date: July 2012

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1. Introduction

This policy sets out the way in which Market Forces Supplements should be applied to posts and the circumstances in which this can be applied. A Market Forces Supplement can only be applied where there is clear objective evidence that the rate of pay is causing significant recruitment and retention difficulties and/or that the evaluated rate for a post is significantly lower than the 'market rate'.

2. Scope of Policy

This policy applies to all Single Status posts within Shetland Islands Council.

3. Statement of Policy

- 3.1 Shetland Islands Council recognises that Market Forces Supplements are an essential approach to resolving recruitment and retention difficulties where the rate of pay is the key factor.
- 3.2 There are very few occasions where it is considered that Market Forces are the most effective approach to recruitment and retention problems as these are more commonly caused by other external factors such as skill shortages.

Other measures such as creative marketing, job re-design and career grading are favoured by the Council as more effective long-term solutions.
- 3.3 Market Forces Supplements will always be applied as cautiously and for as short a time as possible in order that equal pay legislation is not breached and that the principles of Job Evaluation are adhered to.
- 3.4 Market Forces Supplements will only be applied where there is clear objective evidence, demonstrating that there are recruitment and retention difficulties and that the rate of pay is significantly lower than the recognised labour market. Typically these difficulties will be in specific posts where there is a national shortage of qualified and/or experienced people and employers are competing for scarce staff which is reflected in higher salary packages being offered.
- 3.5 The Council aims to place itself as a 'median player' within the recognised labour market and will reserve paying above the median for exceptional circumstances only.

4. Legislation

Equal Pay Act 1970

The right to equal pay for work of equal value is derived from European legislation and from the Equal Pay Act 1970.

The Equal Pay Act implies an equality clause in every employee's contract of employment and covers all contractual terms and conditions, including:

- basic salary
- occupational pension
- sick pay
- holiday pay
- overtime
- shift payments
- performance and profit related pay
- share options

5. Links to other policies

- Recruitment and Selection
- Career Grading
- Equality and Diversity
- SJC Job Evaluation Scheme

6. The Need for Objective Evidence

- 6.1 Market Forces Supplements will only be considered where there is clear objective evidence that the rate of pay for a specific post is significantly lower than the median in the market. Objective evidence should show that the rate of pay is 25% or more below the median in the market.
- 6.2 Furthermore, Market Forces Supplements will normally only be considered where there is clear objective evidence that the rate of pay for a specific post is at the root cause for an increase in turnover and/or failure to recruit. Objective evidence is more than a presumption, or an opinion, that there are recruitment and retention difficulties.
- 6.3 To establish a market median it is necessary to gather relevant comparators and in order to comply with the Equal Pay Act this must be for work of equal value and should compare the total remuneration and not just basic pay. Therefore comparators need to be 'like with like' in terms of the:
- Type and size of job
 - Total remuneration package – not just basic pay, and
 - Must be as up to date as possible

The comparators should be gathered from more than one source. Depending on whether a local labour market or a national labour market is under

consideration, these might include sector pay surveys and surveys published by professional bodies.

Job advertisements from local employers, other local authorities and professional journals can also be used as comparators but these will be classed as coming from one source regardless of how many are used. The Council will reserve the use of one comparator for exceptional circumstance only.

7. Payment of Market Forces Supplements

- 7.1 Market Forces Supplements will be an annual sum paid in monthly instalments in addition to monthly salary in line with Single Status terms and conditions of service.
- 7.2 The Supplement will be the monetary difference between the existing rate of pay for the vacant post and the median in the market. The Council will reserve paying above the median in exceptional circumstances only.
- 7.3 When comparing the vacant post with suitable comparators the total value of the package should be considered, that is, the rate of pay must include any bonuses, contractual overtime or allowances paid over and above the basic pay. The value of other contractual benefits such as occupational pension, sick pay and holiday pay will also be taken into account when comparing like for like, especially where comparators are from the private sector.
- 7.4 Where a Supplement is agreed, it will apply to all existing posts using the same Job Profile and Person Specification and not just the current vacancy.

8. Review of Market Forces Supplement

- 8.1 Market Forces Supplements are a temporary measure and will be reviewed every two years from date of commencement with a view to withdraw, increase or decrease the supplement in line with changes to the market.
- 8.2 The relevant Head of Service, in conjunction with Human Resources, will review Market Forces Supplements when approaching the end of the 2 year period and a report will be presented to the Employees Joint Consultative Committee and Council for consideration. In practice this will require review 3 months before the end of the period.
- 8.3 Where the decision is made to withdraw a Supplement, it will be phased out over a two-year period as follows:
 - Paid in full for six months from date of the decision
 - Reduced to 75% for the next six months
 - Reduced to 50% for the next six months
 - Reduced to 25% for the remaining six months.

- 8.4 Where a Market Forces Supplement is in place, this should be clearly set out in the Offer Letter and Written Statement, including the effective period it is in place.

9. Procedure for Requesting Market Forces Supplements

It will be the responsibility of the relevant Head of Service, in consultation with Human Resources, to present a report for consideration by the Employees Joint Consultative Committee and Council to request the application of a Market Forces Supplement. This report will need to cover:

- What recruitment and retention difficulties have been experienced to date and what objective evidence exists to prove this?
- What other methods of addressing recruitment and retention have been tried and what were the outcomes? If no other methods have been tried why were they dismissed?
- Are these recruitment and retention difficulties likely to continue for the foreseeable future?
- What impact are the recruitment and retention difficulties for this post going to have on service delivery?
- How much below the market median is the post currently and how much will the supplement need to be?
- What comparators have been used to define the market?
- How many posts will the Market Forces Supplement apply to?
- Proposed date of review (this should be within two years).

10. Communication

Council employees will be made aware of this policy through existing departmental communication channels and will be made available on the Council's intranet pages.



Shetland Islands Council

MINUTE

A & B

Pension Fund Management Consultative Committee
Council Chamber, Town Hall, Lerwick
Wednesday 13 May 2009 at 2.15 p.m.

Present:

Employers Side

G Robinson W H Manson

Employees Side

R Polson B Callieu
D Marsh

Apologies:

A S Wishart
A Taylor

In Attendance (Officers):

G Johnston, Head of Finance
M Smith, Expenditure Manager
A Cogle, Service Manager – Administration

Chairperson

Mr G Robinson, Vice-Chairperson presided.

Circular:

The circular calling the meeting was held as read.

Minutes

The minute of meeting held on 20 October 2008, was confirmed on the motion of Mrs R Polson, seconded by Mr W H Manson.

01/09 **Shetland Islands Council Pension Fund – Review of Funding Strategy Statement**

The Committee considered a report by the Head of Finance (Appendix 1).

The Expenditure Manager introduced the report and drew attention to Annex A in Appendix 1 which indicated the Employer % of pensionable pay over the next 3 years.

The Head of Finance advised that the employer's contribution rate started at 14.4% last year and was now 15.5% in the current year,

which had been built into the budget. He said that it was I to be 16.6% and 17.7% over the next two years which would be taken on board the future strategies report which would be presented to Council in July. The Head of Finance added that the Council's contribution rate was still perhaps the lowest in Scotland as the Pension Fund contributions had kept it low.

In response to a query from the Chairperson, the Expenditure Manager advised that a new tiered employee contribution rate had been introduced since April 2009, the higher the earnings the higher the contribution. She advised that the percentage paid was once fixed at 6% but was now varied between 5.5% up to 12%.. The Committee were advised that the average contribution was currently 2½ to 1 employer/employee ratio and was likely to get worse, but the Committee noted that other authorities had a 3 to1 ratio.

The Expenditure Manager responded to a query from Mr W H Manson and explained that the Shetland Enterprise fund was closed to new members as a new fund was held with Highland. She advised that there were no active members in the fund but liability was held by the Council for which Shetland Enterprise now required to pay a monetary amount. With regard to Visit Scotland, they too had no new members and the fund was tailored by the actuaries circumstances applying to that body.

Mr W H Manson moved that the Committee approve the recommendations contained in the report adding that it should be noted that more measurements were being applied to the parameters of pensions. He said that only a snap shot balance could be provided against assets and said that this was an immature fund. Mr D Marsh seconded.

The meeting concluded at 2.25 p.m.

.....
G Robinson
Chairperson