



## **REPORT**

**To: Environment and Transport Committee**

**1 June 2011**

**From: Executive Director – Infrastructure Services**

### **PLANNING AND PERFORMANCE MANAGEMENT FRAMEWORK: SUMMARY WORKPLAN**

#### **1. Introduction**

- 1.1 This report presents the summary workplans, to set the scene for each Committee's Planning and Performance Management Framework (PPMF). This Report will enable the Committee to consider the work plan and performance measures for the services within their remit in order to determine the relative priority and targets to deliver for the year ahead.

#### **2. Corporate Priorities and Risks**

- 2.1 Establishing an effective planning and performance management framework is a key element of the Council's Corporate Improvement Action Plan and the underpinning principles of the new governance arrangements.
- 2.2 Failure to establish effective PPMF arrangements may lead to continued criticism from the Accounts Commission.

#### **3. Background**

- 3.1 The Council approved the governance arrangements at a meeting on 16 May 2011. The underpinning philosophy of the new committee structure is for Members to set the strategic and policy direction (the start of the process; the Council Members deciding what it is they want to do) and to determine through good performance measures what changes they want to see in place from each policy decision (the end of the process, with check points within a given time frame to ensure that the policies are being delivered).
- 3.2 The Corporate Improvement Action Plan, approved in November 2010 contained the following actions: -
- Action: Fully embed Planning and Performance Management Framework (PPMF).

Success Measure: PPMF incorporating Council wide risk based strategic plan and SMART Service plans which inform budgets, team and individual plans, all with performance management scorecards appraisal at all levels. Incorporate Best Value based challenge to ensure robust appraisal of policy choices.

By: Reformed PPMF established June 2011. SMART Integrated Strategic and Service plans and budgets by Sep 2011 for 2012/13 budget process.

- 3.5 The Chief Executive established a project team to take this work forward under the direction of the Executive Director – Education and Social Care, supported by the Policy Manager (Emma Perring) and one of the Resources Team (Louise McQuade). Members of the team were: Heads of Community Care; Environment and Building Maintenance; and Organisational Development; and the Assistant Chief Executive.
- 3.6 A refreshed planning and performance management framework has been developed with the wider management team.
- 3.7 The framework has been shared with the Sounding Board, which expressed broad support for the proposals. The Sounding Board agreed that the framework has the potential to deliver the following benefits:
- Clear accountability.
  - Clear roles and responsibilities.
  - A performance based approach.
  - Ensures that corporate priorities are auctioned and resourced.
  - More joined up decision making, which takes account of all the issues.
  - Members have more time to spend on strategic issues, policy development and constituent matters.
  - There will be less public funds available, so focus can be on what matters the most.
  - It is the framework against which the Council will be tested through best value scrutiny and other inspections frameworks; it is the expected way in which local government carries out its business.

## 4. Proposals

- 4.1 All the elements of an effective planning and performance framework are already in place. The Project Team therefore concentrated on making good connections between all the elements and helping to change the culture, through a performance based approach to service delivery. Throughout the project, the team paid close attention to making sure that the levels of accountability were right.
- 4.2 The elements of the framework are:
- Single Outcome Agreement
  - Corporate Plan
  - Service Plans
  - Budgeting – Revenue and Capital
  - Performance Measures
  - Performance Reviews
  - Best Value framework and continuous improvement.
  - Community Engagement
- 4.3 As a starting point, this report presents a summary of current activity across the services under the remit of this Committee, namely:
- Planning Service
  - Environment and Building Services
  - Transport Service
  - Roads Service
- 4.4 Appendix 1 is a short summary of each of the services, together with a list of key activities over the coming year. This summary intends to tell the “whole story” for each service of what the Council has already agreed and is working towards. This is to assist Members in setting the priority actions for the year ahead.
- 4.5 The Scenario Planning process is underway and, from that work, it is intended to update the Council’s Corporate Plan (as well as the Community Plan, with partner agencies). The information in this Report therefore contributes to Members determination of what should be considered to be a priority, from a longer term planning perspective.
- 4.6 The Appendix also includes some key performance measures, which will assist with explaining the outcomes which services are working towards. When set alongside the budget position, it will assist Members to determine the relative priority of each service area, in terms of the amount of resources which will be allocated to that activity or service.
- 4.7 Members are therefore invited to:
- Consider the Summary Service Statements set out in Appendix 1 and determine if this adequately describes the policy direction for each service under the remit of this Committee, noting that all the actions have already been agreed by Council; and

- Consider the range of performance measures in place for each service and identify areas for priority action.

## **5. Financial Implications**

- 5.1 A rigorous process of ensuring that the Council secures value for money and best value is a key objective. Integral to this framework is a system of option appraisal (such as service reviews and service redesign); investment appraisal (such as the Gateway approach); benchmarking (with other similar authorities or organisation); external inspections (such as HMle); etc. With the difficult public sector funding situation, the framework includes a focus on efficiency savings. The whole framework tries to gather together all elements of each service in a way which simplifies the planning and reporting process, so avoiding duplication of effort on the part of Heads of Service, central departments and Council Members. This is in keeping with the underpinning philosophy of the committee structure to make the right decision, first time; in that respect it is hoped that the system will be a more efficient way for the Council to work.
- 5.2 There are no direct financial implications arising from the introduction of revised PPMF arrangements.

## **6. Policy and Delegated Authority**

- 6.1 The role of each of the functional committees is to:
- advise the Executive Committee and the Council in the development of service objectives, policies and plans concerned with service delivery within the functional areas noted below and manage performance;
  - monitor and review achievement of key outcomes in the Service Plans within the functional areas noted below by ensuring –
    - (a) appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework;
    - (b) best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.

## **7. Recommendation**

- 7.1 I recommend that the Environment and Transport Committee: -
- a) note the Service Statements included at Appendix 1; and
  - b) approve these documents as the workplan to develop policy initiatives and manage performance over the next period.

Report Number : ISD-03-11-F

## **Service Priority Plan 2011/12 and Future Years: Transport Service**

### **Service Statement:**

The Transport Service carries out the following functions:

- Internal bus, ferry and air services, school and social work transport
- Fleet management and maintenance
- Taxi Licensing Scheme and Concessionary Travel Scheme
- Delivery of ZetTrans functions

### **Summary of Priorities for 2011/12:**

- Deliver on 2011/12 savings and plan for 2012/13.
- Provide the current services whilst reviewing the service for Council priorities and financial constraints.
- Renewed Shetland wide and Council priorities (resulting from Scenario Planning process) should provide the context for renewing and redesigning services and levels of service, as part of the Regional Transport Strategy refresh.
- Demonstrate how ferries and bus services meet economic and social well-being.
- Explore different approaches to providing services through use of information gained from NPP pilot and stock-take of Council and voluntary sector assets.
- Exploring different ways of making use of staff.

**In 2011/12 this Service is provided by:**

- Staff Summary

<b>Service</b>	<b>Staff</b>
Transport Planning & Support	1 Service Manager, 1 Officer, 3 Business Support, 4 Booking Office Staff, multiple ASN Drivers & Escorts
Ferry Services	1 Service Manager, 1 Engineering Staff, 2 Shore Maintenance Teams, 2 Marine Staff, 118 Marine Sea Staff, 26 Engineering Sea Staff, 1 Resources Manager, 3 Resources Support
Air, Bus and Fleet	1 Service Manager, 4 Transport Staff, 5 Airport Staff, 1 Bus Station Attendant, 2 Bus Drivers, multiple Relief Bus Drivers

- Assets Summary:

Bus Station  
2 Airports, 2 Airstrips  
Bus Garage  
15 Ferry Terminals, 13 Ferries  
Booking Office, Ullsta  
Workshops and Stores  
72 Vehicles (Vans, Pick Ups, Buses, mini buses)

- Finance Summary: TOTAL BUDGET **£15,902,960**

**1. Service Standard:**

- Level of service provided is difficult to compare with other areas, due to Shetland's geography and the way in which services have been planned and delivered in the past:
  - There are broad comparisons made across ferry service through the Scottish Ferries Review: Shetland's model has been recognised as something others should aspire to be in terms of the low levels of staffing required to manage and operate services;
  - When comparisons have been made with Orkney, there is generally a lower cost per unit in Shetland.
- Salaries comparisons indicate that Shetland is average, across Scotland, but due to Single Status it is not known if this is still the case. The service is currently participating in a benchmarking exercise to compare current salaries with industry standards.






## **2. Strategic Service Risk Assessment**

### **2.1 Legislation:**

The new Equalities and Passenger Rights legislation, which comes into effect in 2012, will have an impact on service delivery but it is uncertain to what extent. For example, the Transport Service may have to provide additional support to assist passengers to board a ferry. The provision of information about services provided is likely to require improvement.

Rising standards within the bus industry in terms of requirements for professional competence certificates are likely to result in higher salaries being paid with consequent impacts on contract costs when they are renewed.

## 2.2 Strategic Priorities: SOA/Corporate Plan and Others

Stronger 1: We will improve the availability, accessibility, affordability and usage of internal and external public transport					
Indicator	Source	Baseline	Target (2010-11)	Progress at October 2010	
St.1.1 Percentage of journeys to work made by public or active transport	SIC Annual Travel Survey	In 2008, 10% of journeys were made by walking and 2% by cycling.	Walking 14% Cycling 2%	 Due to staff shortages, the annual survey of SIC staff was not carried out.	
St. 1.2 Numbers and percentage of children walking or cycling to school	Schools "Hands Up" Survey	In 2008, 26% of primary pupils walked to school and 6% cycled.  In 2008, 16% of secondary pupils walked to school and 2% cycled.	Walking 27%, Cycling 7%  Walking 17%, Cycling 3%	 2009: Walking – 25.3% /Cycling – 3.7% 2009: Walking – 14.6%/ Cycling – 0.9%	
St.1.3 Usage of Public Transport	Transport Service (SIC)	2006-07: 420,035 2007-08: 426,740 2008-09: 430,967	435,000	 404,127 Note: 2008-09 figure should read 402,736	
St. 1.4 Coverage of Demand Responsive Transport (DRT)	Transport Service (SIC)	2007-08: 40% 2008-09: No change	45% coverage	 Towards the end of 2009/10, 2 new services came online, linking Scalloway to Burra and Whiteness/Weisdale	



SINGLE OUTCOME AGREEMENT ACTIONS				
	Action	Responsibility	Timescale	Progress
	Deliver on NPP Project and use to review bus services	Head of Transport	2013	Pilot scheme prepared, scenario testing of private operators fleets, care vehicles, ambulances, community transport etc. (stock take of all assets operating in Shetland and their usage).
	Review of Ferries Service and Transport Service	Executive Director, Infrastructure	2011/12	Dependant upon the Infrastructure Services departmental review.
	Communication and Information Review	Head of Transport	2011/12	Underway.
CORPORATE PLAN ACTIONS				
	Outcome / Action	Responsibility	Timescale	Progress
St1.1	<p><b>Maximise external transport opportunities for Shetland</b></p> <p><b>Target:</b> Full involvement in the Scottish Ferries review</p> <p><b>Target:</b> Work in partnership with the Scottish Government to ensure that external contracts are able to meet Shetland's economic and social objectives are met in the next generation of public service ferry contracts and air service contracts</p>	<p>Head of Transport</p> <p>Head of Transport and Head of Economic Development</p>	<p>December 2011</p> <p>June 2011</p>	<p><b>GREEN</b></p> <p>Officers remain engaged in the Review process. The Government's timetable has slipped substantially and it is anticipated that this process will not now be complete until the last quarter of 2011.</p> <p><b>GREEN</b></p> <p>Officers remain engaged in the process of preparing a specification for the contract scheduled to commence in July 2012. Like the Scottish Ferries Review the Government's timetable has slipped and it is anticipated that this process will not now be complete until the June or July 2011</p>

<b>St1.2</b>	<b>Maintain high quality of Shetland's roads and transport infrastructure</b>  <b>Target:</b> Council approval of a fixed links and ferry/terminal maintenance programme.	Head of Transport	March 2011	<p><b>GREEN</b></p> <p>The Socio Economic impact study is underway, expected to report in June 2011.</p> <p>The condition survey of Whalsay Terminals is underway, expected to report in June 2011.</p> <p>The Risk Management Plan is being developed, expected to report in June 2011.</p> <p>The tender process for the wider STAG study is underway and it is anticipated that a consultant will be appointed in June 2011. The work is anticipated to take 12 to 18 months, therefore reporting will take place in the second half of 2012.</p>
<b>St1.3</b>	<b>Increase levels of access and usage of public transport</b>  <b>Target:</b> Increase 5% back to 2008/09 levels  45% coverage of population to Demand Responsive Transport	Head of Transport	Ongoing to August 2016	<p><b>GREEN</b></p> <p>Continuing to work on the approach to packaging contracts.</p> <p>Northern Periphery Programme funded pilot project to be undertaken summer 2011 to explore scheduling software to support development of Demand Responsive services.</p>

**Other Strategic Actions:**

- Refresh of Regional Transport Strategy, taking into account the outputs from the Scenario Planning process, and the developing Local Development Plan and Local Housing Strategy. It will also be important that the conclusions from the Fixed-Link work is taken into account

### 2.3 Financial:

- Revenue Budget for 2011/12: **£15,902,960**
- Estimated Outturn 2011/12: circa. **£16,500,000** if we can't find means of mitigating fuel price increases.
- External Funding Achieved / Proposed: **Achieved £257,959 / Proposed £10,000**
- Actions to deliver Savings and Assessment of Progress / Meeting Targets

**All savings approved as part of the Budget Reduction Proposals for 2011/12 will be met, but not always using the original proposals:**

Proposal Detail	Approved Savings	Actual Savings
Reduction in travel and consultants budgets - use technology such as video conferencing and Webex. Implementation 2011/12 - permanent saving.	5,000	5,000
Procure fuel more cheaply. Each 1 pence per litre reduction reduces fuel bill by £45,000 at current service levels. If we can find fuel at 2 pence per litre less* (CGCoPE framework agreement) then £90k saved. Implementation 2011/12 - permanent saving.	90,000	RED Currently abandoned due to unforeseen significant increase in fuel, but are looking into heating oil costs. Budget pressure of £620,000.
Reduce price of Foula Ferry Contract through negotiating a different specification and delivery method. Implementation 2011/12 - permanent saving.	115,000	Tenders have been received, but information checking still to be carried out.
Carry out more maintenance of aircraft in Shetland - requires approx £10k investment in equipment at Tingwall - Spend to Save scheme. Implementation 2011/12 - permanent saving dependent on availability of Spend to Save	7,000	Uncertain, seeking to revise contract to bring down costs.

funding.  <i>Transport Services have invested in a hanger so that more maintenance can be done in Shetland.</i>		
Reduce the use of hired and contracted services. Implementation 2011/12 - permanent saving.	17,000	17,000
Ticket machine maintenance. Replace existing machines with products from different supplier resulting in reduction in annual servicing costs. This is a spend to save measure requiring capital investment. Implementation 2011/12 dependent on availability of Spend to Save funding - permanent saving.	45,000	Uncertain - departmental review
Increase income through selling advertising space on variable message signs and on ferries. Implementation 2011/12 - permanent saving.	10,000	10,000, savings will be made by another means.
Increase air fares for non-island residents - conservative estimate at this stage - more work required. Implementation 2011/12 - permanent saving.	20,000	Uncertain, Proposal does not comply with PSO definition and EU Legislation. Seeking to revise contract to bring down costs.
Increase charges to external customers for mots, servicing and checks. Implementation 2011/12 - permanent saving.	10,000	10,000
No out of hours service at Gremista Garage - reduced overtime. Implementation 2011/12 - permanent saving.	8,000	8,000 Reduction of overtime has been achieved through a different method.
Merge all booking services for ferries into one location - one less staff member required. Implementation 2011/12 - permanent saving.	25,000	Unable to achieve in 2011/12, although savings have

		been achieved by a different method.
Rationalisation of use of staff to cover operations at Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport), Whalsay Garage. Implementation 2011/12 - permanent saving.	100,000	Red Significant HR input required as Terms and Conditions of contracts would need to be changed. However, alternative measures are being implemented within constraints and £100,000 will be achieved.
Whalsay Service - make Hendra the shift boat and Linga the day boat with resulting saving in fuel - Note this will require changes in terms and conditions for staff and will require appropriate time and resources to resolve. Implementation during 2011/12 - permanent saving.	50,000	One year saving
Increase fares by 5% over the 5% already agreed for 2011/12. Implementation 2011/12 - permanent saving.	73,000	Uncertainty. Monitoring to be carried out to establish whether travel has changed as a consequence of fare increases. If travel hasn't changed this will be realised. If less travel is taking place (e.g. due to car sharing or

		people leaving cars on mainland and travelling instead as foot passengers) then income may be lower than forecast.
Introduce a fuel surcharge of 5% on fares - if fuel prices come down again then the fuel surcharge can be removed. Implementation 2011/12 - permanent saving to offset fuel price increases.	73,000	Ditto
TOTAL	£648,000	£340,000

## **2.4 Capital Assets:**

- Consequences of many years of little planned maintenance and refurbishment are now manifesting themselves in the form of deteriorating plant and infrastructure.
- Ferry terminals being used beyond their intended lifespan, so there are issues regarding reliability and may result in them being unserviceable or unusable. This is to be addressed as part of the Fixed Link Strategy.

## **2.5 Community Issues / Stakeholder Issues:**

- The Transport Service has gathered a lot of knowledge: the STAG s and other means have highlighted a feeling of vulnerability in communities. There is recognition that it may be difficult for the Council to sustain transport links, and this is affecting people's decisions about where they choose to live as well as the overall confidence of communities in their future.

## **2.6 Staffing:**

- The outcome of Single Status hearings, still ongoing, may affect recruitment and retention.
- A reduction in staffing will impact on the level of work the service is capable of doing (professional staff).
- Human Resources reviews of employee contracts associated with the rationalisation of staff to cover operations at Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport), Whalsay Garage.
- Potential to deploy staff for temporary periods.

## **2.7 Systems / ICT:**

- Development of Taxi database software, ongoing.
- Ferry and Bus Ticketing system.
- Lack of support outwith office hours.

## **2.7 Summary of Known Risks:**

- Rising cost of fuel.

- Rising costs associated with transport becoming a professional area of work, for example, Certificate of Professional Competence (CPC) qualifications for bus drivers, which is likely to increase costs when re-tendering, as well as rising cost of fuel.
- Unable to plan for change without overall strategic direction and priorities in place, for Shetland.
- Previous under investment in assets is starting to have an impact on resilience of the services.
- Unable to meet all 2011/12 savings, due to insufficient lead in time (although service will look for other ways to make savings).

#### **Summary of Priorities for Future Years:**

- Internal Efficiencies: savings that have not been met this financial year could potentially be met in the next financial year.
  - Merge Booking Office Services (£25,000)
  - Rationalisation of staff covering Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport) (£100,000)
  - Whalsay Service - make Hendra the shift boat and Linga the day boat with resulting saving in fuel - Note this will require changes in terms and conditions for staff and will require appropriate time and resources to resolve. (£50,000)
  - Merger of Fleet Management Unit and Sella Ness Shore-Based Support Services
  - Completion of a robust and well developed Fixed Links strategy
  - Effective integration of transport planning and delivery aligned with overall ambitions and priorities for Shetland.
- An understanding that if all internal efficiencies are met, customers would be willing to accept that Transport Services need to change.



## **Service Priority Plan 2011/12 and Future Years: Roads Service**

### **Service Statement:**

The Roads Service carries out the following functions:

- Road maintenance, gritting service, traffic management, register of roadworks, road improvements
- Manage and operate the Scord quarry
- Roadwork design carried out by in-house design team.
- Advice, design and construction works for other services
- Testing of construction materials

### **Summary of Priorities for 2011/12:**

- manage and maintain the Shetland road network
- deliver the Bixter to Aith road improvement
- achieve agreed savings for 2011/12
- carry out a review of the Winter Service to maintain a high level of service at reduced cost
- manage construction of the Shetland Telecom project to deliver a fibre-optic cable from Sandwick to Lerwick
- investigate further savings for 2012/13 and beyond
- deliver the planned road surface dressing and road resurfacing programme for 2011/12

**In 2011/12 this Service is provided by:**

- Staff Summary

<b>Service</b>	<b>Staff</b>
Maintenance	1 Manager, 8 Maintenance Staff, 82 Operatives; 1 Quarry Manager, 9 Quarry Operatives
Network and Design	1 Manager, 17 Staff
Materials laboratory	2 Staff

- Assets Summary

<b>Service</b>	<b>Assets</b>
Roads	<p>Our office, main depot and store are at Gremista, and reflecting the fact that staff operates throughout Shetland, we have smaller depots at Dunrossness, Sella Ness, Murrister and Mid Yell. There is also an office with other buildings and plant at the Scord Quarry.</p> <p>We consider the roads network to be our major asset (including street signs, cattlegrids, footpaths, etc). The Scord Quarry is also a major asset for road making materials; it is the only quarry in Shetland that makes Bitmac.</p> <p>Plant, vehicles and equipment are also an important asset to the Roads Service.</p>

- Finance Summary

<b>Service</b>	<b>Total Budget</b>
<b>TOTAL</b>	<b>£10,833,895</b>

## **1. Service Standard:**

- The Society of Chief Officers of Transport in Scotland (SCOTS) Group carries out a roads condition maintenance survey annually to assess the condition of the roads. Comparisons of service standards are also available from APSE surveys and also from information gathered and shared with other authorities while preparing our Roads Asset Management Plan. Shetland's main roads are better than average; classified roads are considered to be about average, unclassified roads are below average. The results of the survey help determine the priority of work on Shetland's roads.
- Roads Inspectors and the Foreman also assess the condition of the roads.
- Reactive maintenance is undertaken, for example repair of pot holes.

## 2. Strategic Service Risk Assessment

### 2.1 Legislation:

- The Roads (Scotland) Act 1984, The Road Traffic Regulation Act 1984, The New Roads and Street Works Act 1991 is the main legislation affecting the Roads Service. It is unlikely that there will be any changes made to roads legislation, although the requirements of the New Roads and Street Works Act is now being applied more vigorously requiring us to record and report additional information on work we are doing.

### 2.2 Strategic Priorities

SOA/ Corporate Plan Outcomes and Progress (October 2010 to March 2011):

The Roads Service has contributed to achieving a Council objective of fast and reliable broadband provision in Shetland through cheaper installation of the fibre optic cable.

<b>St1.2</b>	<b>Maintain high quality of Shetland's roads and transport infrastructure</b>			<b>AMBER</b>
	<b>Target:</b> Percentage of A class roads that should be considered for the treatment not to exceed 21.8% as measured by the Road Condition Index (RCI).	Head of Roads	Ongoing, indicator measured annually.	The latest RCI for A Class roads in Shetland is 24.7%. This shows that while still in good condition, year on year reductions in road maintenance expenditure is resulting in A Class roads that are deteriorating over time.

### 2.3 Financial:

- Revenue Budget for 2011/12: **£7,583,895**
- Estimated Outturn 2011/12: **£7,583,895**
- Capital Budget for 2011/12: **£3,250,000**
- External Funding Achieved / Proposed: **£36,000** grant expected for Cycling, Walking and Safer Streets
- Actions to deliver Savings and Assessment of Progress / Meeting Targets:

Roads Service are confident that savings identified will be met, although probably not as originally proposed:

<b>Proposal Detail</b>	<b>Approved Savings</b>	<b>Actual Savings</b>
Reduction in office administration costs. Implementation 2011/12 – permanent saving	1,600	1,600
Roads Network and Design – generate additional income by increasing amount of design work done for other services of the Council and externally e.g. for the Charitable Trust. Implementation 2011/12 – permanent saving	50,000	Amber
Reduce ad hoc replacement of individual streetlights. The aim is to keep individual streetlights serviceable (ore remove them if unsafe) and to better co-ordinate replacements as schemes under the Streetlighting Capital Rolling Programme. However, deteriorating streetlights is a significant issue with a large number now between 20 and 30 years old. It is therefore suggested that a wider review of streetlight maintenance and replacement be undertaken. This reduction in ad hoc replacements can be implemented now, but should be reviewed after 2 years. Implementation 2011/12 – short term saving	20,000	20,000
Reduce ad hoc replacement of sections of crash barrier until a whole section requires replacement at which time it will be done under a Capital Rolling Programme. Also pursue more vigorously vehicle owners that damage barrier in order to reclaim costs of damage from them or their insurers. Implementation 2011/12 - permanent saving.	20,000	20,000
Reduce budget for sea defences and other structures (e.g. retaining walls), as work required in these areas varies significantly from year to year and has recently been lower than budget. Suggest review after 2 years. Implementation 2011/12 - Short term saving	11,000	11,000
Stop carrying out Minor Improvements which in the past have been undertaken as opportunities arose when other maintenance work was being carried out in an area. Implementation 2011/12 - permanent saving.	40,000	40.000
Reduce drainage improvement works carried out. Examples include new ditches & drains, new cross drains, new gullies. Implementation 2011/12 - permanent saving.	30,000	30,000

Reduce budget for cattle grid repairs and maintenance as now up to a fairly good standard. Reducing the level of maintenance will allow them to drop to a poorer but acceptable condition. Slight deterioration of the asset, but this level of reduction could be permanent. Implementation 2011/12 - permanent saving.	23,000	23,000
Reduce budget for the maintenance of traffic signs. Reducing the level of maintenance will allow them to drop to a poorer but acceptable condition. Examples, worn or faded sign faces are retained for longer. Don't provide new signs unless there is a compelling safety reason. To become permanent will require a very rigorous policy of assessing the need for any new signs, and refusing them unless there is a compelling reason requiring them. Implementation 2011/12 - permanent saving.	20,000	20,000
Reduce the effort made to remove noxious weeds from roadside verges. In particular, to reduce the amount of ragwort pulled up by hand. Also to seek to exclude sections of verge with minimal grass growth from the annual cut of roadside verges. To become permanent will require rigorous policy of refusing to undertake weed control unless there is a compelling reason for doing so. Implementation 2011/12 - permanent saving.	3,600	3,600
Reduce footpath maintenance as now up to a fairly good standard. Reducing the level of maintenance will allow them to drop to a somewhat poorer condition. Deterioration of the asset, therefore suggest a review after 2 years. Implementation 2011/12 - short term saving.	50,000	50,000
Reduce work done to maintain road verges. Likely to result in eroded and uneven sections of verge remaining longer. Initiatives, like providing a contrasting colour of verge, would be further curtailed, with potential minor safety implications. Suggest a review after 2 years. Implementation 2011/12 - short term saving.	45,000	45,000
To reduce amount of resurfacing with hot bitmac of	150,000	150,000

roads throughout Shetland. Present resurfacing rate of approximately 1.8% per year implies that an average road will be resurfaced once every 55 years. A reduction in line with this option and the one below will extend the average time between resurfacing to once every 80 years. However, that is not the full picture as resurfacing has to be concentrated on roads with greatest use, therefore reducing budgets will reduce the resurfacing of minor roads disproportionately. The value of the Road Condition Index as measured by the Scottish Road Maintenance Condition Survey is showing a small but ongoing deterioration of the standard of Shetland roads - reducing budgets is likely to accelerate that trend. Timescale - can be implemented at any time, but will have an ongoing negative effect on the asset, increasing over time. Implementation 2011/12 - short term savings.		
Reduce overtime of office based staff. Overtime for office staff includes Roads Inspectors responding to police callouts or assisting traffic management out with office hours; also other staff managing work required outwith normal office hours; checking Winter Service forecasts at weekends. Implementation 2011/12 - permanent saving.	3,000	3,000
Amend delivery and scope of the Winter Service along the lines suggested by the report recently submitted to the Member Officer Working Group Roads. Details of likely changes and their implications are still to be worked out. Main options being considered are a partial move to single manning of gritters, which is likely to result in some small sections of the network no longer being treated; reduction in treatment done each day; reduction in number of gritters. The consultation required for such a change to take place is likely to mean that all suggested savings may not be found acceptable and achieved, and this could only be implemented over a period of time, say two years. Implementation over two year period starting in 2011/12 - permanent saving	32,800	Amber
Review of current arrangements within the Roads	45,000	Amber

service.		
More extensive reduction of overtime by office based staff, as described at option 3 above. Similar but more severe effects. Suggest temporary trial only if this has to be implemented. Implementation 2011/12 - short term saving.	7,000	Amber
More severe reduction of drainage improvement works. Examples include new ditches & drains, new cross drains, new gullies. Reduction is likely to affect the asset, and if implemented should be reviewed, say after 2 years. Implementation 2011/12 - short term saving	40,000	40,000
Further reduce budget for cattle grid repairs and maintenance. Such a further reduction in the level of maintenance will cause some concern, but may still remain acceptable for a few years. Can be implemented now, but this level of reduction is likely to affect the asset, and if implemented should be reviewed, say after 2 years. Implementation 2011/12 - short term saving.	20,000	20,000
As above, but reduce further the amount of resurfacing with hot bitmac of roads in Shetland. Implementation 2011/12 - short term savings	187,000	187,000
<b>TOTAL</b>	<b>799,000</b>	<b>799,000</b>

- Additional revenue has been achieved through work undertaken for Shetland Charitable Trust.
- The Service is exploring further potential opportunities for gaining additional revenue in future.

## 2.4 Capital Assets:

- Key issue being faced is budget constraints and delivery of costed programme of roadworks, including capital schemes, within that budget.
- The Roads Service must continue to balance the urgent nature of some of the services they provide to other Council services against the importance of road works. The reduction in budgets for two or three years could be dealt with, but any longer would cause a major deterioration in assets, particularly Shetland's roads network.

## **2.5 Community Issues / Stakeholder Issues:**

- Actively involved in Community Engagement: a consultation is carried out every two years which provides the service with a list of work that communities would like carried out.
- Plan to carry out a 'Your Voice' survey shortly to compare feedback from previous years.

## **2.6 Staffing:**

- Uncertainty, due to the review of the Infrastructure Services Department.
- The Roads Service seek to look at staff numbers and determine what work staff do, and the service staff provide, to decide on future staffing levels. The Roads Service has used contractors to carry out work in the past, for example winter gritting service, but it is expected that the Roads Service will keep the service in-house as far as possible.
- It is proposed to undertake design work for other services in the Council and use the income generated to offset staff costs in the Design section.

## **2.7 Systems / ICT:**

- None direct to the service.

## **2.8 Summary of Known Risks:**

### **Summary of Priorities for Future Years:**

Deferral of capital project(s) and reduction in ongoing maintenance. This could potentially result in deterioration of roads network and assets.



## **Service Priority Plan 2011/12 and Future Years: Environment and Building Services**

### **Service Statement:**

The Environment and Building Service carries out the following functions:

- Cleansing: refuse collection, street cleansing, Community Council skips, public toilets, grounds maintenance (grass cutting)
- Trading Standards: consumer advice, business advice, business compliance, and enforcement, weights and measures
- Building Services: maintenance of Council's estate and ensuring it meets legislative requirements
- Environment and Energy: Waste disposal (Landfill and Energy Recovery Plant), Burial Grounds, Environmental Management and Energy Management
- Environmental Health: Food Safety, Pest Control, Health and Safety, Private Sector Housing, Animal Health, Environment Protection, Licensing, Anti-Social Behaviour, Port Health, Public Health

### **Summary of Priorities for 2011/12:**

- Achieve Agreed Savings for 2011/12 and investigate savings for 2012/13 and beyond
- Preparation and delivery for Tall Ships 2011
- Delivery of NINES project
- Delivery of Spend-to-Save Energy Projects
- Deliver on extension to Muckle Roe Burial Ground
- Ensure flexibility of Fuel Poverty Schemes to maximise impact
- Implement Participatory Budgetary Project, including Sound, Staney Hill and Mossbank
- Litter and Dog Fouling Campaign, to improve cleanliness indicator
- Electric Blanket Safety Project (dependent on Community Safety Partnership funding)
- Rollout of Wheel Bins (South Mainland)
- Stores Review
- Ensure that Zero Waste Scotland Regulations, 2011, have suitable exemptions for Shetland

**In 2011/12 this Service is provided by:**

- Staff Summary

<b>Service</b>	<b>Staff</b>
Building	Service Manager, Team Leader, 5 Technical Staff, 4 Foreman, Stores Officer, 42 front-line staff
Cleansing	Service Manager, Team Leader, Supervisor and 34.6 front-line operatives and attendants
Environment and Energy	Service Manager, 3 Team Leaders, 3 Supervisors and 34 front-line staff
Environmental Health	Service Manager, Lead Environmental Health Officer (EHO), 8 Professional Staff, 4 Neighbourhood Support Workers
Trading Standards	Service Manager, 3 Professional Staff, 0.75 Health Improvement Officer

- Assets Summary

<b>Service</b>	<b>Assets (in addition to office space and stores, Grantfield and Gremista)</b>
Building	Vehicles and Tools
Cleansing	Vehicles & Plant, Skips / Bins, Gremista Depot and 3 sub-depots
Environment and Energy	Landfill, Incinerator, 60 Kirkyards, Vehicles and Plant
Environmental Health	Minimal: vehicle / lab
Trading Standards	Minimal: lab / weighing and measuring equipment vehicle

- Finance Summary

<b>SERVICE</b>	<b>Annual Budget Expenditure</b>	<b>Annual Budget Income</b>
<b>Police &amp; Fire Requisitions</b>	£3,661,593	
<b>Support Costs</b>	£100,023	
<b>Environment &amp; Energy</b>	£7,767,320	£2,400,913
<b>Cleansing</b>	£2,177,422	£255,608
<b>Trading Standards</b>	£243,129	£9,580

<b>Environmental Health</b>	£1,657,461	£145,036
<b>Building Services</b>	£3,671,844	£2,815,823
<b>Total</b>	<b>£19,278,792</b>	<b>£5,626,960</b>

## 1. Service Standard:

<b>Service</b>	<b>Performance</b>
Building	Recent improvement as a result of LEAN: 10% reduction in fuel use / 1/3 reduction in overtime / average performance improvement of 18-38% across different categories ISO 9001: 2008 demonstrating efficiency and customer satisfaction (>85%)
Cleansing	No longer in top three local authorities in Scotland for cleanliness index (LEAMS). ISO 9001: 2008 demonstrating efficiency and customer satisfaction Efficient service.
Environment and Energy	ISO 9001: 2008 demonstrating efficiency and customer satisfaction (100%)
Environmental Health	Customer satisfaction (>95%)
Trading Standards	ISO 9001: 2008 demonstrating efficiency and customer satisfaction

## 2. Strategic Service Risk Assessment

### 2.1 Legislation:



<b>Service</b>	<b>Legislation and Impact</b>
Building	Nothing current.
Cleansing	Zero Waste Scotland legislation could have substantial impact on infrastructure and service requirements. Service seeking exemption.
Environmental Health	Possible centralisation of elements of service.
Environment and Energy	Climate Change Act and Carbon Reduction Commitment, with financial implications to the Council if carbon savings are not made on an ongoing basis. Zero Waste Scotland legislation: as above.
Trading Standards	Nothing current.

### 2.2 Strategic Priorities

Other Plans and Strategies:

- Approval and implementation of Anti-Social Behaviour Strategy;
- Approval and implementation of Carbon Reduction Strategy for SIC and wider community.

SOA/ Corporate Plan Outcomes and Progress (October 2010 to March 2011):

Wealthier 3: Shetland's reputation for sustainable practices and quality products will be strengthened					
W3.8	Encourage firms operating in Shetland to develop stricter environmental criteria  <b>Target:</b> Maintain high quality environment as part of the Brand	Head of Economic Development & Head of Environment and Building Services	Ongoing	<b>AMBER</b>	Encouraged through delivery of the tidy business scheme and direct support and advice. Implementation of Council policy to insist on environmental assessment in all Grants or Loans over £10,000 to be audited. The Shetland Brand pack will be issued in June.
Fairer 2: Socio-economic disadvantage does not impact on the opportunities people have					
F1.1	<p><b>Increase in number of individuals taken out of fuel poverty</b></p> <p><b>Target:</b> 40 referrals to EAP / 25 Fuel Poverty Grants per year</p> <p>Increased uptake of EAP through better integration of grant processes</p> <p><b>Target:</b> Use of low carbon network fund to reduce fuel poverty in public sector housing</p>	<p>Head of Environment and Building Services &amp; Head of Housing</p>	<p>31 March 2012</p> <p>31 March 2012</p>	<b>GREEN</b>	<p>20 Grants were approved in the year with 13 completions (13 households taken out of Fuel Poverty).</p> <p>Home Insulation Scheme has resulted in 169 EAP stage 4 referrals up to end of January 2010.</p> <p>National Schemes becoming more flexible, to maximise opportunities.</p> <p>NINES project under-development.</p>

**Greener 1: We will move further towards sustainable and efficient, consumption and production**





<b>G1.1</b>	<b>Reduction in carbon emissions and energy used</b> <b>Target:</b> 6% reduction in carbon emissions from Council buildings and Council energy use	Head of Environment and Building Services	30 April 2011	<b>RED</b>  Final figure not yet available.  Approval of Carbon Reduction Strategy being sought in June 2011.
<b>G1.2</b>	<b>Take a coordinating role with other agencies and report on the success of individual projects</b> <b>Target:</b> Promotion of carbon reduction across communities through education and support community energy schemes	Head of Environment and Building Services	Ongoing	<b>GREEN</b>  Progress being made on a number of projects relating to carbon, community energy and home insulation scheme.
<b>G1.3</b>	<b>Meet Landfill Allowance Scheme targets</b> <b>Target:</b> Waste going to landfill to be less than 2567 tonnes/yr	Head of Environment and Building Services	Ongoing	<b>GREEN</b>  Achieved – 249 tonnes of biodegradable waste to landfill.
<b>Greener 2: We will protect Shetland's renowned natural and built environment</b>				
<b>G2.2</b>	<b>LEAMS index validated by KSB</b> <b>Target:</b> Be one of top three cleanest places in Scotland	Head of Environment and Building Services	31 May 2011	<b>AMBER</b>  LEAMS index fell to 73, moving us out of the top three in Scotland. Fall in grading is mostly associated with cigarette litter within Lerwick. A campaign is being developed to target this type of litter.
<b>G2.3</b>	<b>Maintain air quality below action levels</b> <b>Target:</b> Below action level	Head of Environment and Building Services	Ongoing	<b>GREEN</b>  Air quality levels maintained below trigger levels.



### 2.3 Financial:

- Net Revenue Budget for 2011/12: **£13,651,832**
- Estimated Outturn 2011/12: **on target to be within budget**
- External Funding Achieved:
  - o Northern Isles Energy Solutions: energy efficiency in social housing: £2,081,700
  - o Wir Community Wir Choice: £20,000
- Actions to deliver Savings and Assessment of Progress / Meeting Targets:

**All savings approved as part of the Budget Reduction Proposals for 2011/12 have been met:**

Proposal Detail	Approved Savings	Actual Savings
Reductions in budgets for travel, subsistence, training and conferences. Implementation immediate - permanent saving.	5,407	5,407
Minor reductions across general operating costs (double counted in estimates exercise)	10,456	10,456
Environmental Health minor savings across service. Implementation 2011/12 - permanent saving.	3,935	3,935
Tender contracts for haulage, analysis and engineering works, better use of Scotland Excel - Implementation 2011/12 - permanent saving.	10,000	10,000
Restructure staffing at Landfill by not replacing retired staff. One member of staff has recently retired another is due to leave in March, it is proposed to cover these duties by expanding the role of existing staff - Implementation 2011/12 - permanent saving.	68,000	68,000
Reduce number of hours Esplanade Toilet Attendants are on duty so toilet is open but unattended for quiet periods during the day. Implementation 2011/12 - permanent saving.	20,000	20,000
Increase charge for hire of mobile Portaloo unit for public events and private functions to breakeven charge. Current charge £150, average breakeven charge £250. Implementation 2011/12 - permanent saving.	1,200	1,200
Increase Pest Control Charges to cover Survey (£30) and treatment (£75) and revisits after third visit (£15). Free for those on means tested benefits. Implementation 2011/12 - permanent saving.	2,677	2,677
Increase Hygiene Certificate Charges to fish processing premises. Implementation 2011/12 - permanent saving.	5,000	5,000
Burial Interment and Reservation charges- Current Charge £150, proposed charge £250, Scottish average charge for interment and reservation is £400, we have the lowest charges in Scotland by a significant margin, the new charge will still leave us with the lowest charge in Scotland -	22,000	22,000

Implementation 2011/12 - permanent saving.		
Service Redesign. Not fill 1 expected cleansing vacancy due to natural wastage in next 3 months and so reduce cleansing FTE. Make existing post working chargehand. Implementation 2011/12 - permanent saving.	20,000	20,000
Stop provision of recycling and compost bins. We have provided subsidised compost bins through Zero Waste Fund income which is no longer ring fenced. It is proposed that we will no longer provide subsidised compost and domestic stacking recycling bins. We have already distributed some 4000 compost bins and the market is currently saturated. Implementation 2011/12 - permanent saving.	20,000	20,000
Gremista Landfill - reduce opening hours to reduce overtime - Implementation 2011/12 - permanent saving. Close Weighbridge opening hours from 4.30pm to 4.00pm and direct tipping to landfill from 4.00pm to 3.00pm Monday to Friday and close direct tipping to landfill on Saturdays.	36,000	36,000
Close Esplanade Toilets at 10pm rather than midnight on Sunday, Monday, Tuesday, Wednesday and Thursday nights (quiet nights). Keep open to midnight on Friday and Saturday nights. Reduce overtime by 25%. Implementation 2011/12 - permanent saving.	1,750	1,750
Reduce cleansing staff overtime on Saturday and Sunday mornings - by 25%. Re-organise refuse service using wheeled bins to provide alternative Fridays and Mondays collections and reduce sweeping staff. Implementation 2011/12 - permanent saving.	5,000	5,000
Reduce free refuse sack provision (from 100 to 52 bags per year) by approximately 50%. May result in more litter unless more use of wheeled bins is encouraged as a replacement. Implementation 2011/12 - permanent saving.	21,536	21,536
Reduce other Operating costs on building maintenance, Street Lighting, Stores and Management to provide a further 1% saving on the Building Maintenance Budgets Implementation 2011/12 - permanent saving.	31,400	31,400
Energy savings - Spend to Save Scheme. Require investment of £450,000 spread over 4 year period to deliver efficiency savings in energy consumption. It is expected to yield £100,000 savings per annum once projects are complete. Partial savings for first four years - full £100k per annum from year 5. Implementation 2011/12 dependent on availability of Spend to Save funding - permanent saving.**	5,000	0
Increase charge for commercial refuse collections from shops and offices by another 5% (on top of existing increase of 5%). Increase charge for skip commercial refuse collections from businesses by 5% (on top of existing increase of 5%). Implementation 2011/12 - permanent saving.	11,820	11,820
Cut Health Improvement Officer post by 0.25 FTE Implementation - permanent saving	6,807	6,807
Reduce overtime working on building maintenance, Street Lighting, Stores and Management by 30% (overall) to	90,000	90,000



provide a 3% saving on the Building Maintenance Budgets Implementation 2011/12 – Immediate permanent saving.		
Close Grantfield and Clickimin toilets in Lerwick as facilities are not well used now due to alternative toilets being available nearby (Toll Clock and Clickimin Centre respectively). £5,000 each. Implementation 2011/12 - permanent saving.	10,000	10,000
Reduce Grounds Maintenance Contract price by 10% by reducing frequency of grass cutting of open spaces throughout community. Could be reduced further by an additional 15% which would give savings of £30,000. Grassed areas throughout Shetland will look less well-kept. Implementation 2011/12 - permanent saving.	20,000	20,000
Reduce Fuel Poverty Grant and change policy to address under occupation. Needs revision of policy to target those in greatest needs. Implementation 2011/12 - permanent saving.	105,000	105,000
Reduce PSHG to reduce budget for repair and improvement of poor quality homes. Uptake of scheme low due to repayment requirement - previously a grant scheme. Implementation 2011/12 - permanent saving.	135,000	135,000
Remove Lerwick Toilet Attendant van so Esplanade Toilet Attendants walk to other Lerwick toilets to clean them. Implementation 2011/12 - permanent saving	3,401	3,401
Reduce the standard of grass cutting in burial grounds. Do not cut areas of yards that are not in use e.g. large areas of Tingwall and Sandwick and so reduce overtime costs associated with cutting grass. Implementation 2011/12 - permanent saving.	8,000	8,000
Reduce Antisocial Behaviour budget, reduce grants to voluntary sector, reduce early intervention and preventative spend. Implementation 2011/12 - permanent saving.	8,777	8,777
Stop providing free dog bags Implementation 2011/12 - permanent saving.	1,000	1,000
Stop repairing memorial stones. Would require us to remove or lay flat unsafe memorials rather than repairing. Memorials remain the property of the families but the Council is responsible for safety in the yards.- Implementation 2011/12 - permanent saving.	60,000	60,000
<b>TOTAL</b>	<b>749,166</b>	<b>744,166</b>

\*\* Decision not yet confirmed on availability of spend to save

## 2.4 Capital Assets:

New projects and spend for 2011/12

Building Maintenance Projects	£1,331,551
Burial Grounds Extensions	£ 253,000
Energy Recovery Plant	£ 85,000
Gremista landfill phase 2	£ 60,000

Wheeled Bins	£ 44,500
<b>Total</b>	<b>£1,774,051</b>

## **2.5 Community Issues / Stakeholder Issues:**

- Key Issues being faced: no current issues being faced, but future service reductions will require community engagement.

## **2.6 Staffing:**

- Key Issues being faced:
  - o subject to ongoing structural reviews
  - o any vacancies that arise will be subject to service delivery redesign with the intention of reducing staff compliment
  - o service specific staffing reviews

## **2.7 Systems / ICT:**

- Burial Grounds Records System being implemented
- Proposed bar-coding system for Stores

## **2.8 Summary of Known Risks:**

- Structural Review

## **Summary of Priorities for Future Years:**

### **Ongoing Service Efficiencies:**

- Target to reduce Building Services Budget by £200,000 from 2012/13
  - o Stores review proceeding, with potential to make savings as a result of the improved management of stock and improved procurement practices.
- Essential to get funding from Spend to Save to implement measures to reduce energy use and realise projected savings (this becomes more critical, and the impact greater, the higher the energy costs)
- Internal staff reviews ongoing
- Any further reduction in budget would have implications to service delivery:
  - o This could be reduction or loss of discretionary services

- Public Toilets (e.g. Each Council toilet costs approximately £7,000 / year in staff costs, maintenance and materials. The Council currently provides 34 public toilets.)
  - Ground Maintenance
  - Building Maintenance (non statutory)
  - One-Stop Shop for housing grants
  - Community Mediation and Restorative Justice contract
  - Neighbourhood Support Worker Service
  - Centralisation of burial grounds
- o There is also the option of reducing the cost and therefore potential quality of statutory services:
- Discontinuing the Health Improvement Officer post
  - Reduction in the level of street cleaning
  - Reduce frequency of refuse collection



## **Service Priority Plan 2011/12 and Future Years: Planning Service**

### **Service Statement:**

The Planning Service carries out the following functions:

- Development Plans Service: prepares, maintains, reviews and implements the Structure Plan and Local Plan
- Development Management Service: consultation and negotiation on new development proposals
- Building Standards Service: ensures that new building work achieves national standards
- Heritage Service: heritage buildings, outdoor access and flooding and coast protection
- Coastal Zone Management Service: developments within the marine environment

### **Summary of Priorities for 2011/12:**

- Continue with the development of the Local Development Plan, for completion in Autumn 2012. It is essential to ensure the full involvement of staff, other services (particularly the Local Housing Strategy) and the wider community. Links with Scenario Planning process and the development of a new Community Plan for Shetland will be made.
- Ensure the smooth implementation of the back-office system.
- Examine ways to contribute further to the savings for 2012/13.

**In 2011/12 this Service is provided by:**

- Staff Summary

<b>Service</b>	<b>Staff</b>
Development Plans	Service Manager, 6 Planning Officers, 1 Business Support
Development Management	Service Manager, 7 Planning Officers, 1 Business Support
Building Standards	Service Manager, 5 Surveyors, 1 Business Support, 1 Officer (shared with Development Management)
Heritage	Service Manager, 6 Officers, 1 Engineer, 2 Assistants
Coastal Zone Management	Service Manager, 2 Planning Officers

- Assets Summary

Office space at Grantfield

- Finance Summary

TOTAL BUDGET 2011/12: **£1,778,659**

**1. Service Standard:**

- **Customer Satisfaction Rate:** 84% satisfied or very satisfied
- **Delivery of Service:** comparisons with elsewhere can be misleading, as Shetland experiences a higher proportion of first time / only time planning applications, than elsewhere, as well as some large developments.


**2. Strategic Service Risk Assessment**

**2.1 Legislation:**

- The majority of the 2006 Planning Legislation has been implemented. Further changes are expected, in terms of less planning permission, but this is in hand.
- Building Regulations continue to change, to improve energy efficiency. Again, this is in hand.

## 2.2 Strategic Priorities

SOA/ Corporate Plan Outcomes and Progress (October 2010 to March 2011):

Greener 2: We will protect Shetland's renowned natural and built environment					
<b>G2.1</b>	<b>Approved, fit for purpose Local Development Plan</b> <b>Target:</b> Progress on Local Development Plan and Supporting Planning Guidance	Head of Planning	Autumn 2012	<b>GREEN</b> Progress is being made to meet the timescale of Autumn 2012.	
<b>G2.4</b>	<b>Represent Local Authority views on marine pollution at the national and international level</b> <b>Target:</b> Retain KIMO secretariat	Head of Planning	Ongoing	<b>GREEN</b>	
<b>G2.5</b>	<b>Continue support for NFLA</b> <b>Target:</b> Retain status quo	Head of Planning	Ongoing	<b>GREEN</b>	
Other Plans and Strategies:					
-	Core Paths Plan			- Local Biodiversity Action Plan	
-	Coastal Protection Policy			- Outdoor Access Strategy	
-	Marine Spatial Plan			- Marine Aquaculture Policy	
-	Works Licence Policy				
-	Marine Renewables Strategy				

### 2.3 Financial:

- Revenue Budget for 2011/12: **£1,778,659**
- Estimated Outturn 2011/12: **£1,778,659**
- External Funding Achieved / Proposed: **none**
- Actions to deliver Savings and Assessment of Progress / Meeting Targets

**All savings approved as part of the Budget Reduction Proposals for 2011/12 are on target:**

Proposal Detail	Approved Savings	Actual Savings
Delete existing part-time Building Standards Surveyor post. Statutory changes in Building Standards and Planning require more early intervention in site and increased site inspections which is better fulfilled by other posts in the Planning Service. Increase Admin from part-time to full-time. Implementation 2011/12 – permanent saving.	15,572	15,572
Increased income from projected planning application and building warrant fees for 2011/12 which are ring fenced for processing planning applications and building warrants. Implementation 2011/12 – permanent saving	45,000	45,000
<b>TOTAL</b>	<b>60,572</b>	<b>60,572</b>

### 2.4 Capital Assets:

- No Capital Assets / Programmes

### 2.5 Community Issues / Stakeholder Issues:

- Continue to work with key stakeholders, such as those in the building professions.
- Local Development Plan involvement is crucial.

### 2.6 Staffing:

- High proportion of staff are trainees.
- Lose staff to private sector.

### 2.7 Systems / ICT:

- New back office system for Building Control and Management Planning is being developed and introduced.



## **2.8 Summary of Known Risks:**

- staffing (recruitment and retention),
- ensuring the LDP is tied into the Community Plan and Local Housing Strategy;
- increasing Government requirements, on a small Local Authority .

## **Summary of Priorities for Future Years:**

### Ongoing Service Efficiencies:

- Continue to freeze recruitment to current vacant posts, with savings made for 2012/13;
- Decrease the amount of money available for discretionary grants (Head of Service would rather use this funding to recruit to vacant posts to support work in these areas).





**To: Environment and Transport Committee**

**1 June 2011**

**From: Energy Manager  
Environment and Building Services  
Infrastructure Services Department**

## **Council Energy Consumption Update**

### **1 Introduction**

- 1.1 This report presents an outline of energy consumption across the Council as well as cost information and CO<sub>2</sub> emission data. The report also outlines some of the ongoing works to reduce energy consumption.
- 1.2 For a more detailed breakdown of energy consumption by site/vessel etc the information is provided on the intranet at <http://www.sic.gov.uk/services/heritage/energyusage200910.asp>
- 1.3 All graphical data is provided in the appendix.

### **2 Links to Council Priorities & Risk**

- 2.1 Links to the Corporate Plans targets and priorities for sustainable use of resources and to be world renowned as a clean green island.
- 2.2 This report is for noting so there is no decision associated with it and therefore no direct risk; however, the information provided shows that energy budgets will continue to be a growth item and in the absence of a spend to save mechanism the Council will be subject to the full impact of price rises.
- 2.3 This report is for noting so there is no decision associated with it and therefore no direct risk; however, the information provided shows that energy budgets will continue to be a growth item and will require investment to implement energy efficiency measures to reduce revenue costs.

### **3 Background**

#### **3.1 Scottish Climate Change Declaration**

- 3.1.1 In 1997 the Shetland Islands Council (SIC) signed the Scottish Climate Change Declaration which formally stated that anthropogenic global warming was a fact and required the

Council to undertake various actions to reduce its energy consumption including reporting.

### 3.2 Legislation

The following are the main pieces of legislation covering energy use.

#### 3.2.1 The Climate Change (Scotland) Act 2009

The Act received Royal Assent on August 4, 2009. Part 1 of the Act sets greenhouse gas emissions reduction targets of 42 per cent for 2020 (interim target), and 80 per cent for 2050. Part 4 of the Act places climate change duties on Scottish public bodies.

#### 3.2.2 CRC Energy Efficiency Scheme (CRC)

The CRC is a mandatory scheme introduced in 2010/11. The SIC will be required to purchase carbon allowances associated with all Council energy consumption excluding transport and domestic use. This will add approximately £150,000 to the Council's annual energy spend. This amount will obviously vary depending on our energy consumption. The first annual payment will be made at the start of the 2012/13 financial year.

### 3.3 Baseline Year

To enable the Council to set reduction targets, baseline consumption and emission figures were produced which provided a breakdown across the majority of the energy consuming sectors within the Council. The baseline year is 2006/07.

The baseline figures for the Council are provided in charts 1 to 3 broken down by fuel type, service use and CO<sub>2</sub> emissions as a result. Due to the high emissions factor for electricity the share of the emissions compared with consumption more than doubles.

### 3.4 Targets

Current Service Plan targets are 2.5% year on year across all services. This is currently being reviewed to provide more realistic targets set by building/service.

## 4 **Energy Use**

### 4.1 2010/11 Figures

Table 1 provides the overall breakdown across the Council and tables 2 and 3 provide the corrected and direct comparison savings

compared against the baseline year. This shows that after correction total energy savings for 2010/11 compared with the 2006/07 baseline is 7.11%. The 2009/10 annual savings figure was 8.02% (refer to chart 4).

The main reason for this decrease is the large increase in fuel use at Scord Quarry. The Quarry has dealt with a couple of big jobs (Sumburgh and the new Total site) in the past year which has meant a large increase in product required.

In general the main changes in energy consumption since 2006/07 has been the installation of shore power for the tugs at Sella Ness which has seen a large increase in electricity consumption but also a significantly larger saving in oil use<sup>1</sup>.

#### 4.2 Corrected Data

The figures provided show corrected usage using a temperature based correction. When comparing the average temperature figures for 2010/11 against the baseline year, 2010/11 was significantly colder.

### 5 **Energy Prices**

5.1 Energy prices have steadily risen on average over the past decade (chart 5 compares the prices for the different fuel types<sup>2</sup>). The dip in the average price in 2009/10 was due to gas oil dropping back from the highs of the previous year and also the introduction of the Procurement Scotland contract for electricity supply.

5.2 Chart 7 quantifies the rolled up average energy price for the Council going back to 2006/07 and applies a trend line (based on this information) going forward to 2013/14. The annual energy bill for 2010/11 was approximately £5,969,940 and based on trend line the total bill going forward (assuming consumption remains constant) will be as follows:

- 2011/12 - £6,369,539;
- 2012/13 - £6,693,414;
- 2013/14 - £7,017,289.

However forward prices for electricity provided by Procurement Scotland and the price of gas oil since the start of April point towards a much larger increase than the average trend line shows. In fact if current oil prices remain constant for the rest of the financial year the energy spend for 2011/12 will be in the region of £7.1 million.

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<sup>1</sup> No correction has been applied for annual number of tankers visiting the port

<sup>2</sup> Average energy prices do not take into account boiler/engine efficiencies

5.3 Chart 6 represents how gas oil prices have fluctuated on a monthly basis since April 2004. Expected annual gas oil over spends in 2011/12, if prices remain at current levels, are as follows:

- £160,000 for heating consumption;
- £540,000 for ferries.

## **6 Ongoing Work**

### **6.1 Carbon Strategy**

The Council approved the Carbon Strategy governance structure in February 2011. The main report will be presented at the next Environment Committee.

### **6.2 Targets**

Targets per site is work in progress which will provide a more realistic picture of what is actually achievable against the current targets set nationally.

### **6.3 Spend to Save**

The Environment and Energy Service has identified a number of spend to save schemes that would return a saving to the Council. Currently the only mechanism available to fund these is through the capital programme and an application will be pursued through the gateway process. The bids cover various projects over a 5-year action plan and includes:

- Conversion of remaining oil heated buildings to district heating;
- Re-lamping projects;
- Micro-wind turbine projects;
- NINES storage heating project;
- Staff awareness.
- Janet Courtney Hostel (District heating connection)

An application will also be submitted for new electrically heated, insulated bitumen storage tanks (larger capacity) at Scord which will dramatically improve the efficiency of the system and reduce the number of loads of product required from the mainland which will in turn reduce costs.

A number of the Spend to Save works are carried out in conjunction with the rolling Central Energy Efficiency Fund (CEEF). CEEF was a grant (approximate/y £115,000) from the Scottish Government to cover energy efficiency/small scale renewable works in Council Buildings. A main condition of the grant is that works are funded on a loan basis and that the loan is recovered over the expected project payback period thereby allowing ongoing funding of efficiency works.

## **7 Financial Implications**

- 7.1 In accordance with Section 2.3 of the Scheme of Administration and Delegations, the Environment and Transport Committee has responsibility for the functional areas relating to environmental services and, as part of its performance scrutiny role, is required to monitor and review the achievement of key outcomes in service plans, by ensuring best value in the use of resources. This report is only intended to alert the Committee to a potential impact on budgets, and therefore no policy or strategic decisions are required at this stage, as the report is for noting and the detailed impact will be reported through the formal budgetary process or the PPMF arrangements.
- 7.2 For 2011/12, if prices for gas oil remain at current levels, there will be overspends of £160,000 for heating oil, and £540,000 for ferries respectively. From 2012/13, there will be an additional cost to the Council's energy spend of approximately £150,000 annually, for the purchase of carbon allowance.

The indicative gap in funding on the General Fund Revenue Account in next financial year is estimated at £25 million (but reduced by any of the savings which will be generated and repeated in this financial year, currently estimated at up to £9.4 million).

A growth item of £150,000, in addition to the estimated overspends, is a significant increase to the baseline figures and Members will need to determine how any growth in revenue spend is dealt with as part of developing the detailed budget exercise for 2012 /13.

## **8 Recommendation**

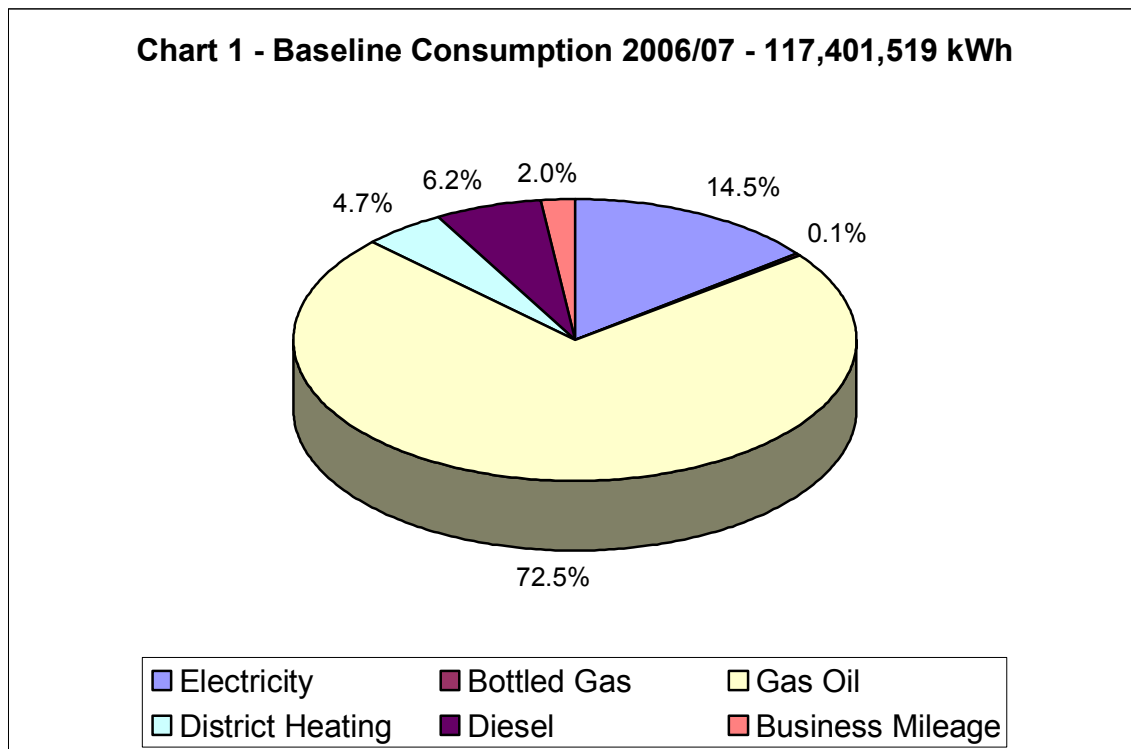
I recommend that:

- 8.1 The Committee notes the content of this report.

Report Number: ES-12-11-F

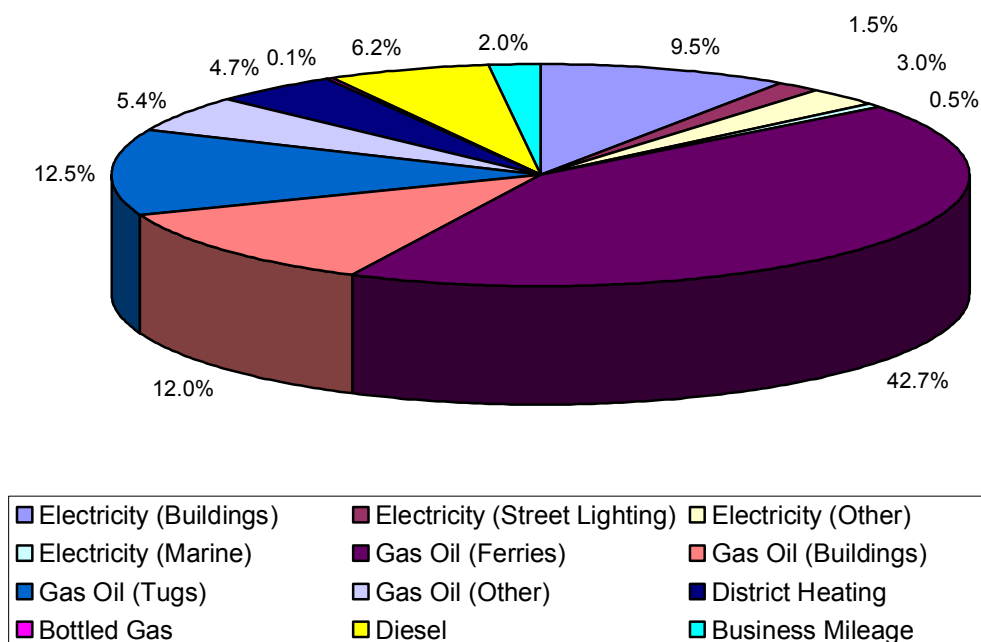
## Appendix – Charts/Graphs

### 1 2006/07 Baseline Data

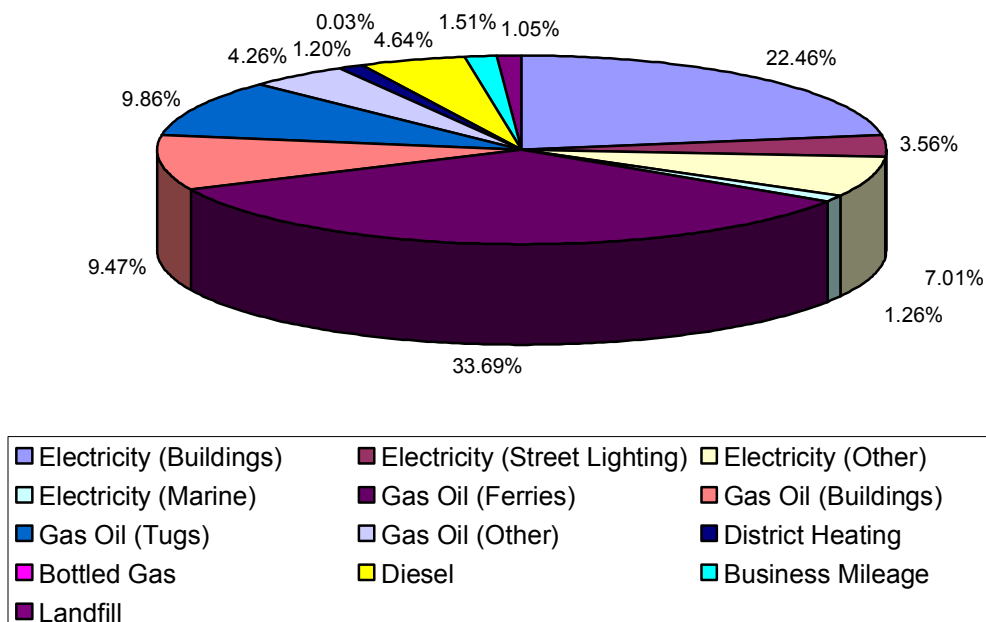




**Chart 2 - Baseline Consumption 2006/07 - 117,401,519 kWh**



**Chart 3 - Baseline CO2 Emissions 2006/07 - 38,815 tonnes**



## 2      2010/11 Data and Comparison

Site	Table 1 - 2010/11 Council Energy Consumption			
	Electricity	Gas Oil	District Heating	Ultra-Diesel
Building Services	43,182	10,663	0	0
Offices & Shared Sites	1,967,163	623,581	355,780	0
Sport & Leisure	425,396	313,225	348,430	0
Schools Service	4,335,523	6,672,978	4,272,668	0
Shetland College	444,819	0	0	0
Waste Management	2,896,079	1,100,358	0	0
Community Care	1,986,231	2,623,207	1,293,841	0
Childrens Service	200,848	122,764	55,307	0
Ports & Harbours	2,471,872	11,376,256	0	0
Cleansing Service	63,564	306	0	0
Transport	833,144	48,721,911	0	0
Library & Information Services	117,002	0	271,239	0
Roads Service	758,588	6,482,110	0	0
Road Diesel Consumption	0	0	0	6,903,696
Street Lighting/Other Unmetered	1,811,066	0	0	0
<b>Total</b>	<b>18,354,477</b>	<b>78,047,360</b>	<b>6,597,266</b>	<b>6,903,696</b>

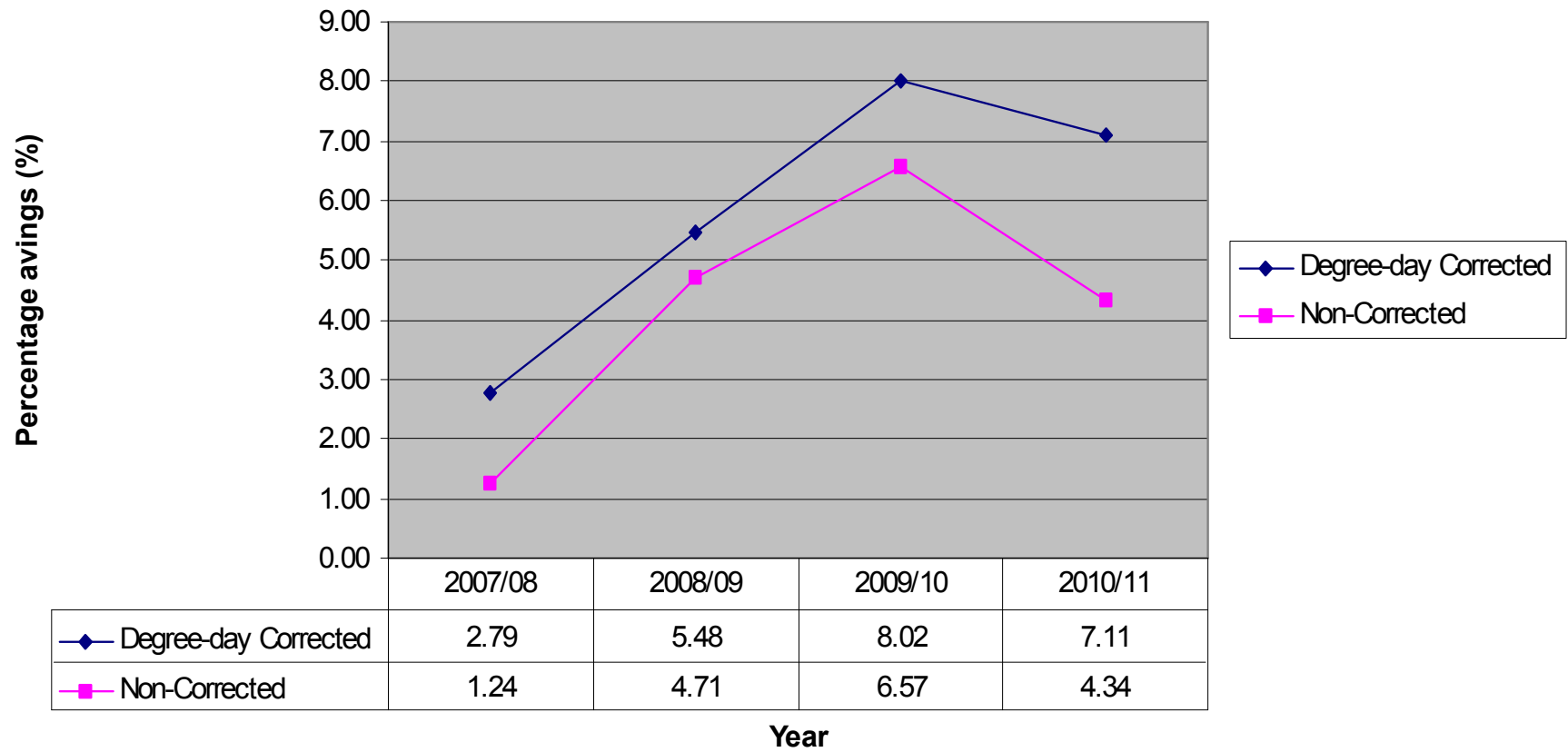
**Table 2 - 2010/11 Degree Day Corrected Savings**

Site	Energy Savings (kWh)				Total Savings			
	Electricity	Gas Oil	District Heating	Ultra Diesel	Energy (kWh)	CO2 (tonnes)	Energy (%)	CO2 (%)
Building Services	-3,537	-1,553	0	0	-5,090	-3.18	-10.44	-9.52
Offices & Shared Sites	86,665	72,890	39,068	0	198,624	90.57	6.32	4.97
Sport & Leisure	65,989	-7,311	19,910	0	78,588	51.17	6.74	10.30
Schools Service	138,597	1,375,419	325,044	0	1,839,061	506.81	10.74	8.38
Shetland College	101,095	0	0	0	101,095	78.85	18.52	18.52
Waste Management	-70,429	387,162	0	0	316,733	49.60	7.34	1.90
Community Care	-49,666	263,563	-178,667	0	35,230	17.40	0.59	0.73
Childrens Service	14,661	32,124	15,281	0	62,066	21.39	14.07	9.91
Ports & Harbours	-1,060,118	5,702,224	0	0	4,642,107	712.71	25.11	12.48
Cleansing Service	-15,055	308	0	0	-14,747	-11.66	-30.02	-30.68
Transport	-45,183	1,549,466	0	0	1,504,283	383.11	2.95	2.70
Library & Information Service	35,225	0	133,274	0	168,499	38.68	30.27	25.32
Roads Service	-56,630	-743,222	0	0	-799,852	-244.84	-12.42	-11.68
Road Diesel Consumption	0	0	0	321,852	321,852	86.90	4.45	4.45
Street Lighting/Other Unmeasured	-40,062	0	0	0	-40,062	-31.25	-2.26	-2.26
<b>Total</b>	<b>-898,448</b>	<b>8,631,070</b>	<b>353,911</b>	<b>321,852</b>	<b>8,408,385</b>	<b>1,746.26</b>	<b>7.11</b>	<b>4.41</b>

**Table 3 - 2010/11 Direct Comparison Savings**

Site	Energy Savings (kWh)				Total Savings			
	Electricity	Gas Oil	District Heating	Ultra Diesel	Energy (kWh)	CO2 (tonnes)	Energy (%)	CO2 (%)
Building Services	-3,537	-1,553	0	0	-5,090	-3.18	-10.44	-9.52
Offices & Shared Sites	-60,088	-37,068	-25,860	0	-123,016	-59.05	-4.36	-3.53
Sport & Leisure	45,966	-38,269	-23,372	0	-15,676	23.55	-1.46	5.02
Schools Service	-49,586	304,864	-538,333	0	-283,055	-1.64	-1.89	-0.03
Shetland College	29,796	0	0	0	29,796	23.24	6.28	6.28
Waste Management	-70,429	387,162	0	0	316,733	49.60	7.34	1.90
Community Care	-22,762	-87,921	-317,554	0	-428,237	-68.20	-7.98	-3.08
Childrens Service	-5,998	10,889	3,869	0	8,760	-1.41	2.26	-0.73
Ports & Harbours	-1,152,947	5,588,533	0	0	4,435,586	609.61	24.26	10.87
Cleansing Service	-15,055	308	0	0	-14,747	-11.66	-30.02	-30.68
Transport	-55,517	1,527,929	0	0	1,472,412	369.24	2.89	2.61
Library & Information Service	35,225	0	67,777	0	103,002	33.18	20.97	22.53
Roads Service	-56,630	-743,222	0	0	-799,852	-244.84	-12.42	-11.68
Road Diesel Consumption	0	0	0	321,852	321,852	86.90	4.45	4.45
Street Lighting/Other Unmeasured	-40,062	0	0	0	-40,062	-31.25	-2.26	-2.26
<b>Total</b>	<b>-1,421,625</b>	<b>6,911,651</b>	<b>-833,473</b>	<b>321,852</b>	<b>4,978,406</b>	<b>774.08</b>	<b>4.34</b>	<b>2.01</b>

**Chart 4 - Annual Percentage Savings Compared with 2006/07 Baseline**



### 3 Energy Costs

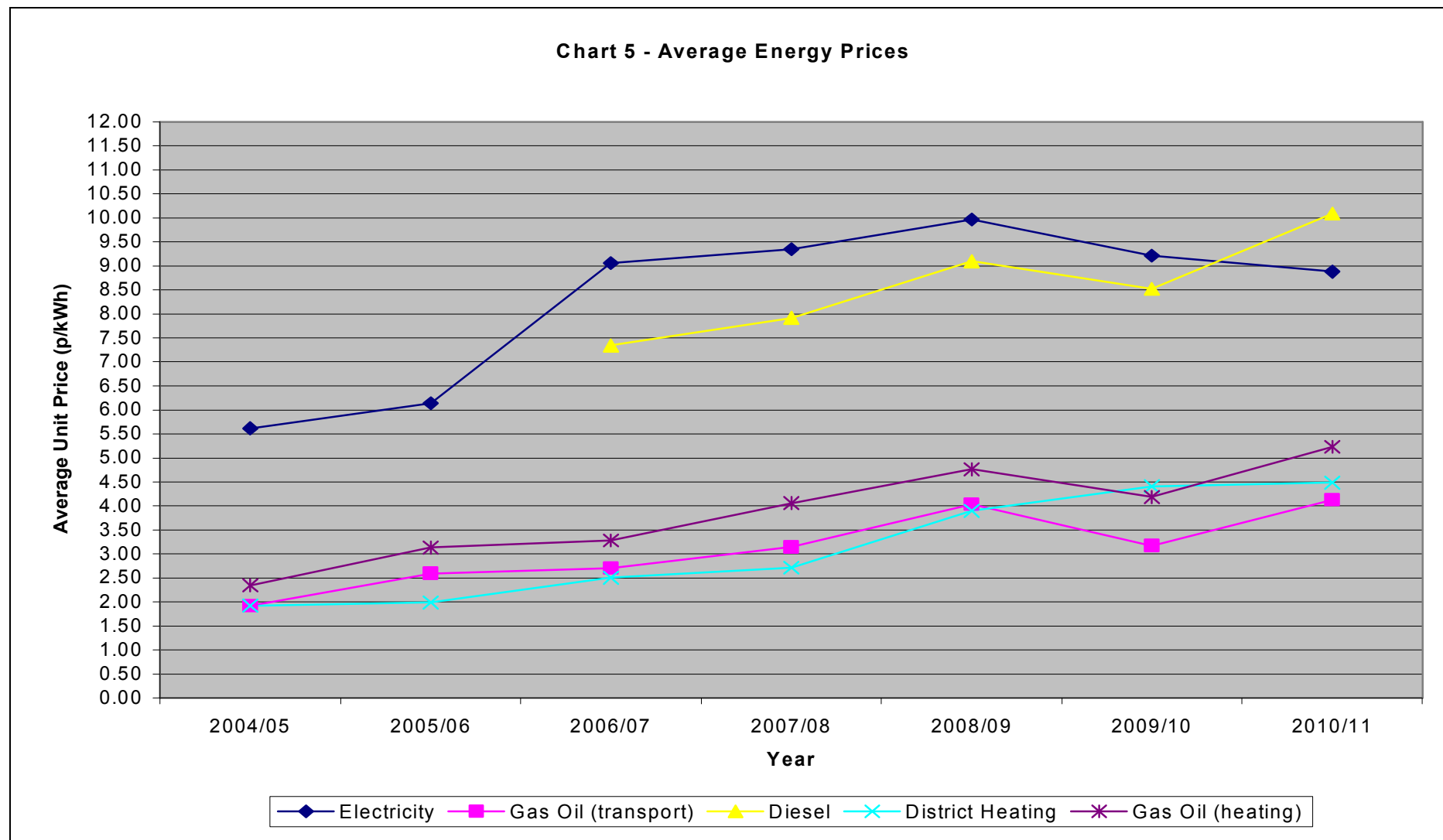
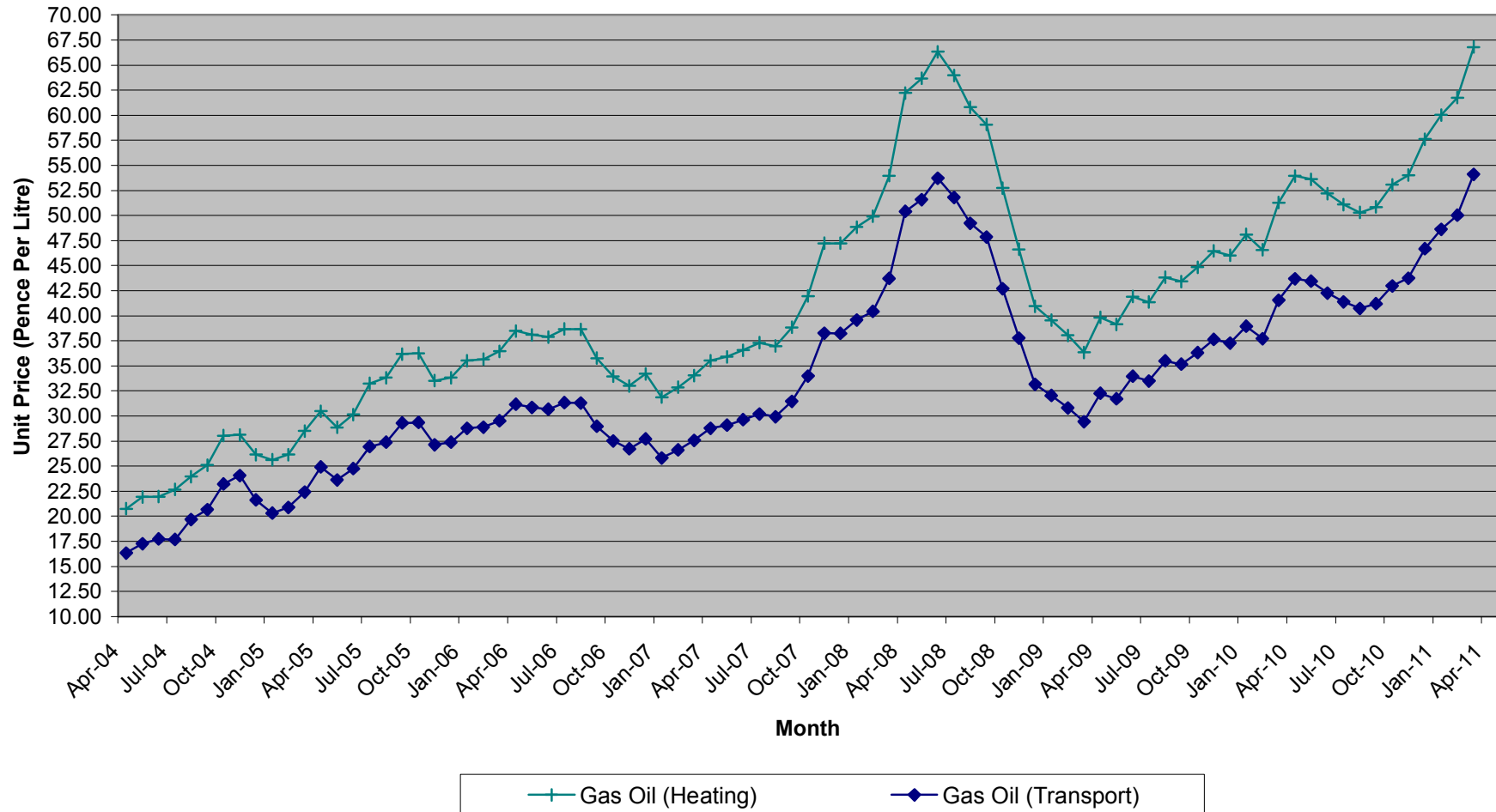
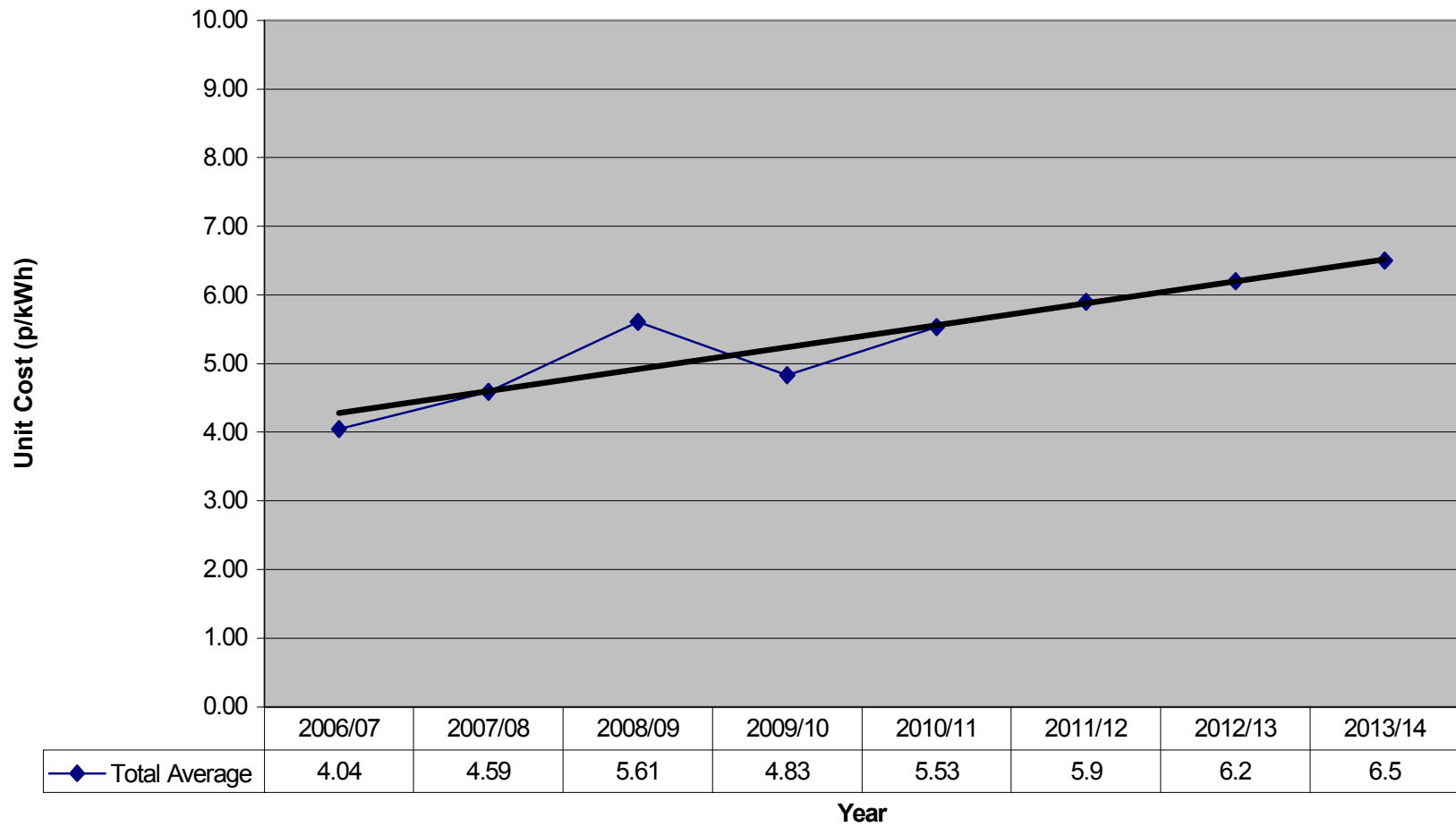


Chart 6 - Average Gas Oil Prices



**Chart 7 - Rolled up Average Per Unit Energy Cost & Trend**









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## REPORT

To: **Environment and Transport Committee**

**1 June 2011**

From: **Head of Transport  
Infrastructure Services Department**

### **Fuel Costs – Ferry Services**

#### **1. Introduction**

- 1.1. This report is to advise Members of the potential impact of fuel price rises on the Ferry Service fuel budget since the budget setting process.

#### **2. Links to Council Priorities**

- 2.1. The Council's Corporate Plan states *"Shetland's communities are scattered and have different needs. To best address those, we must have sustainable road, sea and air transport systems, internally and externally, that ensure everyone is able to access the places, services and opportunities they need"*.

#### **3. Risk Management**

- 3.1. There is a risk that the effects of fuel price increases cannot be fully mitigated by measures to reduce expenditure in other areas of the Ferry Service and the wider Transport Service budgets which could lead to an overspend position at the end of the financial year.
- 3.2. This could exacerbate an already substantial challenge to reach a balanced budget position in 2012/13.
- 3.3. If, as a consequence of this, there is a need to increase charges to users or reduce service levels there will be a further risk of social and economic impacts for the islands served that put pressure on sustainability of these communities.

#### **4. Detail**

- 4.1. During the budget setting process for 2011/12 the price of marine gas oil being paid by the Council was 41 pence per litre. For budgeting purposes we assumed that fuel prices may rise a further 10 percent or so and set the budget based on 45 pence per litre.
- 4.2. As part of the measures for cost cutting it was anticipated that the Council, by engaging in the tender for marine fuel being carried out by the Central Government Centre of Procurement Excellence (CGCoPE),

could benefit from a reduction in fuel prices of the order of 2 pence per litre so the budget was set against a price of 43 pence per litre.

- 4.3. This procurement process was supposed to be complete and implemented by February 2011 but at the time of writing this report the tenders had not been issued and the procurement of marine gas oil has been rolled up on a wider procurement exercise for other heating and fuel oils with an extended timetable for implementation. It is not clear if and when this tender will be issued or when any new contracts will be in place.
- 4.4. Since the budget was set the fuel price has already risen as high as 58.05 pence per litre and at the time of writing this report the price was 54.91 pence per litre.
- 4.5. If we assume that the price remains at an average of 55 pence per litre then at the end of the financial year the effect would be an overspend on the fuel budget of £540,000.
- 4.6. However, we need to add to this £90,000 that was anticipated to be achieved through CGCoPE tender exercise which is unlikely to now be realised in the current financial year.
- 4.7. This means the total risk to the Ferry Service fuel budget stands at circa £630,000 unless mitigating measures can be identified to offset this.
- 4.8. Officers will be working to identify opportunities to reduce expenditure in other areas of the service but at the time of writing no specific measures have been developed.
- 4.9. Members should note that this is the third year in succession that fuel prices have had substantial impacts on budgets and for two successive years officers have postponed or rescheduled maintenance and refurbishment projects to offset rising fuel costs and this makes it increasingly difficult to find further opportunities of this nature.

## **5. Proposals for Mitigation**

- 5.1. Transport Services staff with Procurement and Energy Unit staff are investigating the possibility of carrying out our own fuel procurement process with a view to securing lower prices.
- 5.2. Transport Services staff have begun discussions with Northlink Ferries regarding the possibility of linking in with their fuel contract if there are opportunities for lower cost.
- 5.3. Work is underway to revisit revenue funded projects in the current year to see if there is any opportunity to postpone expenditure to offset increasing fuel costs.

## **6. Financial Implications**

- 6.1. If viable mitigating measures cannot be identified and fuel prices remain on average at current levels there is a risk of a £630,000

overspend against fuel budgets in the Council's Ferry Service. This comprises £540,000 due to fuel prices and £90,000 as a consequence of the lack of progress on the CGCoPE procurement exercise for marine fuel.

- 6.2. The indicative gap in funding on the General Fund Revenue Account in the next financial year is estimated at £25 million (but reduced by any of the savings which will be generated and repeated in this financial year, currently estimated at up to £9.4 million).
- 6.3. A growth item of £630,000 is a significant increase to the baseline figures and Members will need to determine how any growth in revenue spend is dealt with as part of balancing the 2011/12 budgets and of developing the detailed budget exercise for 2012/13.

## **7. Policy and Delegated Authority**

- 7.1. In accordance with Section 2.3 of the Scheme of Administration and Delegations, the Environment and Transport Committee has responsibility for the functional areas relating to ferry services and, as part of its performance scrutiny role, is required to monitor and review the achievement of key outcomes in service plans, by ensuring best value in the use of resources.
- 7.2. This report is only intended to alert the Committee to a potential impact on budgets, and therefore no policy or strategic decisions are required at this stage, as the report is for noting and the detailed impact will be reported through the formal budgetary process and/ or the Planning and Performance Management Framework (PPMF) arrangements.

## **8. Recommendations**

I recommend that the Committee: -

- 8.1. Notes the content of this report and that officers will report back with proposals for mitigating measure to the next meeting of this Committee.

Report Number: TR-16-11-F





## **REPORT**

**To: Environment and Transport Committee      1 June 2011**

**From: Service Manager – Air, Bus and Vehicle Fleet  
Transport  
Infrastructure Services Department**

### **PURCHASE OF SECOND HAND VEHICLES**

#### **1. Introduction**

- 1.1. The Fleet Management Unit recently purchased one second hand Atlas 140W Waste Handler for Environmental Services
- 1.2. This report makes no recommendations. It is presented to comply with section H2. (c) of Standing Orders, namely:

“There shall be exempted from the terms of these Standing Orders, all contracts for the supply of used or second hand goods or materials, and the appropriate Director, where he is satisfied that it is in the interests of the Council to purchase such goods or materials and that they are fit for the purpose for which they are being purchased, may, and with the consent of the Chairman whom failing the Vice-Chairman of the appropriate committee, submit or accept an offer for the purchase of such goods or materials, provided that (a) all contracts for the supply of such goods or materials shall be in writing and subject to the Law of Scotland; and (b) where the price of such goods or materials exceeds a five times factor of the *de minimis* sum; the purchase thereof shall be reported to the appropriate committee as soon as possible thereafter.”

#### **2. Links to Council Priorities**

- 2.1 The terms of this report link to Section 4 of the Council' Corporate Plan for 2010-12, and specifically supports the Council's aims towards ensuring that our services are delivered in the most effective and efficient way.
- 2.2 This purchase of second hand vehicles, where appropriate, demonstrates that efforts are being made to minimise the capital costs upon the Council of operating its vehicles fleet.

### **3 Risk**

- 3.1 There are no particular risks attached to the purchase of these vehicles, other than those associated with any second hand purchase.
- 3.2 The machine that is being replaced by the Atlas has proved to be unreliable. It is an essential part of the recycling chain and no replacement machine is available in Shetland. The most significant risk would be to continue operations with equipment which has proven to be problematic and unreliable.
- 3.3 The current machine had an extended warranty period, which was obtained by Fleet Management Unit from the manufacturer due to the lack of reliability. The extended warranty has now finished and any future repairs will be at the Council's expense. In addition to this, over £9,000 has been spent by the Council on hiring in replacement machines from Mainland UK.
- 3.4 Environmental Services' ability to efficiently operate its activities is severely curtailed when the waste handler is not available.
- 3.5 There is an additional cost to local businesses of £56 per tonne landfill tax, which has to be paid for every tonne that enters the landfill due to the waste handler being unavailable.

### **4 Process and Purchase**

- 4.1 Given the issues surrounding the current waste handler, including the end of warranty cover, Fleet Management Unit was keen to replace this machine as soon as practicable.
- 4.2 The options were to:
  - 4.2.1 Continue with existing machine and accept the risks and potential costs.
  - 4.2.2 Tender for a replacement machine.
  - 4.2.3 Obtain a second hand machine.
- 4.3 Option 4.2.1 was ruled out on the grounds of uncertainty, lack of local replacement, service risk and costs.
- 4.4 Option 4.2.2 was initially the preferred option, with pre-tender quotes ranging from £99,500 to £109,000. However, there were two main issues which made us look to the second hand market:
  - 4.4.1 The existing machines, and those quoted above, are for retrofit excavators, as opposed to purpose built indoor waste handlers. Purpose built waste handlers have better cooling and filtration systems to cope with the hot, fume and dust filled

environment, plus they are designed/engineered for the continuous, fast, jerking motion that is typical of its work.

4.4.2 There would be a three-month tendering process and a minimum of a nine-month lead-time on delivery of any new waste handler (the time required to modify a conventional excavator). In that time, it was considered likely that there could be a major breakdown to the current machine the costs of which would significantly exceed the modest additional cost of buying a specifically designed waste handler.

4.5 Fleet Management Unit (FMU) identified a 2010, Atlas 140W purpose built Waste Handler that suited the needs of Environmental Services. The machine has 600 hours on the clock and was in immaculate condition, having only been used at European trade shows.

4.6 The Atlas cost £115,000 and is now in Shetland. The new price is £130,000

4.7 The current machine has been used as a trade-in (value £30,000) and will be retained in Shetland by the suppliers as part of their hire fleet, including as stand-by for the Council's Waste Service.

4.8 While the second hand purpose built waste handler is slightly more expensive than a new retro-fit excavator, it was considered that, on the balance of probabilities that the purchase of the second hand machine will pay dividends in terms of life expectancy, maintenance costs and service resilience.

4.9 Upon agreement with Environmental Services the purchase was made. Unfortunately, given the time constraints (another buyer was keen to purchase), the Service Manager did not have the opportunity to seek the prior approval of the Executive Director, the Chair and Vice-Chair of Environment and Transport, as detailed in H2. (c) of Standing Orders. This was sought the following morning and retrospective authorisation was given.

## **5 Financial Implications**

5.1 Purchase of these vehicles was made within 2010/11 Vehicle Replacement Rolling Programme.

## **6 Policy and Delegated Authority**

6.1 The Executive Director of Infrastructure, with the consent of the Chairman whom failing the Vice-Chairman of the Environment and Transport Committee has full delegated authority under Section H2. (c) of Standing Orders.

## **7 Recommendations**

- 7.1 This report completes the requirements of Standing Orders by reporting the purchase to the Environment and Transport Committee.

Report Number : TR-17-11-F