

**Environment & Transport Committee****15 August 2012****Management Accounts for Environment & Transport Committee:
2012/13 - Quarter 1 (April 2012 - June 2012)****F-032-F****Report Presented by Executive Manager -
Finance****Corporate Services****1.0 Summary**

1.1 The purpose of this report is to enable the Environment & Transport Committee to monitor the financial performance of services within its remit to ensure that expenditure incurred and income generated has been delivered within the approved budget, so that timely action can be taken when required to mitigate projected overspends. The report reviews for the first quarter:-

- the projected outturn position for the year;
- the position on the approved recurring savings projects; and
- the revenue management accounts.

1.2 The projected outturn is a £1.422m overspend. Action is required to address this.

2.0 Decision Required

2.1 The Environment & Transport Committee is asked to RESOLVE to:

- review the Revenue Management Accounts, from 1 April 2012 – 30 June 2012, including the projected outturn position and savings in the year; and
- identify and/or instruct officers to bring forward alternative savings proposals to address the projected overspend.

3.0 Detail

3.1 The budgeted expenditure and savings levels included in the services within the remit of the Environment & Transport Committee were approved by the Council on 9 February 2012. As such, they form part

of the Council's objectives of reducing General Fund expenditure to £119.9m in 2012/13, which includes the requirement to make savings of £15.4m across the Council this year. This is necessary to move the Council towards a position of financial sustainability.

At present the Council's level of expenditure is not sustainable and if left unchecked will result in reserves becoming fully depleted by 2017/18.

Any instances whereby a budget is overspent, or savings targets are not being achieved, have a direct impact on the Council's reserves. It is therefore vital to the future economic wellbeing of the Council that its budget, incorporating that of the services within the remit of the Environment & Transport Committee, are delivered in full.

- 3.2 Appendix 1 shows the projected outturn position for the first quarter by service area along with explanations of the major variances. This appendix shows the most vital information indicating the likelihood of an additional draw on reserves being required, in breach of Council policy.
- 3.3 Appendix 2 shows the position on approved recurring savings projects for the first quarter by service area along with explanations of the major variances.
- 3.4 Appendix 3 shows the revenue management accounts for the first quarter by service area along with explanations of the major variances.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities

There is a specific objective within the Corporate Improvement Action plan to ensure that, "the Council has established a rigorous process to ensure that its use of resources is on a footing consistent with implementing and sustaining its financial strategy, and demonstrate that it delivers services in a way which achieves Best Value".

4.2 Community /Stakeholder Issues – None.

4.3 Policy And/Or Delegated Authority

Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved a budget on 9 February 2012 for the 2012/13 financial year. This Report provides information to enable the Committee to ensure that the services within its remit are operating within the approved budgets.

4.4 Risk Management

There is a risk that services will not be delivered within the approved 2012 budget resulting in an additional draw on reserves, which is unsustainable.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The approved recurring savings projects are not likely to be achieved and there is a need to find one-off savings as a temporary substitute. At the end of quarter 1 the projected outturn is currently £1.422m over the approved budget.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The outturn position is projected to be over budget by £1.422m, therefore alternative savings require to be found to ensure that an additional draw on reserves will not be required.

5.2 The position on approved recurring savings projects is that there is a projected annual shortfall of £0.836m.

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List of Appendices

Appendix 1 - Infrastructure Services - Outturn Position for 2012/13

Appendix 2 - Infrastructure Services - Approved Recurring Savings 2012/13

Appendix 3 - Infrastructure Services - Revenue Management Accounts (April to June 2012)

Background documents:

Approved Budget Report, SIC 9 February 2012

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=3449>

END

Infrastructure Services

Projected Outturn 2012/13

Description	Annual Outturn 2011/12 £000	Annual Budget 2012/13 £000	Projected Outturn 2012/13 £000	Budget v Proj. Outturn Variance £000
Directorate	818	847	847	()
Environment & Transport Operations	5,348	5,045	5,262	(217)
Environmental Health & Trading Standards	1,583	1,470	1,470	
Ferry Operations	10,871	10,616	11,179	(563)
Roads	5,823	5,372	5,428	(56)
Trading Accounts	(1,711)	(1,668)	(1,083)	(585)
Total Controllable Costs	22,732	21,681	23,103	(1,422)

Explanation of Projected Outturn Variances:

- **Environment & Transport Operations** - £0.217m overspend - this overspend relates to the recurring savings which have been declared not to be deliverable in the current year.
- **Ferry Operations** - £0.563m overspend - this overspend also relates to the Ferry Review savings which have been declared undeliverable in 2012/13.
- **Roads Service** - £0.056m, overspend - relates to the recurring savings proposals which will not be delivered in 2012/13.
- **Trading Accounts** - £0.585m - this overspend relates to the Roads Trading Account surplus which will be unable to be delivered this year due to the budget savings reductions across the Council which will impact on the Trading Account.

It should be noted that the projected outturn for 2012/13 is £0.371m greater than last year's actual outturn.

Infrastructure Services**Approved Recurring Savings 2012/13**

Description	Approved Recurring Savings 2012/13 £000	Approved Recurring Savings Banked 2012/13 £000	Surplus/ (Shortfall) Year to Date 2012/13 £000	Projected Annual Surplus/ (Shortfall) 2012/13 £000
Directorate	49	49		
Environment & Transport Operations	959	606	(353)	(217)
Environmental Health & Trading Standards	286	246	(40)	
Ferry Operations	1,087	90	(997)	(563)
Roads	732	295	(437)	(56)
All Services	207	207		
Total	3,319	1,493	(1,827)	(836)

As can be seen from the above table, the approved recurring savings under the remit of the Environment & Transport Committee totals £3.3m, of which £1.5m has been banked to date. The Director of Infrastructure Services is confident that another £0.991m can be banked by the end of this year and has predicted a full year shortfall of £0.836m.

Explanations of Predicted Shortfall Variances:**Environment & Transport Operations**

- £0.031m - Review overtime arrangement for Transport Operations - this saving is unable to be met as it was double-counted during the estimates exercise.
- £0.030m - Close rural toilets - this saving is subject to a service review currently in progress and due to be completed by October 2012. Depending on the outcome, this saving may not be deliverable.
- £0.066m - Review of domestic bulky waste collection arrangements - this saving is subject to a service review currently in progress and due to be completed by October 2012. Depending on the outcome, this saving may not be deliverable.
- £0.080m - Close Viking Bus Station and Rural Freight Centre and lease Bus Station for alternative uses - this saving is not deliverable in isolation from the outcomes of the overall transport review.
- £0.010m - Review of Tingwall Airport including opening hours, days of operations and air ambulance activity - only 50% of the £0.020m saving is deliverable because staffing issues relating to fire fighter standby cover are still being addressed. Air ambulance activity from the airport is also under review.

Ferry Operations

- £0.563m - Comprehensive review of Ferry Services - approximately 50% of the £1.1m saving is not deliverable due to the time required for the review consultation and implementation.

Roads

- £0.050m - Develop a strategic parking strategy for Lerwick and introduce charges for car parking - this saving is not deliverable because this review is currently underway with the initial stage being a feasibility study. Should this study prove car park charging to be viable, a full review and consultation will be necessary and will take several weeks to complete. Given that there would be costs involved in providing any necessary equipment there would be insufficient time this financial year to make a return on this expenditure.
- £0.006m – Christmas Trees and Lights – this saving is subject to a review and may not be deliverable depending on the outcome.

In addition to the £1.493m recurring saving banked above, Environment & Transport Operations have identified £0.032m of recurring savings and £0.006m of one-off savings as an interim measure in the current year to deliver the 2012/13 budget. Therefore the total overall saving to date under the remit of this Committee is £1.531m.

However, if the overall shortfall in recurring savings of £0.804m cannot be met in the current year, an equivalent sum of additional recurring savings above the £14.4m already required in 2013/14 will need to be found to ensure ongoing reductions in expenditure.

Infrastructure Services**Revenue Management Accounts (April 2012 – June 2012)**

Description	Quarter 1 Budget 2012/13 £000	Quarter 1 Actual 2012/13 £000	Quarter 1 Variance 2012/13 £000
Infrastructure Directorate	204	184	20
Environment & Transport Operations	1,877	1,607	270
Environmental Health & Trading Standards	368	433	(65)
Ferry Operations	3,274	2,873	401
Roads	1,339	1,280	59
Trading Accounts	(95)	26	(121)
Total Controllable Cost	6,967	6,402	564

Explanations of Major Variances:**Real Variances****Ferry Operations (£0.401m under budget):**

- £0.104m underspend on ferry fuel as the budget was set at 62ppl and the delivery price in the period was 53ppl. This is a real underspend against budget set.

Timing Differences**Environment & Transport Operations (£0.270m under budget):**

- £0.082m increased income on Refuse Collection service. This is not a real underspend, it is a timing difference against budget plan.

Ferry Operations (£0.401m under budget):

- £0.330m overspend relating to outstanding insurance claims for ferry & terminal incidents in 2010/11. This is not a real overspend as it will be reimbursed by the insurance company;
- £0.401m underspend on vessel drydocking costs. This is not a real underspend, it is a timing difference against budget plan;
- £0.118m underspend on vessel & terminal maintenance. This is not a real underspend but due to planned works which are behind schedule;

Trading Accounts (£0.121m over budget):

- £0.316m overspend across the Roads trading account due to reduction in turnover related to the revenue savings exercise and the reduction in capital contracts value. This is mainly due to a timing difference in the budget plan for the Scord quarry. This is offset by £0.195m underspend on the Building Services trading account which is not a real underspend but a timing difference against the budget plan.

**Environment & Transport Committee****15 August 2012****Infrastructure Services Quarter 1 Performance Overview****ISD-07-12-F****Report Presented by Director of
Infrastructure Services****Infrastructure Services Department
/ Directorate****1.0 Summary**

- 1.1 This report summarises the activity and performance of the Infrastructure Services Department for the first quarter of 2012/13 against the objectives and actions in the Infrastructure Services Directorate plan endorsed by the Environment & Transport Committee in June 2012 (Min Ref: 11/12).

2.0 Decisions Required

- 2.1 Members are requested to discuss the contents of this report and comment on progress against objectives and outcomes to inform activity for the remainder of this financial year and to inform the planning process for the next and future years.

3.0 Directorate Plan Objectives and Actions

- 3.1 The Environment and Transport Committee endorsed the Infrastructure Services Directorate Plan on 06 June 2012. The Council's Planning and Performance Management Framework and the Council's constitutional arrangements require periodic reporting of activity and performance to functional committees.
- 3.2 The Infrastructure Services Directorate Plan identified 39 Directorate wide objectives. Appendix 1 details the progress made towards these objectives during the first quarter of 2012/13.
- 3.3 The Infrastructure Services Directorate Plan also identified 224 service actions for improvement, operational service delivery, budget savings and risk management in a comprehensive action plan for the Directorate as part of the service planning process for 2012/13; the overall performance of the Directorate against these actions is that

88% of actions are currently on track and classified as Green or Amber and 12% are classified as Red and are “off track” as detailed below:

Service	Number of Actions	RAG Rating	Number	%
Environmental Health and Trading Standards Service Action Plan	19	Green	18	95%
		Amber	1	5%
		Red	-	-
Transport Operations Service Action Plan	28	Green	22	79%
		Amber	2	7%
		Red	4	14%
Building Services Service Action Plan	19	Green	18	95%
		Amber	1	5%
		Red	-	-
Waste Management Service Action Plan	11	Green	6	55%
		Amber	4	36%
		Red	1	9%
Cleansing Services Service Action Plan	35	Green	8	23%
		Amber	18	51%
		Red	9	26%
Environment and Energy Service Action Plan	14	Green	14	100%
		Amber	-	-
		Red	-	-
Ferry Operations Service Action Plan	32	Green	18	56%
		Amber	10	31%
		Red	4	13%
Ports and Harbours Service Action Plan	21	Green	14	67%
		Amber	1	5%
		Red	6	28%
Roads Design and Road Safety Service Action Plan	13	Green	8	62%
		Amber	3	23%
		Red	2	15%
Roads Asset and Network Management Service Action Plan	20	Green	14	70%
		Amber	5	25%
		Red	1	5%
Roads Maintenance Service Action Plan	12	Green	9	75%
		Amber	3	25%
		Red	-	-
Infrastructure Services Directorate Plan Total	224	Green	149	67%
		Amber	48	21%
		Red	27	12%

3.4 Details of the 27 actions categorised as RED are given in appendix 2 together with the corrective actions which are proposed to bring these actions back on track.

4.0 Performance Indicators

4.1. The Infrastructure Services Directorate Plan included performance indicators for both the Directorate and the service action plans. Due to the tight committee deadlines for this cycle following the end of the first quarter work is still ongoing to collate this information for the first quarter. The results are detailed in Appendix 3 which will be tabled at the meeting.

5.0 Budget

Revenue Expenditure

- 5.1. A detailed report on the quarter 1 financial position of the Infrastructure Directorate is presented at Item 1 on this agenda, however the following paragraphs summarise the quarter 1 financial position for the Directorate.
- 5.2. At the end of Quarter 1 the directorate was some £564k (8%) underspent against its quarter 1 revenue budget of £6.967m. However, it is anticipated that by year end there will be an overspend of £1.422m against a budget of £21.681m (7%). Every effort is being made to reduce this predicted overspend by year end and officers are currently identifying additional savings that could be made to offset this with a view to bringing a further report to Members in due course.

Capital Expenditure

- 5.3. At the end of Quarter 1 the Directorate was some £0.608m (60%) underspent against its quarter 1 budget of £1.008m. However, currently it is anticipated that by year end that figure will have increased to £4.032m (100%) against a budget of £4.032m.

6.0 Implications

Strategic

- 6.1. Delivery On Corporate Priorities – Effective Planning and Performance Management are key features of the Councils Improvement Plan and part of the “Organising our Business” priority in the Council’s Improvement Plan.
- 6.2. Community /Stakeholder Issues – NONE
- 6.3. Policy And/Or Delegated Authority –

The Councils Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;

“Monitor and review achievement of key outcomes in the Service Plans within their functional area 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.”
- 6.4. Risk Management – Embedding a culture of continuous improvement and customer focus are key aspects of the Council’s improvement

activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.

6.5. Equalities, Health And Human Rights – NONE

6.6. Environmental – NONE

Resources

6.7. Financial – The actions, measures and risk management described in this report has been delivered within existing approved budgets.

6.8. Legal – NONE

6.9. Human Resources - NONE

6.10. Assets And Property – NONE

7.0 Conclusions

7.1. The report demonstrates good progress against the priorities identified in the 2012/13 Infrastructure Services Directorate Plan. For actions that are rated as Red or amber corrective action has been or will be taken. Officers are currently identifying additional savings that could be made to offset the identified potential overspend with a view to bringing a further report to Members in due course.

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7 August 2012

List of Appendices

Appendix 1 – Directorate Objectives

Appendix 2 - Off Target Actions and Corrective Action

Appendix 3 - Monthly Performance Indicator Results (where available)

Appendix 1 Infrastructure Services Directorate Plan Objectives

Customer relations:	Target	Progress
<ul style="list-style-type: none"> We will improve our customer relationships by reviewing our existing customer intelligence and feedback processes and develop user friendly feedback forms/methods. Executive Managers will evidence how we have acted on the feedback to improve our services so we can implement service improvements. 	Ongoing	Building and Transport Operations are investigating the implementation of electronic customer feedback on all works carried and completed.
Other partners:		
<ul style="list-style-type: none"> We will improve our relationship with Community Councils and other partners by engaging in face to face dialogue about Infrastructure Services in particular and rest of the Council in general. We will be clear about our roles and what we can and can't do. We will respond positively to invitations to meetings/site visits or other opportunities. We will identify issues early to engage before a problem arises. We will ensure issues identified are passed on the next working day and response provided before their next scheduled meeting keeping the informer in the loop. 	Ongoing	Infrastructure Services staff attended 14 consultation events in June / July 2012 as part of Infrastructure Services Review consultation. Staff have also attended Community Council meetings when requested.
<ul style="list-style-type: none"> We will prepare an engaging programme of induction for the new Councillors. 	May 2012	Infrastructure Services management team undertook a number of sessions during the members induction fortnight.
<ul style="list-style-type: none"> We will commit to offer Members opportunities for ward walks to build relationships and understanding. 	Ongoing	Several Members attended ferry Review consultation events. Invitation issued to Chair and Vice Chair of Environment and Transport Committee to visit ships and office.
<ul style="list-style-type: none"> We will involve Committee Chairs in regular meetings with the Director and Executive Managers. 	Ongoing	Chair and Vice Chair of Environment and Transport are involved in the ferries review project board and also involved in the early stages of the development of a prioritisation system for road improvements.
<ul style="list-style-type: none"> We will discuss Member concerns 'Face to Face' rather than emails where possible. 	Ongoing	A number of meetings have taken place with members on ward specific matters involving

		Director and Executive Managers
BV2:		
<ul style="list-style-type: none"> We will evaluate our services using 'How Good is Your Council?' or other industry standards in preparation for BV2. 	December 2012	Building Services, Roads, waste management and cleansing services are compiling APSE performance benchmark data which will compare our performance against that of other Scottish Local Authorities. Other services are also looking at benchmarking data
<ul style="list-style-type: none"> We will use the evaluation to benchmark our services. 	December 2012	As above
Bottom lines:		
<ul style="list-style-type: none"> We will identify the statutory and mandatory baselines for our services 'bottom lines' for service change. 	August 2012	Work is ongoing to identify additional in year savings to bring the Directorate spend in line with available budgets which will involve identifying statutory and mandatory service levels.
<ul style="list-style-type: none"> We will not lose sight of the need to remain compliant and functional in the process. 	Ongoing	Ports and Harbours have recently been audit by the MCA in regards with the operation of VTS and also have recently retained their ISO accreditation following and audit by DNV
Savings targets:		
<ul style="list-style-type: none"> We will identify project leads, timelines, project plans, key milestones, and support and governance arrangements for all the reviews Infrastructure are leading. 	April 2012	The Infrastructure review team are coordinating all reviews which are being led by Executive Managers and are ensuring that reviews progress as effectively as possible within the resources available.
<ul style="list-style-type: none"> We will participate in corporate and other reviews as needed throughout the year; we will have a clear picture of who is involved in what and a feedback mechanism to ensure Infrastructure views are heard. 	Ongoing	Executive Manager - Roads is member of ICT Board and member of Planning Review. Executive Manager Environmental Health and Trading Standards is a member of the Admin Review Team Director is leading the review of the Employee Review and Development Policy
<ul style="list-style-type: none"> We will update DMT monthly on the progress of reviews. 	Monthly	Service Reviews and Budgets are a standing item

		on the DMT agenda
<ul style="list-style-type: none"> We will keep elected members updated throughout the year via the agreed governance arrangements. 	Ongoing	Quarterly performance and budget reports are submitted to the relevant committees
Supporting staff :		
<ul style="list-style-type: none"> Regular team meetings will be in place in each service where we will be open about all issues including the Council's financial position. 	Ongoing	Team meetings are in place and seminar on the council's budget has been held for the Infrastructure Services wider management team to ensure all managers are aware of the up to date budget position so staff can be appropriately briefed
<ul style="list-style-type: none"> We will develop mechanisms to encourage staff involvement, innovation, staff recognition and communication by actions such as Executive Managers speaking directly to all front line staff at least once a year and ensuring that Team Briefs are enabling two way communication up and down the organisation. 	Ongoing	<p>Director currently commits 1 day per month to front line service visits</p> <p>Building Services carrying out a "Lean2" exercise to explore further areas for improvement.</p> <p>Ports Project involves a staff representative and staff working group. The project has also held an away day for staff with more planned.</p>
<ul style="list-style-type: none"> We will undertake team building involving the team leaders. 	August 2012	Wider Management team meeting held 2 August 2012
Internal relationships:		
<ul style="list-style-type: none"> Executive managers will participate in other meetings such as Corporate Improvement Theme Groups, Corporate Savings Reviews, Strategic Partnerships and Local Service Delivery Groups 	Ongoing	<p>Executive Managers attending improvement theme groups</p> <p>Director lead Director for Improvement Areas 5 and 8 and also a member of Area1 improvement group</p>
<ul style="list-style-type: none"> Self Assessment – peer support to be offered across directorate following the Executive Influence event in June 2012. 	Ongoing	To be progressed
<ul style="list-style-type: none"> Member involvement in cyclical meetings, away days, briefings and seminars will be initiated by the Director at least quarterly or more often when significant service issues arise. 	Quarterly	Member Involvement in the Infrastructure Services away day, ferries review and roads prioritisation project.
<ul style="list-style-type: none"> Department meetings to include Team Leaders at least 6 monthly. 	Bi-Annual	Wider Management team meeting held 2 August 2012

<ul style="list-style-type: none"> Individual Service Review Projects need to consider cross service implications and ensure appropriate consultation with other Executive Managers. 	Ongoing	Workshop Session held with stakeholders including other Exec. Managers on 7 June 2012 for Infrastructure Services Reviews
Balanced budget:		
<ul style="list-style-type: none"> Monthly monitoring and management of directorate budget by DMT 	Monthly	Monthly budget reports presented by Directorate accountant at DMT
<ul style="list-style-type: none"> Quarterly budget reporting to DMT and CMT 	Quarterly	Quarter 1 budget and performance report to CMT and Environment and Transport Committee in August and Harbour Board in September
<ul style="list-style-type: none"> Budget delivered to balance or below by March 2013 	March 2013	Quarter 1 monitoring has identified a potential £1.4 million overspend. Work is ongoing to identify additional in year savings to bring the Directorate spend in line with available budgets
Medium term budget strategy:		
<ul style="list-style-type: none"> DMT to identify what we continue to do across the Directorate by September 2012 	September 2012	
<ul style="list-style-type: none"> Identify budget trends & predictions 	Ongoing	
<ul style="list-style-type: none"> DMT to feed into CMT's formulation of medium term budget through representation on the Financial Improvement Theme group. 	Ongoing	
<ul style="list-style-type: none"> Review twice a year 	Bi-Annual	-
<ul style="list-style-type: none"> Develop an asset maintenance plan with budget as part of Improvement Theme Group by October 2012. 	October 2012	Completed for Ferry Terminals. Revised budgets implemented; draft building maintenance policy to be issued for comments Q2; objective is to reduce the Council's footprint and the number of offices in operation.
Improved reputation:		
<ul style="list-style-type: none"> Be proactive in contact with members & customers by using the Communication Team and engaging them in the work of our services. 	Ongoing	Meetings and frequent conversations with Communications Team by all Infrastructure Management Team
<ul style="list-style-type: none"> Work to promote our successes 	Ongoing	Success stories passed to communications team

		where appropriate e.g. Apprentice of the year finalist
• DMT will define our public reputation aspirations.	June 2012	Still to be Started
• DMT will, with support from Communication Team identify the gaps between our aspirations and reality.	September 2012	Still to be Started
• DMT will develop and implement a reputation management action plan.	November 2012	Still to be Started
Sound performance management:		
• DMT to develop Infrastructure Performance Indicators that are customer focussed.	June 2012	Ongoing
• Quarterly reports to Committee & DMT & CMT by Infrastructure Director	Quarterly	Quarter 1 performance report to CMT and Environment and Transport Committee in August and Harbour Board in September
• Make full use of software	Ongoing	Covalent reports for some indicators now being regularly circulated, ongoing development in place
• Executive Managers to develop Service plans and team plans that are customer focussed in terms of outcomes and performance measures.	June 2012	Done and endorsed by Environment and Transport Committee and Harbour Board in June

Appendix 2 Off Target Actions And Proposed Corrective Action (Red Indicators in Service Pan)

1st Quarter: April to June 2012 Inclusive

Improvement Actions									
Ref	Improvement Outcome for the Customer	Improvement Objective	Improvement Action	Alignment with Council Action Plan			Targets	Timescales	Reason For Off Target Performance And Corrective Action For Next Quarter
				SOA Ref	IP Ref	BS Ref			
WSI3	Cost of service provision is reduced for the tax payer	Increase income	Monitor markets trends and costs for recycling waste and Review of Gate fees to reflect on actual costs for recycling				Increase income to breakeven	Sept 2012	Market prices are being monitored. Gate fees to be reviewed following meeting with disposa contractors and as part of budget review process in Oct 12.
PHI2	Improved response time to enquiries	Update Ports Filing System	Develop an efficient filing system (DH)	1 (8)	5.3		Reduce number of file references. Increase efficiency.	September 2012	The current level of staff resources mean that this target has slipped. The work is 20% complete and the revised date is now December 2012
PHI5	Improved security	Compliance with national and international regulations	Develop Plan for Fair Isle. (PS) Review plans for other assets. (PS)	1 (8)			100% Compliant	July 2012 <i>Fair Isle now expected Oct 2012.</i>	The current level of staff resources mean that this target has slipped. The work is 50% complete and the revised date for Fair Isle is now expected Oct 2012

All other plans still expected to be completed by target due date of October 2012

Operational Service Delivery Actions

Ref	Outcome for the Customer	Objective	Action	Alignment with Council Action Plan			Targets	Timescales	Reason For Off Target Performance And Corrective Action For Next Quarter
				SOA Ref	IP Ref	BS Ref			
CS7	Quicker response times for customers	Improve response time for collecting requested items	Investigate area-based rota system for collecting items, including 'Hippo' bags				Investigation completed	December 2012	To be investigated as part of bulky uplift collection service review in Oct 12.
CS9	Reduced litter from poorly presented waste	Improve efficiency of refuse collection service and cleanliness of local area	Investigate changes to design of Sandveien and Nederdale communal bin stores to accommodate wheeled bins and recycling containers				Investigation completed	March 2013	This improvement is in partnership with Housing Service. Due to SIC budget reductions, it is unlikely to be implemented in 12-13. To be considered again in 13-14.
CS13	Reduce cost of service delivery	Improve efficiency of	Purchase suitable				Vehicle in place	September 2012	To be reviewed when Scottish Government

	for tax payer	recycling operation	replacement vehicle for Toploader - investigate change from 'beehive' containers to wheeled bin containers						statutory guidance on recycling is published in August 12.
CS18	Cleaner Streets and/or reduced cost of service delivery for tax payer	Improve effectiveness of cleansing operations	Investigate use of / purchase of Johnston L.G.V. mechanical sweeping vehicle with Roads Service				Investigation complete	September 2012	This improvement is in partnership with Roads Service. To be investigated after summer surface dressing programme has been completed.
CS19	Less litter and flytipping	Co-ordinated education and enforcement activity by the agencies in Shetland who have a remit to address litter and flytipping	Review SIC 'Litter Plan'				Review Complete	March 2013	To be reviewed when Scottish Government statutory guidance on recycling is published in August 12.
CS24	Reduce cost of service delivery for tax payer	Save money purchasing supplies to make a more efficient service	Cleaning supplies - review use and purchase arrangement				Review complete	March 2013	To be investigated with Scotland Excel and as part of budget review process in Oct 12.
CS25	Reduce cost of service delivery	Increase flexibility of mobile	Investigate purchase of				Investigation complete	March 2013	Due to reduction in SIC capital

	for tax payer	'Portaloo' hire service and increase income	individual 'Portaloo' units						expenditure budget for 12-13, no budget was allocated to this project. New target date April 13.
PHS2	Maintain navigational safety.	Compliance with duties of conservancy. Improve reliability. Improve maintenance access	Replace navigational lights on Burra and Tondra bridges. (PE)	1 (8)	8.2		Improve statutory performance indicators.	01 August 2012	Awaiting completion by contractor Trondra Complete Burra to be completed by end of August
PHS6	Maintain safe berthing facilities	Maintain small craft / tender facility at Balta Sound	Repair facility (PE)	1 (8)				Temporary fix by July 2012 Permanent fix by April 2013	The current level of staff resources mean that this target has slipped. Temporary fix to be completed by end of August. Permanent fix still expected by due date.
PHS7	Improved service delivery	New tugs into full service	Complete study, effect modifications and bring into service (PT)	1 (2)	8.2		New tugs in service 100%	October 2012	Tank modelling and simulations ongoing.
PHS9	Improved Information Flow	Increase business throughput and improve performance reporting to users of the service.	Research and develop online information and marketing streams (e.g. Twitter, Facebook)	1 (4)	1.4 3.2		Increase use of facilities through the forum of online media.	March 2013	The current level of staff resources mean that this target has slipped. Will be picked up by new executive manager.

			(EM)						
TS3	Reduce cost of aerodrome operations to the tax payer	Assist Direct Flight in providing service	Baggage Handling		5		Service provided	July 2012	Delayed pending overall transport review. Agreement with Direct Flight in principal. Working on alternative to train Direct Flight Engineers as fire fighters, which will reduce the cost of operation significantly. If these engineers can be trained in August 2012, SIC would undertake baggage handling alongside Direct Flight for free.
TS4	Reduce cost of public sector operations to the tax payer	Provide lower cost fuel to partners through agreement with partner agencies	Sell Road Fuel to partner agencies		5		Agreement in place	July 2012	Delayed pending overall transport review, but more complex than first appreciated, legal issues to resolve with regard to joint purchasing and dispensing.
RS6	Transport Restrictions are minimised for our	Maintain Shetland's Road Network	Deliver the agreed programme of	13	8.1		95% Schemes delivered	March 2013	Delayed because the gateways were not approved until 4 July

	customers		Bridge Improvement Schemes						2012. Works now underway but are weather dependant. Additional resources will be employed to assist with delivery if required.
RS10	Customers have a more efficient and reliable road network that minimises transport restrictions	Maintain and improve Shetland's Road Network	Deliver the agreed street lighting improvement programme	10 & 13	8.1	Yes	95% of Schemes delivered	March 2013	Delay due to council decision that the Gateways should await the street lighting review. The review report is scheduled for October 2012.

Savings Reviews / Assessments

Ref	Outcome for the Customer	Objective	Action	Alignment with Council Action Plan			Targets	Timescales	Reason For Off Target Performance And Corrective Action For Next Quarter
				SOA Ref	IP Ref	BS Ref			
CS1	Cost of service provision is reduced for the tax payer and reduction in level of service	Reduce the costs of service provision.	Complete Review of Rural Toilets				30,000	March 2013	The Target saving was based on the closure of 6 rural toilets from 1 April 2012. The council decision was not to close the toilets but to review there provision, the review is ongoing but it is not possible to make the full year saving

									this year.
CS3	Cost of service provision is reduced for the tax payer	Reduce the costs of service provision.	Review Bulky Waste Collection Service				46,000	March 2013	The Target saving was based on the implementation of a Bulky Waste Collection Service and cancelation of the community skip contract from 1 April 2012. The council decision was not accept this saving but to review the provision of community council skips, the review is ongoing but it is not possible to make the full year saving this year.
TOS1	Service Costs reduced for the tax payer and likely reduction in level of service	Review Viking Bus Station and Rural Freight Centre	Possible closure/lease for other purposes			26	Review Completed	31/3/2013	The Target saving was based on the closure of the bus station and rural freight centre from 1 April 2012. The council decision was not accept this saving but to review the bus station and rural freight centre to find alternative savings, the review is ongoing but it is not possible

									to make the full year saving this year.
TOS2	Service Costs reduced for the tax payer and likely reduction in level of service	Review Tingwall Airport	Including opening hours, days of operation and air ambulance operation			27	Review Completed	31/03/2013	The Target saving was based on not accepting the air ambulance and reducing the days of operation at Tingwall airport from 1 April 2012. The council decision was not accept this saving but to review the provision airport to find to find alternative savings the review is ongoing and will be linked with the overall review of the air service but it is not possible to make the full year saving this year.
FS 1	Operational costs are minimised for the tax payer and likely reduction in service	Reduce costs in line with budget strategy.	Deliver the Ferry Service Review. (EM)			SR29	£765k in year 1 and £697k in year 2.	£765k in 2012/13 and £697k in 2013/14.	Initial report to Special Council meeting on 9 October 2012. Due to complexity of the review and number of options considered the scale of the work required is greater than anticipated, staffing changes will require at least 3

									months to implement following council approval. As such it is not possible to make the target savings in this year.
FS 3	Operational costs are minimised for the tax payer and likely reduction in service	Reduce costs in line with budget strategy.	Charge OAPs. (RM)			SR31	£33k		Members requested multi journey ticket options which the existing ticket machines cannot provide. Agreed to consider this proposal as part of the wider Fares Review and delay implementation until new ticket machines available.
FS10	Operational costs are minimised for the tax payer.	Reduce costs in line with budget strategy.	Sell advertising (RM)			ES147	£10k	2012/13	Awaiting advice from Legal. Unlikely to deliver income in 2012/13.
FS12	Operational costs are minimised for the tax payer.	Procure fuel differently.	Tender fuel purchase (ME)			ES149	£90k	2012/13	Nation wide tender failed to deliver savings. SIC Procurement section carrying out own tender but unlikely to deliver significant saving in 2012/13. However, current fuel price is within current budget.

RSS2	Vehicle users contribute to the costs of managing and maintaining car parking reducing overall costs to the general tax payer	Manage on and off street parking in Lerwick in a coordinated and managed way	Deliver the Strategic Parking Review	3 & 13	8.5		Achieve an additional income stream of £100,000	March 2013	The current level of staff resources mean that this target has slipped. Initial data gathered which needs to be compiled into a report. Increase staffing priority to correct delay.
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**Environment and Transport Committee****15 August 2012****Dog Fouling****Report Number : EHTS-03-12-F****Executive Manager-Environmental Health and Trading Standards****Infrastructure Services Department****1.0 Summary**

- 1.1 The purpose of this report is to ask Members to consider trialling the use of dog waste bag dispensers in two key dog walking locations to address ongoing problems with dog fouling. The report also sets out the initiatives and approaches to enforcement, engagement and education deployed to address dog fouling across Shetland.

2.0 Decision Required

- 2.1 The Committee are asked to approve the implementation of an evaluated trial to establish whether dog waste dispensers at key locations will be an effective tool to tackle dog fouling.

3.0 Detail

- 3.1 Dog fouling is consistently the issue that causes most concern for residents and Community Councils and is highlighted in community consultations as a problem that is not being adequately addressed. Dog fouling is not only unpleasant it is hazardous to health. The biggest threat to public health from dog excrement is Toxocariasis. Toxocariasis is an infection of the roundworm *toxocara canis*. A single infected puppy can produce more than 100,000 roundworm eggs per gram of faeces. The eggs become infectious within 3-6 weeks and can remain viable for over a year in soil in the UK. If swallowed, this can result in an infection that lasts between six and 24 months. Symptoms include blindness, headaches, muscular pain, dizziness, fever, nausea, anaemia and respiratory disorders including asthma. Often the eggs are ingested when passed to the mouth by the hands, but this can also occur through direct contact with dogs or inanimate objects such as the wheels of toys, prams and the soles of shoes. One survey found egg - positive soil samples in 66% of London parks (Lloyd, 1998).

- 3.2 In 2006 the Chief Medical Officer for Scotland published a report which identified that environmental incivilities, such as litter, graffiti and dog fouling have a negative impact on human well-being. Those who believed the environment in their neighbourhood is poor were more likely to report anxiety, depression and a generally poor state of health. They were less trustful of others, more resigned about difficulties in their area and more likely to live in fear of crime.
- 3.3 Addressing dog fouling is therefore a service priority for Environmental Health. Regular proactive patrols are undertaken by the Neighbourhood Support Workers (NSWs). Patrol routes are based on fouling levels in areas and altered to address specific complaints. These are scheduled for early mornings, evenings and weekends. All Environmental Health staff are trained and authorised to enforce dog fouling legislation and these staff will undertake enforcement whilst carrying out other duties and will join the NSWs in targeted enforcement activity. Targeted activity tends to be in response to specific complaints or information from the public about individual dog walkers who have a pattern of regularly leaving dog fouling in an area, and will be arranged at times when the complaints suggest the alleged offender is most likely to be caught.
- 3.4 It is extremely difficult to catch anyone when undertaking an enforcement patrol. If people think that they are being watched they will clean up after their dog. On average the service issues under 5 Fixed Penalty Notices (FPNs) per year despite annually increased numbers of focused patrols. Around 80 enforcement letters are sent out each year based on information received from the public, where authorised officers have not witnessed an offence. Both the FPNs and the letters are hand delivered where possible to attempt to engage and educate the offenders. The low level of FPNs issued is because the vast majority of people do clean up after their dog. Patrols are most effective as a visual deterrent and reminder of the ongoing threat of enforcement. They are also useful opportunities to engage dog walkers and speak to the wider community about dog fouling and other issues.
- 3.5 The NSWs have also developed in partnership with Community Council an education programme delivered to schools. The school children are taught about the law and discuss the health and social impacts of fouling and then prepare a letter to local residents in an area which requests that that people clean up after their dog. This approach has been particularly effective in Tingwall and Sandwick at reducing dog fouling immediately after the letter has been issued. The NSWs also attend Community Shows, give talks to schools and community groups and attend other events to educate people on the law and engage the community in activities to address dog fouling.
- 3.6 In the past campaigns have been run which successfully highlight dog fouling to stimulate public discussions and educate those who still believe it is acceptable to leave dog fouling. The Pink Poo campaign was particularly successful in promoting the message. This engaged responsible dog owners in monitoring, highlighting and reporting dog fouling as well as them providing advice and free dog bags to other dog walkers. This again resulted in a reduction in fouling in the targeted areas for a period of time after the campaign finished.

- 3.7 Last winter a new campaign was launched in response to the dark mornings and evenings which seem to encourage more fouling as people believe that they are less likely to be seen or caught. A poster with the slogan “Its just as disgusting after dark” was effective in the targeted areas combined with increased press coverage and a targeted proactive enforcement at reducing fouling incidences immediately after the campaign launch. The aim of these types of publicity campaign is to remind people of the law but more importantly to encourage the public to report those people who don’t clean up after their dog and enable the service to gather better information so that patrols can be more effective.
- 3.8 In evaluating these campaigns, it is evident that the impact wears off. The press coverage or new posters increases the perception that there is a threat of enforcement action or of being challenged by a member of the public, which changes behaviour for a short while, followed by a lapse back to the habit of leaving dog fouling behind. This is why the campaigns need to change and new ways to highlight the issues are being developed, particularly looking at using community action to make it clear that dog fouling is unacceptable in their area.
- 3.9 Research undertaken by Keep Britain Tidy in 2011 highlighted that Fixed Penalty Notices are also not an effective tool for altering long-term behaviour. They result in short term change in some offenders but in the long term most offenders just become more careful about being caught- essentially making them more proficient at offending and better at hiding their behaviour from those around them.
- 3.10 In March 2010 the Council approved a proposal that offenders should be given an alternative to payment of a FPN (Min Ref 15/10). This gives offenders caught littering or dog fouling an opportunity to attend an education programme instead of paying their fine. This programme explores with the offender the impact and consequences of their behaviour, considers how other people perceive them, the influence their behaviour has on others and challenges them to change their behaviour in the future. Around 8-12 people have been attending these sessions over a year and report an increased understanding of the law and the impacts on the environment of littering/dog fouling. They are also taken on a patrol with the NSWs when it is appropriate. The programme continues to create an opportunity for engagement with offenders to enable behaviour change and is more cost effective and less resource intensive than pursuing a prosecution following the non-payment of FPNs. A few people would still rather pay the fine than give up their time to attend the education programme.
- 3.11 In April 2011 the Council approved the decision to stop giving out free dog waste bags as part of the budget saving exercise. This delivered a £1000 saving per annum to the Environmental Health budget. As the provision of bags was under review no more bags were ordered when they ran out in January 2011. The table below shows a 31% increased incidence of dog fouling once the bags were stopped which appears to substantiate the community view that dog fouling is worse than it used to be. It should be noted that this is not likely to be a purely inverse relationship between dog fouling incidences and the provision of free bags and other issues, such as a rise in status dog ownership by young people may be equally relevant to the increase in dog fouling.

Dog Fouling cleaned up by Cleansing Services	Recorded each year from Jan to July	
	Total Recorded Incidents	Increased each year by
With Free Bags Jan - July 2010	447	
No Free Bags Jan - July 2011	529	82
No Free Bags Jan - July 2012	584	55

- 3.12 It is proposed that this relationship should be tested to establish whether provision of free dog waste bags in an area will reduce dog fouling. The Environmental Health service has recently received a donation of £500 to spend on an Environmental Campaign following a pollution incident. It is proposed that four dog waste bag dispensers be purchased and maintained with free dog waste bags for 12 months to establish whether this reduces fouling in the areas. The Clickimin Loch Path and the Knab Path would have a dispenser placed at each end of the paths and the dispenser will be maintained full. It is estimated that it will cost around £79 per dispenser. The waste bag packs are around £20 per pack and companies who sell these units estimate a pack would last around a month in busy national park so it maybe that they would last longer in these areas. If the £500 donation cannot provide sufficient packs to service the units for the 12 months trial then the Environmental Health Service would evaluate the trial earlier and report the results back to committee sooner, if it appears it is worth continuing.
- 3.13 It is unlikely that the provision of free dog waste bags alone secures long term behaviour change. In the past bags were provided from in local shops, vets and Council offices, the difference in this trial is that they would be provided where the dogs are being walked. The provision of free dog waste bags at the location where dogs are being walked could be a strategy to promote more responsible behaviour and overcome barriers for dog walkers. Most dog walkers are responsible but even they may forget a bag or need more bags than they took out with them. The provision of free dog bags from dispensers is in direct conflict with the decision taken in April 2011 to stop the provision of free bags, so a Council decision is required to enable such a trial to be implemented.
- 3.14 It is believed that such a trial may lead to a spend to save bid. It is estimated to cost around £3.57 per dog fouling incident cleaned. The cost in Jan-July 2012 was £2084.39. The increase in fouling of 137 incidents over the period has cost the Council an additional £489.09. These costs are at the lower end of the estimates as this cost has been calculated based on the cost of a clean up during routine street cleansing operations, rather than for the cost of a specific call out following a report of fouling, which many of these clean up incidences will be. A call out would have increased costs due to travelling time to get to the site.
- 3.15 The possible relationship between Status Dog ownership and increased dog fouling is already being addressed by the development

of a responsible dog ownership education programme through partnership working with Housing Outreach, Hjaltsland Housing Association and Bridges. This is a commitment identified in the Single Outcome Agreement.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – The Environmental Health Service helps to make Shetland Healthier and Greener- an objective in the Single Outcome Agreement through tackling dog fouling. The responsible Dog Ownership campaign for owners of status dogs is an action in the Single Outcome Agreement.
- 4.2 Community /Stakeholder Issues – Dog Fouling issues were the main community concerns highlighted in Wir Community, Wir Choice and Sound Choices consultations. Lerwick Community Council have expressed concern about the worsening dog fouling problems and have highlighted both the Knab and the Clickimin Loch Path on a number of occasions as areas with a significant problem.
- 4.3 Policy And/Or Delegated Authority –In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegation, the Environment and Transport Committee has delegated authority to make decisions on matters within approved policy and for which there is budget.
- 4.4 Risk Management – There is a health risk from Dog Fouling. It impacts on the environment and negatively impacts on community wellbeing and the sense of community safety. Failing to address dog fouling is a reputation risk to the Council particularly if it impacts on the Cleanliness Index.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – Failure to tackle Dog Fouling is detrimental to the environment, which has an impact on the health of individuals as well as wider community health and wellbeing. It also impacts on the Cleanliness Index which denotes overall how clean Shetland's roads are and acts as a guide for comparison across other local authority areas.

Resources

- 4.7 Financial – A £500 donation has been received which would enable this trial to proceed. It is anticipated that this could also reduce costs and may be a future spend to save, if it proves successful.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusion

- 5.1 The report sets out the variety of ways that the Environmental Health Service tackle dog fouling and secure behaviour change in the small number of irresponsible dog owners who continue to fail to clean up after their dogs. The evidence base shows that most activity secures a small shift in behaviour which then lapses so the strategy of enforcement combined with education programmes and community engagement is important. It also shows that there is a need to refresh campaigns regularly so that their impact is maintained. The incidence of dog fouling appears to be increasing following the decision to stop providing free dog waste bags and it is proposed that a new approach of providing a dog waste bag dispenser in key dog walking locations could be trialled at no cost to the Council following receipt of a small donation to Environmental Health for an Environmental Campaign.

For further information please contact:

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2 August 2012

END

**Environment & Transport Committee****15 August 2012****Appointment to Shetland Access Forum**

PL-20-12-F

Report Presented by Heritage Manager**Development Services Department /
Planning Service****1.0 Summary**

- 1.1 The purpose of this report is to seek a nomination from the Environment and Transport Committee to represent the Council on the Shetland Access Forum.

2.0 Decision Required

- 2.1 I recommend that the Environment and Transport Committee nominate and appoint a Member of the Committee to be an observer on the Shetland Access Forum.

3.0 Detail

- 3.1 Under Section 25 of the Land Reform Act 2003 there is a requirement for the Council to establish for its area a Local Access Forum to advise it and other persons or bodies consulting the Forum on matters concerning access rights and related matters in Shetland.
- 3.2 The Shetland Access Forum is comprised of representatives of many user groups and groups with an interest in countryside access in Shetland.
- 3.3 Section 25(5) of the Act states that, "The Local Authority may appoint one or more of its own Members to the Local Access Forum". It is suggested that the Committee nominate one Member as an observer on the Shetland Access Forum at this time.
- 3.4 The roles and objectives of the Access Forum are to advise the Council and any other person or body consulting the Forum, on matters relating to:

- The exercise of access rights,
 - The existence and delineation of rights of way, and
 - The drawing up and adoption of a plan for a system of core paths.
- 3.5 To offer, and where accepted give assistance to parties who are in dispute about:
- The exercise of access rights,
 - The existence and delineation of rights of way,
 - The drawing up and adoption of a plan for a system of core paths, and
 - The survey of core paths.
- 3.6 The Forum:
- Consists of representatives nominated by the respective stakeholder groups,
 - Allows any stakeholder group representative unable to attend specific meetings to be temporarily replaced at these by a substitute acceptable to the stakeholder group concerned and irrespective of whether from the same organisation as the representative,
 - Has a maximum of 12 members excluding Council officers,
 - Includes one elected Member of Shetland Islands Council with appropriate interests in access matters who will attend in an observer capacity,
 - Has a maximum term of individual membership for three years,
 - Elects a chairperson from its membership to serve for a term of one year,
 - Invites such parties to meetings as it may consider relevant for the purpose of providing expert advice on any matter arising,
 - Is accountable to and report back to the yearly seminar, open to anyone who has an interest in access,
 - Holds meetings four times each year or as it otherwise agrees.
- 3.7 Membership of the Forum is open to all with an interest in access management in Shetland and includes representatives of the following stakeholder groups:
- Recreationalists and access users including people with disabilities,
 - Land owners and managers,
 - Local community interests,
 - Conservation organisations and individuals, and
 - Public bodies and agencies with an interest in access issues in Shetland.
- 3.8 Council officials and country rangers do not form part of the Forum however they attend in an advisory role.
- 3.9 Once a year a seminar / AGM is to be held and will be open to anyone with an interest in access provision. At the seminar, the attendees nominate such representatives from stakeholders groups as are required to serve on the Forum.

3.10 Membership of the Shetland Access Forum is an approved duty

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – Whilst the recommendation in this report is not linked directly to any Corporate Priorities, it will support the Council's Local Development Plan in terms of partnership working.
- 4.2 Community /Stakeholder Issues – None.
- 4.3 Policy And/Or Delegated Authority – A decision taken in line with this report is delegated to the Environment & Transport Committee and does not require a decision of the Council.
- 4.4 Risk Management – None.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – The only anticipated financial implications are for the travel and attendance at four meetings per year, the anticipated cost will be met from within approved budgets.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 This report seeks a nomination from the Environment and Transport Committee as an observer on the Shetland Access Forum.

For further information please contact:
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3 August 2012

END

**Environment and Transport Committee****15 August 2012****Shetland Amenity Trust Glass Reprocessing Grant Funding 2012-13****Report Number : ETO-02-12-F2****Report Presented by Executive Manager –
Environmental Operations****Infrastructure Services Department
Environmental Operations****1.0 Summary**

- 1.1 The purpose of this report is to seek approval for grant funding for Shetland Amenity Trust's glass reprocessing operation, 'Enviroglass', for financial year 2012/13, in accordance with the decision of the Infrastructure Committee on 01 February 2011 (Minute Reference 13/11). The outcome is for the Council to contribute £15,000 towards the running of Enviroglass.

2.0 Decision Required

- 2.1 I recommend to the Environment and Transport Committee that it **RESOLVES** to provide a grant of £15,000 to Shetland Amenity Trust's Enviroglass operation in this financial year 2012/13.

3.0 Detail

- 3.1 Owned by Shetland Amenity Trust, Enviroglass provides a local solution to Shetland's waste glass, recycling all of the glass collected by Shetland Islands Council through bottle bank and kerbside schemes. The Trust has held a rolling gate fee agreement with the Council for a number of years with a current fee of £15,000 per annum. This was a decrease in funding from £35,000 per annum in 2003.
- 3.2 A report was presented to Infrastructure Committee in February 2011 which showed that the Enviroglass operation had an accumulated deficit of £36,489 and required investment to improve its efficiency and return to a financially sustainable position. The report also identified alternative options for processing the glass and a viable option was exporting the glass south to the mainland at a revenue cost of £50,000 per year and a £60,000 one-off start up cost. However, the most cost-effective and practicable option was shown to be the continuing support for Enviroglass.

- 3.3 Therefore, the Council approved an additional £15,000 funding to Enviroglass for 2011/12 (on top of the gate fee) and also an additional £15,000 in 2012/13 subject to a progress report being presented to the Committee during this financial year on Shetland Amenity Trust's action on securing more funding from other sources. The additional £15,000 grant funding for this year will enable Enviroglass to break even while the new capital investment from other funding sources will return the operation to a sustainable position in future years.
- 3.4 In July 2012 the Shetland Amenity Trust completed a business appraisal for Enviroglass (see Appendix A), which outlines plans to allow the business to develop into a secure and sustainable operation. The total cost of the proposed development is £175,000 and the Trust has identified funding to date of 60% of this, as shown below.
- 3.5 Progress made to date on securing funding for the proposed development includes:
- Shetland Amenity Trust contributions of up to £40,000.
 - Highlands and Islands Enterprise has earmarked £50,000.
 - An application has been made to Santander Social Enterprise Development Awards for £15,000. (A decision should be made on this by 10 August 2012.)
- 3.6 The Trust is also investigating various other public and private funding sources to secure the remaining 40%. For example, a potential project form is to be submitted to the Shetland Leader programme for the Local Action Group (L.A.G.) meeting on 20 September 2012. If successful, a full application will be submitted for the L.A.G. meeting on 15 November 2012. This funding could be as much as 50% of the project, depending on the success of the other applications.
- 3.7 It should be noted that the business appraisal gives details of the projected financial outturns for Enviroglass following the proposed development. This assumes no additional funding is required from the Council other than the existing gate fee and in the longer term if sales are secured the reliance on Council funding would further diminish.
- 3.8 The development of the local market is an important element of the business appraisal. To this end, the Trust has had discussions with the Council's Capital Programmes Service with the aim of achieving orders from the Council in the future. Examples of where Enviroglass pavers have been used in building projects include Mid Yell High School, the Museum and Solarhus.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – This project delivers towards the Corporate Priority of minimising the amount of Shetland's waste that is disposed of in a landfill site.

- 4.2 Community /Stakeholder Issues – None.
- 4.3 Policy And/Or Delegated Authority – Section 2.1.1(3) of the Council's Scheme of Administration and Delegations provides authority for each functional committee to discharge the powers and duties of the Council within their own functional areas in accordance with the policies of the Council, and relevant provisions in it's approved revenue and capital budgets.
- 4.4 Risk Management – None.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – Any glass collected in the waste stream adds no value to the performance of the Council's Energy Recovery Plant. Glass contributes about 25% of the Council's overall recycling tonnage. Stopping the recycling of glass is not considered to be an option given the contribution it has to recycling in Shetland and also the requirements of the Scottish Government's 'Zero Waste Plan' as set out in the Waste (Scotland) Regulations 2012.

The alternative option of exporting glass south is the more expensive option for the Council. Furthermore, it goes against the principle of self-sufficiency and processing the material locally in Shetland.

Resources

- 4.7 Financial – The revenue budget for Expenditure Code GRY51292402 for 2012-13 includes the additional £15,000. The proposed grant funding to Shetland Amenity Trust will be met from within existing approved budget.
- 4.8 Legal – The grant will be offered in terms of the conditions shown in Appendix B.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusion

- 5.1 This report seeks approval to provide grant funding for Shetland Amenity Trust's glass reprocessing operation, 'Enviroglass', for financial year 2012/12. This option is the more viable option for the Council both as a way to re-use and recycle the glass it collects and also to meet its obligations under the 'Zero Waste Plan'.

For further information please contact:

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6 August 2012

List of Appendices

Appendix A – Shetland Amenity Trust, Enviroglass Business Appraisal, July 2012. -
[Exempt]

Appendix B – Grant Conditions : Shetland Amenity Trust, Glass Reprocessing

Background Documents:

Infrastructure Committee, 01 February 2011, Grant Funding for Glass Reprocessing
<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=3191>

END

**SHETLAND ISLANDS COUNCIL
ENIRONMENTAL OPERATIONS**

Grant Conditions

**Shetland Amenity Trust, Enviroglass, Glass Reprocessing for Recycling
£15,000**

The grant is offered for the purpose of funding **the Glass Reprocessing for Recycling** and is subject to the following grant conditions:

- a) That the grant is accounted for within 4 months of the end of the funding period by an Income and Expenditure Statement and Balance Sheet showing how the grant was applied and what surplus remains (if any).
- b) Shetland Islands Council may, at its sole discretion, recover any monies not spent for the purpose of the grant at the end of the funding period unless further approval for the use of the grant has been sought and given in advance.
- c) That the grantee undertakes to spend the grant, and any interest earned thereon, solely in the interest of Shetland and its inhabitants for the grant purpose specified and to demonstrate to the satisfaction of Shetland Islands Council that the grant has been so applied.
- d) That the grantee accounts for the application of the grant in quarterly Income and Expenditure Statements.
- e) That the grantee reports progress of achievement towards the project's aims and objectives and tonnages re-used or recycled in monthly progress reports in a format to be determined by the Director of Infrastructure Services.
- f) The grantee shall submit to the Council a copy of its annual report detailing its impact on the environment. This will include its energy, water and fuel use; waste arisings; procurement practices and its targets for continuous improvement. Any examples of good practice for minimising environmental impact should also be detailed.
- g) That in the event of any of the foregoing conditions being breached the grant may be repayable in whole or in part at the discretion of the Shetland Islands Council.

I accept the above grant and conditions.

Signed Date