

**Development Committee****26 May 2014****Management Accounts for Development Committee:
2013/14 – Draft Outturn Quarter 4****F-022-F****Report Presented by Executive Manager -
Finance****Corporate Services****1.0 Summary**

- 1.1 The purpose of this report is to enable the Development Committee to review the financial performance of services within its remit.
- 1.2 This report details the outturn position on net controllable costs for revenue and capital expenditure, and will be subject to final accounting and audit adjustments as part of the year end accounts process.
- 1.3 The outturn position for Development Committee is an underspend of £1,086m on revenue, and £399k underspent on capital against budget.

2.0 Decision Required

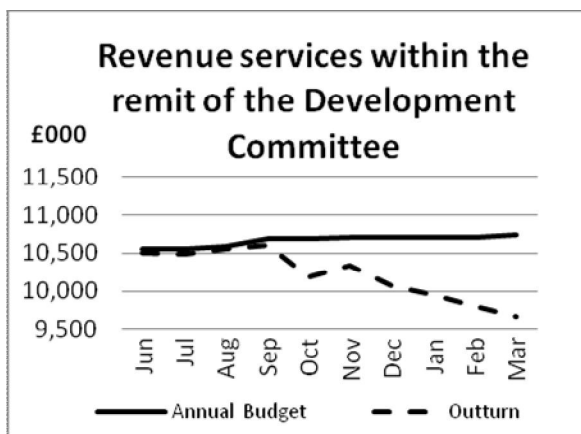
- 2.1 The Development Committee is asked to RESOLVE to:
 - note the Management Accounts showing the draft outturn position; and
 - note the proposed carry forwards which will be included in the overall draft outturn report which will be presented for approval at Executive Committee on 28 May 2014.

3.0 Detail

- 3.1 On 20 February 2013 (SIC Min Ref: 9/13) the Council approved the 2013/14 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account, Trading Accounts and Spend to Save) requiring a draw from reserves of £27.768m. This is still at an unsustainably high level and will need to

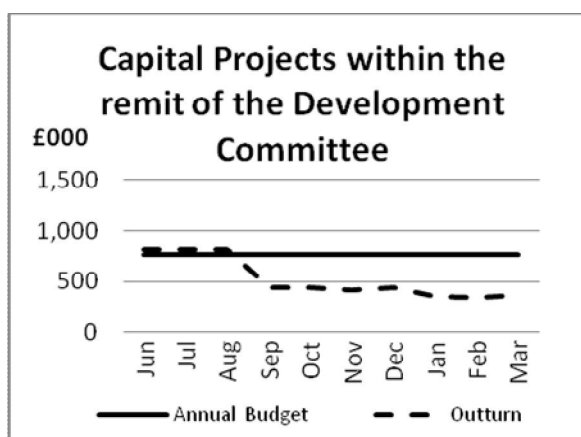
be reduced to ensure that the Council's reserves are not depleted further in the short term.

- 3.2 All charts in this report show a scale range of £1.5m which increases in increments of £500k; therefore they show variances for each department at the same scale, regardless of the size of budget, and the "at a glance" variance position can be compared between charts.
- 3.3 The revenue outturn position for the Development Committee is an underspend of £1.086m (10.1%), as shown on the following chart. This underspend is mainly in relation to a low level of interest shown in grant schemes within the Economic Development Department. Further detail can be found in Appendix 1 attached.



Note: the scale range on the above chart is £2m to allow full detail to be shown, not £1.5m as noted in paragraph 3.2.

- 3.4 The outturn position on the Development Committee's capital project expenditure is an underspend of £399k (52.4%), shown on the following chart. This is mainly in relation to the Fibre Optic Cable project which has slipped into 2014/15. Further detail can be found in Appendix 1 attached.



4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities

There is a specific objective within the Corporate Plan to ensure that the Council is "Living within our means" with a range of measures

which will enable the Council to achieve financial sustainability over the next 4 years, and line up spending with priorities and continue to have significant reserves.

The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of this Council.

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 both revenue and capital budgets for the 2013/14 financial year. This report provides information to enable the Committee to review the financial performance of services within its remit against the approved budgets.

4.4 Risk Management – None.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

4.7.1 At present the Council's level of expenditure is not sustainable and, if left unchecked, will result in reserves continuing to decrease further, eventually becoming fully depleted.

4.7.2 The outturn revenue position for services within the remit of the Development Committee is an underspend of £1.086m mainly in relation to a low level of interest shown in grant schemes in 2013/14 within the Economic Development Department.

4.7.3 In line with the Medium Term Financial Plan Budget Carry Forward Scheme, Services within the remit of the Development Committee have requested £385k of their revenue underspend to be carried forward into 2014/15, as shown in the table below.

Service Area	Outturn £000	Carry Forward Requests £000	Revised Outturn £000
Director of Development Services	(42)	0	(42)
Community Planning and Development	(2)	0	(2)
Economic Development	1,124	(376)	748
Planning	(1)	0	(1)
Transport Planning	7	(9)	(2)
Total	1,086	(385)	701

4.7.4 The capital outturn for services within the remit of the Development Committee is a £399k underspend, mainly in relation to the Fibre Optic Cable project, which has slipped into 2014/15.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The outturn position for services within the remit of the Development Committee is an underspend of £1.086m on revenue, and an underspend of £399k on capital projects.

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List of Appendices

Appendix 1 - Development Committee – Draft Revenue Outturn Position for 2013/14

Appendix 2 - Development Committee – Draft Capital Outturn Position for 2013/14

Background documents:

Approved Budget Report, SIC 20 February 2013

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=14165>

Management Accounts for Development Committee: 2013/14 - Projected Outturn at Quarter 1

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=15011>

Management Accounts for Development Committee: 2013/14 - Projected Outturn at Quarter 2

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=15297>

Management Accounts for Development Committee: 2013/14 - Projected Outturn at Quarter 3

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=15575>

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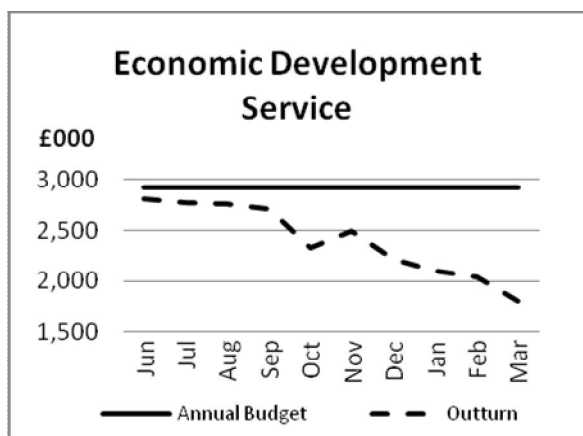
Development Committee – Development Services**1.0 Draft Revenue Outturn Position 2013/14**

Description	Annual Budget 2013/14 £000	Revenue Outturn 2013/14 £000	Budget v Outturn Variance £000
Director of Development Services	174	216	(42)
Community Planning and Development	1,037	1,039	(2)
Economic Development	2,927	1,803	1,124
Planning	1,171	1,172	(1)
Transport Planning	5,436	5,429	7
Total Controllable Costs	10,746	9,659	1,086
Less Carry forwards	(385)		(385)
Revised Total Controllable Costs	10,361	9,659	701

The outturn for 2013/14 is £1.086m less than budget. The reasons for the outturn variance are explained below:

1.1 Explanation of Outturn Position:**1.1.1 Economic Development - £1.124m outturn underspend (24.1%)**

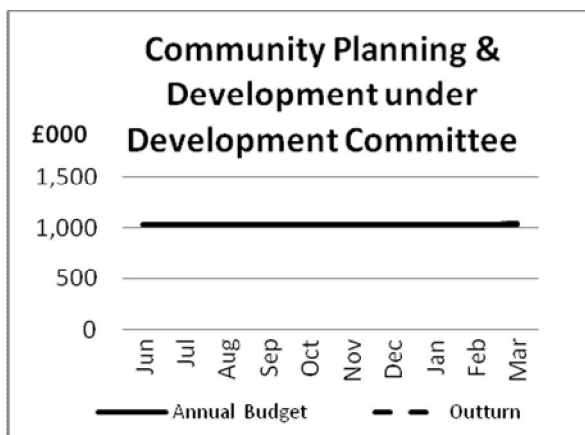
- The majority of this underspend relates to an underspend on grant expenditure, £646k. This is mainly in relation to a low level of interest shown in grant schemes in 2013/14, however the service is planning to promote all grant schemes to increase awareness and applications in future years.
- The Fetlar Broadband project has slipped into 2014/15 creating an underspend, £50k.
- An underspend of £255k on Leader and Convergence income relates to a 2012/13 accrual, which has been resolved for future years.
- Staff costs were underspent due to maternity leave/retirement, £54k.
- There was a late HIE contribution, which relates to costs in 2012/13 adds to the underspend position, £25k.



Economic Development have requested to carry forward £385k.

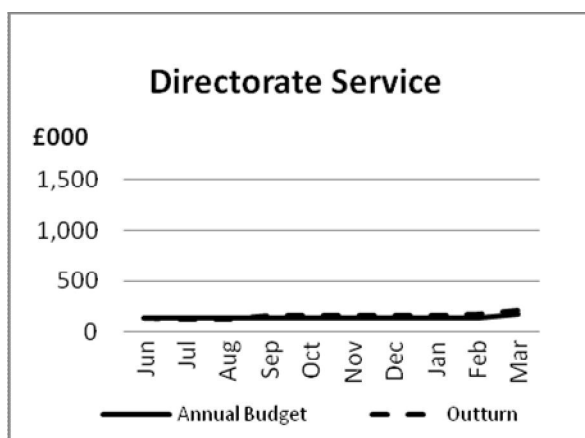
1.1.2 Community Planning & Development (Museum and Archives) - £2k outturn overspend (0.2%)

- The position for Community Planning and Developments budget overall is an outturn underspend of £332k. The overspend of £2k in relation to services within the remit of this Committee relates to an increase in fixed property insurance costs.



1.1.3 Director of Development Services – £42k outturn overspend (24%)

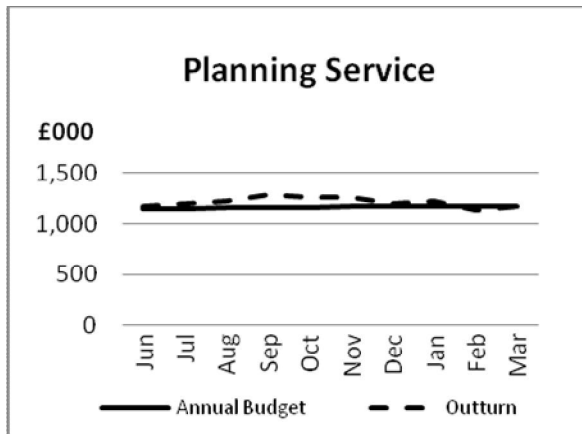
- This overspend is for consultancy costs in relation to the Tertiary Education Review.



1.1.4 Planning - £1k outturn overspend (0.1%)

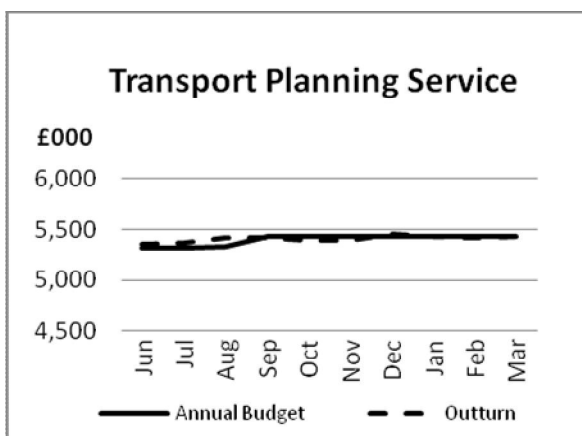
- The Planning service has various under and overspends which make up this overspend as follows:
- Building warrant income was less than budgeted due to the new Anderson High School's planning application not being lodged in the year, as anticipated (£125k).
- Computer Maintenance costs resulted in an overspend due to a one-off systems upgrade, (£21k).
- Costs in relation to the Local Development Plan, which there was no budget provision for in 2013/14, resulted in an overspend, (£15k).
- These overspends are offset against vacancies, £56k; and

- Additional Planning Application and Marine Development Permission income, £132k. This was as a result of the development being larger by nature, therefore attracting higher fees.



1.1.5 Transport Planning - £7k outturn underspend (0.1%)

- Public Transport costs were overspent as a result of the Transport Planning service setting their budgets in anticipation of new contracts in 2013/14. Due to a further Transport Network Redesign taking place, current contracts were extended until August 2014, therefore no savings were achieved in the year, (£102k).
- Special Needs School and Social Work transport is overspent due to delays in the implementation of SOFIE savings as a result of the Transport Network Redesign project, (£40k).
- Transport Planning received £100k spend to save budget for the Transport Network Redesign project which was exceeded, (£13k).
- There overspends were offset by an underspend on Education Transport due to a reduction in the number of school feeder runs, £148k.



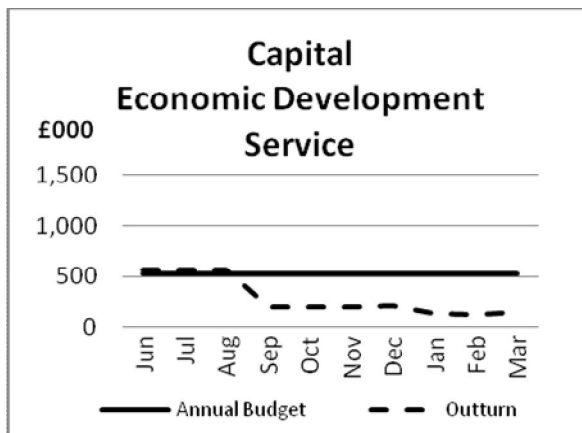
Transport Planning have requested to carry forward £9k.

Development Committee – Development Services**2.0 Draft Capital Outturn Position 2013/14**

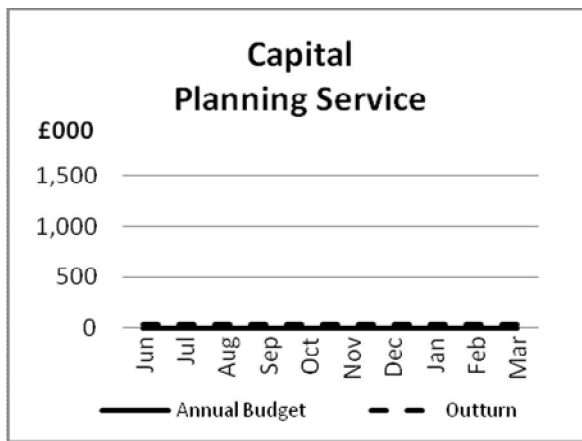
Description	Annual Budget 2013/14 £000	Capital Outturn 2013/14 £000	Budget v Outturn Variance £000
Economic Development	532	143	389
Planning		31	(31)
Transport Planning	230	189	41
Total Costs	762	363	399

2.1 Explanation of Outturn Position:**2.1.1 Economic Development - £389k outturn underspend (73.2%)**

- This underspend relates to the Fibre Optic Cable project and the Broadband project. The Fibre Optic Cable project has slipped into 2014/15 due to delays with regards to consents and other legal implications, £407k.
- The Broadband project is overspent due to a delay in the completion of some works in 2012/13, which was completed in early 2013/14, however there was no provision made in the 2013/14 budget for this costs, (£18k).

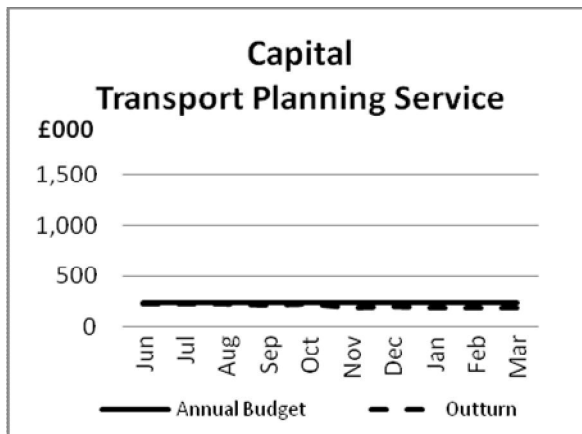
**2.1.2 Planning - £31k outturn overspend**

- This is in relation to works carried out at Harrison Square. It was fully funded in prior years and this slippage to 13/14 is due to delays in 2012/13 caused by adverse weather in late March. There was no provision made in the 2013/14 budget for this costs.



2.1.3 Transport Planning – £41k outturn underspend (17.7%)

- This relates to the Skerries dredging project. The main contract works were completed in June with the final dive and report completed in December. The underspend was due to contingencies not being used as a result of a period of good weather and the final dive survey costs being less than anticipated.





Education & Families Committee
Social Services Committee
Development Committee

Date 26 May 2014

Date 26 May 2014

Date 26 May 2014

Twelve Month Performance Overview – Development Department

Report No: DV023-F

Director of Development Services

Development Services

1.0 Summary

- 1.1 This report summarises the activity and performance of the Development Services Directorate for Quarter 4 of 2013/14, up to March 2014.

2.0 Decisions Required

- 2.1 Members are requested to discuss the contents of this report and make any relevant comments on progress against priorities to inform further activity within the remainder of this year, and the planning process for next and future years.

3.0 Detail

- 3.1 Progress against the “**this year we will**” priorities from the Council’s Corporate Plan led by the Development Department, is set out below:

Corporate Plan - Page 8 - "The transport services we need most"

Shetland is a group of islands. Nothing can change our basic geography and it is essential that our internal and external transport systems meet our individual and business needs, and are efficient, sustainable (can be maintained in the long term without harming the area for future generations), flexible and affordable.

We know that we have to make our internal transport services more efficient to be able to maintain them for the long term. We are determined to make those changes in partnership with the communities and businesses who depend on these transport links most.

Communities have told us that supporting economic activity, local businesses and access to jobs is the top priority for internal transport and that access to services and social facilities is not as important to them.

We also know that external transport is one of the most significant issues for Shetland's medium- and long-term economic growth and social well-being. We have to campaign hard to make sure these needs are properly understood regionally and nationally.

This year we will:-

Item	Description	Due Date	Progress at end March 2014	RA G
New Public Transport Contracts	Put in place new arrangements for school, public, additional support needs, and community-care bus transport to more efficiently link together services.	Aug-14	Retendering of school and public bus contracts has been completed and reported to ZetTrans and SIC on 12 May. Contracts are being awarded throughout May and new services will operate from 18 August 2014.	G
Ferries Review	Complete the implementation of the ferries review	Dec-13	New timetables have been implemented. Ferry fares review is currently being progressed and will feed into the budget setting process for the 2015/16 financial year. New fare structure will be introduced on 1 April 2015. The 6 monthly review of impacts of the ferry changes was carried out in February 2014, and reported during the March cycle. The next review of impacts will take place in July 2014 and be reported in the Autumn cycle.	G
Fixed Links	Establish whether there is a clear case for developing a programme for fixed transport links	Mar-14	The review of fixed links has been embedded in the wider Transport Infrastructure Review and will be reported through that process.	A

Corporate Plan - Page 10 - "Healthy economy - strong Communities."

We can't take action like we used to, but we can work in partnership with individuals, communities and business to understand what would help them to turn an idea into a business, get a community project off the ground, expand an existing company or find a new market.

Shetland has many resources and a lot of talent. We need to work together to make the best of these.

If everyone has the opportunity to work, improve their skills and make a positive contribution to the islands' increasing prosperity, we will create a wealthier, fairer and smarter Shetland.

We want to see more of Shetland's people in higher-skilled and better-paid jobs across Shetland, and for those jobs to be in a wider range of business areas than they are at the moment.

This year we will:

Item	Description	Due Date	Progress at end March 2014	R A G
Renewable energy development plan 2013-20	Create and implement a renewable energy development plan 2013-20 which will seek a balance between inward investment and indigenous community projects and define Shetland's proposition as a test site for renewable energy projects.	Mar-14	Renewable Energy Strategy actions updated. Strategic Energy Development Group set up with a fresh emphasis on oil and gas related development, not renewable energy at present	A
Promote Shetland	Develop a plan to attract people to Shetland to live, work, study and invest.	Mar-14	The Promote Shetland contract has been awarded for a period of 3 years.	A
Promote High-speed Broadband	Run a campaign to promote the business and community benefits of high speed broadband.	Mar-14	Involvement of Community Broadband Scotland. North Isles and North Main working up community broadband projects.	A
Investigate Barriers to Employment & Development	Work in partnership with communities to identify barriers to employment and development e.g. childcare issues, transport etc. and develop sustainable, creative solutions	Mar-14	New Strategy and Business plan for LEADER funding 2014-2020 progressing. Survey of bus passenger service requirements and socio economic study conducted as part of the bus network review and will be used to inform decision making on bus networks. A funding bid to support the development of a rural childcare model is being submitted. Seeking to draw in EU funding to support the development of a rural childcare model.	A
Develop Remote Areas	Continue to work with communities to identify viable projects, maximise return from community assets, increase resilience and create jobs in remote areas.	Mar-14	Economic Development Grant Scheme and Business Start Up Scheme 2013-17 agreed at Council 9 October 2013. Community Asset Transfer Policy and Scheme being worked up.	A
Identify Skill Shortages	Identify skill and trade shortages and develop action plans to support the unemployed and underemployed get training in these areas with a specific focus on women and young people.	Mar-14	Employers survey to be progressed in 2014-15	A

Tertiary Education Review	Undertake a tertiary education review to ensure Shetland's learning providers are fit for purpose and meet demand.	Mar-14	Governance Structure of single organisation external to SIC agreed 12 June 2013. Strategy Board in place. Detailed business case and implementation plan being prepared. Working closely with Shetland Learning Partnership Project.	A
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Corporate Plan - Page 12: "Vulnerable and disadvantaged people"

People who do not have easy access to income, employment and good housing often experience higher levels of ill health, are often less able physically and psychologically to meet challenges, and have less power and influence to bring about change.

Poverty and inequality not only reduce levels of opportunity and life experience, but also damage Shetland's economic success and well-being as a community.

We want to make sure that the changes we have to make to services consider the needs of the most vulnerable people.

We are also committed to concentrating services and resources on taking action early to tackle some of the reasons why people become vulnerable and disadvantaged in the first place

This year we will:

Item	Description	Due Date	Progress at end March 2014	RAG
Welfare Reform	Work with partners as welfare reform is implemented and support households through the changes and impacts resulting from it; including support to maximise income		Work progressing through Fairer Shetland. Welfare Reform sub-group set up which has been effective at sharing and publishing information. Key issues to address identified as development of skills and access to ICT. Application for Scottish Government funding to run a pilot has been submitted.	G
Change Programme - Integrated Impact Assessment	Make sure all change projects use the integrated impact assessment tool	Jun-13	All finalised approved by CMT and in all Change projects. Ongoing for new projects.	A
Promote Household Budgeting	Help families to develop a thrifty approach to reduce household bills		Adult learning is actively building capacity of others working with people on a low income. The section has developed and delivered 3 "Money Matters for Money Mentors" courses since November, with positive	G

			feedback. Further roll out and monitoring planned.	
Home energy efficiency programme	Promote the home energy efficiency programme and eco obligation funds to make sure lots of households take them up		Project board and team in place. Changes to ECO funding meant local scheme being amended.	A
National Action	Continue to lobby ministers to recognise the additional factors affecting fuel poverty in Shetland and continue to promote measures to help reduce fuel poverty locally		The Minimum Income Standard (MIS) and CAB fuel costs survey will prove very useful in providing further evidence for continued lobbying. Fuel poverty sub-group of Fairer Shetland partnership to be re-established.	A

3.2 Progress against **Change Programme** projects led by the Development Department.

Ref & Item	Start	End	Progress	R A G
GC02 Shetland College Phase 3 Development	31-Mar-11	31-Mar-14	To be complete by March 2014. Building is essentially complete and opening planned for start of new term in August 2014	A
GD01 Community Planning & Development Service Review	01-Apr-13	31-Mar-14	Council considered the CP&D Review Report on 9 October 2013 and adopted the recommendations from the functional committees and the Executive. Adult Learning to remain with council as opposed to a move to the college - £500K savings. Implementation of staffing structure now complete and work ongoing to embed changes.	G
GE01 Marketing/promotional services	29-Apr-13	31-Mar-14	This has been concluded. Revised contracts have been issued.	G
GE02 Fibre optic broadband infrastructure.	29-Apr-13	01-Mar-14	Consultant's report received end of July. Councillors' seminar held. Action Plan presented to Development Committee in November 2013. Digital Shetland Strategy refreshed. High level engagement with BDUK project to ensure compatibility and avoid duplication.	A
GE03 Commercial Investment & Shetland Development Trust	14-Aug-13	31-Mar-14	Advice obtained and presented to Council Seminar. Detailed proposal for transfer of assets to Council now being prepared.	G
GG01 Implementation of Tertiary Education review	01-Mar-13	31-Mar-14	Detailed Business case and Implementation Plan being prepared.	A

GH01 Redesign of Housing support services	01-Mar-13	01-Mar-14	Project team meeting regularly and making progress on North Isles Pilot. Links established with wider Localities Project through CHCP.	G
GH02 Resolution of Housing Debt	01-Mar-13	01-Nov-13	Successful conclusion achieved in January 2014.	G
GH04 Housing Asset Management Team Review	01-Mar-13	31-Mar-14	Complete	G
GT01 School & Public Transport Review	01-Mar-13	31-Mar-14	Complete	G
GT02 ASN & Social care Transport Review	03-Jun-13	29-Aug-14	Work is progressing to identify transport need, to be concluded by 21 st June 2014, with implementation of transport changes as soon as practicable thereafter.	A

3.3 Progress against other **Directorate Plan** priorities agreed for the Development Department.

Item	Progress at end March 2014	Due Date	R A G
Promote Community Planning ensuring community engagement is at the heart of partnership working and service delivery across all partners	Strengthening Community Involvement Project Report completed and presented to SPB on 16 May 2013. Initial internal project planning meetings have taken place, with Learning Evaluation and Practice (LEAP) tool used to draft outline plans. Interface with NHS Localities Project recognised. Project Brief and PID to be developed for approval by CMT & SPPG. Progress slightly delayed due to CP&D review.	31 March 2015	A
Support an effective Shetland Partnership by implementing efficient structures and processes in line with the national review	Regular meetings scheduled, and agenda development agreed - guidance to be developed for lead officers re topics and presentations to SPB & SPPG. PPMF framework being developed. Thematic group guide being developed. New Shetland Partnership Resources Group, which reports to SPPG established to implement the agreement on joint working and resourcing. Link Officer role and development sessions with thematic groups being planned	31 March 2014	G

An affordable transport network, including internal flights, ferries & busses	Retendering of school and bus contracts is complete. New services start on 18 August 2014. Second 6 months review of changes to Ferry services to be reported in Autumn cycle 2014. Taskforce to support development of Community Transport will be established by the end of June 2014. Working Group on Inter Island Air Services to be established with aim to complete specification for next PSO tender by 31 March 2015.	Ongoing	A
Complete the Local Development Plan Draft planning policy on renewable development	LPD submitted to Scottish Government as the settled view of Council. Reporter currently engaged.	Mid 2014	A
Renewable Energy Development Plan	Renewable Energy Strategy Action Plan refreshed.	Complete	G
Future Supply of Housing	Constructive dialogue with Scottish Government on funding for future supply and on a range of initiatives/incentives to assist in the private market. Strategic Housing Investment Plan approved. Future supply working group established.	Ongoing	G
Fuel Poverty	A range of partnership working through Fairer Shetland continues to gather evidence and information to inform lobbying on all aspects of fuel poverty. Government funding through Energy Company Obligation (ECO) is being pursued which, if successful, will assist with a range of measures to improve properties in private and public sector. Cost of fuel continues to be a concern		A
Housing Support/ Housing for an Aging Population	Project Team established to review housing support provision in partnership with Health and Social Care, through the Localities Project. This will produce a pilot project in the North Isles to help shape wider housing support redesign. As part of this project and through funding identified in the Change Fund programme, we are currently adapting 'sheltered' properties in the pilot project area to 'accessible' properties. Again this will feed into wider service redesign in future.		G
Homelessness	Implementation of prevention/early	Ongoing	G

	intervention strategy is showing benefits – lower number of presentations but still extreme pressure on temporary accommodation.		
Private Sector Housing	Planned roll out and targeting of ECO funding to seek to improve energy efficiency in private sector stock stalled due to changes in funding and local market conditions. Reviewing options.	Ongoing	A
Next Generation Broadband available to 75% of the population	Review of Shetland Telecomm project completed, Digital Shetland Strategy refreshed.	2016	A
Greater consistency in the provision and practice of Community Learning and Development	An audit of CLD in Shetland has been carried out. A report on findings and gaps will be produced during 2014/15. Community Energy Efficiency Programme (CEEP) scheme projects finalised and all outstanding grant monies claimed, with 26 community facilities assisted to become more energy efficient and sustainable. 46 external funding applications assisted and submitted. £437k secured for 24 projects to date, and 12 more pending a decision. The percentage of successful applications increased from 65% to 70% in 2013/14	31 March 2014	G
Assist the Voluntary sector in funding and delivering more cost effective services	The transfer of the Community Minibus to VAS is complete. Improvement Service pathfinder project to enhance the role of Third Sector Interfaces planned during 2014/15. This work will sit with the new Shetland Partnership Resources Group.		A
Work in partnership with proactive communities to remove barriers to employment and create jobs in remote areas	Unst, Fetlar and Northmaven Development Companies provided with grant assistance through the Community Regeneration Partnership. Sandness Development Company supported to secure external funding to recruit a Development Worker for one year. Development Companies exist in most areas of Shetland, and communities wishing to set up a new Development Company are supported to do so. Consideration is being given at the Development Partnership to the need for a revised Community Regeneration Strategy for Shetland.		G
Skills Learning and Employability Action Plan with	A partnership review has been carried out, and the remit of this group has	May 2013	A

a specific focus on Youth Employment	been absorbed by the Development Partnership, with remaining actions sitting with a revamped Employability Operational Group.		
Work with Community Partners to identify skills & training shortages and develop action plans to support the unemployed and underemployed.	Work ongoing with Development Partnership and through the STERT which means regularly meeting with community partners to identify and address skills and training shortages. Hope to secure funding to allow research into underemployment to be carried out during 2014/15.		A
Review Tertiary Education	Governance Structure of single organisation external to SIC agreed 12 June 2013. Detailed Business model and implementation plan being prepared.	March 2014	A
Implement budget savings	Progressing and on line to meet 2013/14 budget		G
Implement the recommendations of the Planning Service Review	Project closed – now on secondary workstreams –including Building Standards LEAN, and Local Development Plan Evaluation.	March 2014	G
Carry out a review of Community Planning & Development	Council considered the CP&D Review Report on 9 October 2103 and adopted the recommendations from the functional committees and the Executive. Adult learning to remain with Council as opposed to a move to the college - £500K savings. Complete, implementation progressing.	March2014	G
Develop an integrated research and information team operating across all services in the Directorate	Integrated virtual team now in place co-ordinating research and information across the directorate.	January 2014	G

3.4 Overview of service plan progress in the Development Department

Service	Key Actions	RAG Rating	Number
Directorate Plan	32	Green	18
		Amber	14
		Red	0
Community Planning & Development	14	Green	9
		Amber	5
		Red	0
Economic Development	13	Green	11
		Amber	2
		Red	0
Housing	15	Green	12
		Amber	3
		Red	0
Planning	4	Green	2
		Amber	2
		Red	0
Transport Planning	11	Green	4
		Amber	7
		Red	0
Shetland College & Train Shetland*	18	Green	8
		Amber	10
		Red	0
Development Services Directorate Plan Total	107	Green	64
		Amber	43
		Red	0

3.5 The Committee is invited to comment on any issues which they see as significant to sustaining and improving service delivery.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – Effective planning and performance management are key features of the Council's Improvement Plan and part of the "Organising our Business" priority in the Council's Improvement Plan.

4.2 Community /Stakeholder Issues – Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.

4.3 Policy And/Or Delegated Authority – The Council's 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.”

- 4.4 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.
- 4.5 Equalities, Health And Human Rights – The Council is required to make sure our systems are monitored and assessed for any implications in this regard.
- 4.6 Environmental – NONE

Resources

- 4.7 Financial – There are no financial implications arising from this report.
- 4.8 Legal – NONE
- 4.9 Human Resources - NONE
- 4.10 Assets And Property – NONE

5.0 Conclusions

- 5.1 This report demonstrates good progress against the priorities identified in the Council’s Corporate Plan 2013-17, and the Development Directorate Plan 2013/14.

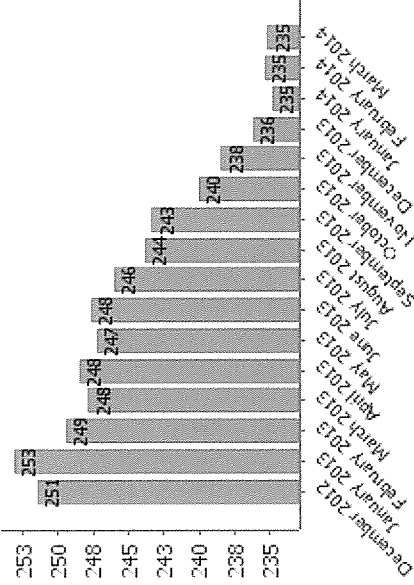
For further information please contact:
Neil Grant, Director of Development Services
Tel: 01595 74 4968 Email: neil.r.j.grant@shetland.gov.uk
Date Cleared: 19 May 2014

Links to Background documents:

Appendix 1 - Development Department key performance indicators and measures
Appendix 2 - Risks being managed by the Development Department.


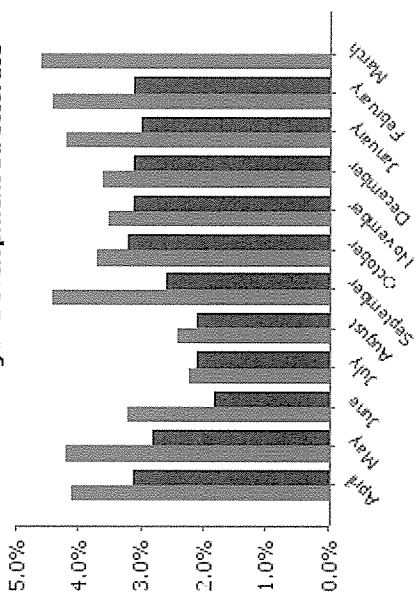
Development Directorate Summary

Generated on: 15 May 2014

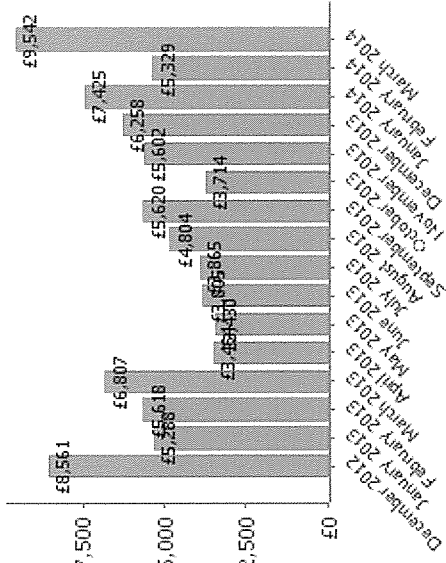
Full-time equivalents in Development Services Directorate - Contracted Hours only			
<p>March 2014 result 235</p>	<p>OPT-4A-G FTE (Contracted Hours) - Development Directorate</p> 		
Note		Short Trend	Improving
Service/Directorate		12-month Trend	Improving
<p>Linked Performance Indicators</p>	Development Services Directorate		
	FTE (Contracted Hours) - Whole Council	2246	
	FTE (Contracted Hours) - Shetland College	63.1	
	FTE (Contracted Hours) - Community Planning & Dev	19.5	
	FTE (Contracted Hours) - Economic Development	15.8	
	FTE (Contracted Hours) - Development Services Director's Section	1	
	FTE (Contracted Hours) - Housing	90	
	FTE (Contracted Hours) - Planning	33.8	
	FTE (Contracted Hours) - Transport Planning	11.9	
<p>Purpose & Guidance</p> <p>This PI is a measure of headcount, at the moment it only includes contracted hours. It does not include hours worked beyond contract (either straight-time or time-and-a-half overtime). It does not include hours worked by Relief staff, and it does not include hours worked by "passed-to" staff (those staff with multiple contracts who only receive one payslip). Work is ongoing to address these omissions.</p>			<p>Improving</p> <p>Improving</p>

Temporary Staff (FTE) in Directorate - Development Services																																					
March 2014 result 22.7	<div>OPI-4At-G Temporary Staff (FTE) - Development Directorate</div> <table><thead><tr><th>Month</th><th>FTE</th></tr></thead><tbody><tr><td>December 2012</td><td>20.3</td></tr><tr><td>January 2013</td><td>21.1</td></tr><tr><td>February 2013</td><td>18.5</td></tr><tr><td>March 2013</td><td>19.5</td></tr><tr><td>April 2013</td><td>19.8</td></tr><tr><td>May 2013</td><td>19.4</td></tr><tr><td>June 2013</td><td>20.4</td></tr><tr><td>July 2013</td><td>19.4</td></tr><tr><td>August 2013</td><td>19.4</td></tr><tr><td>September 2013</td><td>21.6</td></tr><tr><td>October 2013</td><td>21.7</td></tr><tr><td>November 2013</td><td>21.7</td></tr><tr><td>December 2013</td><td>21.7</td></tr><tr><td>January 2014</td><td>21.9</td></tr><tr><td>February 2014</td><td>22.3</td></tr><tr><td>March 2014</td><td>22.7</td></tr></tbody></table>			Month	FTE	December 2012	20.3	January 2013	21.1	February 2013	18.5	March 2013	19.5	April 2013	19.8	May 2013	19.4	June 2013	20.4	July 2013	19.4	August 2013	19.4	September 2013	21.6	October 2013	21.7	November 2013	21.7	December 2013	21.7	January 2014	21.9	February 2014	22.3	March 2014	22.7
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March 2014	22.7																																				
Note		Short Trend	Getting Worse																																		
Service/Directorate		12-month Trend	Getting Worse																																		
Linked Performance Indicators	Development Services Directorate																																				
	Temporary Staff (FTE) - Whole Council	143.8	Purpose & Guidance This PI is a measure of the number of FTE staff on temporary contracts. These temporary staff ARE also included in the total FTE (Contracted Hours) PI. It does not include the hours they work beyond their contract (either straight-time or time-and-a-half overtime). It does not include Relief staff, and it does not include hours worked by "passed-to" staff (those staff with multiple contracts who only receive one payslip). Work is ongoing to address these omissions.																																		
	Temporary Staff (FTE) - Shetland College	5.7																																			
	Temporary Staff (FTE) - Community Planning & Dev	2.5																																			
	Temporary Staff (FTE) - Economic Development	2.6																																			
	Temporary Staff (FTE) - Corporate Services Director Direct Reports	0																																			
	Temporary Staff (FTE) - Housing	7.9																																			
	Temporary Staff (FTE) - Planning	2																																			
Temporary Staff (FTE) - Transport Planning	2																																				

Percentage Rate Of Sickness In Directorate - Development Services

<div>February 2014 result</div> <div></div>	<div>OPI-4C-G Sick %age - Development Directorate</div> <div></div>		
Note	Short Trend	Getting Worse	➔
Service/Directorate	12-month Trend	Getting Worse	➔
Linked Performance Indicators	Development Services Directorate		
	Sick %age - Whole Council	4.1%	Purpose & Guidance This indicator shows the percentage of CALENDAR days that are "absent due to sickness", it does not measure "working days". It does not include compassionate leave, Maternity/Paternity or any other leave other than sickness. It does not take into account whether a person is on full-pay, half-pay or zero-pay.
	Sick %age - Shetland College	2.8%	
	Sick %age - Community Planning & Dev	3.6%	
	Sick %age - Economic Development	4.1%	
	Sick %age - Development Services Directorate's Direct Reports	0.0%	
	Sick %age - Housing	3.2%	
	Sick %age - Planning	2.2%	
Sick %age - Transport Planning	4.1%		

Overtime Cost in Directorate - Development Services (non-contractual)

<p>March 2014 result £9,542</p>	<p>OPI-4D-G Overtime Cost - Development Directorate</p>  <table border="1"> <caption>Overtime Cost in Directorate - Development Directorate (£)</caption> <thead> <tr> <th>Month</th> <th>Cost</th> </tr> </thead> <tbody> <tr><td>December 2012</td><td>£8,561</td></tr> <tr><td>January 2013</td><td>£5,286</td></tr> <tr><td>February 2013</td><td>£5,618</td></tr> <tr><td>March 2013</td><td>£6,807</td></tr> <tr><td>April 2013</td><td>£5,434</td></tr> <tr><td>May 2013</td><td>£5,434</td></tr> <tr><td>June 2013</td><td>£5,434</td></tr> <tr><td>July 2013</td><td>£5,434</td></tr> <tr><td>August 2013</td><td>£5,434</td></tr> <tr><td>September 2013</td><td>£5,434</td></tr> <tr><td>October 2013</td><td>£5,434</td></tr> <tr><td>November 2013</td><td>£5,434</td></tr> <tr><td>December 2013</td><td>£5,434</td></tr> <tr><td>January 2014</td><td>£5,434</td></tr> <tr><td>February 2014</td><td>£5,434</td></tr> <tr><td>March 2014</td><td>£9,542</td></tr> </tbody> </table>	Month	Cost	December 2012	£8,561	January 2013	£5,286	February 2013	£5,618	March 2013	£6,807	April 2013	£5,434	May 2013	£5,434	June 2013	£5,434	July 2013	£5,434	August 2013	£5,434	September 2013	£5,434	October 2013	£5,434	November 2013	£5,434	December 2013	£5,434	January 2014	£5,434	February 2014	£5,434	March 2014	£9,542
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<p>Linked Performance Indicators</p>	<p>Purpose & Guidance</p> <p>This PI measures non-contractual, time-and-a-half, overtime cost. It does NOT include any on-costs such as employer's NI contribution. It does NOT include hours worked beyond contract where these are straight time (e.g. a 20 hour per week person working 30 hours one week). It does NOT include contractual overtime (e.g. the 5 hours contracted overtime that most ferry staff have).</p>																																		
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	<p>£150,695</p>																																		
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	<p>£4,474</p>																																		
	<p>£0</p>																																		
	<p>£4,880</p>																																		

Appendix 2 - Risks being managed by the Development Department

Risk Analysis:

- 1 is very low
- 2 is low
- 3 is average
- 4 is high
- 5 is very high

Description of Risk/Mitigation	Probable (1-5)	Impact (1 – 5)	Risk (Probable x Impact)
Low staff morale impacts on Directorate	4	5	20
College rationalisation means decisions are made out with Shetland and has a negative impact on skill development	4	4	16
Budgets do not balance	3	5	15
Welfare reform impacts	5	3	15
Complexity of governance arrangements impacts on decision making	4	3	12
Lack of 'buy in' to community planning impacts adversely on Council reputation	3	4	12



Education and Families Committee
Development Committee
Social Services Committee

26 May 2014
26 May 2014
26 May 2014

Development Directorate Plan 2014/15

Report No: DV024 –F

Report by: Director of Development Services

**Development
Directorate**

1.0 Summary

- 1.1 This report presents the final edit of the Development Directorate Plan for 2014/15 aligned with the Council's Corporate Plan.

2.0 Decisions Required

- 2.1 The Committee is requested to recommend this version of the plan for further sharing with partners, staff and the community.

3.0 Detail

- 3.1 The Education and Families Committee, the Development Committee and the Social Services Committee, approved the objectives, priorities and proposed actions in the 2014/15 Directorate Plan at their meeting on 5, 12 and 13 March 2014, respectively.
- 3.2 At the above meetings authority was delegated to the Director of Development Services to make any necessary adjustments to the Plan to ensure it is fully aligned with the final version of the Corporate Plan approved by Council.
- 3.3 The updated version of the plan attached as appendix 1 to this report is the results of that work.
- 3.4 2014/15 Service Plans for the Directorate have also been updated and are available on the Performance Management Section of the Council's Intranet Site.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – Effective Planning and Performance Management are key features of a well run organisation meeting the

obligations of Best Value. The regular review and update of key plans is an important feature of the Council's PPMF and a specific action in the current Corporate Plan.

- 4.2 Community/Stakeholder Issues – Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.

- 4.3 Policy and/or Delegated Authority –

The Council's 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 Directorate and 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.”

- 4.4 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.

- 4.5 Equalities, Health and Human Rights – The Council is required to make sure our systems are monitored and assessed for any implications in this regard.

- 4.6 Environmental – NONE.

Resources

- 4.7 Financial – The actions, measures and risk management described in this report have been developed within the resource limits of existing approved budgets.

- 4.8 Legal – NONE.

- 4.9 Human Resources - NONE.

- 4.10 Assets and Property – NONE.

5.0 Conclusions

- 5.1 The Development Directorate Plan for 2014/15 has been updated as part of the planning and budgeting work done over the previous number of months. The Committee is now asked for final comments on its content before recommendation to Council.

For further information please contact:

Neil Grant, Director of Development
Phone: 01595 744968
E-mail: neil.r.j.grant@shetland.gov.uk
Date Cleared: 19 May 2014

Links to Background documents:

Development Directorate Service Plans for 2014/15
http://intranet2/ChangeProgramme/2014_15plans/Plans/Forms/AllItems.aspx?InitialTabId=Ribbon%2EDocument&VisibilityContext=WSSTabPersistence

Development Department

‘Enabling our communities to develop their potential’

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Development Services Directorate Plan 2014/15

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Development Directorate Plan 2014/15

This Directorate plan provides an overview of the plans over the next year for the Development Directorate. Detailed activities for each service are included in the individual Service Action Plans. These encompass activities, outcomes, objectives, actions, targets and resources as well as the performance indicators for each service.

About Us

The Development Directorate was formed as a result of the Council organisation and management re-structure in 2011. It comprises the functions of community planning and development, economic development, housing, planning, transport planning and further and higher education.

The Directorate has 235 whole time equivalent staff and an annual budget of £13,065,000 for 2014/15.

The Directorate has a complex governance system in that it reports to several Council Committees, namely:

Economic Development - Development Committee

Planning – Planning Committee and strategic items to Development Committee

Transport Planning - Development Committee.

Housing - Social Service Committee

Community Planning & Development - Education & Families Committee (Adult learning & Community Work), Social Service Committee (Community Grants & Community Planning Development), Development Committee (Museum & Archives*), and Executive Committee (Community Planning).

Shetland College - Shetland College Board and strategic items to Education & Families Committee

Train Shetland - Education & Families Committee.

*Museum & Archives SLA will transfer to Economic Development in 2014/15

Vision

The management team's vision for the Directorate is as follows:

“Enabling our communities to develop their potential”

Aims for 2014/15

- We will promote Community Planning within the Council and with partners, ensuring it is bought into and that it drives service planning.
- We will demonstrate progress in key policy areas, the main ones being internal transport network, developments in the energy sectors, the Local Development Plan, the Local Housing Strategy, digital communications, and taking the lead role in skills development.
- We will follow and promote best practice in engaging with communities, and evaluate and measure the impact of engagement.
- We will achieve a balanced budget having made the required savings and efficiencies.
- We will ensure Shetland's demographics are consistently used and shared to influence the work of our Directorate and the rest of the Council.
- We will demonstrate we are an effective, cohesive team with a reputation for innovation.
- We will ensure staff feel valued and supported particularly through periods of challenge and change.
- We will make more effective connections with key external partners including Scottish Government and European Parliament.

Objectives for 2014/15

Each service has specific objectives. The following relate to the overall Directorate vision and aims and our specific contribution to the corporate plan.

Our objectives for services include:

- Meeting our statutory duties in the day to day delivery of services
- Actions to support delivery of the Corporate Plan
- Acting to improve risk management across the Directorate
- Finalise the restructures of services and create stability for staff in services.

Change Programme Major Projects

- Bus Network Redesign (School & Public transport)
- ASN & Social care transport review
- Proposals for our external ferry provision beyond the current contract which ends in 2018
- Increase usage of smart cards, chip and pin facilities and online booking facilities for internal ferry travel
- Digital Shetland Strategy Project and action plan to deliver high speed broadband
- A better lending system for commercial development projects
- Shetland Tertiary Education, Research and Training Project
- Review of Community Grants
- Strengthening Community Involvement
- Redesign of Housing Support Service

Other Actions Specified in “Our Corporate Plan”

- Internal Ferry Fares review
- Transport Infrastructure 50 year Investment Plan
- Refresh the Shetland Transport Strategy
- Improve and develop engagement with local industry

Development Services Directorate Plan 2014/15

- Research and communicate supply chain information relating to larger scale developments in Shetland
- Assess the capacity in Shetland to provide the workforce training & skills development required by Shetland industry
- Deliver on the Local Housing Strategy through joint working with Planning and Hjaltsland Housing Association and other partners
- Continue to work with communities to identify viable projects, maximise return from community assets, increase resilience and create jobs in remote areas
- Encourage growth in commercial activity through development of unused or under-utilised local assets
- Fully implement the findings of the Community Planning & Development Service Review, recognising that 2014/15 will be a transitional year for community funding
- Participate in the Improvement Service supported work around enhancing and supporting the role of Community Councils
- Support communities to develop the transport solutions that meet their needs, reduce isolation and provide access to work, support services and social opportunities
- Participate in the Improvement Service work around improving the impact of Third Sector Interfaces on Community Planning and on better outcomes for the community
- Work with Community Planning Partners to develop a plan to attract people to Shetland to live, work, study, and invest
- Further develop our approach to constitutional change into a shared lobbying strategy with Orkney and the Western Isles
- Make sure that key partnership plans such as the Shetland Single Outcome Agreement are complete and approved and that they deal with the issues highlighted
- Work with the Improvement Service to carry out a self assessment of the Performance Group, in order to develop a Shetland Partnership improvement plan
- Continue to implement statutory and regulatory changes required as part of the Welfare Reform agenda and work with partners to support households through the changes
- Continue to use the Minimum Income Standard for Remote and Rural Scotland findings to access external resources and influence local and national policy
- Support the development of initiatives that reduce household outgoings such as grow-your-own, recycling household items and clothing or improve access to ICT
- Support initiatives which provide food and household goods to those in crisis
- Work with partners to deliver the Fairer Shetland framework to tackle poverty disadvantage and exclusion
- Continue to develop opportunities for work experience and supported employment in the private, public and social enterprise sector to support the most vulnerable people moving into work
- Combat fuel poverty by continuing to deliver on the Local Housing Strategy and providing energy efficiency packages to reduce household bills for the vulnerable and fuel poor
- Develop a Community Benefit policy and include reference to developer contributions

Other Key Objectives for 2014/15

Promote Community Planning:

- We will support an effective Shetland Partnership, building capacity to meet the challenges set through the National Review of Community Planning and any other new areas of accountability.
- We will work together and with communities to develop and deliver the key priority areas of the Single Outcome Agreement and Community Plan, ensuring community engagement is at the heart of partnership working and service delivery across all partners.
- We will support the Shetland Partnership Resources Group to implement the Agreement on joint working and resourcing.

Progress in key policy areas:

- We will have an affordable transport network, including internal flights ferries and busses.
- We will have an adopted Local Development Plan, and commence work on the next Main Issues Report and our priority Supplementary Guidance.
- The five key themes of the Local Housing Strategy will continue to be delivered.
 - Future Supply of Housing
 - Fuel Poverty
 - Housing Support/Housing for an aging Population
 - Homelessness
 - Private Sector Housing

Development Services Directorate Plan 2014/15

- We will implement the Requirements for CLD (Scotland) Regulations 2013 to ensure we have greater consistency in the provision and practice of Community Learning and Development across Shetland, with services being delivered in line with local priorities, and focussed on improving outcomes.
- Economic Development and CP&D will provide support to find money, e.g. EU/Big Lottery Fund. Assisting the Voluntary sector to increase their capacity in delivering more cost effective service.
- We will work in partnership with proactive communities in Shetland to identify barriers to employment, and create jobs in remote areas.
- We will work with community partners to identify skill and trade shortages and develop action plans to support the unemployed and under employed to access training in these areas.

Balanced budget:

- Implement budget savings of £1,839k contained in the 2014/15 Budget Book.

Shetland's demographics:

- The development directorate will develop an integrated research and information team operating across the services. The team will collect and analyse a wide range of demographic and other relevant data (including up to date census information). From this we will be able to identify trends and indicators which will feed into the Single Outcome Agreement and enable policies and service delivery to be shaped appropriately.

Team development:

- We will free up time to deliver change
- Better structure and organisation of meetings

Development Services Directorate Plan 2014/15

- Delivery on commitments
- We will fully implement the new Employee Review and Development Policy to all of our staff.
- We will work together to deliver this plan

External connections:

- We will develop more effective links with our MSP, MP and MEPs this will include seeking to secure formal meetings on behalf of the Directorate on a 3-6 monthly basis.
- We will be more proactive at getting Ministers to Shetland and plan how we use the valuable time we have with Ministers.
- We will also plan and agree in advance at our Directorate meetings the key issues we want to get across to high profile visitors.
- We will promote representation on relevant national and European committees and take opportunities to engage.

Links to National and Local Strategic Plans and Frameworks

Shetland stays a safe place to live, and we have strong, resilient and supportive communities.

Shetland has sustainable economic growth with good employment opportunities, our people have the skills to match, good places to stay and the transport people and businesses need.

We have tackled inequalities by ensuring the needs of the most vulnerable are identified and met.

We have financial sustainability and balance within each partner and a better balance between a dynamic private sector, a strong third sector and efficient and responsive public sector.

What We Achieved Last Year

There are a number of achievements which have been secured during the past year. The main achievements are:

- Achieved budget reductions of £3.6m.
- In partnership with Hjaltsland Housing Association we have enabled a further 38 units of new housing currently on site across Shetland.
- Contributed to achieving successful outcome to reduce historic housing debt to manageable level.
- Successful Housing Inspection report from external ISO auditor.
- Successful HMI inspection of Shetland College.
- Submitted the Local Development Plan to the Scottish Government as the Council's settled view.
- Reduced time to consider planning applications, during a period where an exceptionally large number of major applications are being considered; Total Gas Plant, BP Gas plant, New Power Station, Viking Energy, New AHS.
- Completed review of CP&D and carried out service restructure.
- Resolved issues relating to the transfer of SDT assets, including Community Quota to SIC.
- Implemented Housing Service review (Asset management Team).
- Implemented Planning Service review.
- Installed Shetland Telecoms NGB fibre connection to Sullom Voe.

Development Services Directorate Plan 2014/15

- Worked with Total E&P, Petrofac and other companies engaged in the Shetland Gas Plant Project to maximise engagement of Shetland businesses.
- Introduced new economic development policies and assistance schemes.
- Made representation at the highest levels of Government to retain Shetland's Assisted Area status.
- During financial year 2013/14 CP&D staff supported 46 community groups with external funding applications, securing £437k of external funding to date, with decisions pending on another 12 applications. The percentage of successful applications increased from 65% in 2012/13 to 70% in 2013/14.
- Office accommodation and learning room issues resolved.
- Completed a comprehensive review of the Tertiary Education, Research and Training sector and commissioned an enabling project to deliver the required Business Model and Implementation Plan.

Self Evaluation

Several systems are used within the Directorate to assess how effective we are at the delivery of what we set out to do and what we are expected to do in relation to Best value, legislative obligations and external inspections, more details of these can be found within the attached service plans. The approaches in place include national systems such as the balanced scorecard methodology used in building standards. The Directorate will also engage in the Council-wide assessment which is planned using 'How Good is our Council?'

How We Will Work Together

Working productively together is important to us as evidenced by one of our key aims as stated above i.e.

Development Services Directorate Plan 2014/15

We will demonstrate we are an effective, cohesive team with a reputation for innovation. The newly established Development Partnership, which is part of the overall Shetland Partnership, will strengthen our ability to contribute to high level strategic planning through the single outcome agreement. We will work together and with our partners to develop innovative approaches to the key priority areas of economic recovery and growth, employment and inequality of outcomes.

Plans for 2014/15

Details of plans for each service within the Directorate are included in service plans:

- **Business as Usual**

Each service has a large number of day to day activities which form the core of their services; these are the key activities for the Directorate for the year. These maintenance activities are set out in the individual service plans.

- **Change Management**

These activities are detailed in section 4 'Objectives for 2014/15' and in the individual service plans.

Working Better Together

Improve Communication within team/opportunities to share information/join-up staff teams to make more efficient use of existing resources to support managers e.g. admin, research and information

- Avoid duplication at all opportunities including attendance at meetings.
- Use time most productively by only attending meetings that pertain and being focused for those meetings we control.
- Delegate where possible.
- Ensure feedback from meetings is shared where appropriate and relevant.

External Engagement

External engagement is the key to our success. Specifically maintaining or improving customer satisfaction and developing better connections with external partners and the community are key aims and objectives for the Directorate for next year as set out above.

Benchmarking Arrangements

- Resources within the Directorate Services will be pooled to form an integrated research and information team
- Benchmarking will take place as part of service reviews
- Audit Scotland Annual Performance Indicators
- SOLACE Indicators

Action Plan

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
1		Supporting adults to be independent			
1.2	Housing	Increased services that help people to live longer independently in their own homes, and provided extra-care housing options to provide supported homely settings;	Addressed through Housing Support Service re-design, initially through multi-agency pilot in North Isles	Redesigned housing support service integrated into locality model of service with Care and NHS	2014/15
2		The best possible start for			

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
		every child			
2.9	Directorate	Developed educational opportunities by establishing a partnership between secondary education and further and higher education and developing a Shetland Learning Campus.	Create an ambitious partnership between Shetland High schools and the Further and Higher Education sector in Shetland, and align the implementation of this partnership with the current proposals for Tertiary Education, Research and Training.	Detailed business model and implementation plan for single governance model for Tertiary Education Research and Training agreed with stakeholders.	September 2014
3		The transport services we need most			
3.1	Transport Planning & ZetTrans	Implemented transport arrangements that meet people's current needs and which we can afford to maintain in the long term;	Put in place new arrangements for school and public bus transport to more efficiently link together services, and to achieve this within the medium term financial plan budgets.	Best value public and school bus service contracts in place.	August 2014
3.1	Transport Planning & ZetTrans	Implemented transport arrangements that meet people's current needs and which we can afford to maintain in the long term;	Put in place new arrangements additional support needs, and community care bus transport to more efficiently link together services, and to achieve this within the medium term financial plan budgets.	Best value ASN and Social Care Transport	March 2015
3.1	Transport Planning & ZetTrans	Implemented transport arrangements that meet people's current needs and which we can afford to maintain in the long term;	Work with Infrastructure Directorate to implement the ferry fares review.	Impacts reported to members.	April 2014 & Nov 2014
3.1	Transport	Implemented transport arrangements	Complete the 6 months and 12 months	Increase usage of smart	March 2015

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
	Planning & ZetTrans	that meet people's current needs and which we can afford to maintain in the long term;	assessments of the Ferry Review to establish the impacts of the changes for individuals, communities, and businesses.	cards, chip and pin facilities and online booking facilities	
3.1 – 3.4	ZetTrans		Refresh Shetland Transport Strategy	Refreshed strategy in place	October 2014
3.3 & 3.4	Transport Planning	Developed a programme of changes to our long-term internal transport systems that meet our individual and business needs with a realistic funding programme; and	Work with Infrastructure and Corporate Services to establish the Council's current investment in our Transport Infrastructure and the future investment required to maintain transport services in a 50 year infrastructure.	Infrastructure Investment Plan Completed	September 2014
3.4	Transport Planning	Developed a programme of changes to our long-term external transport systems that meet our economic growth needs with a realistic funding programme.	Develop proposal for external ferry provision. Current contracts end in 2018	Proposal can be discussed with Scottish Government	September 2014
4		Healthy economy			
4.1	Directorate	A wider business base and a closer partnership with both traditional and emerging sectors.	Improve and develop engagement with local industry.	Chamber of Commerce or equivalent in operation.	March 2015
4.2	Economic Development	High-speed broadband available to 84% of the Shetland population.	Work with partners and communities to deliver high speed broadband.	Digital Shetland strategy and action plan in place	September 2014
4.4	Economic Development	More high skill and well paid jobs across Shetland	Research and communicate supply chain information relating to larger scale developments in Shetland.	Business register maintained and communicated to parties engaged in industrial developments	March 2014

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
4.6	Economic Development	A developing resident labour force suitably skilled and qualified to take up those jobs	Assess the capacity in Shetland to provide the workforce training & skills development required by Shetland industry	Devise a system for businesses to register needs for specific skills.	September 2014
4.1	Economic Development	A wider business base, and a closer partnership with both traditional and emerging sectors	Complete new commercial lending mechanism within the Council	Complete new commercial lending mechanism within the Council	March 2015
5		Strong communities			
5.1	Economic Development	More resilient and long-lasting communities and community enterprises across Shetland	Work with partners and communities to deliver high speed broadband.	Digital Shetland strategy and action plan in place	September 2014
5.2	Housing	Found ways to help increase supply of affordable housing.	Deliver on the Local Housing Strategy through joint working with Planning and Hjaltsland Housing Association and other partners	Robust housing development programme approved by Scottish Govt. Range of incentives and initiatives to complement social rented option.	March 2015
5.1	Planning		Develop a community benefit policy to cover all industry sectors and including developer contribution. A key outcome is to provide affordable housing.	Community Benefit Policy agreed with Community Planning Partners	March 2015
5.1	Economic Development		Encourage growth in commercial activity through development of unused or underutilised local assets	Engage with investigations in potential commercial or community uses for vacant properties within the schools estate.	March 2015
5.1	CP&D	Stronger, more resilient communities	Fully implement the findings of the Community Planning & Development Service Review, recognising that 2014/15	Workforce development and delivery of an efficient and effective service	March 2015

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
			will be a transitional year for community funding.		
5.1	CP&D	Established a network of local area forums across Shetland linked directly to the Shetland Partnership	Develop and implement the Strengthening Community Involvement Project	Increased participative democracy and community involvement in Community Planning	March 2015
5.1	Transport		Support communities to develop the transport solutions that meet their needs		
6		Working with partners			
6.1	CP&D	Aligned budget setting timetables across SIC, NHS and SCT	Support the Shetland Partnership Resources Group to implement the Agreement on joint working and resourcing	Develop a shared understanding of the financial, physical and human resources available across the Shetland Partnership and the best way to use these together	March 2015
6.2	CP&D	Participated in the Improvement Service project	Participate in the Improvement Service work around improving the impact of Third Sector Interfaces on Community Planning	Effective partnership working at a strategic level	March 2015
6.3	CP&D	An effective Shetland Partnership	Support and effective Shetland Partnership, and build capacity to meet the challenges set through the National Review of Community Planning and any other new areas of accountability	Effective partnership working at a strategic level	March 2015
6.4	CP&D	Developed an improvement plan	Work with the Improvement Service to carry out a self assessment of the Performance Group and develop a Shetland Partnership Improvement Plan	Demonstrate continuous improvement	March 2015
6.5	CP&D	An updated SOA, an effective	Make sure that key partnership plans	Demonstrate commitment	March 2015

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
		performance monitoring framework and an annual report to the Scottish Govt and Shetland community	such as the Shetland Single Outcome Agreement are complete and approved, and that they deal with the issues highlighted	to deliver a high quality SOA which reflects local priorities and needs	
6.6		Made sure that we are making the best choices between public-, private- and voluntary-sector partners providing services;	Review and analyse obstacles to better partnerships and transfers of responsibilities.		
7		Vulnerable and disadvantaged people			
7.1	CP&D	Concentrated our resources and services on the people who need them most and protected these people from the worst effects of change.	Work with partners as welfare reform is implemented and support households through the changes.	Stronger, more resilient communities	March 2015
7.1	CP&D	Delivered on the Fairer Shetland action plan	Work with partners to deliver the Fairer Shetland framework to tackle poverty disadvantage and exclusion.	Stronger, more resilient communities	March 2015
7.1	Housing		Combat fuel poverty by continuing to deliver on the Local Housing Strategy theme.	Range of measures to address fuel poverty issues and an increased awareness of the issues locally. Political lobbying of island specific issues.	
7.2		Provided the right support, at the right time, to help each person find long-term employment opportunities;	Draw down EU funding to support the provision of employability services in Shetland.	Strategic Employability Pipeline, and funding to deliver.	March 2015
7.3		Worked with people who need our help to improve their chances in life;	Undertake LIFE audit, and agree whether or not to proceed with this family centred approach.	LIFE audit	October 2014

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
7.4		Provided opportunities to develop positive community connections, to make sure people feel more a part of their community and take part in a wider range of activities; and	Develop action plan, drawing together strands across the CPP.	Deliverable action plan.	
7.5		Identified and dealt with new forms of inequality such as not having access to the internet and online services, sometimes called digital exclusion.	Seek external funding to undertake a pilot project and develop and deliver on a Digital Inclusion Project.	Project delivered, subject to external funding.	March 2015
9		Dealing with challenges effectively			
9.1	Finance/CP&D	Dealt with pressures, issues and problems within existing budgets	Investigate participatory budgeting and associated community engagement.	Proposal paper presented to members.	October 2014
9.4		Secured the best for Shetland in any constitutional change following the referendum.	Provide support to members with the Our Islands Our Future campaign to ensure information and analysis is available to support the case for greater local decision making.		September 2014
10		Living within our means			

Development Services Directorate Plan 2014/15

CP Ref	Dir /Svs	Priority / by the end of this plan we will have.....	Proposed Action	Target Outcome	Delivery Target
10.1		Stuck to the Medium Term Financial Plan and be financially strong.	<p>Deliver services within the revised budget of £13,065,000 thereby saving £1,809,000 in 2014-15.</p> <p>This will be delivered by:</p> <ul style="list-style-type: none"> • CP&D implement review, £486k • Economic Development, reduction in development grants, £408k. • Review and retendering of School, public transport and review of ASN and social care transport, £738k • Housing support service review, including charges and removal of furnished tenancy project, £207k • Train Shetland, £41k 	Balanced budget.	March 2015

Development Services Directorate Plan 2014/15

Performance Indicators

From Council Wide Performance Measures

	Indicators / Measure	Council 2013/14		Development Directorate 2013/14		Performance Statement	Improvement Statement
		Performance	Target	Performance	Target		
1	Overtime Cost			£53,316 (11ms)		Under £5,000 per Month	
2	Sickness Absence Rates	3.5% (prov)	3.6%	2.7% (prov)	4.0%	Under 4%	
3	Energy Usage						
4	Employee Review and Development	39%	100%	38%	100%		
5	Return to Work Interviews			100%		100% in line with Managing Absence Procedures	

Development Services Directorate Plan 2014/15

Directorate Performance Indicators from Local Government Benchmark Framework

	Indicator	Scotland 2012/13			Shetland				Performance Statement	Improvement Statement
		Min	Avg	Max	Year	Value	Rank	Target		
CHN11	% of pupils entering positive destinations				10/11	90.1%	8			
					11/12	90.9%	11			
		88.3%	91.4%	96.1%	12/13	94.4%	6			

Other Key Indicators from Our Service Plans

	Indicator	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Target	Performance Statement	Improvement Statement
DIR	Complaints about service delivery.								
CL&D	Increase additional investment secured by community groups to improve their communities over a one year period.								
DEVT	Increase the number of businesses/start up rate.			4.49 per 1000 of population			4.5 per 1,000 of population by March		

Development Services Directorate Plan 2014/15

Indicators from the Shetland Single Outcome Agreement

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
SOA 01	Increase sustainable economic growth.	ED		2%			2.7%		
SOA. 03	Employment Rate.	ED				82.90%	85% - Equal to maintaining employment rate at 5-year average from 2007-2012. Target recommended by Economic Development Partnership.		
SOA. 05	Average (Median) Earnings					£546.10	£560.10 - Calculations based on maintaining gross weekly wage at current Consumer Price Index level (currently		

Development Services Directorate Plan 2014/15

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
							2.7%). Target recommended by Economic Development Partnership.		
SOA 56a	% of people employed in the Public Sector	CP&D		Public 38.4%,			Public 37%		
SOA 56b	% of people employed in the 3 rd sector	CP&D		3 rd Sector 1.7%,			3 rd Sector 2.5%		
SOA 56c	% of people employed in the private sector	CP&D		Private 59.9%			Private 60.5%.		
SOA 60	Proportion of people on out of work benefits (JSA or equivalent).	ED		1.5%			<1.5%		

Development Services Directorate Plan 2014/15

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
SOA 06a	Improve the skill profile of the population (% qualified at NVQ1 level or above).	ED					87% of 16-64 qualified at NVQ1 level or above.		
SOA 06b	Improve the skill profile of the population (% qualified at NVQ4 level or above).	ED					32% 16-64 qualified at NVQ4 level or above.		
SOA 45	Increase the number of new house completions	ED				156	110 – average yearly completion rate over the last 16 years.		
SOA 47	Increase the supply of social housing completions	H				21	between 53 and 72 per year.		
SOA. 24	Population	CP&D				23,210	23,200		
SOA. 25	Population Dependency Ratio	CP&D				56.30%	56% - Indicator Endorsed by		

Development Services Directorate Plan 2014/15

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
							SPB.		
SOA. 26	Quality of life - Survey Results	CP&D				3	Top 3 - Indicator Endorsed by SPB.		
SOA. 27	Satisfaction With Public Services	CP&D				48.50%	50% - Indicator Endorsed by SPB.		
SOA. 63	Youth out of work Claimant Count	ED				3.50%	3% - Target based on incremental decreases in JSA claimant rate for 16-24 population until count matches overall claimant rate.		
SOA. 68	Females Economically Active	ED				79.70%	85% - Same as overall Employment Rate.		

Development Services Directorate Plan 2014/15

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
SOA. 08	Percentage of households living in fuel poverty	CP&D				39%	39% - Targets recommended by Fairer Shetland Partnership.		
SOA. 11	Percentage of Households Coping Well Financially	CP&D				64.10%	64.1% - Targets recommended by Fairer Shetland Partnership.		
SOA. 12	Percentage of Adults with a bank account	CP&D				96.40%	96.4% - Targets recommended by Fairer Shetland Partnership.		
SOA. 13	Percentage of Adults with some savings	CP&D				77%	77% - Targets recommended by Fairer Shetland Partnership.		

Development Services Directorate Plan 2014/15

	Directorate or Service Indicators / Measures	Source	Freq	Shet 11/12	Shet 12/13	Shet 13/14	Targets	Performance Statement	Improvement Statement
SOA. 57	Proportion of total population who are income deprived	CP&D				7%	7% - Targets recommended by Fairer Shetland Partnership.		
SOA. 59	Proportion of children in income deprived families	CP&D				6.70%	6.7% - Targets recommended by Fairer Shetland Partnership.		
SOA. 28	Increase percentage of people who agree with the statement 'I can influence decisions affecting my local area'.	CP&D				29.20%	35% - Indicator Endorsed by SPB.		
SOA. 42	Percentage of individuals Involved in Volunteering	CP&D				34%	35% - Target recommended by VAS.		

**Development Committee****26 May 2014****Committee Business Programme – 2014/15**

GL-07-14-DEV

Team Leader – Administration**Governance and Law
Corporate Services****1.0 Summary**

- 1.1 The purpose of this report is to inform the Committee of the planned business to be presented to Committee over the remaining quarters of the current financial year to 31 March 2015 and discuss with Officers any changes or additions required to that programme.

2.0 Decision Required

- 2.1 That the Development Committee considers its business planned for the remaining quarters of the current financial year to 31 March 2015 and RESOLVE to approve any changes or additions to the Business programme.

3.0 Detail

- 3.1 The Council approved the Council's Meeting Dates and Business Programme 2014/15 at its meeting on 26 March 2014, (Min. Ref. 21/14).
- 3.2 It was agreed that the Business Programme for 2014/15 would be presented by Committee Services to the Council and each Committee, on a quarterly basis, for discussion and approval.
- 3.3 The manner in which meetings have been scheduled is described below:
- Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within 2 weeks of the meeting, the meeting will be cancelled;

- Special meetings have been called on specific dates for some items – other agenda items can be added, if time permits;
- PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;
- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, the time, date, venue and location of any meeting may be changed, or special meetings added.
- Seminars will remain an important feature in the Council's calendar, although dates and details are not included in the business programme.

3.4 In relation to the planned business for the year ahead, the lead strategic Director reporting to this Committee has the following comments or observations to make:

Director of Development

A significant number of reports are still to be scheduled, and are listed in the Appendix. Transport Planning reports in future will go to the Environment and Transport Committee

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – The recommendation in this report is consistent with the following corporate priorities:

Our Corporate Plan 2013-17

- To be able to provide high quality and cost effective services to people in Shetland, our organisation has to be run properly.
- Fully align the timetables, time spans and approaches for financial planning relating to the medium term yearly budgeting with Council, directorate and service planning.

4.2 Community /Stakeholder Issues – The Business Plan provides the community and other stakeholders with important information, along with the Council's Corporate and Directorate Plans, as to the planned business for the coming year.

4.3 Policy And/Or Delegated Authority – Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committees role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations, in monitoring and reviewing achievements of key outcomes within its functional areas,

whilst ensuring best value in the use of resources is met to achieve these outcomes within a performance culture of continuous improvement and customer focus.

- 4.4 Risk Management – The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council's Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 The presentation of the Business Programme 2014/15 on a quarterly basis provides a focussed approach to the business of the Committee, and allows senior Officers an opportunity to update the Committee on changes and/or additions required to the Business Programme in a planned and measured way.

For further information please contact:

Anne Cogle

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19 May 2014

List of Appendices

Appendix 1 – Development Committee Meeting Dates and Business Programme 2014/15

Background documents:

Report Numbered Presented to Council on 26 March 2014: Titled “Meeting Dates and Business Programme 2014/15”

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4317>

END



**Shetland Islands Council - Meeting Dates and Business Programme 2014/15
as at Monday, 19 May 2014**

Development Committee			
D= Delegated R=Referred			
Quarter 1 1 April 2014 to 30 June 2014	Date of Meeting	Business	
	Ordinary 23 April 2014	Meeting cancelled – no business	
	PPMF 26 May 2014 2 p.m.	Management Accounts – Quarter 4	D
		Development Services Directorate – Performance Overview – Quarter 4	D
		Economic Development Investments - Update	D
		SDT Annual Accounts 2013-14	D
		Development Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2014/15	D
	Ordinary 16 June 2014 10 a.m.	Approval of short list of measures to address flood risk within Shetland	D
Quarter 2 1 July 2014 to 30 September 2014	Date of Meeting	Business	
	Special 13 August 2014 10 a.m.	Economic Development Policy Statement 2014-17	D
	PPMF 18 August 2014 2 p.m.	Management Accounts – Quarter 1	D
		Development Services Directorate – Performance Overview – Quarter 1	D
		Economic Development Investments - Update	D
		Committee Business Programme 2014/15	D
Quarter 3 1 October 2014 to 31 December 2014	Date of Meeting	Business	
	Ordinary 6 October 2014 10 a.m.	tbc	
	PPMF 17 November 2014 2 p.m.	Management Accounts – Quarter 2	D
		Development Services Directorate – Performance Overview – Quarter 2	D
		Economic Development Investments - Update	D
		Committee Business Programme 2014/15	D
	Budget 25 November 2014 11.30 a.m.	Development Services Directorate Plan 2015-16	D
		2015-16 Budget and Charging Proposals	R Ex 8 Dec



**Shetland Islands Council - Meeting Dates and Business Programme 2014/15
as at Monday, 19 May 2014**

Development Committee -Continued			
		<i>D= Delegated R=Referred</i>	
Quarter 4 1 January 2015 to 31 March 2015	Date of Meeting	Business	
	<i>Ordinary</i> 21 January 2015 10 a.m.	tbc	
	<i>PPMF</i> 23 February 2015 2 p.m.	Management Accounts – Quarter 3	D
		Development Services Directorate - Performance Overview Q3	D
		Economic Development Investments - Update	D
		Shetland Amenity Trust Architectural Heritage Programme 2015-16	D
		Committee Business Programme 2015/16	D

Planned Committee business still to be scheduled - as at Monday, 19 May 2014

- School and Public Transport Review – To transfer to E&T Committee
- ASN & Social care transport review – To transfer to E&T Committee
- Ferries Review – impact of changes – To transfer to E&T Committee
- Ferry Fares Review – To transfer to E&T Committee
- Transport Infrastructure project, including Fixed Links – To transfer to E&T Committee
- Community Planning and Development – Review Update
- Community Assets Transfer Policy and Scheme
- Renewable Energy Development Plan
- Shetland Development Trust Assets
- Investments policy
- Community Benefit Policy
- Shetland Local Development Plan
- Next Generation Access, Broadband Project
- Shetland Tertiary Education Research and Training project, business model and implementation plan

Development Committee - END

**Development Committee****26 May 2014****Shetland Development Trust Annual Accounts for year ended 31 March 2014****Report No: DV021-F****Report Presented by Project Manager****Economic Development
Development Services Department****1.0 Summary**

- 1.1 The purpose of this report is to present and seek approval for the annual accounts of the Shetland Development Trust (SDT) for the year ended 31 March 2014, attached as Appendix 1.

2.1 Decision Required

- 2.1 That the Development Committee RESOLVE to approve the accounts of the SDT for the year ended 31 March 2014.

3.0 Detail

- 3.1 The presentation of these accounts are required under the Administration Regulations of the SDT which include:
- preparing regular accounts, reporting thereon to the Trustee, and preparing and publishing annual accounts of the Trust on behalf of the Trustee; and
 - ensuring that the annual accounts of the Trust are audited after the end of the appropriate year, without undue delay.
- 3.2 The Administration Regulations of the SDT still apply insofar as they relate to the Council as sole Trustee. However, the conduct of the Development Committee, even when acting on behalf of the Council as Trustee, is also governed by the rules applying to all Committees and Members in their capacity as Councillors.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – This report links to the Council's Corporate Plan 2013-17, which sets out a range of priorities to more effectively and efficiently organise the Council's business.
- 4.2 Community /Stakeholder Issues – None.
- 4.3 Policy and/or Delegated Authority – This report has been prepared with regard to the pledges contained in the Council's Economic Development Policy Statement 2013-2017. The Policy Statement was last approved by the Development Committee on 12 March 2014 [Min Ref: 10/14].

In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

The Council's role as sole Trustee for SDT is deemed to fall within the performance of its development function.

- 4.4 Risk Management – Failure to present these accounts and have them formally approved would be a breach of the Administration Regulations of the SDT.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – None.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 The accounts have been prepared as part of the Administration Regulations of the SDT and require approval by the Development Committee as sole Trustee.

For further information please contact:

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Position: Project Manager
Tel: 01595 744966
Email: wendy.grant@shetland.gov.uk
Date: 14 May 2014

List of Appendices

Appendix 1 – Shetland Development Accounts for year ended 31 March 2014.

END

Appendix 1

Shetland Development Trust
Annual report and accounts
31 March 2014

Shetland Development Trust

Annual report and accounts
31 March 2014

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Chairman's statement

I present this report to give a summary of the performance of the Shetland Development Trust (SDT) to the public, Shetland Islands Council and interested parties during the period between 1 April 2013 and 31 March 2014.

This set of accounts deals with the existing investments of the SDT, which continue to be serviced under the auspices of the Shetland Islands Council acting as sole Trustee of the SDT. The portfolio of investments consists primarily of loans, equity and quota.

All investments are being managed out in line with loan or shareholders' agreements. The investments continue to successfully generate surplus which is to be distributed in future years for the benefit of the Shetland community through funding charities with development aims.

Staff continue to manage, monitor and review the SDT investments along with other duties within the Economic Development Service. I would like to express my appreciation for these hardworking and efficient staff.

At the current time the options are being explored for winding up the Trust in 2014/15, please see note 2 for further details.

A Cooper

Chairman of Development Committee

Trustee and advisers

Trustee: Shetland Islands Council, as a body

Principal address: Solarhus
3 North Ness Business Park
Lerwick
Shetland
ZE1 0LZ

Bankers: Bank of Scotland
117 Commercial Street
Lerwick
Shetland
ZE1 0DN

Solicitors: Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Auditor: KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Statement of Trustee's Responsibilities

The Trust Deed, dated 8 January 1996, does not contain any specific requirements with regard to record keeping or the preparation of accounts. The Trustee has decided that non-statutory accounts should be prepared and that generally accepted accounting practice in the United Kingdom should be applied. They have also decided that the non-statutory accounts should be audited. In the preparation of these non-statutory accounts, the Trustee has decided to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the non-statutory accounts; and
- prepare the non-statutory accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustee has an implicit general responsibility under the Trust Deed for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

ABCD

*37 Albion Place
Aberdeen
AB10 1JB
United Kingdom*

Report of KPMG LLP to the Trustee of Shetland Development Trust

We have audited the non-statutory accounts of Shetland Development Trust for the year ended 31 March 2014 set out on pages 5 to 13. The non-statutory accounts have been prepared for the reasons and on the basis of the accounting policies set out in note 2 to the non-statutory accounts.

Our report has been prepared for the Trust solely in connection with our engagement letter dated 22 March 2014. It has been released to the Trust on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Trust's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Trust determined by the Trust's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Trust for any purpose or in any context. Any party other than the Trust who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Respective responsibilities of Trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement set out on page 3, the Trustee of the Shetland Development Trust is responsible for the preparation of the non-statutory accounts in accordance with the basis of preparation as set out in note 2 to the non-statutory accounts. Our responsibility is to audit, and express an opinion on, the non-statutory accounts in accordance with the terms of our engagement letter dated 22 March 2014 and having regard to International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the non-statutory accounts

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory accounts sufficient to give reasonable assurance that the non-statutory accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; and the reasonableness of significant accounting estimates made by the Trustee. In view of the purpose for which these non-statutory accounts have been prepared, however, we did not assess the overall presentation of the non-statutory accounts which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland).

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify any material inconsistencies with the audited non-statutory accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory accounts

In our opinion the non-statutory accounts of the Trust for the year ended 31 March 2014 have been properly prepared, in all material respects, in accordance with the basis of preparation and the accounting policies set out in note 2 to the non-statutory accounts.

KPMG LLP
Chartered Accountants
XX XXXX 2014

Revenue account

for the year ended 31 March 2014

	Note	2014	2013
		£000	£000
Income			
Local loan interest		116	201
Short term deposit interest		15	11
Dividends receivable		240	150
Whitefish quota rental income		944	539
Other income		-	-
Total income		1,315	901
Expenditure			
Audit, accountancy and tax fees		(57)	(59)
Legal fees		(61)	(6)
Administration expenses	3	(101)	(258)
Total expenditure		(219)	(323)
		1,096	578
Taxation	4	(493)	396
Surplus for the year		603	974
Transferable to Shetland charitable bodies		(714)	(474)
Transfers from/(to) Capital Account		111	(500)
Surplus carried forward		-	-

Capital account

for the year ended 31 March 2014

	2014 £000	2013 £000
Amortisation of fish quota	(916)	(916)
Amortisation of fishing boat licence	(30)	(30)
(Increase) / decrease in provisions (net)	569	226
Taxation provision	111	(500)
Revaluation of Investments	91	-
Transfers from/(to) Revenue Account	(111)	500
Deficit for the year	(286)	(720)
Balance brought forward	11,191	11,911
Balance carried forward	10,905	11,191

Balance sheet
at 31 March 2014

		2014	2013
	Note	£000	£000
Fixed assets			
Tangible assets	5	-	-
Intangible assets	6	6,337	7,283
Equity investments	7	109	168
		<hr/>	<hr/>
Total fixed assets		6,446	7,451
Loans to local industry	8	1,408	1,202
Current assets			
Debtors	9	475	621
Cash at bank		3,852	3,069
		<hr/>	<hr/>
		4,327	3,690
Current liabilities			
Creditors: amounts falling due within one year	10	(1,276)	(1,152)
		<hr/>	<hr/>
Net current assets		3,051	2,538
		<hr/>	<hr/>
Net assets		10,905	11,191
		<hr/>	<hr/>
Represented by:			
Capital account		10,905	11,191
		<hr/>	<hr/>

The non-statutory accounts were approved by the Trustee and subsequently signed on their behalf on 26 May 2014 by:

A Cooper
*Chairman of the Development Committee,
On behalf of the Trustee*

Notes

(forming part of the accounts)

1 Trust constitution

Shetland Development Trust is a public non-charitable trust and was constituted under a Deed of Trust registered in Edinburgh on 8 January 1996. The object of the Trust is to assist local businesses in the Shetland Islands. Financial assistance may include the purchase of equity, the provision of guarantees and the provision of loans and grants.

The Trust maintains both a capital and revenue account. The capital account has been funded by grants from the Shetland Islands Council's Reserve Fund and transactions adjusting those capital grants are charged or credited to the capital account. Income receivable from investments funded by the capital account are credited to the revenue account and costs incurred in earning that income are charged to the revenue account. Taxation payable on the income of the Trust, after allowable expenses, is charged to the revenue account. Other taxation payable is charged to the capital account. Any net income after tax of the Trust is made available for distribution to be paid over to such charitable body or bodies in the Shetland Islands as the trustee shall determine.

The current trustee of the Trust is shown on page 2. The Trust Deed confers the power on the trustee to assume new trustees.

Details of the development, activities and achievements of the Trust during the year are given in the chairman's statement. Details of the Trust's investment policy are contained in a separate policy statement, a copy of which can be obtained from the Trust's principal address shown on page 2.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the non-statutory accounts.

Basis of preparation

The trustee has decided that these non-statutory accounts should be prepared in accordance with the terms of the declaration of trust applying generally accepted accounting practice for transactions where no specific provision is made in the declaration of trust, with the exception of accounting for retirement benefits.

The accounting concepts of "materiality", "accruals" and "going concern" have been considered in the application of the accounting policies. In this regard the materiality concept means that information is included where it is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the year in which they occur, not in the period in which cash is paid or received.

The going concern concept assumes that the Trust will continue to operate for at least 12 months from the approval of the non-statutory accounts. At the current time, the trustee anticipates winding up the activities of the Trust no later than 20 November 2015 in order to avoid a significant tax exposure and is exploring options for how to complete this. Notwithstanding this anticipated course of action, the trustee believes that the carrying value of the assets and liabilities as disclosed as at 31 March 2014 are not impaired, as the winding up of the Trust is likely to be accomplished through transferring key elements of the activities of the Trust to a successor body.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives through the revenue account as follows:

Fixtures, fittings and equipment	-	4 years
Abattoir	-	5 years

Where evidence of impairment exists, the value of tangible fixed assets is written down accordingly with the corresponding charge being made to the capital account.

Notes *(continued)*

Accounting policies *(continued)*

Intangible fixed assets and amortisation

Fish quota and fishing boat licences are capitalised at cost. The costs of fish quota and the fishing boat licence are amortised over a period of 20 years, being their estimated useful lives. Where evidence of impairment exists, provision is made accordingly. Amortisation charges and any changes in provision are charged to the capital account. On the basis of industry advice, the trustee considers whether the carrying values of these assets are in excess of their recoverable amounts and require impairment.

Investments

Fixed asset equity investments are shown at cost. Provision is made where evidence of impairment exists and the investments are written down accordingly, the charge being made to the capital account.

Current asset investments are shown at the lower of historic cost and market value. Where market value is less than cost, the impairment difference is charged to the capital account.

Loans to local industry

Loans to local industry are shown at the amount advanced less provisions for non-recovery. In the balance sheet the net amount is disclosed below fixed assets. Advances, repayment and changes in the provision for non-recovery are all charged to the capital account.

Interest and dividends receivable

All payments of interest on loans, share dividends and all other income of the Trust are credited to the Trust's revenue account when the Trust can be reasonably certain that payments will be receivable. Quota rental income is credited to the revenue account on an accruals basis.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either convertible into known amounts of cash at or close to their carrying values.

Taxation

The Trust is a discretionary trust for tax purposes, and as such the income of the Trust, after allowable expenses, is subject to taxation at the rate applicable to such trusts for the relevant period.

The Trust is also subject to a ten-yearly charge for inheritance tax, which was last chargeable based on the position as at November 2005.

Notes (continued)

3 Administration expenses

Total administration expenses for the year of £101,000 (2013: £258,000), are analysed as follows:

	2014 £000	2013 £000
Salary and related costs	43	66
Quota administration charge	94	72
VAT costs	(29)	121
Other costs	3	6
Recovered through recharge	(10)	(7)
	<hr/> 101 <hr/>	<hr/> 258 <hr/>

4 Taxation

	2014 £000	2013 £000
Income tax:		
On income for the year	493	289
Overpayment of tax relating to prior years	-	(685)
	<hr/> 493 <hr/>	<hr/> (396) <hr/>

5 Tangible fixed assets

	Fixtures, fittings & equipment £000	Abattoir £000	Total £000
Cost			
At beginning and end of year	68	50	118
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	68	50	118
Charge for year	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	68	50	118
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2014	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2013	-	-	-
	<hr/>	<hr/>	<hr/>

Notes (continued)

6 Intangible fixed assets

	Fish quota £000	Fishing boat licence £000	Total £000
Cost			
At beginning of year	17,967	592	18,559
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	17,967	592	18,559
	<hr/>	<hr/>	<hr/>
Amortisation and impairment			
At beginning of year	10,981	295	11,276
Amortisation charge for year	916	30	946
	<hr/>	<hr/>	<hr/>
At end of year	11,897	325	12,222
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2014	6,070	267	6,337
	<hr/>	<hr/>	<hr/>
At 31 March 2013	6,986	296	7,282
	<hr/>	<hr/>	<hr/>

7 Equity investments

	Participating interests £000
Cost	
At beginning of year	6,290
Disposals	(794)
	<hr/>
At end of year	5496
	<hr/>
Provisions	
At beginning of year	6,122
Released in year	(735)
	<hr/>
At end of year	5,387
	<hr/>
Net book value	
At 31 March 2014	109
	<hr/>
At 31 March 2013	168
	<hr/>

Certain of the Trust's investments are held in the name of a nominee company.

Notes (continued)

7 Equity investments (continued)

The Trust's principal participating interests at the year end were as follows:

Companies	Country of registration	Principal activity	Class of shares held	Percentage of shares held
P/F Smyril Line	Faroe Islands	Principal North Atlantic passenger and freight ferry link	DKK 100,000	<6%

8 Loans to local industry

	£000
<i>Cost</i>	
At beginning of year	2,890
Loan additions	943
Written off in year	(324)
Repayments	(571)
At end of year	2,938
<i>Provisions</i>	
At beginning of year	1,688
Released during the year (net)	(158)
At end of year	1,530
<i>Loans net of provisions</i>	
At 31 March 2014	1,408
At 31 March 2013	1,202

Notes (continued)

9 Debtors

	2014 £000	2013 £000
Trade debtors	91	256
Tax recoverable	177	180
Prepayments and accrued income	207	185
	<u>475</u>	<u>621</u>

10 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amount payable to Shetland charitable bodies	1,045	1,069
Current taxation	71	-
Sundry creditors	4	-
Accruals and deferred income	156	83
	<u>1,276</u>	<u>1,152</u>

11 Contingent liabilities

The Trust has guaranteed certain loans granted to various local businesses by the Shetland Charitable Trust. At 31 March 2014, the total value of loans guaranteed by the Trust was £149,667.

12 Related party disclosures

The Trust has taken advantage of the exemption available in Financial Reporting Standard 8 "Related Party Transactions" not to disclose any transactions with entities that are part of the Group which would qualify as related parties, on grounds that it is a subsidiary where 90% or more of its voting rights are controlled within the Group, and the consolidated financial statements are publicly available (Note 13).

13 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is the Shetland Islands Council, 8 North Ness Business Park, Lerwick, Shetland, ZE1 0LZ. Copies of the Council's consolidated financial statements can be obtained from the above address.