



**Policy & Resources Committee
Shetland Islands Council**

**28 May 2013
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Shetland Islands Council 2013-14 Draft Outturn

F-024-F

Report Presented by Executive Manager – Finance

Corporate Services

1.0 Summary

- 1.1 The purpose of the 2013-14 Draft Outturn report is to present the actual spending position for Shetland Islands Council.
- 1.2 The 2013-14 actual spend will move the organisation towards achieving financial sustainability within the lifetime of the current Council.

2.0 Decision Required

The Policy & Resources Committee and Council RESOLVES to:

- note the 2013-14 draft outturn position, and
- note the 2013/14 proposed carry-forwards.

3.0 Detail

- 3.1 The detail of the 2013-14 draft outturn position is set out in Appendices 1, 2 and 3 to this report.
- 3.2 This includes all controllable and non-controllable items of expenditure, and will be subject to final accounting and audit adjustments as part of the year end accounts preparation process.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities

The 2013-14 draft outturn position will contribute towards delivering the Medium Term Financial Plan. The actual spend is within the budget agreed for 2013-14.

4.2 Community/Stakeholder Issues – None.

4.3 Policy And/Or Delegated Authority

The Chief Executive and Directors have delivered within the Council's budget in accordance with the Scheme of Delegations and Financial Regulations. As set out in paragraph 2.2 the Policy and Resources Committee has responsibility for securing the co-ordination, control and proper management of the Council's financial affairs.

4.4 Risk Management – None.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The total draw on reserves required to balance the budget in 2013-14 was £15.099m (unaudited figure) which is significantly lower than the £21.445m required in 2012-13 and the £35.6m required in 2011-12. Despite this progress the Council's current reliance on reserves to balance its budget is still unsustainable and further large reductions in spending will be required to ensure that the Council can become financially sustainable and enabling it to retain a level of reserves which is no lower than £150m.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The draft outturn position for 2013-14 will assist the Council in its progress towards retaining a minimum level of £150m in the Council's reserves, and eradicating the organisation's structural deficit. Once the Council has achieved this it will become financially sustainable.

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Appendix 1 – 2013-14 Draft Outturn Position

Appendix 2 – 2013-14 Revenue Management Accounts Outturn (Detail)

Appendix 3 – 2013-14 Capital Management Accounts Outturn (Detail)

Shetland Islands Council



2013-14 Financial Review

The Council's Draft Outturn Position

Securing the Best for Shetland

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Executive Summary

- 1.01 The 2013-14 draft outturn report sets out the actual spending position for the Council.
- 1.02 The draft outturn position has exceeded the target in the Medium Term Financial Plan and therefore has contributed towards the strategic aim of realigning spending within available resources in order to preserve a minimum level of £150m in the Council's reserves. By achieving this, the Council will eradicate the organisation's structural deficit and become financially sustainable.
- 1.03 The total draw on reserves required to balance the budget in 2013-14 was £15.099m (unaudited figure) which is significantly lower than the £21.445m required in 2012-13 and the £35.6m required in 2011-12. Despite this progress the Council's current reliance on reserves to balance its budget is still unsustainable and further large reductions in spending will be required to ensure that the Council can become financially sustainable.

2013-14 Draft Draw on Reserves Summary

- 1.04 The table shows that the draft draw on reserves is £15.099m against a target of £26.534m resulting in a reduction in the draw on reserves against the revised budget of £11.436:

Spending Area	2013-14 Revised Budget £m	2013-14 Actual £m	2013-14 Variance £m	Remove 2013-14 Carry Forwards £m	2013-14 Revised Variance £m
General Fund	20.659	13.187	7.472	3.697	3.775
Council Tax 2 nd Homes	75	75	0	0	0
Harbour Account	(0.209)	(2.091)	1.883	0	1.883
Marine Fund	0.134	0.133	0.001	0	0.001
Housing Revenue Account	2.474	1.479	0.995	0.388	0.607
Asset Investment Plan (Capital Programme)	1.726	0.945	0.781	0.614	0.167
Spend to Save (Capital and Revenue)	1.675	1.371	0.304	0.285	0.019
TOTAL DRAW ON RESERVES	26.534	15.099	11.436	4.984	6.452
Split between:					
Recurring Draw on Reserves	12.511	5.715	6.797	0	6.797
Non- Recurring Draw on Reserves	14.023	9.384	4.639	4.984	(0.345)

- 1.05 It is important to recognise the difference between the recurring draw on reserves, which represents the underlying need to use reserves year on year, and the non-recurring draw on reserves, which is a one-off use of reserves. The scale of the recurring draw on reserves can lead us to conclude that the Council is operating a structural deficit whereby expenditure levels do not reflect the income levels received by the Council. Therefore, it is encouraging to see that against a budgeted recurring draw on reserves of £26.534m, the draft actual spending figure was £11.436m less than budget at £15.099, indicating that the Council is making good progress to tackle the structural deficit.
- 1.06 The table below sets out the budget and actual non-recurring draw on reserves for 2013-14:

Type of Expenditure Non-Recurring Costs	2013-14 Revised Budget £m	2013-14 Actual £m	2013-14 Variance £m	Remove 2013-14 Carry Forwards £m	2013-14 Revised Variance £m
Budget Carry Forwards from 2012-13 (Revenue)	3.172	2.368	0.804	0.000	0.804
Hjaltland Housing Association Grant	1.802	1.704	0.098	0.000	0.098
Police & Fire	0.000	0.035	(0.035)	0.000	(0.035)
Spend to Save (Revenue & Capital)	1.675	1.371	0.304	0.285	0.019
Unsustainable Draw on Housing Repairs & Renewals Fund	2.474	1.479	0.995	0.388	0.607
Cost Pressure & Contingency Items	4.900	2.427	2.473	1.167	1.306
Budget Carry Forwards from 2013-14	0.000	0.000	0.000	3.144	(4.984)
TOTAL	14.023	9.384	4.639	4.984	(0.345)

Reserves health check

- 1.07 The value of the externally invested reserves stood at £203.483m on 31 March 2014 (£205.730m 31 March 2013). The decrease in their value is attributable to withdrawal from the funds of £16m and investment income of £14m. The income reflects a 6.8% return achieved during the financial year.
- 1.08 The level of reserves at 31 March 2014, achieved is the result of a smaller draw on reserves than anticipated alongside a slightly better than average investment return.
- 1.09 This will be reflected in the updated Medium Term Financial Plan in July 2014. However, it is important to recognise that stock market values will fluctuate from year to year, and this should not form a basis for altering the current course if the Council still wishes to become financially sustainable by 2017.

The 2013-14 General Fund

2.01 The 2013-14 General Fund budget and actual comparison is set out in the table below:

Line No.	Description	2013-14 Revised Budget £000s	2013-14 Actual £000s	2013-14 Variance £000s	Remove 2013-14 Carry Forwards £m	2013-14 Revised Variance £m
1	Chief Executive & Cost of Democracy	1,586	1,735	(149)	23	(172)
2	Children's Services	42,282	40,961	1,321	714	607
3	Community Care Services	21,576	21,463	113	473	(360)
4	Corporate Services	11,316	10,216	1,100	627	473
5	Development Services	17,364	15,962	1,402	493	909
6	Infrastructure Services	21,798	20,369	1,429	200	1,229
7	Police & Fire	0	35	(35)	0	(35)
8	Fund Manager Fees (inc one-off restructuring costs)	834	1,010	(176)	0	(176)
9	GENERAL FUND SERVICES NET EXPENDITURE (equals lines 1-8)	116,756	111,751	5,005	2,530	2,475
10	Cost Pressures & Contingency	2,272	58	2,214	1,167	1,047
11	Recharges Out (to Other Funds/External Bodies)	(2,883)	(2,438)	(445)	0	(445)
12	TOTAL NET GENERAL FUND EXPENDITURE (equals line 10 - 11)	116,145	109,371	6,774	3,697	3,077
13	Funded by:					
14	GRG/NNDR (Scottish Government Allocation)	(85,955)	(86,893)	938	0	938
15	Council Tax	(8,600)	(8,284)	(316)	0	(316)
16	DLO	(528)	(619)	91	0	91
17	TOTAL CORE FUNDING (equals lines 14-16)	(95,083)	(95,796)	713	0	713
18	Deficit to be funded from Reserves					
19	Draw on Reserves – General Fund	(20,659)	(13,187)	(7,472)	(3,697)	(3,775)
21	Draw on Reserves – 2 nd Homes Council Tax	(75)	(75)	0	0	0
22	Draw on Reserves –Spend to Save	(328)	(313)	(15)	0	(15)
23	TOTAL FUNDING FROM RESERVES (equals lines 19-22)	(21,062)	(13,575)	(7,487)	(3,697)	(3,790)
24	TOTAL FUNDING (equals line 17 plus line 23)	(116,145)	(109,371)	(6,774)	(3,697)	(3,077)
25	Balanced budget (line 12+24)	0	0	0	0	0

Expenditure

- 2.02 The General Fund Services Net Expenditure was budgeted to be £116.756m in 2013-14 as shown at Line 9 in the table above, actual expenditure of £111.751 has been incurred resulting in an underspend for the year of £5.005m. This expenditure represents the spending on day to day Council services.
- 2.03 Chief Executive & Cost of Democracy (**£0.149m or 9.4% overspend**)
- The overspend was attributable to a one-off cost of successfully defending the Council on court cases (£212k). Without this cost, the area would have achieved an underspend against budget.
- 2.04 Children's Services (**£1.321m or 3.1% underspend**)
- Children & Families and Children's Resources are £329k underspent, this is due to staff turnover and difficulties recruiting to vacant posts, and underspends on operating costs across both services.
 - Quality Improvement/Schools are £760k underspent due to savings which have been achieved within Additional Support Needs, energy costs, building maintenance, operating costs and income received. These underspends have been partially offset by overspends in Youth Services and Cleaning due to the delay in implementation of the service reviews.
 - Minor underspends were also achieved in Sport and Leisure £97k and Shetland Library £67k.
- 2.05 Community Care Services (**£0.113m or 0.5% underspend**)
- The £113k underspend excludes the impact of £473k of external funding which has been requested to be carried forward into 2014/15. Once this is factored in, it takes the Community Care outturn position to a net over-spend of £360k.
 - The net overspend relates mainly to one-off redundancy costs that were not budgeted for within the Corporate Cost Pressures and Contingencies (£787k), an overspend on Direct Payment grants to individuals due to a higher number of cases than budgeted (£113k), and a shortfall in income across the new non-residential charges and meals on wheels due to charging being implemented late and then income being less than anticipated (£628k).
 - This is offset by general savings of £484k which were identified across all services as part of the Plan B exercise, Cost Pressure money of £260k in relation to demographic pressures, contingency funding for exit packages £300k net savings in salaries following the early retirement / voluntary redundancy (ER/VR)

exercise and due to vacancies £244k, and additional savings in equipment purchase, meals supplies and maintenance £235k.

2.06 Corporate Services (**£1.100m or 9.7% underspend**)

- The underspend is a combination of additional income generated from properties (£153k) and registration fees (£20k), welfare reform funding which requires to be carried forward (£210k), vacancies and other savings and managed underspends which also require to be carried forward.

2.07 Development Services (**£1.402m or 8.0% underspend**)

The net underspend was a combination of:

- A low level of interest in Economic Development grant schemes resulting in an underspend of £646k and income received this year for Leader and Convergence schemes which relates to expenditure incurred last year £255k.
- Reduced expenditure on Community Planning and Development grants in particular the capital grants scheme totalling £300k.
- Savings in Housing Services staff costs following a restructuring exercise and vacancies amounting to £131k. There is also an underspend on the Hjaltland Housing Association grant as the interest rate charged on the bridging finance lower than expected, in line with the reduction in interest rates.
- This is offset by an overspend on the Shetland College due to a failure to implement most of the budgeted SOFIE savings, or identify alternatives and a reduction in student activity leading to lower than anticipated course fees and Scottish Funding Council funding.

2.08 Infrastructure Services (**£1.429m or 6.6% underspend**)

The net underspend comprises:

- Directorate – administrative staff vacancies £53k;
- Environmental Services - vacant posts £149k and reduction in Private Sector Housing Grant spend due to no requirement for large grants of £120k;
- Ferry Services - underspending on vessel and terminal maintenance mainly due to staffing changes, of £481k, underspending on ferry fuel relating to change of supplier, reduced fuel prices and timetable changes of £146k; reduction in vessel and plant insurance £109k; offset by reduction in ferry fare income due to increased fares and reduction in frequency and capacity of sailings (£182k). These underspends were not anticipated by management which is why there was such a significant variance between Quarter 3 projected overspend and the actual outturn underspend;

- Roads Service - reduced requirement for winter gritting service due to mild winter of £205k and prolonged windy conditions delaying streetlighting maintenance of £87k within Roads Service; and
- Building & Transport Operations – predominantly vacant posts.

2.09 Fund Managers Fees (**£0.176m or 21.1% overspend**)

- The overspend was attributable to one-off fund managers fees to restructure the Council's investments in line with the new Investment Strategy (£178k).

Funding

- 2.10 The Scottish Government allocations is the Council's General Revenue Grant and the level of income that the Council will receive from the National Non-Domestic Rates Pool. There was additional income received of £0.938m which had not been budgeted. This related to late allocations of additional funding such as for support with welfare reform costs.
- 2.11 The decrease in Council Tax collected is due to a change in the way Council Tax benefits are funded, these used to be by ring-fenced grant but now form part of the General Revenue Grant.
- 2.12 The remainder of the funding required to balance the General Fund has to come from the Council's reserves. This was £13.575m in 2013-14 (Line 23 in the table at 2.01) against a budgeted draw of £21.062m. The reason for this was because of the overall reductions in expenditure as explained in the previous section.

The 2013-14 Harbour Account

3.01 The 2013-14 Harbour Account budget and actual comparison is set out in the table below:

Line No.	Description	2013-14 Revised Budget £000s	2013-14 Actual £000s	2013-14 Variance £000s
1	Ports Management	51	93	(42)
2	Ports Engineering	18	0	18
3	Sullom Voe	12,249	11,501	748
4	Scalloway	593	634	(41)
5	Other Piers	513	293	220
6	Jetties & Spur Booms	1,765	2,588	(823)
7	HARBOUR ACCOUNT SERVICES EXPENDITURE (equals lines 1-6)	15,189	15,109	80
8	Income			
9	Income Generated from Harbours	(13,499)	(14,479)	980
10	Income Jetties & Spur Booms	(1,765)	(2,588)	823
11	TOTAL CORE FUNDING (equals lines 9-10)	(15,264)	(17,067)	1,803
12	TOTAL HARBOUR ACCOUNT NET INCOME (equals line 7 plus line 11)	(75)	(1,958)	1,883
13	Contributions (from)/to Reserves			
14	Draw on Reserves – Marine Fund	(134)	(133)	(1)
15	Contribution (from)/to Reserves – Reserve Fund	209	2,091	(1,883)
16	TOTAL FUNDING FROM/(TO) RESERVES (equals lines 14-15)	75	1,958	1,883
17	Balanced budget (line 11 plus line 16)	0	0	0

3.02 The Harbour Account budgeted for a surplus of £0.209m in 2013-14 and exceeded this to achieve £2.091m, comprising:

- additional income at Scalloway for the BP Floatel and increased shipping activity, landings and storage at Blacksness Pier £739k;
- underspending at Sullom Voe on vacant posts £290k, Harbour throughput agreement income higher than anticipated £303k, and fuel savings mainly on Solan & Bonxie Tugs which have been out of service all year £328k offset by reduced tanker income (£164k); and
- underspending on Other Piers repairs and maintenance work, mainly at Out Skerries, Symbister and Baltasound due to contractor availability £180k; and increased fish and salmon landings income at Cullivoe £98k.

3.03 The increased surplus includes a contribution of £2m to the Pension Fund for Towage Pension shortfall on transfer to the Council.

The 2013-14 Housing Revenue Account Budget

4.01 The 2013-14 Housing Revenue Account budget and actual comparison is set out in the table below:

Line No.	Description	2013-14 Revised Budget £000s	2013-14 Actual £000s	2013-14 Variance £000s	Remove 2013-14 Carry Forwards £m	2013-14 Revised Variance £m
	<u>Expenditure</u>					
1	Supervision & Management	695	642	53	0	53
2	Repairs & Maintenance	2,342	2,346	(4)	0	(4)
3	Void Rents & Charges	196	144	52	0	52
4	Garages	31	31	0	0	0
5	Capital Funded from Current Revenue	1,893	1,249	644	388	256
6	Capital Charges - Dwellings	4,461	4,406	55	0	55
7	TOTAL EXPENDITURE (equals lines 1-6)	9,618	8,818	800	388	412
	<u>Income</u>					
8	HSG - General	(840)	(840)	0	0	0
9	Interest on Revenue Balances	(18)	(3)	(15)	0	(15)
10	Rents - Dwellings	(6,166)	(6,202)	36	0	36
11	Rents - Other i.e. garages/sites etc	(120)	(144)	24	0	24
12	Contribution from Housing Repairs & Renewals Fund (Reserves)	(2,474)	(1,479)	(995)	(388)	(607)
13	DLO	0	(150)	150	0	150
14	TOTAL FUNDING (equals lines 8-12)	(9,618)	(8,818)	(800)	388	(412)
15	Balanced HRA budget (line 7 plus line 14)	0	0	0	0	0

4.02 The Housing Revenue Account (HRA) delivered against its 2013-14 budget. The underspend of £412k was mainly Capital Funded from Current Revenue (CFCR) of £0.256m. This is after a carry forward of funding for CFCR of £388k to meet project costs in 2014/15 which were unable to be completed in 2013/14 and have slipped into 2014/15.

The Asset Investment Plan (Capital Programme) Budget

5.01 The 2013-14 Asset Investment Plan budget and actual comparison is set out in the table below:

Description	2013-14 Revised Budget £000s	2013-14 Actual £000s	2013-14 Variance £000s	Remove 2013-14 Carry Forwards £000s	2013-14 Revised Variance £000s
<u>Expenditure</u>					
New Developments - Contractually Committed Projects	4,840	4,531	309	0	309
Maintenance of Existing Assets	6,337	4,802	1,535	614	921
Spend to Save Projects	1,347	1,058	289	285	4
Housing Revenue Account Projects	3,267	2,615	652	388	264
TOTAL EXPENDITURE	15,791	13,006	2,785	1,287	1,498
<u>Income</u>					
Capital Grants/External Funding	(6,761)	(6,844)	83	0	83
Capital Funded from Current Revenue (GF, Harbour and HRA)	(3,204)	(2,463)	(741)	0	(741)
Capital Receipts (General Fund and HRA)	(1,750)	(1,484)	(266)	0	(266)
TOTAL INCOME	(11,715)	(10,791)	(924)	0	(924)
Spend to Save – Draw on Reserves	(1,347)	(1,058)	(289)	(285)	(4)
Draw on Reserves	(1,726)	(945)	(781)	(1,002)	221
Borrowing – Harbour Account	(1,003)	(212)	(791)	0	(791)
TOTAL DEFICIT FUNDING REQUIRED	(4,076)	(2,215)	(1,861)	(1,287)	(574)
TOTAL FINANCING	(15,791)	(13,006)	(2,785)	(1,287)	(1,498)
Balanced Asset Investment Plan	0	0	0	0	0

5.02 The Asset Investment Plan under-spent against its revised expenditure budget for 2013-14 by £1.498m. The most significant variances were as follows:

- New Developments Contractually Committed - the College Phase 3 has spent less than budget £414k due to slippage on this project, this is offset by a in-year profiling error on the Walls Pier, overall the project is within budget (£90k);

- Maintenance of Existing Assets - This is mainly due to the budget for tugs at Sellaness no longer being required £791k, slippage on the Fibre Optic Phase 1-3 £407k, the contract tender for Landfill Capping being less than expected £171k and savings on the Leirna Life Extension project £145k;
- Spend to Save – slippage on projects i.e. the ET & Taing Extension project £214k and Viking Bus Station £43k and Ferry Ticket Machines £28k;
- Housing Revenue Account Projects - the Housing Quality Standards project has not progressed as quickly as originally anticipated £414k plus slippage on Brae & underspend on Hoofields New Builds £310k;
- Capital Receipts – receipts for HRA Council house sales increased by £156k over budget where as there was a shortfall in other property sales in the year of (£425k) resulting in a shortfall in income to meet the costs of the programme thereby increasing the use of reserves to fund the programme.

Spend to Save Budget

6.01 The 2013-14 Spend to Save budget and actual comparison is set out in the table below:

Description	2013-14 Revised Budget £000s	2013-14 Actual £000s	2013-14 Variance £000s	Remove 2013-14 Carry Forwards £000s	2013-14 Revised Variance £000s
Expenditure:					
Revenue Projects	328	313	15	0	15
Capital Projects	1,347	1,058	289	285	4
TOTAL EXPENDITURE	1,675	1,371	304	285	19
Funded by:					
Draw on Reserves – Spend to Save	(1,675)	(1,371)	(304)	(285)	(19)
TOTAL FUNDING	(1,675)	(1,371)	(304)	(285)	(19)
Balanced Spend to Save	0	0	0	0	0

6.02 The 2013-14 Spend to Save was underspent mainly on one capital project, ET & Taing House Extension by £214k. There is a request to carry forward £285k for spend to save capital projects which have slipped.

2013-14 Carry Forwards into 2014-15

7.01 The 2014-15 revenue budget did not include any carry-forward money. However, in line with the carry forward scheme there are a number of carry forward requests by Directorates into the new financial year. The table below sets these items out:

Directorate	Reason	2014-15 Budget Request £000s	2014-15 Directorate Total £000s
Executive & Corporate	Committed Grants Change Programme 50% Underspend External Funding	211 206 231 2	650
Children's Services	50% Underspend External Funding	557 157	714
Community Care	External Funding	473	473
Development	Committed Grants Change Programme 50% Underspend	129 5 359	493
Infrastructure	50% Underspend	200	200
Contingency & Cost Pressure	Committed Grant Ring Fenced for Borrowing	315 852	1,167
TOTAL EXPENDITURE			3,697
<i>Funded by:</i>			
General Fund - Draw on Reserves in 2014-15			(3,697)
TOTAL FUNDING			(3,697)
Balanced Carry Forwards			0

7.02 The 2013-14 outturn has been adjusted so that the revised variance results in this report exclude the items above so that they are budgeted for in the correct year.

7.03 The 2014-15 capital budget did not include any carry-forward money. However, in line with the carry forward scheme there are a number of carry forward requests by Directorates into the new financial year. The table below sets these items out:

Directorate	Reason	2014-15 Budget Request £000s	2014-15 Directorate Total £000s
Executive & Corporate	50% Underspend	21	21
Children's Services	Committed Projects	11	11
Community Care	Committed Projects	214	214
Development	Committed Projects	288	
	50% Underspend	387	676
Infrastructure	Committed Projects	223	
	50% Underspend	142	365
TOTAL EXPENDITURE			1,287
<i>Funded by:</i>			
General Fund - Draw on Reserves in 2014-15			(544)
Spend to Save – Draw on Reserves in 2014-15			(285)
HRA CFCR - Draw on Reserves in 2014-15			(388)
Harbour Account CFCR – Draw on Reserves in 2014-15			(70)
TOTAL FUNDING			(1,287)
Balanced Carry Forwards			0

7.04 The 2013-14 outturn has been adjusted so that the revised variance results in this report exclude the items above so that they are budgeted for in the correct year.

EXPENDITURE BY SERVICE	Annual Budget £	Annual Expenditure Outturn £	Annual Variance (Over)/ Underspend £	Percentage (Over)/ Underspend %
Chief Executive Services (sub total)	0	0	0	#DIV/0!
Executive Services	0	0	0	0
Children's Services (sub total)	963,404	1,069,763	(106,359)	-11.0%
Quality Improvement/Schools	910,609	1,016,968	(106,359)	
Sports & Leisure	52,795	52,795	0	
Community Care Services (sub total)	1,260,000	1,183,846	76,154	6.0%
Community Care Directorate	0	80,437	(80,437)	
Community Care Resources	920,000	706,039	213,961	
Occupational Therapy	340,000	397,370	(57,370)	
Corporate Services (sub total)	732,303	690,517	41,786	5.7%
Capital Programme	10,000	0	10,000	
Finance	6,348	6,348	0	
ICT	715,955	684,169	31,786	
Development Services (sub total)	3,955,892	3,140,784	815,108	20.6%
Economic Development	532,000	142,797	389,203	
Planning	0	30,574	(30,574)	
Transport Planning	3,193,892	2,778,200	415,692	
Shetland College	230,000	189,213	40,787	
Infrastructure Services (sub total)	4,467,825	4,036,751	431,074	9.6%
Building & Transport Operations	888,432	828,186	60,246	
Environmental Services	635,000	449,536	185,464	
Ferry Services	955,143	770,749	184,394	
Roads	1,053,250	962,591	90,659	
Ports & Harbours	936,000	1,025,689	(89,689)	
General Fund Total	11,379,424	10,121,661	1,257,763	11.1%
Housing Revenue Account	3,268,615	2,615,170	653,445	20.0%
Harbour Account	1,143,156	269,584	873,572	76.4%
Overall Net Total Expenditure	15,791,195	13,006,415	2,784,780	17.6%

FUNDED BY:

General Capital Fund Reserves	(1,400,250)	(945,502)	(454,748)
Scottish Govt General Capital Grant	(4,907,000)	(4,907,000)	0
Spend to Save Reserve	(1,347,531)	(1,058,060)	(289,471)
European Grant Funding	(1,303,892)	(1,039,385)	(264,507)
Other Government Grants	(250,000)	(356,974)	106,974
General Fund Capital Receipts	(1,000,000)	(575,025)	(424,975)
General Fund CFCR	(1,170,751)	(1,159,277)	(11,474)
General Fund NHS Grant Funding	0	(80,437)	80,437
General Fund	(11,379,424)	(10,121,660)	(1,257,764)
Housing Revenue Account CFCR	(1,893,032)	(1,249,300)	(643,732)
Housing Revenue Account CT 2nd Homes Reserve	(325,583)	0	(325,583)
Housing Revenue Account Other Government Grants	(300,000)	(460,000)	160,000
Housing Revenue Account Capital Receipts	(750,000)	(905,870)	155,870
Housing Revenue Account	(3,268,615)	(2,615,170)	(653,445)
Harbour Account CFCR	(140,000)	(53,932)	(86,068)
Harbour Account Capital Receipts	0	(3,650)	3,650
Harbour Account Debt Charges	(1,003,156)	(212,002)	(791,154)
Harbour Account	(1,143,156)	(269,584)	(873,572)
Overall Total Income/Funding	(15,791,195)	(13,006,415)	(2,784,780)

Revenue Expenditure by Service	Annual Budget £	Annual Outturn £	Outturn Variance (Over)/Underspend £	(Over)/ Underspend %
Chief Executive Services (sub total)	2,419,652	2,745,977	(326,325)	-13.49%
Executive Services	808,742	949,056	(140,314)	
Council Members	577,816	589,736	(11,920)	
Fund Manager Fees	834,000	1,009,693	(175,693)	
Internal Audit	199,094	197,491	1,603	
Children's Services (sub total)	42,282,482	40,977,631	1,304,851	3.09%
Director of Children's Services	2,416,316	2,559,765	(143,449)	
Children & Families	997,647	944,085	53,562	
Children's Resources	3,646,249	3,371,231	275,018	
Library	947,370	880,679	66,691	
Quality Improvement/Schools	32,873,272	31,917,503	955,769	
Sport & Leisure	1,401,628	1,304,368	97,260	
Community Care Services (sub total)	21,575,739	21,463,415	112,324	0.52%
Director of Community Care	1,767,754	934,454	833,300	
Adult Services	6,205,470	6,119,050	86,420	
Community Care Resources	10,505,688	10,917,112	(411,424)	
Criminal Justice	8,517	(50,935)	59,452	
Mental Health	1,920,483	2,415,933	(495,450)	
Occupational Therapy	1,167,827	1,127,800	40,027	
Corporate Services (sub total)	11,315,638	10,226,308	1,089,330	9.63%
Director of Corporate Services	133,635	130,236	3,399	
Capital Programmes	3,551,771	3,414,093	137,678	
Finance	2,907,430	2,427,538	479,892	
Joint Valuation Board	277,263	269,279	7,984	
Police & Fire	0	35,404	(35,404)	
Governance & Law	1,338,413	1,208,062	130,351	
Human Resources	1,331,004	1,191,354	139,650	
ICT	1,475,138	1,287,920	187,218	
Improvement & Performance	300,984	262,422	38,562	
Development Services (sub total)	17,363,932	15,965,634	1,398,299	8.05%
Director of Development Services	174,314	216,141	(41,827)	
Community Planning & Development	2,875,616	2,543,717	331,899	
Economic Development	2,926,991	1,845,250	1,081,741	
Housing	2,115,904	1,973,670	142,234	
Housing Hjaltdland Grant	1,801,575	1,703,501	98,074	
Planning	1,174,395	1,175,171	(776)	
Shetland College	397,049	652,200	(255,151)	
Train Shetland	462,066	426,916	35,150	
Transport Planning	5,436,022	5,429,066	6,956	
Infrastructure Services (sub total)	21,798,497	20,371,093	1,427,404	6.55%
Director of Infrastructure Services	602,990	550,100	52,890	
Environmental Services	4,567,346	4,011,965	555,381	
Ferry Operations	10,495,572	10,067,192	428,380	
Roads	5,294,727	4,962,691	332,036	
Building & Transport Operations	837,862	779,145	58,717	
Cost Pressures & Contingency	2,271,990	58,078	2,213,912	
Recharges to Other Funds	(2,882,801)	(2,438,382)	(444,419)	
General Fund Total	116,145,129	109,369,754	6,775,376	5.83%
Funded By:				
General Revenue Grant	(69,778,000)	(70,961,000)	1,183,000	
NNDR	(16,177,000)	(15,931,702)	(245,298)	
Council Tax	(8,600,000)	(8,284,175)	(315,825)	
Trading - Housing	(37,200)	0	(37,200)	
Trading - Building Services	(44,388)	(26,324)	(18,064)	
Trading - Roads	(446,314)	(591,869)	145,555	
Draw from Reserves	(20,733,415)	(13,261,575)	(7,471,840)	
Spend to Save	(328,812)	(313,109)	(15,703)	
Total Funding	(116,145,129)	(109,369,754)	(6,775,376)	
Balanced General Fund	0	0	0	

Revenue Expenditure HRA	Annual Budget £	Annual Outturn £	Variance (Over)/Underspend £	(Over)/ Underspend %
Supervision & Management	694,962	642,019	52,943	
Repair & Maintenance	2,342,414	2,346,469	(4,055)	
Void Rents & Charges	196,318	143,730	52,588	
Garages	30,669	31,071	(402)	
Capital Funded from Current Revenue	1,893,032	1,249,300	643,732	
Capital Charges - Dwellings	4,461,086	4,405,500	55,586	
Total: Expenditure	9,618,481	8,818,089	800,392	
HSG - General	(840,000)	(839,978)	(22)	
Interest on Revenue Balances	(18,509)	(3,095)	(15,414)	
Rents - Dwellings	(6,165,900)	(6,202,411)	36,511	
Rents - Other ie garages/sites etc	(119,980)	(294,898)	174,918	
Contribution from Housing R & R Fund	(2,474,092)	(1,477,707)	(996,385)	40.27%
Total: Income	(9,618,481)	(8,818,089)	(800,392)	
Balanced Housing - HRA	0	(0)	0	

Revenue Expenditure Harbour Account	Annual Budget £	Annual Outturn £	Outturn Variance (Over)/Underspend £	(Over)/ Underspend %
Sullom Voe	(636,255)	(1,415,084)	778,829	
Scalloway	171,235	(608,514)	779,749	
Other Piers	387,413	65,141	322,272	
Jetties & Spur Booms	2,809	(0)	2,809	
Total: Expenditure	(74,798)	(1,958,457)	1,883,659	
Funded By:				
Marine Fund	(134,446)	(132,994)	(1,452)	1.08%
Contribution to Reserve Fund	209,244	2,091,450	(1,882,206)	-899.53%
Balanced Harbour Account	0	(0)	0	



**Policy and Resources Committee
Shetland Islands Council**

**28 May 2014
28 May 2014**

Progress Report – Asset Investment Plan

CPS-08-14-F

Executive Manager – Capital Programme

Capital Programme Service

1.0 Summary

- 1.1 The 5-year Asset Investment Plans (AIP) detailing budgets listed in Appendix A were approved on 20 February 2013 (Min. Ref. 08/13) and 11 December 2013 (Min. Ref. 108/13). This report advises the Council on the progress on the projects contained within the AIP.
- 1.2 It includes a summary of the financial status and predicted outturn for the full life of each project.

2.0 Decision Required

- 2.1 That the Policy and Resources Committee RECOMMENDS that the Council notes the progress on the projects within the AIP.

3.0 Detail

- 3.1 This report provides an overview of the full life of each project, based on the original budget and the predicted outturn.
- 3.2 Where projects take place over a number of financial years, this report summarises the position from the beginning to completion of the project. Rolling programmes are not included in this report.
- 3.3 Quarterly monitoring reports on capital expenditure are now provided by the Executive Manager - Finance, detailing the progress of capital projects within the current financial year. These reports include information on rolling programmes.
- 3.4 The detailed project information is attached as Appendix A.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – This report forms part of the annual performance reporting arrangements on financial matters in support of the Financial Strategy, Reserves Policy and Budget Strategy.
- 4.2 Community/ Stakeholder Issues – None
- 4.3 Policy and/ or Delegated Authority – Approval of the financial strategy and budget framework is a matter reserved for the Council having taken advice from the Policy and Resources Committee.
- 4.4 Risk Management – The main areas of risk are financial in terms of over or under-spend. Regular progress reports to Committee and the Council enable Members to monitor the investment plan.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – None

Resources

- 4.7 Financial – This report shows that the full life predicted outturn cost of the projects in the Asset Investment Plan totals £98.8m, of which £35.6m is externally funded (36%), resulting in a total estimated cost to the Council of £63.2m. The expenditure to date on these projects is £41.6m with £57.2m spend outstanding.
- 4.8 Legal – None
- 4.9 Human Resources – None
- 4.10 Assets And Property – None

5.0 Conclusions

- 5.1 This report provides an update on progress in delivering the Asset Investment Plan and summarises the full life financial position for each project.

For further information please contact:

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List of Appendices: Appendix A - Progress Report - Asset Investment Plan

Background documents: None

END

Capital Projects - Full Life Project Costs

CPS-08-14 Appendix A

Directorate	Service Area	Budget				Funding		Expenditure	
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to Date £	Project Cost Outstanding £
Childrens Services	Schools	868,376	42,560,240	43,380,947	47,669	28,322,336	15,058,611	1,082,482	42,298,465
		868,376	42,560,240	43,380,947	47,669	28,322,336	15,058,611	1,082,482	42,298,465
Community Care Services	Adult Service	4,657,083	0	4,657,083	0	2,000,000	2,657,083	1,143,957	3,513,127
	Occupational Therapy	3,027,500	0	3,084,870	(57,370)	1,534,000	1,550,870	3,077,707	7,163
		7,684,583	0	7,741,953	(57,370)	3,534,000	4,207,953	4,221,664	3,520,290
Development Services	Economic Development	2,803,422	0	2,514,219	289,203	290,000	2,224,219	2,042,219	472,000
	Housing	8,003,105	0	7,782,983	220,122	1,060,000	6,722,983	7,333,169	449,814
	Shetland College	5,000,771	0	5,000,771	0	2,309,000	2,691,771	4,710,045	290,727
		15,807,299	0	15,297,974	509,325	3,659,000	11,638,974	14,085,433	1,212,541
Infrastructure Services	Environment & Transport	1,889,181	400,000	2,230,438	58,743	0	2,230,438	1,240,184	990,254
	Ferry Operations	7,636,459	0	7,498,419	138,040	0	7,498,419	770,234	6,728,185
	Roads	3,370,779	0	3,333,363	37,416	0	3,333,363	1,696,426	1,636,937
	Ports & Harbours	20,084,123	0	19,388,656	695,467	94,086	19,294,570	18,534,179	854,477
		32,980,542	400,000	32,450,876	929,666	94,086	32,356,790	22,241,023	10,209,853
	Total All Funds	57,340,800	42,960,240	98,871,750	1,429,290	35,609,422	63,262,328	41,630,601	57,241,149

		Budget				Funding		Expenditure		
Code	Project Name	Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	Update
GCE1221	Happyhansel PS Extension	557,163	0	509,494	47,669	322,336	187,158	491,494	18,000	Within budget and practical completion issued end March 2014. Small carry forward of budget required for agreement of final account and outstanding items scheduled for summer 2014.
GCE1304	Anderson High School Replacement	311,213	42,560,240	42,871,453	0	28,000,000	14,871,453	590,988	42,280,465	Project Requests submitted to HubCo. Environmental, Archaeological, Geological Assessments and Design Work all being progressed.
Total		868,376	42,560,240	43,380,947	47,669	28,322,336	15,058,611	1,082,482	42,298,465	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCA0241	Extensions to ET & Taing Houses - Spend to Save Project	2,657,083	0	2,657,083	0	0	2,657,083	1,063,204	1,593,879	Phase 1 on site and approx 90% complete but some slippage to 14/15 required due to contractor overrun. Phase 2 scope being reviewed.
GCA0242	NHS Conversion Scalloway School	2,000,000	0	2,000,000	0	2,000,000	0	80,752	1,919,248	NHS funded project to be tendered by SIC shortly.
GCA0233	Occupational Therapy Resource Centre	3,027,500	0	3,084,870	(57,370)	1,534,000	1,550,870	3,077,707	7,163	Building officially opened on 24 July, 2013 with NHS jointly funding this project. The outstanding enabling works budget was not carried forward into 13/14 which resulted in an 13/14 overspend. Final A/c still to be settled but remedial works have been accrued.
Total		7,684,583	0	7,741,953	(57,370)	3,534,000	4,207,953	4,221,664	3,520,290	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCY5141	Lanfill Capping	920,000	0	846,000	74,000	0	846,000	328,949	517,051	BRO anticipates Phase 1 will be 74k less than budget, with some slippage to 14/15 required. Further phases programmed for 14/15,15/16 & 17/18.
GCY5501	Gremista Work/shp Recladding	677,886	0	692,886	(15,000)	0	692,886	689,219	3,667	Completion of works programmed for 14/15, BRO anticipates that this will be overspent by 15K.
GCY5506	Sellaness Biomass Boilers - Spend to Save	140,000	0	140,257	(257)	0	140,257	140,257	0	Spend to save budget complete with minor overspend, previously slipped from last year.
GCY5507	Town Hall and Lystina Conservation Project	35,000	400,000	435,000	0	0	435,000	7,606	427,394	Funding bids being prepared.
GCY6125	B9071 Bixter to Aith Phase 2	1,452,563	0	1,435,692	16,871	0	1,435,692	1,435,692	0	Contract works complete and Final A/C paid 13/14. BRO anticipates small saving against project with only land purchase still to be to be settled.
GCY6205	Laxaburn Bridge Replacement	240,000	0	240,000	0	0	240,000	25,777	214,223	Works programmed for 14/15
GCY6207	Strand Loch Bridge	445,000	0	445,000	0	0	445,000	-5,477	450,477	Works programmed for 14/15, BT refund received for payments made in 11/12
GCY6208	Effirth Bridge	235,000	0	214,455	20,545	0	214,455	209,455	5,000	BRO anticipates 20.5K underspend with c/f of 5K required to complete in 14/15.
GCY6209	Burra Bridge Bearings	498,216	0	498,216	0	0	498,216	30,978	467,238	Works tendered and programmed for 14/15.
GCY6210	Trondra Bridge Bearings	500,000	0	500,000	0	0	500,000	0	500,000	Consultants report 14/15, works contract programmed for 15/16.
GCY7216	Viking Bus Terminus/Shelters	60,000	0	60,000	0	0	60,000	17,370	42,630	Purchase delayed in 13/14 and 43K slippage required to 14/15.
GCY7255	Community Care Vehicles - Spend To Save	56,295	0	56,295	0	0	56,295	56,783	-488	Purchase of more efficient vehicles for care homes. Spend to save budget approved 16/06/13 - now complete with minor overspend.
GCY7632	Leirna Life Extension	901,481	0	763,441	138,040	0	763,441	663,441	100,000	BRO had anticipated work would be complete in 13/14, however some minor works carried forward to 14/15.
GCY7634	Ticket Machines - Spend to Save	134,978	0	134,978	0	0	134,978	106,793	28,185	BRO advises that 28K slippage to 14/15 is required to complete project.
GCY7635	Bigga Life Extension	900,000	0	900,000	0	0	900,000	0	900,000	Works scheduled for 14/15
GCY7636	Geira Life Extension	2,000,000	0	2,000,000	0	0	2,000,000	0	2,000,000	Works scheduled for 15/16
GCY7637	Fivla Life Extension	2,000,000	0	2,000,000	0	0	2,000,000	0	2,000,000	Works scheduled for 16/17
GCY7638	Hendra Life Extension	1,700,000	0	1,700,000	0	0	1,700,000	0	1,700,000	Works scheduled for 18/19
GCM2313	Tugs for Sellaness	16,014,303	0	15,229,147	785,156	0	15,229,147	15,223,149	5,998	Tugs delivered and outstanding works have been actioned.

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCM2316	Walls Pier	3,059,820	0	3,149,509	(89,689)	94,086	3,055,423	3,135,184	14,325	Practical completion reached, however Final A/C will not be processed until 15/16. Opening scheduled for end of May 2014.
PCM2141	Lerwick Terminal Life Extension	107,000	0	107,000	0	0	107,000	32,048	74,952	Reduced specification of works to linkspan deck plating and hydraulics only, BRO had anticipated this would be complete last year so 13/14 budget of 32K has been created from revenue. Further contract works scheduled for 14/15
PCM2142	Bressay Terminal Life Extension	107,000	0	107,000	0	0	107,000	32,048	74,952	Ditto above
PCM2143	Belmont Terminal Life Extension	167,000	0	167,000	0	0	167,000	32,048	134,952	Ditto above
PCM2144	Gutcher Terminal Life Extension	250,000	0	250,000	0	0	250,000	32,048	217,952	Works scheduled for 14/15
PCM2145	Ulsta Terminal Life Extension	67,000	0	67,000	0	0	67,000	23,887	43,113	13/14 budget of 27K to be fully spent, further works scheduled for 14/15
PCM2146	Toft Terminal Life Extension	67,000	0	67,000	0	0	67,000	23,769	43,231	13/14 budget of 27K to be fully spent, further works scheduled for 14/15
PCM2147	Vidlin Terminal Life Extension	50,000	0	50,000	0	0	50,000	0	50,000	Works scheduled for 14/15
PCM2148	Laxo Terminal Life Extension	50,000	0	50,000	0	0	50,000	0	50,000	Works scheduled for 14/15
PCM2149	Symbister Terminal Life Extension	85,000	0	85,000	0	0	85,000	0	85,000	Works scheduled for 14/15 & 15/16
PCM2150	Hamars Ness Terminal Life Extension	60,000	0	60,000	0	0	60,000	0	60,000	Works scheduled for 16/17
Total		32,980,542	400,000	32,450,876	929,666	94,086	32,356,790	22,241,023	10,209,853	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCD1576	Fibre Optic Project - Phases I, II & III	1,719,264	0	1,412,370	306,895	290,000	1,122,370	940,370	472,000	Phase 1 & 2 complete. Phase 3 amended to landward route and delayed by consent approvals. Blackgaet to Maywick loop tendered and on site, completion estimated autumn 2014.
GCD1577	Fibre Optic Project - Phases IV, V & VI	1,084,158	0	1,101,850	(17,692)	0	1,101,850	1,101,850	0	Works complete with only retention to be paid, and this has been accrued.
UCL5203	Shetland College Extension	5,000,771	0	5,000,771	0	2,309,000	2,691,771	4,710,045	290,727	Practical completion issued end March 2014, some works to be carried out summer 14/15, and final a/c still to be agreed.
Total		7,804,194	0	7,514,991	289,203	2,599,000	4,915,991	6,752,264	762,727	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
HCH3304	Brae New Housing	1,797,624	0	1,797,624	0	460,000	1,337,624	1,485,844	311,780	Contract 3 months late in starting on site due to cost saving exercise, redesign and approval for contractors appointment. Practical completion estimated July 2014
HCH3305	Hoofields New Housing	3,908,253	0	3,733,495	174,758	600,000	3,133,495	3,715,236	18,259	Project practically complete - only snagging works, and final A/c to be agreed. Further Scottish Government capital grant of 300K had been anticipated, but 13/14 grant 13/14 460K allocated to Brae New Housing instead
HCH3706	Heating Replacement Programme	400,000	0	463,016	(63,016)	0	463,016	463,016	0	Rolling programme of works being progressed, the budget and spend identified here is for financial year 13/14 only.
HCH3711	Retentions/ Final Accounts	20,000	0	20,000	0	0	20,000	0	20,000	Budget held for outstanding final A/Cs, not required in 13/14.
HCH3712	Housing Quality Standard	1,200,000	0	1,045,450	154,550	0	1,045,450	945,675	99,775	Numerous contractual appointments made (Kitchens / Windows / Insulation, etc.). Rolling programme of works being progressed, budget and spend identified here is for financial year 13/14 only.
HCH3714	Replacement MIS System	0	0	22,648	(22,648)	0	22,648	22,648	0	Part 1 implemented, part 2 commenced. Housing required additional funding to complete this stage of project project, this was funded from savings in other approved budgets.
HCH3715	Landward Crudens (Voe / Whalsay)	677,228	0	700,750	(23,522)	0	700,750	700,750	0	Additional costs on project caused by delays and difficulties on site. Housing required additional funding to complete project, this was funded from savings in other approved budgets and retention has been accrued.
Total HRA		8,003,105	0	7,782,983	220,122	1,060,000	6,722,983	7,333,169	449,814	

**Shetland Islands Council****28 May 2014****Our Corporate Plan 2014 Update****Report No: IP-16-14-F****Report by : Chief Executive****Chief Executive****1.0 Summary**

- 1.1 This report presents the final edit of the updated version of Our Corporate Plan aligned with Directorate Plans.

2.0 Decisions Required

- 2.1 That the Council RESOLVES to approve this version of Our Corporate Plan for further sharing with partners, staff and the community.

3.0 Detail

- 3.1 The Council approved the objectives, priorities and proposed actions in the updated version of "Our Corporate Plan" at its meeting on 26th March 2014. "(Min. Ref. 18/14)"
- 3.2 Delegated authority was also given to the Chief Executive to have further work done to the Corporate Plan and Directorate Plans plan to ensure they are all fully aligned, consistent and concise and as clear and readable as possible.
- 3.3 The versions of the plan attached as appendices to this report are the results of that work.

4.0 ImplicationsStrategic

- 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 Councils Constitution – Part A Governance - specifies the Executive Committee as the managing body for the Corporate Plan but decision making responsibility is reserved to Council.
- 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 This was the first Shetland Islands Council to develop and endorse a modern Corporate Plan which clearly identified priorities, short and medium term actions and then integrated them with it's financial planning and directorate & service planning arrangements.
- 5.2 This joined up planning has allowed services to understand what is expected of them in terms of development and change and allowed a very demanding programme of work to be taken forward.
- 5.3 The 2014 update to Our Corporate Plan builds on those foundations and presents a clear plan of how Shetland can achieve those objectives and be best assured of good quality and sustainable services and properly managed and sustainable finances in the medium term.

For further information please contact:

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Links to Background documents:

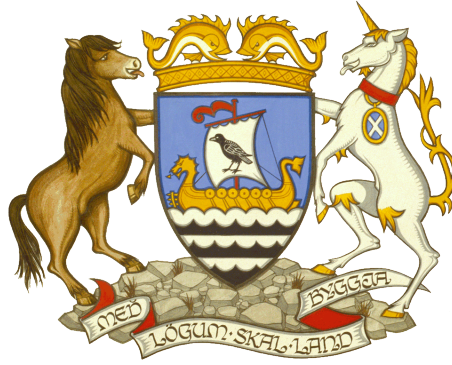
Directorate & Service Plans for 2014/15

Appendices

Appendix 1 – Our Corporate Plan 2014 Update

Appendix 2 – Our Corporate Plan Overview

Our Corporate Plan



2014 Update

A Time of Change

When we developed and adopted Our Corporate Plan last year we were very clear that things had to change, things really had to be done differently.

We are still in the middle of bringing those changes about as we consider this update to our plan. Difficult choices still have to be made and demanding issues addressed. We knew that this was going to be a big challenge for everybody involved and that a lot of hard work and determination would be needed to see it through.

While we fully understand there's still much to do, our main reflection is admiration for the businesslike and professional way members, staff and the community have tackled things. We believe a shared understanding and agreement was reached within the Council and between the Council and communities that things had to change and that our plan set that out clearly and succinctly. I believe the progress we have made to deliver our plan demonstrates that this shared determination has been highly effective. We also believe that this can give us confidence to see the remaining changes needed through to the conclusion we want.

The overall message from monitoring progress on Our Plan and reporting both on finances and service delivery is that the Council is still sustaining services at very high levels, but doing it at lower costs. This has meant doing some things differently and will inevitably mean some further adjustments will have to be made as changes bed down. The repeated story however is that staff and communities have looked at what had to be done together, worked hard at understanding the options, and then moved forward.

We have cut our draw on reserves by 60% from 2011-12 levels to the agreed budget for 2014-15. We have delivered £10m+ revenue savings for each of the last three years and we have done that in the context of a reducing Scottish Government grant and continual cost pressures on services.

We identified the service areas we wanted to try to protect as much as we could in our Corporate Plan—Adults, Children and Transport—and we made budget decisions in line with that. Those areas still have to deliver savings but they have been less than in other areas. The priorities we set a year ago are still sound, nothing has fundamentally changed in that time, and we still want to do our very best to look after those critical areas.

Because of all of this hard work and the progress that has been achieved we are now getting closer to the point where we are able to look past the retrenchment and cost reduction phase of the changes we had to make. We are closer to the point where we really need to work with communities to design the next set of changes that will help us use a more balanced budget in new ways to sustain and develop services and the individuals, families and communities that depend on them.

These conversations, which we believe we need to have right across Shetland, will inform the next rounds of strategic budgeting and planning. We must continue to work hard to deliver the necessary changes we are already committed to, but we must also find the time and space to look further forward together with our partners and communities.

Our commitment to help see the Council and Shetland through this vital phase and into the new opportunities that lie beyond it are undiminished. We very much feel that that determination is widely shared and we look forward to us all working together to as good effect as we have up to now.



Our priorities

Providing vital services for children and adults and the transport services we all need.

We must continue to provide the essential services that people in Shetland really need. We will have to change how we do some things to make services more efficient and to make sure we can continue to provide them in the long term, but we will do that with people, not to them.

Mindful of how change could affect vulnerable and disadvantaged people.

People who do not have easy access to income, employment and good housing are often less able to meet challenges and deal with change. We will bear that in mind when we are making decisions and seek to do our best to protect those in most need.

Being a properly led and well-managed Council, dealing with the challenges of the present and the future, and doing that within our means.

We are determined that the Shetland Islands Council will always be run to the very highest standards, that we will take difficult decisions when we have to, and that we will balance the books.

Encourage strong communities.

Successful places depend on individuals, families, third sector organisations, community groups, public bodies and businesses all working together to find the best ways to do things, find their own solutions to problems, and new ideas to help their communities adapt and stay strong and vibrant in a changing world.

Helping build a healthy economy.

We know we can't take direct action the way we used to, but we will work with individuals and businesses to help the Shetland economy to be as strong as possible, to expand wherever possible, and to encourage existing and new businesses in all parts of Shetland.

Working with all our partners to achieve the best results possible.

We will work closely with individuals, communities and partners in the public, private and voluntary sectors to generate ideas, solve problems and meet challenges. By doing so, we can be more effective and achieve much more.



Supporting adults to be independent

What we want to achieve...

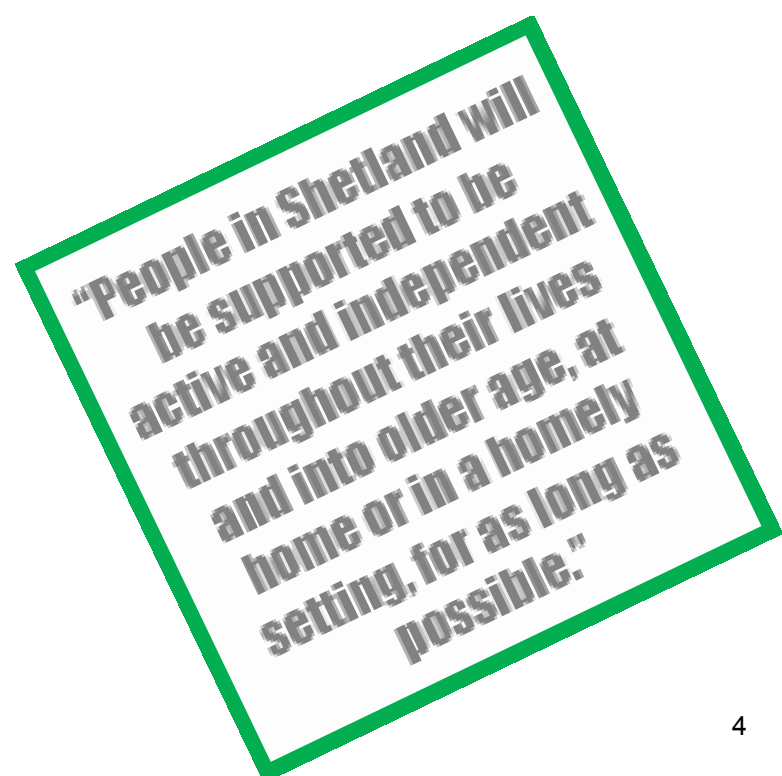
Providing high-quality care and support to an ageing population is a basic principle of social justice and is an important hallmark of a caring and compassionate society.

The elderly population in Shetland continues to rise and so does the number of adults with complex needs. Everyone wants to live an active independent life for as long as possible. We need to find ways to make that possible, including providing help when needed.

The way we provide help will often have to be different to the labour-intensive and sometimes inflexible ways we have used in the past.

By the end of this plan, we will have:

- Redesigned services for elderly people, and adults with a learning disability, physical disability or mental-health problem, to help them live as independently as possible.
- Increased services that help people to live independently in their own homes for longer, and provided extra-care housing options to provide supported homely settings.
- Provided people with direct payments and personal budgets where they want that, so that they can make the choices they want for their lives.
- Arrangements in place for locally based integrated Health and Social Care resource allocation and management.
- Built on established relationships with third sector partners to help develop effective capacity further.





Supporting adults to be independent

What we need to change and how we will do it...

We have to concentrate on helping people keep or regain their own independence, an approach sometimes called reablement. We will meet the highest levels of assessed needs first and find ways to help others to provide services when that actually works best.

We have already:

- Carried out a wide-ranging review of staffing in community care and agreed a number of actions that are now being put in place.
- Made some difficult decisions about changes in the way we provide services and placed a greater focus on providing services to those with the highest level of need.
- Reviewed and streamlined staffing levels across all services to make the efficiencies needed to meet our Medium Term Financial Plan.
- Successfully implemented the Council's 'Contributing To Your Support' policy, with the first invoices sent out in January 2014. Further work is currently underway to ensure the policy is in line with recent guidance issued by COSLA.
- Successfully completed the Independent Living Centre in partnership with NHS Shetland. It now supports Community Occupational Therapy, Speech and Language Therapy, Support at Home, and Community Nursing and Wheelchair Services. Partnerships are also in place with the Red Cross and the RNIB. This is proving to be a great success.
- Appointed a Director for Community Health and Social Care who along with his team are now co-located on the upper floor at Montfield.
- Made positive progress on the Health and Social Care Integration Programme and its three subsidiary work streams, with a project started in early 2014 on locality working.

This year we will:

- Implement the Reshaping Care for Older People Change Plan 2014/15 and prepare a comprehensive exit strategy for 2014/15, which is the final year of the Reshaping Care national programme.
- Review the feasibility study and proposals for day services for people with learning disabilities to ensure any new build is affordable in terms of both capital and revenue, and meets the needs of this care group in a way that is effective and sustainable.
- Implement findings outlined within the 'Dementia Deep Dive' and Mental Health Review to ensure quality and efficiency within these service areas.
- Undertake a full review of the Supported Living Model for adults with learning disabilities.
- Continue with the Viewforth reprovioning project.
- Review Shetland's single shared assessment process, 'With You For You' and associated policies and procedures on care/case management and anticipatory care.
- Complete Phase two of Edward Thomason/Taing House extension.
- Develop and implement a Self Directed Support (SDS) Strategy to implement the provisions of the SDS (Scotland) Act 2013.
- Continue with the Health and Social Care Integration Programme of work.
- Develop a Primary Care Strategy.
- Continue to develop the implementation of telecare and telehealthcare.
- Work with our third sector colleagues to develop a shared understanding of current and future needs in supporting people to remain active and independent.
- Review and redesign drug and alcohol services to drive efficiencies and achieve consistently better outcomes for customers.

The best possible start for every child

What we want to achieve...

We are determined that all our young people will have the best opportunity to be successful learners, confident individuals and responsible citizens who contribute effectively to society.

We will continue to focus on ensuring all children are safe and protected from harm and providing high quality services to children and young people who are looked after.

We will also continue to focus on education so that pupils can have a high quality education, provided in an appropriate environment, with as many opportunities as possible including implementing Curriculum for Excellence in accordance with national timescales and milestones.

We will support people of all ages to get the most out of the Shetland Library, including through early years literacy, IT skills development and one-to-one support. We will strive towards increased levels of physical activity and encourage more people to take part in sport and other cultural activities.

We will provide the very best services we can within the resources available. We will make changes where we can to make services better or more sustainable.

We will make sure we communicate well with service users and our partners both within the Council and externally.

By the end of this plan we will have:

- Continued to provide a full range of child protection services to ensure children and young people are protected from harm.
- Continued to provide high quality services to children and young people who are looked after.
- Implemented the Curriculum for Excellence and other government requirements in accordance with national timescales and milestones.
- Developed educational opportunities by establishing a partnership between secondary education and further and higher education and developing a Shetland Learning Campus.
- Worked to embed further the revised multi-agency approach to Getting It Right for Every Child in Shetland.
- Reconfigured the school estate to provide the best possible service within the resources available.
- Built and moved into a new Anderson High School.
- Supported people of all ages to get the most out of the Shetland Library including through early years literacy, IT skills development and one-to-one support.
- Increased levels of physical activity and encouraged more people to take part in sport and other cultural activities.

"Shetland is the best place for children and young people to grow up."



The best possible start for every child

What we need to change and how we will do it...

We need to focus more on taking action early and preventing harm for those children and families who are not experiencing the best start in life for whatever reason.

We have already:

- Established six major Change Projects to ensure we provide high quality services within the resources available. These projects are: the new Anderson High School, the Schools Reconfiguration Project, the Shetland Learning Partnership Project, the Additional Support Needs action plan, the Review of Catering and Cleaning and the Review of Sports and Leisure facilities and services in Shetland.
- Consulted on a new youth strategy and the restructuring of youth services.
- Reported on independent reviews of youth strategy and musical instrument tuition and taken actions as recommended.
- Continued to provide opportunities for young people to develop skills and confidence in and out of the classroom through the Curriculum for Excellence.
- Begun work with local and national partners to develop plans for people in Shetland to benefit in the future from major national 2014 events such as the Homecoming, the Queen's Baton Relay and the Commonwealth Games.
- Carried out projects for change to achieve our targets within the Medium Term Financial Plan.

This year we will:

- Continue to work in partnership with other agencies to secure early intervention, where required, for children both pre-birth and early years.
- Implement a new strategy for looked after children.
- Achieve Financial Close and planning permission for the new Anderson High School so that by March 2015, construction will be underway.
- Undertake the first stages of the Shetland Learning Partnership Project to develop an ambitious partnership between Shetland high schools and the further and higher education sector to develop a Shetland Learning Campus.
- Undertake a number of statutory consultations under the auspices of the Schools Reconfiguration Project.
- Undertake a review of Sports and Leisure Services.





The transport services we need

What we want to achieve...

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.

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.

External transport is one of the most significant issues for Shetland's medium-term and long-term economic growth and social wellbeing. We have been campaigning hard to make sure these needs are properly understood regionally and nationally so transport has been a key theme to the Our Islands Our Future discussions.

Now that the major service review has been completed we need to look further forward and we are developing a long term infrastructure investment plan, looking ahead 50 years. This is an important step in the process of deciding how we meet Shetland's main transport needs cost-effectively, including deciding whether fixed transport links are a realistic and affordable alternative to ferries.

By the end of this plan we will have:

- Implemented transport arrangements that meet people's current needs and which we can afford to maintain in the medium term.
- The most effectively used and looked after medium term transport assets possible, including roads which are being maintained properly.
- A long term infrastructure investment plan to target capital expenditure on internal transport systems and options over the next 50 years, with a realistic funding programme.
- A programme of potential changes to our long term external transport systems to meet our economic growth needs, again with a realistic funding programme.

"Shetland's transport systems will be efficient, sustainable, flexible and affordable, meet our individual and business needs and enable us to access amenities and services we need."

The transport services we need

What we need to change and how we will do it...

For the medium term we need to understand how we meet Shetland's main transport needs cost-effectively, then develop services to best meet those needs. For the longer term we need to decide whether fixed transport links are a realistic and affordable alternative to ferries, and how we can improve external transport links to encourage economic growth.

We have already:

- Reviewed arrangements for school, public, additional support needs, and community-care bus transport to link services more efficiently.
- Finished introducing the outcomes of the Ferries Review.
- Maintained the very valuable roads network we already have with better targeting of the reduced maintenance budget.

This year we will:

- Implement and monitor new contracts for school and public bus transport to more efficiently link together services, and to achieve this within the medium term financial plan.
- Develop new arrangements for additional support needs and community care bus transport.
- Support the development of community transport initiatives.
- Complete assessments of the Ferry Review to establish the impacts of the change for individuals, communities and businesses.
- Increase usage of smart cards, chip and pin and online booking facilities for internal ferry travel.
- Undertake a ferry fares review to develop a fares structure that takes into account affordability, equality and wider socio-economic impacts.
- Refresh the Shetland Transport Strategy.
- Establish the Council's current investment in transport infrastructure and the future investment required to maintain transport services by developing a 50 year infrastructure investment plan.
- Provide the Scottish Government with our initial proposals for the next generation of external ferry provision as the current contract ends in 2018.



Healthy economy

What we want to achieve...

We can't take action like we used to, but we can work in partnership with individuals, communities and businesses 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.

By the end of this plan we will have:

- A wider business base, and a closer partnership with businesses in both traditional and emerging sectors.
- Maintained Shetland's overall high rates of employment.
- High-speed broadband available to 84% of households.
- More highly skilled and well paid jobs across Shetland.
- Those jobs to be in a wider range of business areas than they are at the moment
- A developing resident labour force suitably skilled and qualified to take up those jobs.

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



Healthy economy

What we need to change and how we will do it...

We no longer have the money to make widespread direct investments and support payments to local businesses, so we have to help in new ways.

We have already:

- Helped local companies and individuals to get contracts and jobs at the new gas plant.
- Completed the review of the Shetland Telecom project and had a new action plan agreed.
- Installed fibre-optic, high-speed broadband connections from Sandwick to the Sullom Voe Oil Terminal.
- Renewed the Promote Shetland contract for three more years to help attract people to Shetland to live, work, study and invest.
- Made representation to retain Shetland's EU Assisted Area Status.
- Completed a new strategy and business plan for LEADER funding 2015-20.
- Conducted a survey of bus passenger service requirements and socio-economic study as part of the bus network review.
- Agreed an Economic Development Statement for 2013-17.
- Adopted the new Economic Development Grant Scheme and Business Start Up Scheme.
- Created a Skills, Learning and Employability Action Plan.

This year we will:

- Improve and develop engagement with local industry.
- Work with partners and communities to deliver high speed broadband.
- Research and communicate supply chain information relating to larger scale business developments in Shetland.
- Assess the capacity in Shetland to provide the workforce training and skills development required by industry.
- Complete a new commercial lending mechanism within the Council.



Strong communities

What we want to achieve...

Shetland has a very proud history of strong and capable communities and we understand that people are more able to live fulfilling lives and achieve their social and economic potential in strong, resilient and supportive communities.

Successful places depend on individuals, families, third sector organisations, community groups, public bodies and businesses all working together to find the best ways to do things, their solutions to problems and the new ideas to help their communities stay strong and vibrant in a changing world.

By the end of this plan we will have:

- More resilient and long-lasting communities and community enterprises across Shetland.
- Found ways to help increase supply of affordable housing across Shetland.
- Maintained working-age population levels throughout Shetland.



Strong communities

What we need to change and how we will do it...

We will listen to communities so we understand their needs, and we will talk and listen to them when we are making decisions.

We have already:

- Concluded minimum income research and made sure the actions from community engagement were fed into the Fairer Shetland Partnership.
- Made representation to retain Shetland's EU Assisted Area Status.
- Completed new strategy and business plan for LEADER funding 2015-20.
- Conducted a survey of bus passenger service requirements and socio-economic study as part of the bus network review.
- Consulted extensively with both geographical and communities of interest around the many service changes made during the last two years.
- Completed a Local Development Plan.
- Revised the action plan of our Renewable Energy Strategy ready for presentation to committee.

This year we will:

- Work with partners and communities to deliver high speed broadband.
- Make sure Planning, Hjaltsland Housing Association and other partners work jointly to deliver on the Local Housing Strategy.
- Develop a community benefit policy to cover all industry sectors including developer contribution.
- Investigate participatory budgeting and associated community engagement.
- 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 the development of unused or under-utilised local assets.
- Fully implement the findings of the Community Planning and Development Service Review, recognising that 2014/15 will be a transitional year for community funding.
- Develop and implement the Strengthening Community Involvement Project.
- Participate in the Improvement Service supported work around enhancing and supporting the role of Community Councils.
- Develop a community asset transfer policy.
- Support communities to develop the transport solutions that meet their needs.



Working with partners

What we want to achieve...

No agency working on its own can solve some of the deep-rooted problems around inequalities that have existed in society for years.

We must work together with our public sector partners, the voluntary sector, businesses and communities to share resources, skills, ideas and solutions if we are going to get the best results.

By the end of this plan we will have:

- Established a fully integrated Health and Social Care Partnership.
- A shared understanding of the financial, physical, and human resources available across the Shetland Partnership and the best way to use these together.
- Made sure that we are making the best choices between public, private and voluntary sector partners providing services.
- Removed any barriers that stop more efficient and effective use of private and voluntary sector partners providing services.
- A greater understanding about what each organisation can do and involved the private and voluntary sector more in service areas they haven't previously been involved in.



Working with partners

What we need to change and how we will do it...

It's not just our organisation that is going through difficult financial times. Individuals, communities, businesses and other public bodies are having to manage with less money as well.

We can achieve the most when we genuinely work with each other.

We have already:

- Set up the new Shetland Community Planning Partnership.
- Continued our work on reforms to the local governance of the new national Police and Fire services.
- Progressed Health and Social Care integration.
- Developed the Our Islands, Our Future campaign with neighbouring island Councils.

This year we will:

- Ensure robust Governance, HR and Financial arrangements are in place to comply with Health and Social Care Integration requirements which are effective from 1 April 2015.
- Agree the role of the Third Sector in relation to the recommendations from the National Review of Community Planning.
- Make sure Planning, Hjaltsland Housing Association and other partners work jointly to deliver on the Local Housing Strategy.
- Work with Community Planning Partners to develop a plan to attract people to Shetland to live, work, study, and invest.
- Continue to work with Orkney and the Western Isles on a shared approach to constitutional change.
- Make sure that key partnership plans such as the Shetland Single Outcome Agreement are complete and approved.



Vulnerable and disadvantaged people

What we want to achieve...

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.

To understand this better and develop our evidence base we have contributed to the development of a Minimum Income Standard for remote and rural Scotland to better understand the costs for households living in Shetland and, establish what's required to sustain an acceptable standard of living that allows positive health and well-being.

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 have developed an integrated assessment tool to ensure 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 to take action early to tackle some of the reasons why people become vulnerable and disadvantaged in the first place.

By the end of this plan we will have:

- Concentrated our resources and services on the people who need them most and protected these people from the worst effects of change.
- Provided the right support, at the right time, to help each person find long-term employment opportunities.
- Worked with people who need our help to improve their chances in life.
- Provided opportunities to develop a positive community and take part in a wider range of activities.
- Identified and addressed new forms of inequality such as not having access to the internet and online services, sometimes called digital exclusion.



Vulnerable and disadvantaged people

What we need to change and how we will do it...

For everything we do, we need to consider the effect it will have on the most vulnerable and disadvantaged in the first place.

We have already:

- Worked with partners to prepare for welfare reform, supported households to understand the changes to reduce the impact of it, including helping them to claim all the benefits they are entitled to.
- Helped individuals and families learn how to reduce household bills to manage on a budget and reduce debt.
- Supported initiatives that provide more supported work placements.
- Promoted the Home Energy Efficient programme to provide assistance packages to the fuel poor and most vulnerable households.
- Contributed to research to establish the Minimum Income Standard for remote and rural Scotland, holding a local conference to promote the findings and used them to inform future work of the Fairer Shetland Partnership.

This year we will:

- Continue to implement the statutory and regulatory changes required as part of the Welfare Reform agenda and work with partners to support households through those 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.
- Support community transport initiatives to reduce isolation and provide access to work, support services and social opportunities.
- Combat fuel poverty by continuing to deliver on the Local Housing Strategy and provide energy efficiency packages to reduce household bills for the vulnerable and fuel poor.



A properly led and well-managed Council

What we want to achieve...

To be able to provide high-quality and cost-effective services to people and communities in Shetland, our organisation has to be run properly. We are determined that Shetland Islands Council will be run to the very highest standards.

In these challenging circumstances all decisions have to be taken properly and every service has to be highly professional and very efficient. We must make sure that we take the right actions now to protect the long-term well-being of Shetland.

We have established a clear vision and sense of purpose, which reflects local needs, and we can demonstrate linked-up planning and use of resources to make it happen.

We will have strong improvement-led and performance-driven culture and systems, and have a systematic approach to identify risks and develop effective responses.

We will provide good-quality information regularly through a variety of ways to tell people how we are doing and to make sure we take responsibility for our decisions.

By the end of this plan we will have:

- Made the decisions we needed to make, and we will have done that properly, on time and with a proper assessment of risk.
- Made many, and sometimes radical, changes in how we provide services, and we will have done that through proper consultation with communities and staff.
- Demonstrated that we are providing best value in all our services after having had a successful review from Audit Scotland across the Council .
- Regained the confidence of the Shetland public.



A properly led and well-managed Council

What we need to change and how we will do it...

We understand that we have to run our organisation professionally and efficiently to provide high-quality services over the long term. That means that we, as Councillors, must prepare, train, practise, deliver and review all aspects of our decision-making and other behaviour to make sure that we are meeting the highest possible standards.

We have already:

- Taken our Improvement Plan forward so that the Accounts Commission have released us from special measures.
- Had our accounts approved by Audit Scotland without any qualification.
- Created new arrangements with the Human Resources Partnership Group to better involve staff and inform them of the changes we are making.
- Had new members take part in a learning and development programme.
- Put a leadership and development programme in place for all managers.
- Seen all Councillors, the chief executive and the corporate management team take the lead in developing the Corporate Plan and telling the public and staff about it.
- Fully aligned the timetables, time spans and approaches for financial planning relating to the medium-term yearly budgeting with Council, directorate and service planning.
- Made sure risk registers are being maintained and used actively in all directorates.

This year we will:

- Support effective change throughout the Council by continuing the Change Programme.
- Conduct the Corporate Governance Review and implement its recommendations.
- Support the Mid-Term Review of Senior Councillor appointments.
- Introduce more effective ways to record, respond to and learn from complaints across the Council.
- Ensure Strategic and Departmental Risk Registers are brought up to date and kept up to date.
- Centralise employment support administration to streamline processes and reduce administration.
- Implement a Continuing Professional Development framework for elected members.
- Develop and implement a Workforce Strategy.



Dealing with challenges effectively

What we want to achieve...

As Councillors, we serve the people of Shetland and they rightly expect us to do our very best in every way as we go about our work on their behalf.

We are the representatives of all Shetland's people and we have a duty to protect their interests, provide community leadership where necessary and speak up on their behalf here and in regional, national and international forums. The strength of Shetland's voice should never be damaged by any failure of Councillors or the Council.

We will have to become a smaller commissioning body, with fewer staff working with a wider range of other service providers and partners. This approach means that we can continue to meet priorities and help local people and communities to help themselves.

By the end of this plan we will have:

- Dealt with pressures, issues and problems within existing budgets.
- Developed and put in place sustainable development (development that doesn't harm the area for future generations), and carbon-management and waste-management arrangements to make sure we protect and, where possible, improve our stunning environment.
- Made sure that in making any changes we have considered and dealt with any equalities, health and human rights issues.
- Secured the best for Shetland in any constitutional change following the Scottish independence referendum.



Dealing with challenges effectively

What we need to change and how we will do it...

We no longer have the money to react to problems and increasing demands by further spending. Issues will still arise, but we must have better plans in place for dealing with them and for covering the cost of their effects within existing budgets.

We have already:

- Created a risk and emergency-planning approach to managing financial growth pressures that stops costs spiralling out of control.
- Identified the issues and opportunities created by possible constitutional change and mapped out a way forward with our neighbouring islands.
- Identified the key legislative changes that will affect Shetland.
- Identified other challenges we must cope with – an ageing population, increases in additional support needs among both children and adults, and climate change.
- Made sure we regularly collect, scrutinise and report on information about our workforce.
- Made sure we carry out equality impact assessments for all new strategies and policies.
- Made sure all these plans link to each other.

This year we will:

- Develop a “Long Term Asset Investment Plan” that covers all Directorates.
- Research options to improve employee engagement
- Conduct an Equal Pay audit across Shetland Islands Council employees to identify any risks of equal pay claims and allow action to be taken to avoid these.
- Develop the Council and Shetlands Partnership’s thinking on potential constitutional reform, through the “Our Islands, Our Future campaign”



Living within our means

What we want to achieve...

We will have reliable arrangements in place to make sure we can manage our finances over the long term.

We will make spending decisions that realistically reflect the money we have.

We will make the best economic, efficient and effective use of our buildings and other physical assets.

We will meet our supply needs economically and efficiently.

By the end of this plan we will have:

- Stuck to the Medium Term Financial Plan and be financially strong.
- A well developed risk based approach to dealing with spending pressures.
- Made better use of technology to both cut costs and maintain and improve services.
- Raised more income where there are opportunities to do that.
- Made further significant savings by reducing the number of buildings we have.
- At least £150 million left in our reserves.



Living within our means

What we need to change and how we will do it...

We can't continue to spend more than our income without completely exhausting reserves. We need to reduce our spending to balance our finances and still maintain a significant proportion of our reserves.

We have already:

- Agreed a Medium Term Financial Plan that will give ongoing financial strength by 2017.
- Reduced our spending from reserves (it reached £36 million in 2011/2012 and in 2013/2014 it is budgeted to be £28 million, of which £14 million is one-off spending).
- Met our 2013/14 budget targets set out in the Medium Term Financial Plan.
- Put in place all the internal efficiencies we have identified.
- Kept challenging everyone across the whole Council to make further savings.
- Disposed of a further seven buildings, raising a further £750,000.
- Updated our standing orders about contracts and buying goods and services to provide best practice.
- Renegotiated contracts with our biggest suppliers to achieve savings.
- Worked with public-sector partners to buy things cheaper together.
- Trained relevant staff to use online buying systems and other forms of electronic ordering.

This year we will:

- Support the delivery of the 2014/15 budget through the provision of high quality financial information.
- Re-fresh our Medium Term Financial Plan to reflect progress made, the changing financial environment and evolution of Our Corporate Plan.
- Lead on the development of the 2015/16 Council budget, in line with financial information in the Medium Term Financial Plan.
- Carry out a general review of charging policy
- Develop options for future uses of the existing AHS site at the Knab.
- Undertake a Long Term Financial Planning exercise including funding for key infrastructure.





www.shetland.gov.uk



**A large-print version of this document is available from
communications@shetland.gov.uk.**

Our Corporate Plan — 2014 Update

Providing vital services for children and adults and the transport services we all need.

We must continue to provide essential services that people in Shetland really need. We will have to change how we do some things to make services more efficient and to make sure we can continue to provide them in the long term, but we will do that with people, not them.

Mindful of how change could affect vulnerable and disadvantaged people.

People who do not have easy access to income, employment and good housing are often less able to meet challenges and deal with change. We will bear that in mind when we are making decisions and seek to do our best to protect those in most need.

Being a properly led and well-managed council, dealing with the challenges of the present and the future, and doing that within our means.

We are determined that the Shetland Islands Council will always be run to the very highest standards; that we will take difficult decisions when we have to, and that we will balance the books.

Encourage strong communities.

Successful places depend on individuals, families, third sector organisations, community groups, public bodies and businesses all working together to find the best ways to do things, their own solutions to problems and the new ideas to help their communities adapt and stay strong and vibrant in a changing world.

Helping build a healthy economy.

We know we can't take direct action the way we used to, but we will work with individuals and businesses in existing and new business areas to help the Shetland economy to be as strong as possible, to expand wherever possible and to encourage existing and new businesses in all parts of Shetland.

Working with all our partners to achieve the best results possible.

We will work closely with individuals, communities and partners in the public, private and voluntary sectors to generate ideas, solve problems and meet challenges. By doing so, we can be more effective and achieve much more.



Our Corporate Plan — 2014 Update

Children and Families

- The new Anderson High School,
- The Schools Reconfiguration Project,
- The Shetland Learning Partnership Project,
- The Additional Support Needs action plan,
- The Review of Catering and Cleaning
- The Review of Sports and Leisure Facilities and Services in Shetland.

Health and Social Care

- Continue to work on the local Health and Social Care Integration Project including developing integrated service delivery models in localities across Shetland
- Review the feasibility study and proposals for day services for people with learning disabilities
- Complete the Viewforth re-provision programme

Development

- Bus Network Redesign (School & Public transport)
- ASN & Social care transport review
- Proposals for external ferry provision beyond the current contract in 2018
- Increase usage of smart cards, chip & pin and online booking for internal ferry travel
- Digital Shetland project to deliver high speed broadband
- 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

Infrastructure

- Developing a 50 year infrastructure investment plan.
- Undertake a ferry fares review to develop a fares structure that takes into account affordability, equality and wider socio economic impacts.
- Increase usage of smart cards, chip and pin facilities and online booking facilities for internal ferry travel
- Undertake a Infrastructure Investment Plan for Ports and Harbours to establish the investment required to respond to the 30 year life extension for Sullom Voe and other Council operated Ports.

Chief Exec & Corporate Services

- Lead and support all Governance, Legal, HR, Financial, Performance Management and ICT aspects of a fully integrated Health and Social Care Partnership the partnership and the transition to that new partnership
- Develop options for future use of existing AHS site at the Knab





**Policy and Resources Committee
Shetland Islands Council**

**28 May 2014
28 May 2014**

Planning and Performance Management Update Report	
Report No: IP-12-14-F	
Executive Manager – Improvement & Performance	Corporate Services

1.0 Summary

- 1.1 This report recommends updates to the Council's Planning and Performance Management Framework to meet the obligations of Best Value and better support the delivery of the Our Corporate Plan.

2.0 Decisions Required

2.1.1 The Policy and Resources Committee RECOMMENDS that the Council RESOLVE to approve the arrangements contained in the Planning and Performance Management Framework (Appendix 1).

3.0 Detail

- 3.1 The Council's Planning and Performance Management Framework (PPMF) was last updated in June 2013. It is good practice to regularly review and improve these arrangements.
- 3.2 Fundamentally the PPMF needs to clearly describe the arrangements the Council needs to have for planning what it wants to do, then describe how these plans will be reported on and monitored to make sure what the Council wanted to happen is actually getting done.
- 3.3 The better integration of Financial and Service Planning timetables is described in the Planning Calendar Slide. This clarifies the periods when planned updates and approval are expected to take place. Another cycle is timed to start with the update of the MTFP in June.
- 3.4 This report also clarifies the linkages between Service and Financial Planning and Risk Management to better align these critical components.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – Effective performance reporting and monitoring are key requirements to support the delivery of corporate priorities.

4.2 Community /Stakeholder Issues – NONE

4.3 Policy And/Or Delegated Authority –

The Council's constitution – Part A Governance - specifies the Policy and Resources Committee as the managing body for the Council's Planning and Performance Management Framework but decision making responsibility is reserved to the full Council.

4.4 Risk Management – Failure to report on and monitor performance effectively increases the risk of the Council working inefficiently and being subject to further negative external scrutiny.

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 Council's PPMF arrangements need to keep up to date and help the Council set its objectives and manage their delivery in a structured and managed way.

For further information please contact:

John Smith – Executive Manager – Improvement and Performance

01595 744513

jrsmith@shetland.gov.uk

6th May 2014

Appendices:

Appendix 1 – Planning and Performance Management Framework

planning and performance management framework

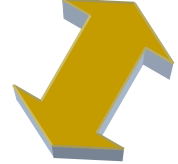
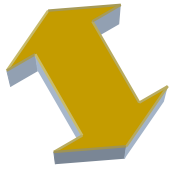
ppmf

- **understand what councils have to do**
- **be clear what else this council wants to do**
- **plan for and then deliver the key changes**
- **think about, deal with and manage any risks**

Delivering Good Services - Soundly Led and Managed

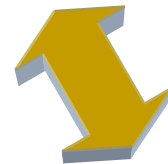
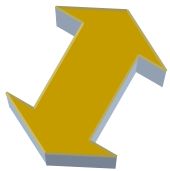
Community Plan / SOA
(Shetland Performance Framework)

(Shetland Best Value Framework)



our corporate plan

the change programme



Children's Services
Plans

Health & Social Care
Plans

Infrastructure
Plans

Development
Plans

Corporate Services
Plans

a council delivering effective and efficient services

Green – No Significant Risks

Amber – Area of Uncertainty

Red – Significant Concerns
and Risks

National and Local Outcomes

Smarter

Healthier

Fairer

Safer

Stronger

Greener

Wealthier

Service Assessment

Education

Social Care

Infrastructure Services

Economic Development

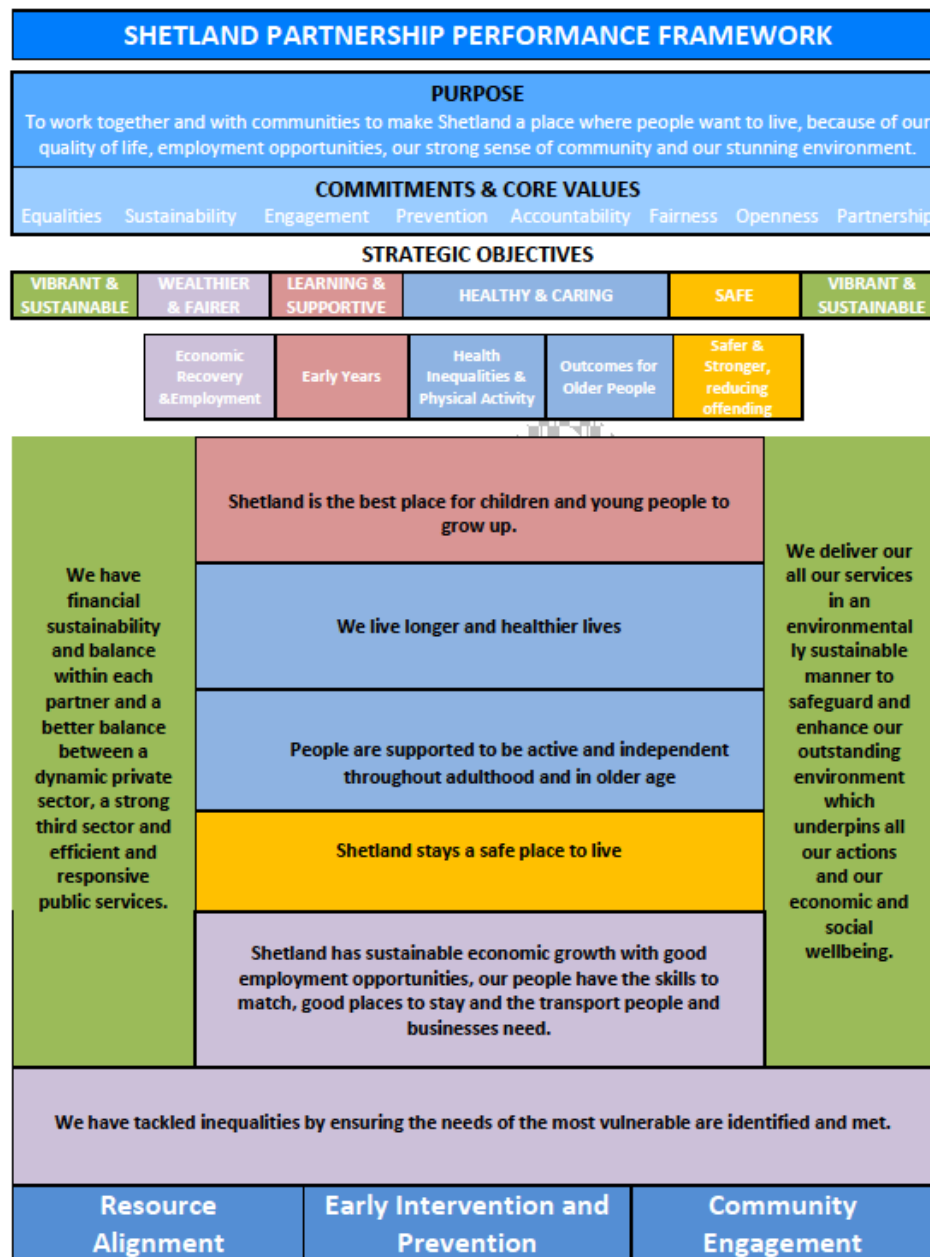
Ports and Harbours

Housing

Equalities

Sustainability

Shetland Partnership Key Outcomes



**a Council
led and
managed
professionally
and
effectively**

Green – No Significant Risks

Amber – Area of Uncertainty

**Red – Significant Concerns
and Risks**

Corporate Assessment

Leadership & Direction

Governance and Accountability

Community Engagement

Financial Management

People Management

Asset Management

Procurement

Risk Management

Information Management

Efficiency

Equalities

Performance Management

Public Performance Reporting

Joint Working

Community Planning & SOA

Health & Social Care Integration

Police & Fire

Welfare Reform

Shetland Islands Council Best Value Principles

SHETLAND BEST VALUE FRAMEWORK

PURPOSE

Securing the best for Shetland

COMMITMENTS & CORE VALUES

Customer Focus Fairness Honesty Transparency Respect Trust Positive Attitude Hardworking

STRATEGIC OBJECTIVES

**CLEAR VISION AND
DIRECTION**

**WORKING IN
PARTNERSHIP**

**WELL GOVERNED
AND ACCOUNTABLE**

**PERFORMANCE
FOCUSED**

**MAKING BEST USE OF
OUR RESOURCES**

IMPROVEMENT OUTCOMES

We have a clear vision and sense of purpose which reflects local needs; and we can demonstrate joined up planning and resourcing to deliver that vision

We give strong community leadership and deliver improvement with our partners; and we engage effectively with communities in understanding their needs and in making decisions

We provide good quality information to deliver effective public accountability

We ensure the Council exhibits good governance and maintains strong internal accountability

We have a strong improvement led and performance driven culture and systems and we have a systematic approach to identifying risks and developing effective responses

We have robust financial management arrangements that ensure financial sustainability; and we make spending decisions that realistically reflect our financial resources and limits

We integrate effective workforce planning with our other planning processes

We make the best economic, efficient and effective use of our buildings and other physical assets

We can demonstrate we meet our supply needs economically and efficiently

We have secure information and communication systems that support service delivery

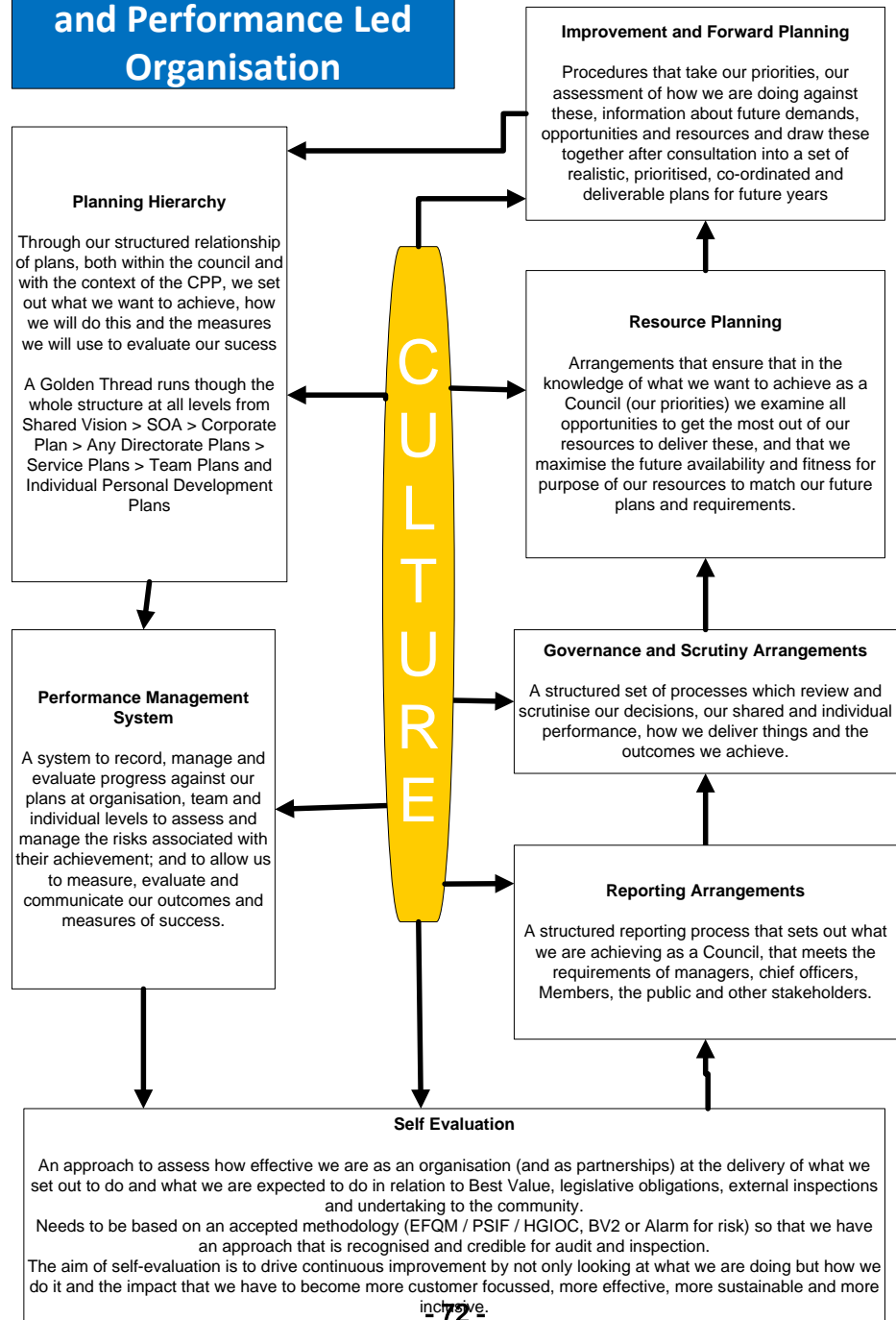
We have sustainability embedded in our vision and make we use resources sustainably

We lead equality improvements, provide equality of opportunity and fair outcomes

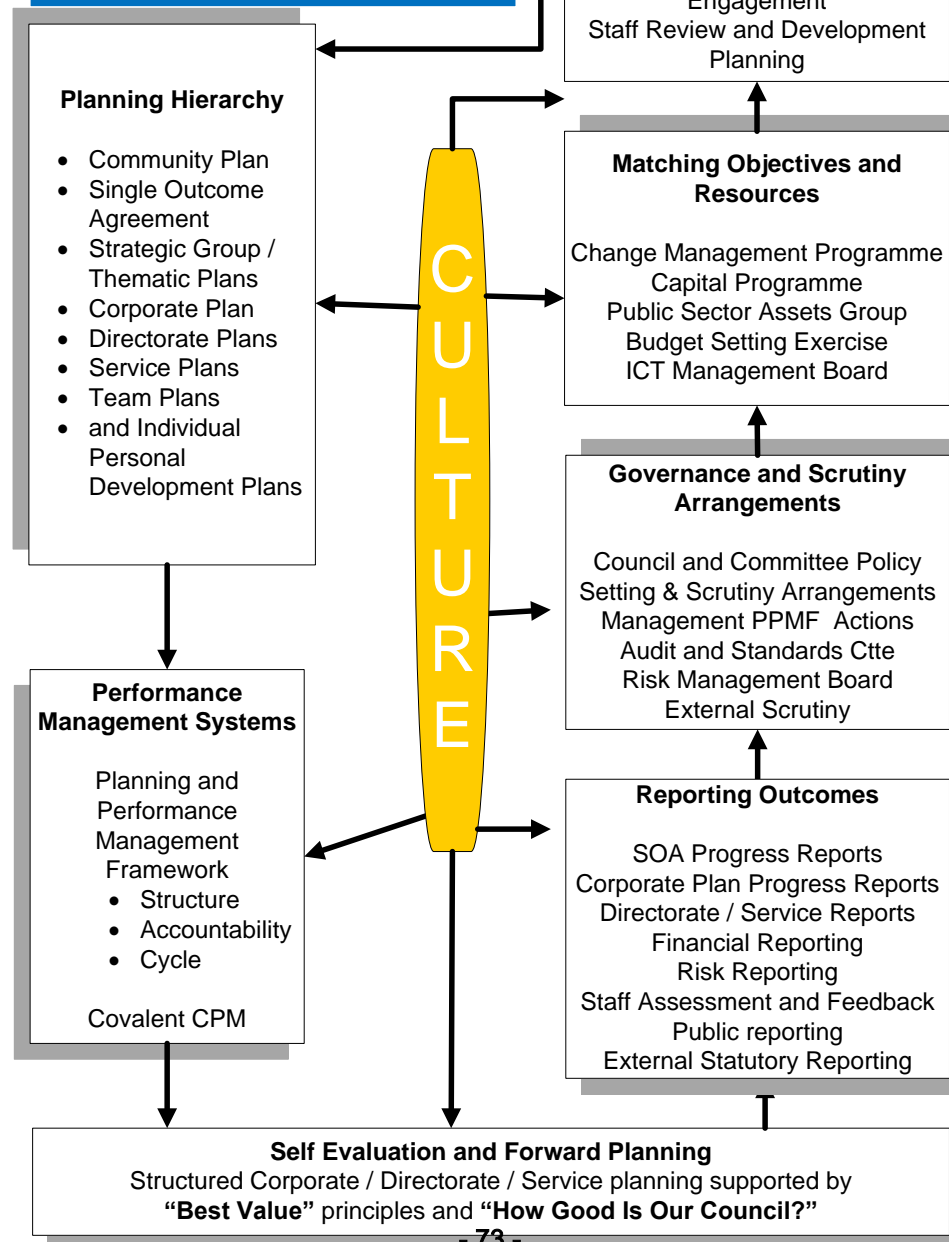
IMPROVEMENT OUTCOMES

HOW ARE WE DOING? Visit www.shetland.gov.uk/ to track latest progress

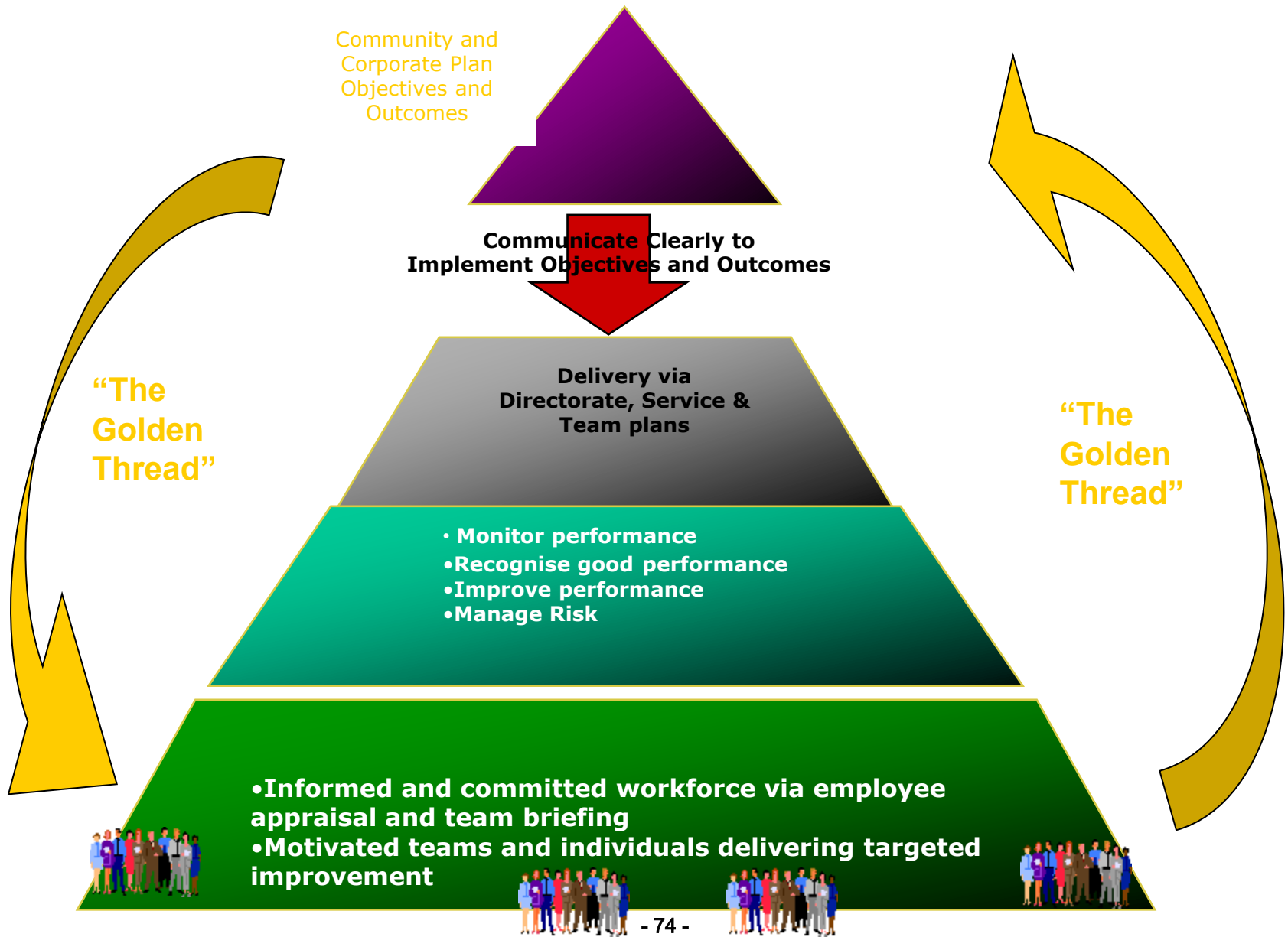
The Improvement Driven and Performance Led Organisation



The Improvement Driven and Performance Led Shetland Islands Council



“The Golden Thread”



The “Golden Thread”



Key outcomes:

- Shared ambition and goals across the community
- Clarified leadership, delivery and accountability
- Agreed priorities and performance targets linked to goals
- Identify and manage Risks
- Shared commitment to deliver by everyone
- Delivery of planned objectives at all levels

The “Golden Thread” at Shetland Islands Council

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One Shetland Community Plan / Single Outcome Agreement



Five/Seven Thematic Plans



One Corporate Plan



Five Directorate Plans



Service and Team Plans as required

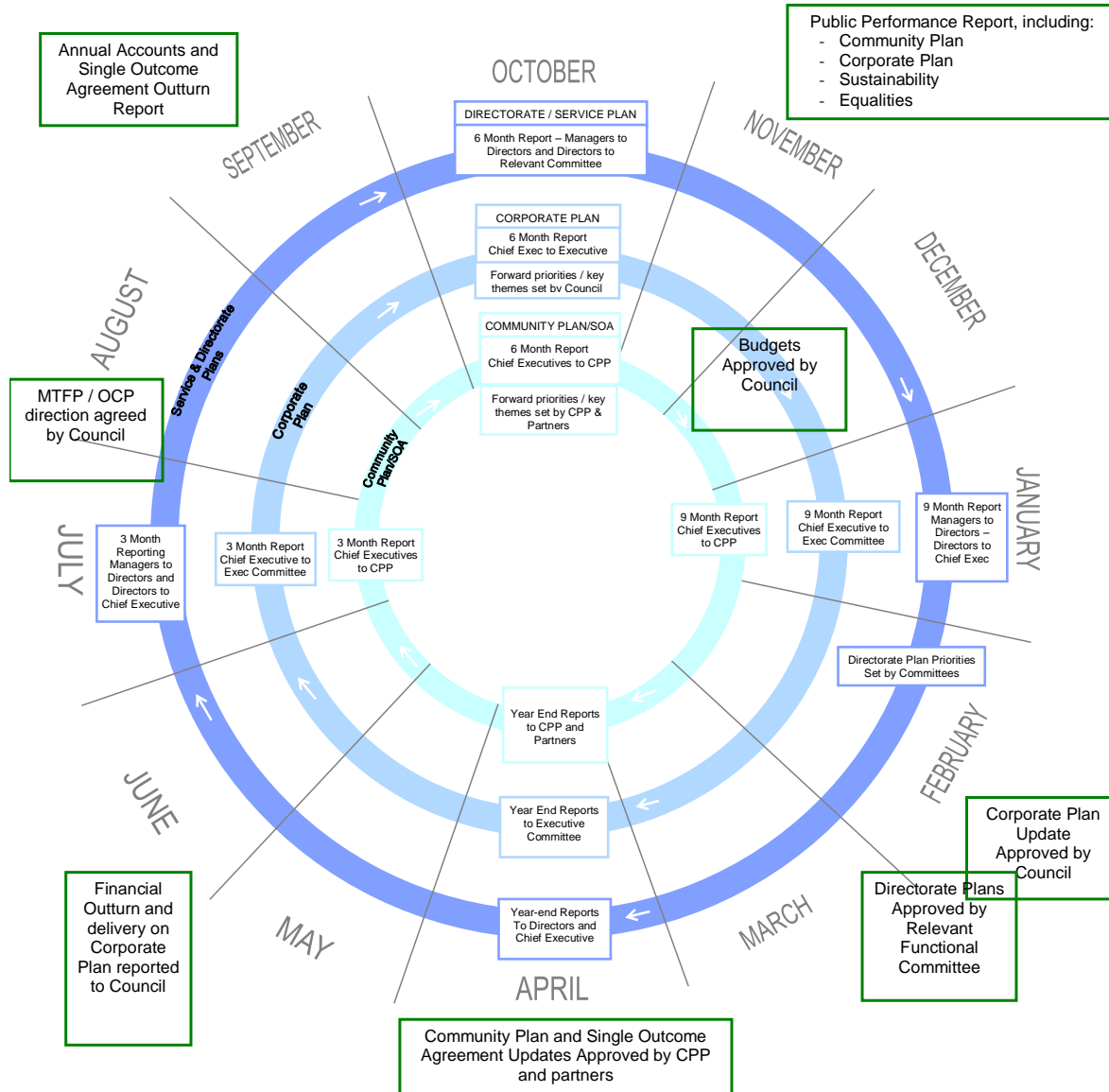


Everyone knows what they are individually expected to do

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Planning and Performance Management Calendar



Performance Reporting to Management

at CMT
by Directors
on directorate performance
each quarter
in July/ Oct /Jan /April



at Dept Mgmt Teams
by Exec Mgrs on service
performance each month



by Team Leaders
to Exec Mgrs at Regular
One to Ones or Monthly
Team Briefs each month



with Employees
by Team Leaders
in Regular One-to-Ones
and formal review at least
annually

Performance Reporting to Members

at Exec Committee
by Chief Exec
on Corporate Plan
each quarter
in July/ October / Jan
April



at service committees
by directors
on directorate plans
each quarter
in Jul/Oct/Jan/April



Setting Strategic Direction and Delivery

Single Outcome Agreement
Chief Executives report
to Shetland Partnership Board
in March for annual approval



Corporate Plan
Chief Executive reports
to Exec Committee / Council
in Feb / March for annual
approval



Directorate Plans
Directors Report
to Service Committees
in Feb / March for annual
approval



Service Plans Exec Mgrs
Report to Directors
in Feb / March for annual
approval



Individual Work Plans
(Managers / Employee
discuss at least annually)



Community, Staff and Partnership Engagement

Partnership
Strategy /
Activity

Strategic
Consultations
(e.g. Transport,
Housing, Land
Use Planning)

Service
Specific
Consultations

Community
Profiles

Research

Staff
Involvement

Delivery

Accountability

Planning and Performance Document	Approval	Accountability	Scrutiny of Outcomes / Actions and Cost
Community Plan /SOA	SPB & partners 5 -10 years - Annual refresh	Chief Executive of each partner	To SPPG - 3 mthly To Partners – 6 mnthly
Council Corporate Plan	Council, via Exec 4 -5 years /Annual refresh	Chief Executive	To Exec Committee - 3 mthly progress
Thematic Plans	Relevant Committee / SPB - Annual refresh	Relevant Agency Senior Manager	To SPPG – 3 mthly
Directorate Plans	Relevant Committee Annual approval	Director	To CMT – 3 mthly To Committee – 3 mth
Service Plans	Relevant Director Annual approval	Executive Manager	Director – monthly
Team Plans	Relevant Exec Manager & Director Annually	Executive Manager / Team Leaders	To Executive Manager / Director – monthly
Individual Work Plans	Relevant Manager at least Annually	Individual Staff Member	To supervisor at least monthly

Responsibility for Process

PPMF Element	Lead Responsibility	Other Involvement
Community Plan / SOA/ Council Action Plan (development and annual refresh)	CP&D Manager + P&I Manager	Chief Executives and CMT's of Partnership agencies
Thematic Strategies (development and annual refresh)	CP&D Manager + P&I Manager	Strategic Group Lead Officers
Overall structure and integration across all plans.	P&I Manager	Directors and Exec Mgrs
Finance across all plans	Finance Manager	Directors and Exec Mgrs
Asset Management & Capital Programme interface across all plans	Capital Programmes Manager	Directors and Exec Mgrs
HR / Workforce Development Plan across all plans	HR Manager	Directors and Exec Mgrs
ICT across all plans	ICT Manager	Directors and Exec Mgrs
Risk Management across all plans	Governance and Law Manager	Directors and Exec Mgrs
Community Engagement & Equalities across all plans	CP&D Manager	Directors and Exec Mgrs
Performance Monitoring and Reporting across all plans	P&I Manager	Directors and Exec Mgrs

planning and performance management framework



**Policy and Resources Committee
Shetland Islands Council**

**28 May 2014
28 May 2014**

Overall Council Performance Report – 2013/14 – End of Year

Report : IP-15-14-F

**Chief Executive
Director Corporate Services
Executive Manager – Performance &
Improvement**

**Chief Executive
Corporate Services**

1.0 Summary

- 1.1 This report presents an overview of performance across the Council during 2013/14.

2.0 Decisions Required

- 2.1 The Policy and Resources Committee and Council should discuss the contents of this report and comment on progress against priorities to inform the planning process for next and future years.

3.0 Detail

- 3.1 The Council approved its first modern Corporate Plan in June 2013 which set out ambitious service and financial objectives to be achieved within the term of this Council. At that same time the Council endorsed a “Change Programme” of key projects for 2013/14 to help manage the delivery of that plans.
- 3.2 Progress has been reported to Committee and Council quarterly since the approval of the plan, with today’s overall performance report, and the departmental reports considered earlier this week covering the time period up to the end on April 2014.
- 3.3 Departmental reports have provided a detailed progress statement on all key actions and have provided Members with an opportunity to ask questions about any particular project. The “what we have achieved so far” section of “Our Corporate Plan” also highlights significant progress across all priorities.

- 3.4 The most significant actions and projects for last year were identified and given special management attention as a “Change Programme”. Progress against individual items has been reported through Committee including the Departmental reports to this cycle.

A summary of progress on the 2013/14 Change Programme is set out in the table below.

Directorate	2013 /14	Red	Amber	Green	Completed	Continuing	New	2014 /15
Children's Services	12	0	0	12	9	3	3	6
Health & Social Care	4	1	0	3	3	1	2	3
Infrastructure	3	0	3	0	2	1	2	3
Development	11	0	4	7	3	8	2	10
Chief Executive & Corporate	2	0	0	2	2	0	2	2
Totals	32	1	7	24	19	13	11	24

- 3.5 A number of the large projects implemented last year included efficiency and rationalisation objectives to help ensure the Council met its Medium Term Financial Plan objectives. Appendices 1 and 2 include information relating to overall staff numbers. As can be seen from those graphs staffing levels continued to fall significantly using all measures from previous levels. Full Time Equivalent (FTE) staff numbers are now some 200 less than this time last year and more than 500 down on their 2010 peak. Historically the Council is now at a staffing level similar to 2005, after the Shetland Welfare Trust staff were transferred in. While these reductions in staff levels involved a number of early retirements and voluntary redundancies we were substantially able to avoid compulsory redundancies. The Council continues to be committed to making future changes in dialogue and discussion with affected staff.

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 of performance and delivery against key plans is an important feature of the Council's Planning and Performance Management Framework.
- 4.2 Community /Stakeholder Issues – None
- 4.3 Policy and/or Delegated Authority –

The Councils Constitution – Part A Governance - specifies the Policy and Resources Committee as the managing body for the Corporate Plan but decision making responsibility is reserved to the full Council.

4.4 Risk Management – Effective performance monitoring and reporting helps to identify and manage risks.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial – The 2013/14 draft outturn report on this agenda provides more detailed information on financial performance.

4.8 Legal – NONE

4.9 Human Resources - NONE.

4.10 Assets And Property – NONE.

5.0 Conclusions

5.1 The Council has made substantial progress during 2013/14 towards delivering the objectives set out in “Our Corporate Plan”.

For further information please contact:

John Smith – Executive Manager – Improvement and Performance

01595 744513

jrsmith@shetland.gov.uk

Appendix 1 – Council Wide Performance Measures

Appendix 2 – Overall Staffing Numbers

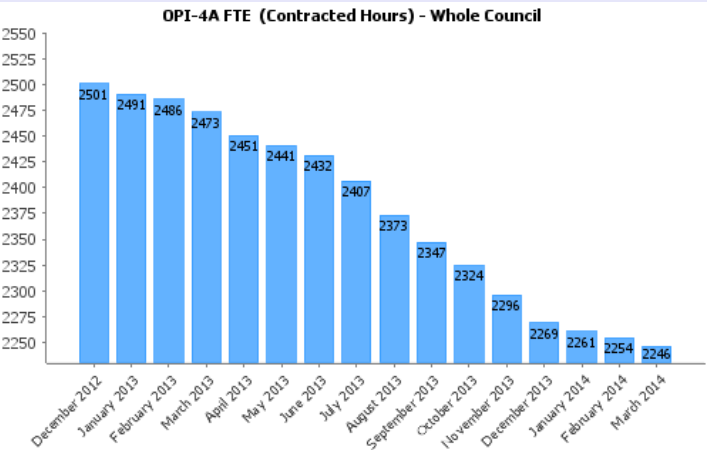
Performance Overview - Council-wide Indicators

Generated on: 13 May 2014

The Number of Full-Time Equivalents - Whole Council - Contracted Hours only

Purpose & Guidance

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.



Improving

Improving

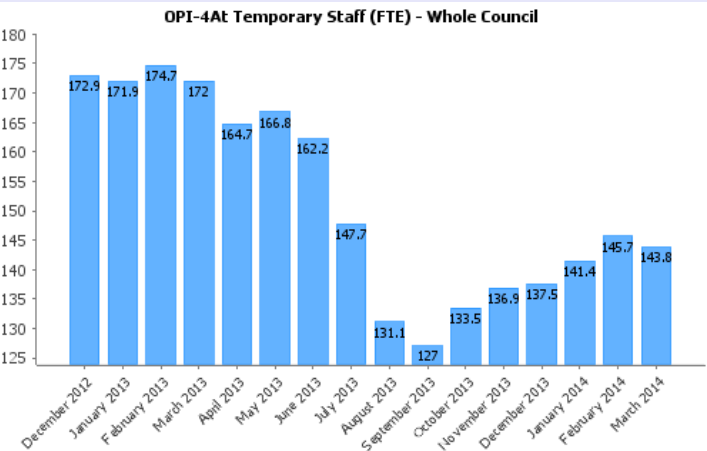
March 2014 result
2246



Temporary Staff (FTE) in Whole Council

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 hours worked by "passed-to" staff (those staff with multiple contracts who only receive one payslip). Work is ongoing to address these omissions.



Improving

Improving

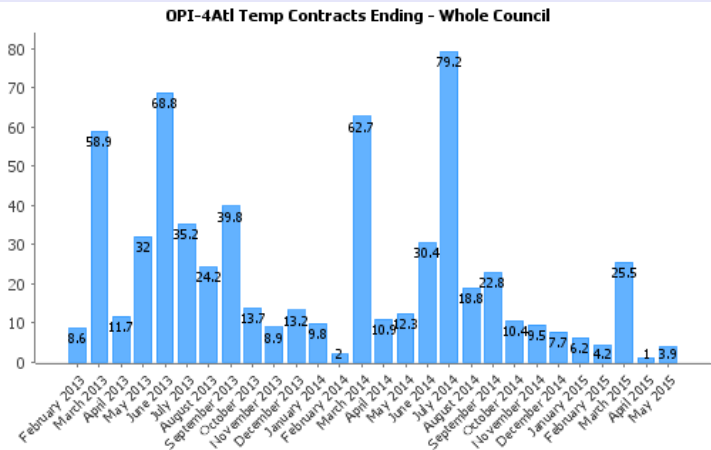
March 2014 result
143.8



Temp Contracts Ending in Whole Council

Purpose & Guidance

This PI shows when current temporary contracts are due to end. These temporary staff ARE included in the total FTE (Contracted Hours) PI.



May 2015 result
3.9

Getting Worse



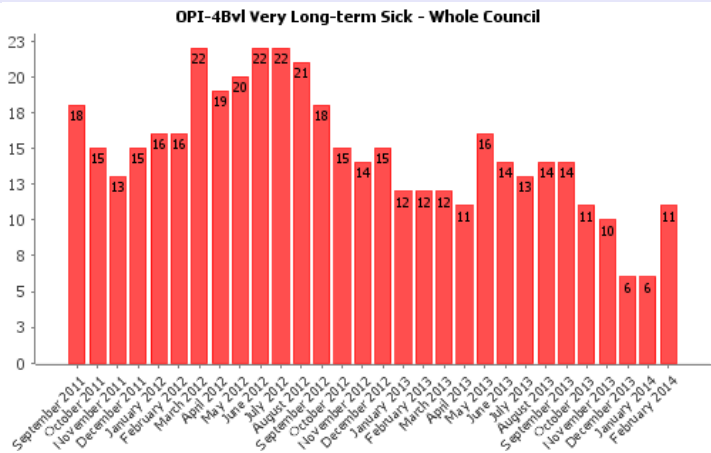
Improving



Very Long-term Sick Headcount in Whole Council

Purpose & Guidance

This PI measures the number individuals who have been sick for over 6 months. All Executive Managers and Directors should already be aware of staff in their areas that have been absent for extended periods of time.



February 2014 result
11

Getting Worse



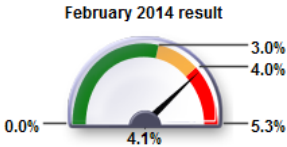
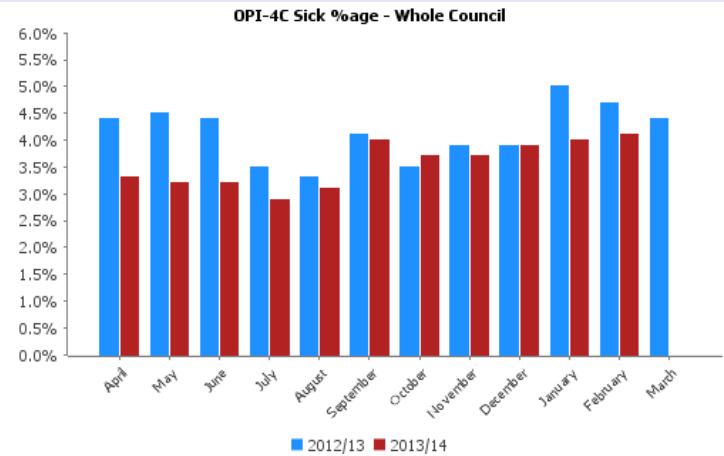
Improving



Percentage Rate Of Sickness in Whole Council

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.



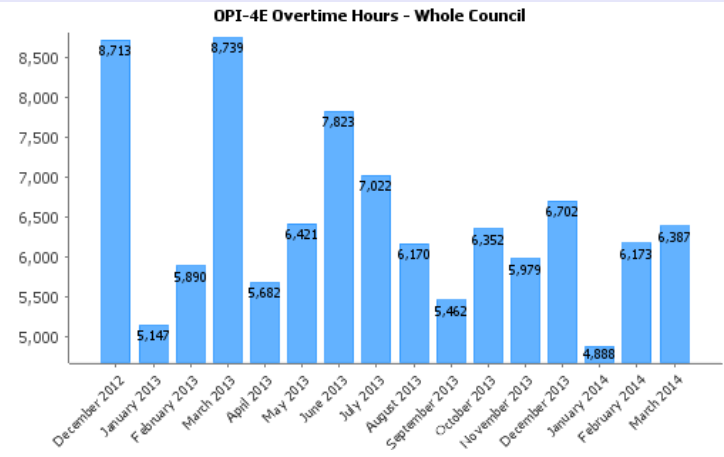
Getting Worse

Getting Worse

Overtime Hours in Whole Council (non-contractual)

Purpose & Guidance

This PI measures non-contractual, time-and-a-half, overtime hours. 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).



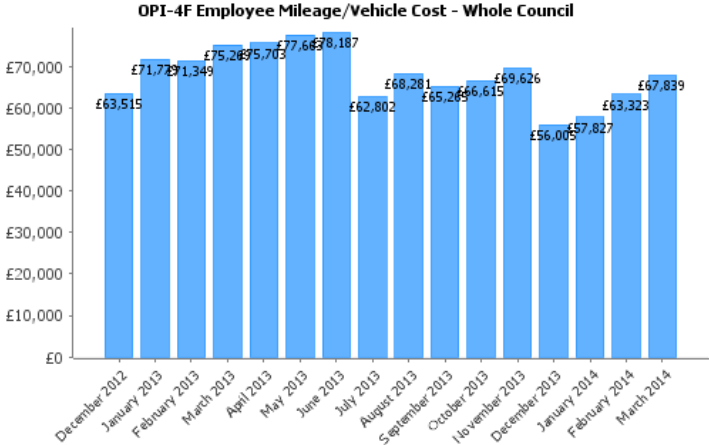
March 2014 result
6,387

Getting Worse

Improving

Purpose & Guidance

This measures the cost to the Council, of Car Allowances and mileage done in employee's own vehicles. This PI includes Essential Car Allowance plus the cost of mileage claimed. It does not include any "employers on-costs". There are some mileage/vehicle claims that are omitted from this indicator, these are usually trivial amounts and do not affect overall trends. It does not include any costs for Council owned vehicles.



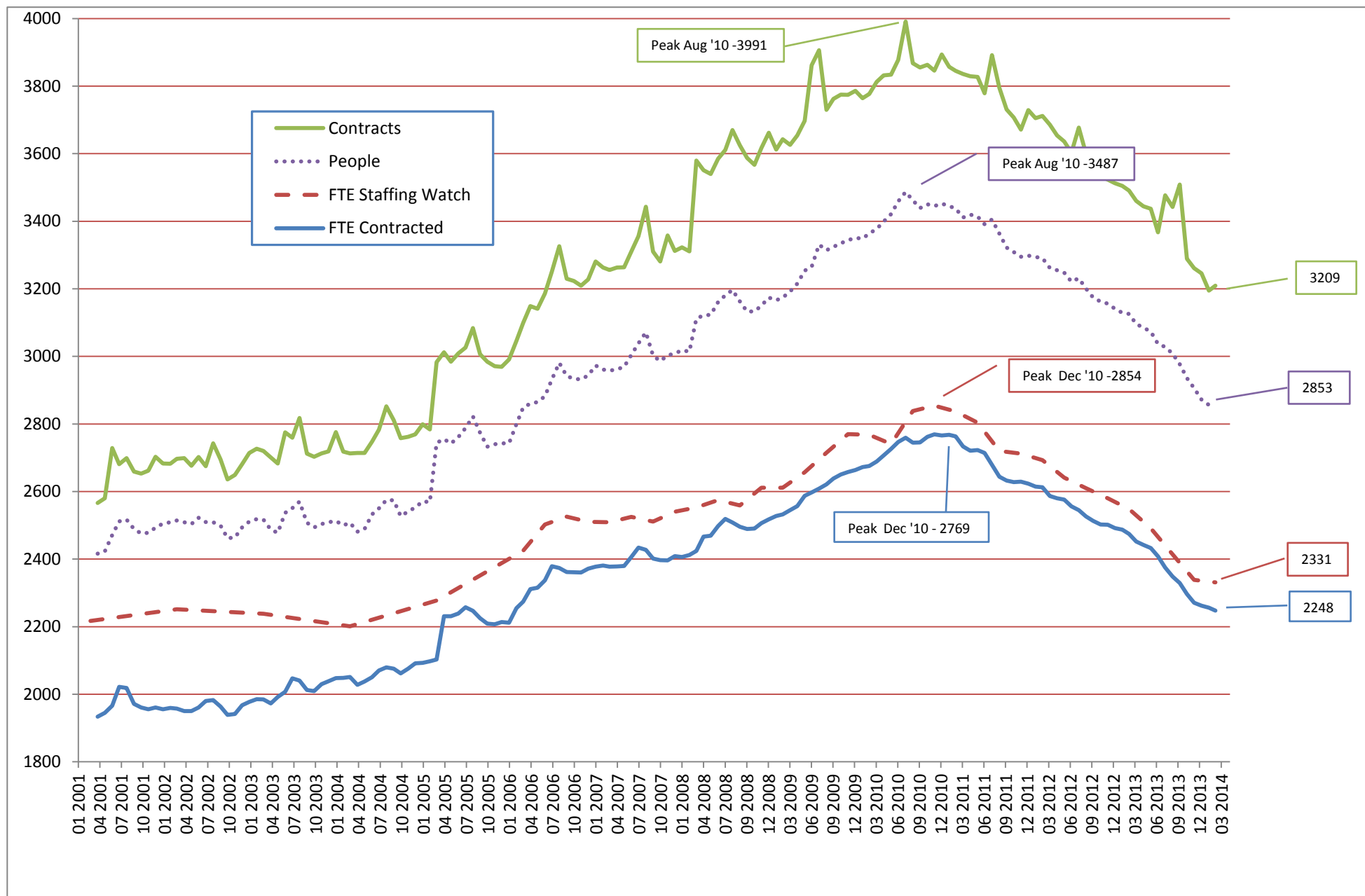
March 2014 result
£67,839

Getting Worse

Improving

↓

↑



**Shetland Islands Council****28 May 2014****Council Business Programme – 2014/15**

GL-07-14

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

- 1.1 The purpose of this report is to inform the Council of the planned business to be presented to Council 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 Council 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.

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 – The 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 Council, and allows senior Officers an opportunity to update the Council on changes and/or additions required to the Business Programme in a planned and measured way.

For further information please contact:

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21 May 2014

List of Appendices

Appendix 1 – Council 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 Wednesday, 21 May 2014**

Shetland Islands Council			
		<i>D= Delegated R=Referred</i>	
Quarter 1 1 April 2014 to 30 June 2014	Date of Meeting	Business	
	<i>Special</i> 23 April 2014 12 noon	Local Government Boundary Commission for Scotland – Review of Number of Councillors – Council Response	D
	<i>Special</i> 12 May 2014 2 p.m.	Bus Contracts	D
	<i>Ordinary</i> 14 May 2014 10 a.m.	Chair's Report - Mental Health Strategy	D
		Chair's Report - Discontinuation of Supply of Black Bags [<i>charges only</i>]	D
		Chair's Report – Review of Late Hours Catering Terminal Hours	D
		Review of Governance Arrangements	D
		Re-affirmation of Senior Councillor Appointments	D
	<i>Special</i> 21 May 2014 9.30 a.m.	SOTEAG Annual Report & Presentation	D
		Pension Fund Management – Annual Review 2013-14	D
		Fund Management – Annual Investment Report 2013-14	D
	<i>PPMF</i> 28 May 2014 2 p.m.	Overall SIC Management Accounts – End of Year	D
		Council Business Programme 2014/15	D
		Asset Investment Plan – Progress Report – Quarter 4	D
		Corporate Plan – Integrated and Formatted Final Edit	D
		Planning and Performance Management Framework Update	D
		Council Wide – Performance Overview – Quarter 4	D
	<i>Special</i> 9 June 2014 2 p.m.	Strategy for Secondary Education – Sandwick JHS	D



**Shetland Islands Council - Meeting Dates and Business Programme 2014/15
as at Wednesday, 21 May 2014**

Shetland Islands Council - Continued			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2014 to 30 June 2014 <i>Continued</i>	<i>Ordinary</i> 2 July 2014 10 a.m.	Medium Term Financial Plan	D
		Single Outcome Agreement 2014/15	D
		Public Bodies (Joint Working) (Scotland) Act 2014 - Integration Model	D
		Review of Governance Arrangements	D
		Corporate Plan 2014/15	D
		Irrecoverable Debt 2013/14	D
Quarter 2 1 July 2014 to 30 September 2014	Date of Meeting	Business	
	<i>PPMF</i> 20 August 2014 2 p.m.	Overall SIC Management Accounts – Quarter 1	D
		Small Trusts – Annual Report and Accounts 2013-14	D
		Asset Investment Plan – Progress Report – Quarter 1	D
		Council Wide – Performance Overview – Quarter 1	D
		Change Programme - Update	D
	<i>Special</i> 23 September 2014 11.30 a.m.	Pension Fund Final Audited Accounts 2013-14 & Report to those Charged with Governance	D
		SIC Final Audited Accounts 2013-14 & Report to those Charged with Governance	D
		Long Term Financial Plan	D
	Date of Meeting	Business	
	<i>Ordinary</i> 5 November 2014 10 a.m.	Blueprint for Education – Northmavine	D
Quarter 3 1 October 2014 to 31 December 2014	<i>PPMF</i> 19 November 2014 2 p.m.	Overall SIC Management Accounts – Quarter 2	D
		Pension Fund – 2014-15 Mid Year Investments Performance Review Report	D
		Council Reserves – 2014-15 Mid Year Investments Performance Review Report	D
		Asset Investment Plan – Progress Report – Quarter 2	D
		Council Wide – Performance Overview – Quarter 2	D
		Change Programme - Update	D



Shetland Islands Council - Meeting Dates and Business Programme 2014/15 as at Wednesday, 21 May 2014

Shetland Islands Council - Continued			
<i>D= Delegated R=Referred</i>			
Q3 continued	<i>Special</i> 17 December 2014 10 a.m.	2015-16 SIC Budget Book	D
Quarter 4 1 January 2015 to 31 March 2015	Date of Meeting	Business	
	<i>Special</i> 11 February 2015 10 a.m.	Strategy for Secondary Education – Baltasound	D
		Strategy for Secondary Education – Mid Yell	
		Strategy for Secondary Education – Whalsay	
	<i>Ordinary</i> 18 February 2015 10 a.m.	tbc	
	Date of Meeting	Business	
	<i>PPMF</i> 25 February 2015 2 p.m.	Overall SIC Management Accounts – Quarter 3	D
		Asset Investment Plan – Progress Report – Quarter 3	D
		Treasury Management Strategy 2015-16	D
		SIC Investment Strategy 2015-16	D
		Pension Fund Investment Strategy 2015-16	D
		Council Wide – Performance Overview – Quarter 3	D
		Change Programme - Update	D
		Single Outcome Agreement – Annual Report 2013/14	D
		SIC Business Programme and Diary of Meetings 2015-16	D

Planned Committee business still to be scheduled - as at Wednesday, 21 May 2014

- Governance Review – Transport Functions