



Meeting(s):	Policy & Resources Committee	7 December 2016
Report Title:	Executive and Corporate Services Department Performance Overview Report 6 Month / 2nd Quarter 2016/17	
Reference Number:	CRP-25-16-F	
Author / Job Title:	Christine Ferguson Director of Corporate Services	

1.0 Decisions / Action required:

That the Policy & Resources Committee:

- 1.1 REVIEW the information presented in this report; and
- 1.2 COMMENT on progress made with regard to service development priorities, performance in service delivery and the targets currently being measured.

2.0 High Level Summary:

- 2.1 This report summarises the activity and performance of the Executive and Corporate Services Department for the 2nd Quarter of 2016/17.
- 2.2 The report looks at the support provided across the Council's priorities, identifies project work that is being undertaken and summarises performance against the indicators that have been used over the last 2 years.

3.0 Corporate Priorities and Joint Working:

- 3.1 Effective planning and performance management are key features of Our Plan 2016-20.

4.0 Key Issues:

- 4.1 Some of the projects and workstreams that have been a focus for Corporate and Executive Services during 2016/17 are listed below:
 - Work to improve broadband availability and bandwidth to Council sites. This is linked to the wider High Speed Broadband project, which is one of the Council's top 5 priorities in Our Plan 2016/20.
 - Council's Constitutional Reform project and OIOF campaign
 - Corporate Records Management Improvement Plan. A report was presented to Corporate Management Team in October.
 - Develop a Long Term Financial Plan and Long Term Asset Investment Plan. This is being progressed alongside the work on the 2017/18 budget proposals.

4.2	Going forward, Corporate & Executive Services will be pulling together and leading a programme of work on Business Transformation. This will include the implementation of the Procurement Framework approved by the Council on 20 April 2016 and the implementation of the Workforce Strategy as well as a range of work streams to develop digital systems promoting services on-line and streamlining back office functions. A detailed report will be presented to Policy & Resources Committee in the next cycle.
4.3	Quarterly Performance Indicators are shown in Appendix B and Complaints in Appendix C.
5.0 Exempt and/or confidential information:	
5.1	<i>None.</i>
6.0 Implications	
6.1 Service Users, Patients and Communities:	Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.
6.2 Human Resources and Organisational Development:	There are no issues arising directly from this report. The commentary on overtime figures in Appendix B shows the reasons for peaks in overtime and the current situation.
6.3 Equality, Diversity and Human Rights:	The Council is required to make sure our systems are monitored and assessed for any implications in this regard. An Equal Pay Audit was completed in 2014/15. This contributes towards the work on equalities, which is a priority in Our Plan 2016-2020.
6.4 Legal:	None arising directly from this report.
6.5 Finance:	The actions, measures and performance management described in this report have been delivered within existing approved budgets. Budget monitoring is the subject of a separate report.
6.6 Assets and Property:	None arising directly from this report.
6.7 ICT and new technologies:	Future work programmes for Corporate and Executive services will include projects to support on line services and access to services and the use of ICT to streamline back office functions.
6.8 Environmental:	None arising directly from this report.
6.9 Risk Management:	The Council has a comprehensive Risk Management Framework in place. Separate reports on today's agenda present the current Risk Registers.

6.11 Policy and Delegated Authority:	The Council's Constitution – Part C – Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they: “Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring – (a) Appropriate performance measures are in place and to monitor the relevant Planning and Performance Management Framework. (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”	
6.12 Previously considered by:	None	

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29 November 2016

Appendices:

Appendix A - Projects and Actions

Appendix B - Performance Indicators – Executive Services and Corporate Services Directorate

Appendix C - Complaints

Background Documents:

Appendix A - Projects and Actions - Chief Executive and Corporate Services Directorate



Generated on: 29 November 2016

OUR PLAN 2016-2020

E) CONNECTION & ACCESS

2) Broadband


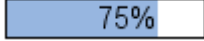

More people will have access to high-speed broadband and reliable mobile connections, helping to connect people, communities and businesses throughout Shetland.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP075 Work to improve broadband availability and bandwidth to SIC sites	By liaising and coordinating the activities of the ICT Service, Economic Development's "Shetland Telecom" Project, HIE BDUK Next Generation Broadband Project and Community Broadband Scotland through the ICT Network Strategy Programme Board	More people will have access to high-speed broadband and reliable mobile connections	Planned Start	01-Apr-2014		Staff in Corporate Services and Development are working to produce a strategy for lobbying the Scottish and National Governments and a detailed digital strategy. We have engaged with mobile phone provider EE regarding the implementation of 4G as part of the Emergency Services Contract. BT continues to install fibre and cabinets and we have been able to use this to deliver better services to some rural locations - Dunrossness School, Happyhansel School, Wastview Care Centre, as well as a number of locations in Lerwick. We are working with Community Broadband Scotland and the community in Fair Isle to establish a community broadband scheme for the island. The announcement, expected late 2016, of how the last tranche of the BDUK funds will be distributed may create further opportunities.	Corporate Services Directorate
			Actual Start	01-Apr-2014	<div><div>30%</div></div>		
			Original Due Date	31-Mar-2015	Expected success		
			Due Date	31-Mar-2020			
			Completed Date		Experiencing issues, risk of failure to meet target		

F) OUR "20 BY '20"


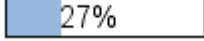

03) Shetland's "voice"

We will have made Shetland's voice heard, with regular and meaningful lobbying of Scottish and UK governments and EU bodies on important issues affecting the islands.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP037 Council's Constitutional Reform project and OIOF campaign	Take a lead role in managing the support to the Council's Constitutional Reform project and OIOF campaign. Implementation of Islands Proofing with both the UK and Scottish Governments. Campaign Joint Position Statement.	Further develop islands' position with both UK and Scottish Governments and political parties, delivering the proposals offering in the "Framework for the Islands" and "Empowering Scotland's Islands Communities". Islands Bill and national Islands Plan consultation Implementation of Islands Proofing with both Govts Participation in Islands Oil and Gas Forum, Islands Transport Forum	Planned Start	01-Apr-2015		UK Government annual islands summit planned and delivered. Enhancing local democracy study commissioned. Strategic Outline cases produced across 3 islands for 11 themes. Engagement with new Transport and Islands Minister. Funding for Emergency Towing Vessels (ETVs) confirmed by UK Government. Islands Bill preparation and research.	Executive Services
			Actual Start	01-Jul-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2017			
			Completed Date		Likely to meet or exceed target		


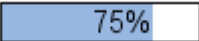

04) IT equipment & systems


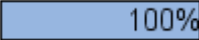

Modern IT equipment and systems will be supporting new ways of working, helping services run efficiently and effectively.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP078 New HR ICT system	Implement new HR CHRIS 8 system	Ensuring our Council-wide workforce information system can fully support our business	Planned Start	01-Apr-2015		The CHRIS project board agreed that testing will take place to prepare for going live in January 2017. Testing is underway following work with frontier on formatting to prepare to go live in January 2017.	Corporate Services Directorate
			Actual Start	10-Apr-2015			
			Original Due Date	30-Apr-2017	Expected success		
			Due Date	30-Apr-2017			
			Completed Date		Likely to meet or exceed target		

05) Standards of governance



High standards of governance, that is, the rules on how we are governed, will mean that the council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP033 Corporate Governance Review	Conduct the Corporate Governance Review and implement its recommendations.	Review of Code of Corporate Governance to be completed which will identify any improvement actions.	Planned Start	01-Apr-2014		Governance documents refresh in progress. Governance update report presented to SIC on 3 November. Work streams and phased timeframe agreed.	Governance & Law
			Actual Start	23-Apr-2015			
			Original Due Date	30-Nov-2015	Expected success		
			Due Date	30-Nov-2016			
			Completed Date		Likely to meet or exceed target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP080 Corporate Records Management Improvement Plan	Assessment and Review Framework to be drafted and agreed with CMT with agreed work streams for improvement actions.	By 31 August 2016 - Information Strategy and Improvement Programme agreed; by 31 October 2016 - Records Management Plan submitted to the Keeper.	Planned Start	01-Jan-2015		Information Management Strategy approved by CMT 18 October 2016. This included the establishment of an Information Governance Board to lead on the information management agenda. An Information Management Improvement Programme also approved by CMT on 18 October, as an initial set of projects and work streams to develop and improve records and information management throughout the Council, and will be included in relevant operational plans for 2017/18. Records Management Plan submitted to NRS on 25 October 2016. NRS interim report, acceptance and publication of the final RMP will be reported to the Information Governance Board.	Governance & Law
			Actual Start	21-Jul-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Oct-2016			
			Completed Date	25-Oct-2016	Likely to meet or exceed target		

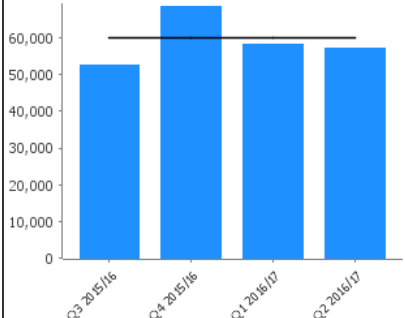
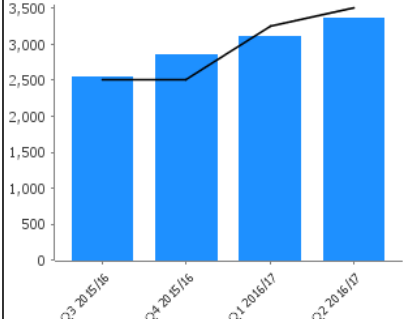
06) Financial management

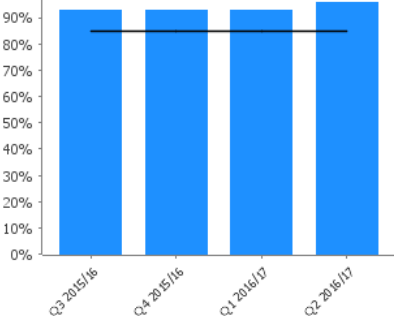
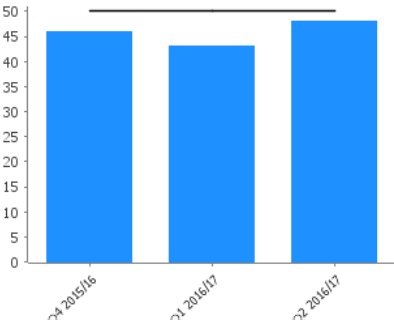
Excellent financial management arrangements will make sure we are continuing to keep to a balanced and sustainable budget, and are living within our means.

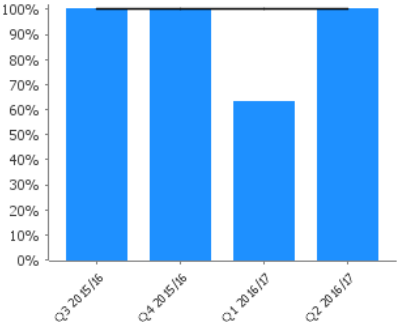
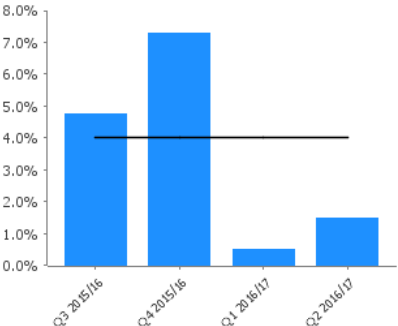
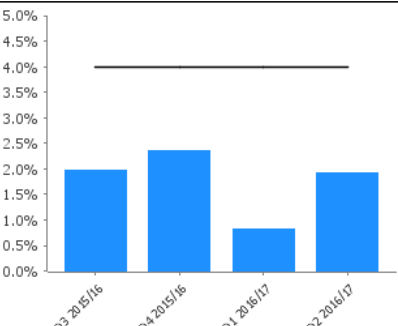
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP072 Develop a Long Term Financial Plan	To build on initial long term planning and present financial picture over 20 year period.	Raising awareness and understanding of the current and future financial context and the decisions in relation to choices and priorities	Planned Start	01-Apr-2014		Initial meetings between Directors, Chairs and Vice Chairs with Finance have taken place to discuss vision and longer term shape of services. This will be built on and, in conjunction with work on assets and local government financial settlement information, an overall plan will be prepared.	Finance
			Actual Start	01-Mar-2015	<div><div>10%</div></div>		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	08-Mar-2017			
			Completed Date		Likely to meet or exceed target		

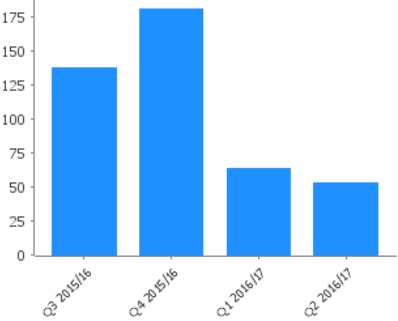
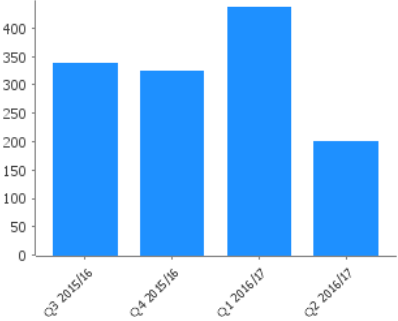
Appendix B Performance Indicators (Quarterly)- Chief Executive and Corporate Services Directorate

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Code & Short Name	Previous Years		Current year (to date)	Quarters					Graphs	(past) Performance & (future) Improvement Statements
	2014/15	2015/16	2016/17	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q2 2016/17		
	Value	Value	Value	Value	Value	Value	Value	Target		
AX05 Number of unique visits to the Council's internet site (1000s)	243,888	231,932	115,152	52,671	68,623	58,089	57,063	60,000		<p>Performance: August saw over 20,000 unique visits with July and September both just under the set target.</p> <p>Improvement: More work needed to drive traffic to our website to not only meet but exceed 20,000 unique visits per month. Our web co-ordinators continue to meet to improve website access and content.</p>
AX07 Number of Twitter followers	1,900	2,845	3,366	2,537	2,845	3,112	3,366	3,500		<p>Performance: With 3,366 followers at the end of Q2 we are steadily working towards the end of year target of 4,000. We are also monitoring engagements with our Twitter feed (clicks, likes and retweets).</p> <p>Improvement: We will continue to engage with services and deliver useful and informative content on our Twitter feed to followers. We will also develop our creative thinking around content, not only the use of photos but also video, to boost followers.</p>

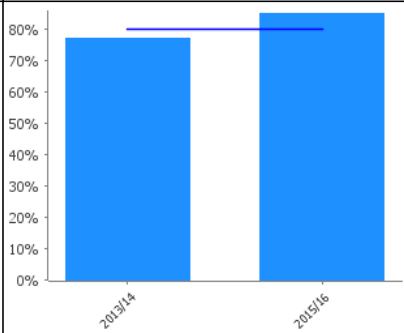
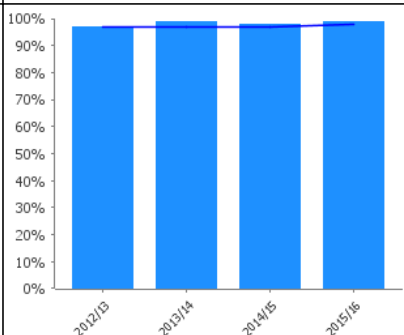
	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q2 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
FI02 Percentage % of ICT projects which are on time and within budget	91%	92%		93%	93%	93%	96%	85%		<p>Performance: 85% of projects to be completed within project tolerance with regard to both budget and timescale.</p> <p>Improvement: To improve the planning of projects to enable accurate planning with regard to budget and timescale and document aspects outwith our control</p>
FI05 Average number of open ICT support work orders	55				46	43	48	50		<p>Performance: No reliable figures were available for Q3 as a new Service Desk system was being implemented, but we are managing to keep figures below the target level so far this year.</p> <p>Improvement: The more open work orders we have which require a technician to visit, the longer staff are having to wait to have their ICT problems solved. Many open work orders also make managing workloads difficult for both technicians and managers. The aim, therefore, is to try to have as few work orders waiting for attention as possible, meaning happier, less stressed, technicians and staff who are not hindered in their work for any longer than necessary. We will do this by prioritising this support work over requests for new equipment, project work and other routine tasks and if necessary, by diverting staff from other teams in IT to make sure the overall level of support work orders do not exceed 50.</p>

	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q2 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
FL01 Data Subject Requests - % responded to within 40 days	73%	81%		100%	100%	63%	100%	100%		Performance: Respond 100% within statutory 40 day deadline. Improvement: The number and increasing complexity of some requests in addition to the existing workload of staff in Committee Services impacts on the ability to respond within the timescales required.
OPI-4C-A Sick %age - Chief Executive's "Directorate"	2.4%	3.6%	1.0%	4.8%	7.3%	0.5%	1.5%	4.0%		Performance can be impacted upon by a single longer-term absence. However, these figures are at a positive level and well below the Council target that we expect to maintain. Improvement: We will continue to monitor closely and hope to maintain these good results.
OPI-4C-F Sick %age - Corporate Services Directorate	2.4%	1.8%	1.4%	2.0%	2.4%	0.8%	1.9%	4.0%		Performance: There has been an improvement in the yearly sickness figures for 2015/16. This is a positive level and well below the Council target that we expect to maintain. Improvement: We hope to maintain these good results through 2016/17.

	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q2 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
OPI-4E-A Overtime Hours - Chief Executive's "Directorate"	720	642	117	138	181	64	53			This relates to overtime that is necessary to provide staff for evening hires at the Town Hall, cost of which is covered through income. The change in this year is due to the Town Hall being closed as a venue while work on the windows is undertaken.
OPI-4E-F Overtime Hours - Corporate Services Directorate	1,717	1,541	636	338	323	437	199			Performance: Q1 overtime needed for final accounts and AHS project. Improvement: Current action is cost effective and no improvement action is planned.

Appendix B (cont) - Performance Indicators (Annual)- Chief Executive and Corporate Services Directorate

Generated on: 29 November 2016

Code & Short Name	Previous Years				Graphs	(past) Performance & (future) Improvement Statements
	2012/13 Value	2013/14 Value	2014/15 Value	2015/16 Value		
FI07 ICT Customer Satisfaction Survey		77%		85%		<p>Performance: We did not carry out a customer satisfaction survey in 2014/15, due to operational changes. A survey carried out in 2015/16 Q4, showed improved satisfaction.</p> <p>Improvement: We intend to carry out annual surveys to help monitor satisfaction.</p>
FL02 Registration Accuracy	97%	99%	98%	98.76%		<p>98% accuracy [NRS average]. Performance figures are calculated annually by the NRS District Examiner, by calendar year, and quarterly figures are not available.</p>

Appendix B (cont) - Sickness Absences - All Directorates (for comparison)

NOTE: Sickness absences are very seasonal, therefore this quarter is compared to the same quarter last year (rather than compared to the previous quarter).

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Short Name	Previous Years				Last year	This year
	2012/13	2013/14	2014/15	2015/16	Q2 2015/16	Q2 2016/17
	Value	Value	Value	Value	Value	Value
Sickness Percentage - Whole Council	4.1%	3.6%	4.2%	3.7%	3.2%	2.4%
Sick %age - Chief Executive's "Directorate"	3.6%	1.4%	2.4%	3.6%	0.3%	1.5%
Sick %age - Children's Services Directorate	2.8%	2.8%	3.7%	2.9%	2.1%	1.6%
Sick %age - Community Health & Social Care Directorate	6.4%	6.0%	6.0%	5.7%	5.4%	3.9%
Sick %age - Corporate Services Directorate	3.0%	1.6%	2.4%	1.8%	1.0%	1.9%
Sick %age - Development Directorate	3.7%	2.7%	4.2%	3.5%	3.2%	3.0%
Sick %age - Infrastructure Directorate	4.0%	3.4%	4.0%	3.8%	3.8%	2.1%

Appendix C - Complaints - Chief Executive & Corporate

This shows all complaints that were open during the Quarter.
Frontline complaints should be closed within 5 working days
Investigations should be closed within 20 working days

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Standard of service received

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed
COM-14/15-154	Investigation	01-Oct-2014	Closed	26-Aug-2016	Governance & Law	482
COM-14/15-155	Investigation	30-Jan-2015	Closed	28-Oct-2016	Governance & Law	445



Meeting(s):	Policy and Resources Committee	7 December 2016
Report Title:	Management Accounts for Community Health and Social Care 2016/17 – Projected Outturn at Quarter 2	
Reference Number:	F-067-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Policy & Resources Committee RESOLVES to review the Management Accounts for the Community Health and Social Care Directorate showing the projected outturn position at Quarter 2.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Policy and Resources Committee to monitor the financial performance of services within the Community Health and Social Care Directorate to ensure that Members are aware of forecast income and expenditure and the impact that this will have with regard to delivering the approved budget. This report shows the projected financial consequence of the service performance detailed in the Community Health and Social Care Reports, and allows the Committee the opportunity to provide early instruction to officers to address any forecast overspends in order that the budget is delivered by year-end.
- 2.2 The Council delegated the functions of the Community Health and Social Care Directorate to the Integration Joint Board (IJB) prior to the start of the year. The Council and NHS Shetland approve a contribution to the IJB, and then receive a distribution of those resources from the IJB to carry out services as directed by it. Management accounts showing the financial position for all delegated functions of the IJB are prepared and presented by the Chief Financial Officer (CFO) to the IJB on a quarterly basis to ensure adequate financial monitoring can be performed by the IJB.
- 2.3 The report presents the projected outturn position for 2016/17 against the revenue budgets distributed by the IJB as at the end of the second quarter. The report also presents the projected capital outturn position for the Community Health and Social Care Directorate as at the end of the second quarter. The capital budgets are not delegated to the IJB. The forecasts have been determined by Finance Services after consultation with the relevant budget responsible officers.
- 2.4 The Council approved a contribution to the IJB of £19.920m and is forecasting that it will receive £20.845m in order to deliver the range of services, as defined by the IJB's Strategic Plan. The projected revenue outturn position against the budgets delegated to the IJB is an underspend of £323k (2%), this includes £1.008m of recurring savings.

- 2.5 The projected capital outturn position for the services in the Community Health and Social Care Directorate is an underspend of £1.843m in 2016/17 with a requirement for slippage to £1.956m to 2017/18 resulting in an overall overspend position of £113k (3%).
- 2.6 See appendices 1 and 2 attached for detailed information on the revenue and capital outturn position.

3.0 Corporate Priorities and Joint Working:

- 3.1 There is a specific objective in the Corporate Plan to ensure that the Council is “continuing to keep a balanced and sustainable budget, and are living within our means” and the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.
- 3.2 The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council. The Council regularly reviews and reports on the financial forecasts of the services it provides and considers the impact and risks that it faces.
- 3.3 The IJB's vision, aims and strategic objectives are set out in the Integration Scheme and the Strategic Plan 2016-19. The IJB is provided with quarterly Financial Monitoring Reports to enable the IJB to manage in year financial performance of the integrated budget and to monitor performance against the Strategic Commission Plan.

4.0 Key Issues:

- 4.1 On 10 February 2016 (SIC Min Ref: 2/16) the Council approved the 2016/17 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £8.106m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.
- 4.2 This report forms part of the financial governance and stewardship framework which ensures that the financial position of the Council is acknowledged, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Committee that resources are being managed effectively and allows corrective action to be taken where necessary.
- 4.3 Since the approval of the 2016/17 budget, revisions to the budget have been incorporated for the Council's budget carry-forward scheme. Therefore this report refers to the revised budget that is now in place for each of the services.
- 4.4 Members are asked to review the Management Accounts for the Community Health and Social Care Directorate showing the projected outturn position, for both capital and revenue budgets as at Quarter 2.

- 4.5 Provision was made in the Council's 2016/17 Budget for cost pressures and contingencies. This budget covers both Council-wide and service specific issues. It is held centrally by the Executive Manager – Finance. As described in the Medium Term Financial Plan, it is expected that Directorates will endeavour, in the first instance, to meet any additional costs from within existing resources.
- 4.6 No cost pressure or contingency budget has been applied to date as the Community Health and Social Care Directorate is projecting to meet the additional costs from within its overall resources. This position will be reviewed quarterly.
- 4.7 The strategic planning and distribution of funding for the services of the Community Health and Social Care Directorate for 2016/17 has been delegated to the IJB. The focus of this report is to allow Members to understand the Council's performance in managing the financial aspects of service delivery. This is different from the overall financial position of the IJB. The overall position of the IJB is relevant however in terms of the impact that the financial position might have on the Council. An example of this is where overspending is forecast by one, or both of the partners, then with reference to the Integration Scheme there is a process that requires to be followed. This is of relevance to the Council, as a partner and a funder.
- 4.8 The projected outturn report for the IJB overall is attached at Appendix 3 for reference.
- 4.9 Members will note there is a significant projected overspend in the NHS Shetland (NHSS) arm of the IJB budget (£1,988k) and a projected underspend of £323k in the Council arm of the IJB budgets, as detailed above (sections 2.4 - 2.6).
- 4.10 The Integration Scheme sets out how over/under spends affecting the budgets allocated for the delegated functions will be addressed. The Council underspend has not been planned and falls into the definition of "fortuitous", it is therefore expected that it will be repaid in full by the IJB.
- 4.11 It is also worth noting that the IJB has indicated that the Recovery Plan (see Appendix 4), which shows the projected outturn put in place to address the efficiency savings required within NHSS delegated budgets will not be successful in 2016/17 and in its own Financial Monitoring Report to 30 September 2016 (presented to the IJB on 23 November 2016) has asked that the Chief Officer and Chief Financial Officer of the IJB initiate urgent discussion with the Local Partnership Finance Team (LPFT) to agree the mechanism for dealing with the projected in year overspend, as set out in the Integration Scheme.
- 4.12 The Council, in preparing projected outturns for its overall Revenue Budget 2016/17 expects the underspend of £323k to be repaid.

5.0 Exempt and/or confidential information:

- 5.1 None.

6.0 Implications :	
6.1 Service Users, Patients and Communities:	None.
6.2 Human Resources and Organisational Development:	None.
6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	There are legal implications with regard to the delegation of statutory functions of the Council and NHSS to the IJB by each Party in order to deliver the delegated functions for that Party. These are set out in the Public Bodies (Joint Working) (Scotland) Act 2014, the associated Regulations and Guidance. The Council, NHSS and the IJB must adhere to the terms of the Integration Scheme approved by the Scottish Government under the terms of the Public Bodies Act. This includes a section on Finance with details regarding the treatment of under/overspends.
6.5 Finance:	<p>The underspend of £323k on Community Health & Social Care services by the Council has been forecast to be repaid to the Council by the IJB for 2016/17.</p> <p>This report identifies risks (section 6.9 below) with regard to the funding of and plans for the funding of functions delegated to the IJB, particularly in relation to the recovery plan and service redesign. The Chief Officer and Chief Financial Officer of the IJB will engage in urgent discussion with LPFT to agree a mechanism to address the projected in-year overspend in the IJB budgets.</p>
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.

From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made. These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.

The main financial risks for services within the Community Health and Social Care Directorate will often relate to unexpected demand for services, which may be costly depending on the circumstances.

There are other risks, which arise from the integrated approach that is now required, particularly where it may impact on the Council financially.

The recovery plan, put in place due to the overspends that are inherent in NHSS delegated functions, poses a risk to the Council as a partner, because it has been identified that the plan will not deliver all of the savings required this financial year. The shortfall is expected to be covered by NHSS.

Also of relevance to the Council is the extent to which there is a lack of clarity in the allocation of resources from a report that proposed to develop an Extended Intermediate Care and Community Rehab Team presented to the IJB on 26 September 2016. The proposal involved the closure of Rehabilitation Unit, Ronas Ward and indicated that savings from the proposal had "already been re-invested in Community Health and Care service locally". The proposal was not approved by the IJB, as they felt it lacked the level of detail they needed in order to make a decision.

As a result of this the original proposal has been reviewed, and a Project Board and Team have been put together to look specifically at providing the following:

1. An enhanced Intermediate Care Team
2. An sustainable Out of Hours response service
3. A Shetland wide "Intermediate Care" service

These proposals were formulated in response to IJB wishes and professional and stakeholder feedback. The project intends to examine the proposals in detail and assess the associated costs and savings, together with their impact in relation to the IJB service budget allocations, prior to the proposal being re-presented to the IJB for consideration. Although it is intended that successful implementation of these proposals will enable patients to move more quickly from hospital to a more suitable setting, and will prevent unnecessary admissions to hospital and care home, the operational management or closure of the Inpatient Rehabilitation setting and provision of an alternative physical setting for inpatient rehabilitation, required alterations and costs of alterations to the physical environment are outwith the scope of this project.

	<p>The risk to the Council is that the redistribution of resources from transferring care from acute to the community will not happen.</p> <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures that may arise. This approach provides additional confidence for the Council to be able to mitigate any adverse financial circumstances.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for significant unforeseen events.</p> <p>Any draw on reserves beyond the Council's sustainable level would have an adverse impact on the level of returns from the Council's long-term investments. This situation would require to be addressed quickly to ensure no long term erosion of the investments.</p> <p>The Community Health and Social Care Directorate maintains its own Risk Register and includes consideration of the actions which may be used to mitigate the risk not achieving full use of the Integrated Care Fund.</p> <p>The Integration Scheme includes a dispute resolution mechanism which should be followed where either of the Parties fails to agree with the other on any issue related to the Integration Scheme, including financial issues.</p>	
6.10 Policy and Delegated Authority:	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2016/17 financial year. This report provides information to enable the Committee to ensure that the services within its remit are operating within the approved budgets.</p>	
6.11 Previously considered by:	Not Applicable.	

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Appendices:

Appendix 1 – Projected Revenue Outturn Position for 2016/17

Appendix 2 – Projected Capital Outturn Position for 2016/17

Appendix 3 – Projected Overall Outturn Position for the Integration Joint Board for 2016/17

Appendix 4 – Projected Outturn for the IJB Recovery Plan at Quarter 2

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=18870>

Shetland Islands Health and Social Care Partnership Integration Scheme 2015

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/SHSCPartnershipIntegrationScheme15May2015.pdf

Report CC-64-16, Extended Intermediate Care and Community Rehab Team in September 2016, IJB, 26 September 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19882>

Report CC-79-16, Financial Monitoring Report to 30 September 2016, IJB, 23 November 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=20143>

Community Health and Social Care

1. Projected Revenue Outturn Position 2016/17

Budget v Projected Outturn Variance Qtr 1 £000	IJB Service Heading	2016/17 Approved Delegated Budget £000	2016/17 Revised Delegated Budget £000	2016/17 Projected Outturn Qtr 2 £000	Budget v Projected Outturn Variance Qtr 2 £000
(13)	Mental Health	1,060	1,058	1,113	(55)
-	Substance Misuse	257	259	259	-
4	Directorate	259	521	490	31
-	Pensioners	78	78	78	-
141	Adult Services	5,201	5,143	4,942	201
(462)	Adult Social Work	1,665	1,747	2,232	(485)
580	Community Care Resources	10,512	10,176	9,537	639
11	Criminal Justice	29	29	22	7
29	Occupational Therapy	1,371	1,408	1,423	(15)
	Scottish Government				
-	Additionality Funding	-	426	426	-
290	Total Controllable Costs	20,432	20,845	20,522	323

The projected outturn at Quarter 1 has been included for reference. The main reasons for changes from the Quarter 1 projected outturn variance to the Quarter 2 position is that projected expenditure for the year on holiday pay has now been included in the actual expenditure across the Directorate (£331k), borrowing costs on the Eric Gray Replacement Project are no longer expected in the year, £171k, and the projected underlying underspend on employee costs in Community Care Resources has increase by £155k.

An explanation for the main projected outturn variances by service at Quarter 2 are set out below.

1.1 Mental Health - projected outturn overspend of (£55k) (5%)

There are no significant variances in this service area.

1.2 Substance Misuse – projected breakeven

There are no significant variances in this service area.

1.3 Directorate – projected outturn underspend of £31k (6%)

There are no significant variances in this service area.

1.4 Pensioners – projected breakeven

1.5 Adult Services – projected outturn underspend of £201k (4%)

The projected underspend is mainly due to:

- Vacant posts at the Eric Gray Resource Centre, Supported Living and Outreach Managers and Supported Living and Outreach Central, which are now largely filled, with the exception of two social care workers posts which are to be deleted and less use of relief staffing than budgeted for, £133k;
- The projected outturn for employee costs includes the expected cost of holiday pay, for which contingency is available if required. This has not been applied as the cost is currently forecast to be met from within the projected underspend for the Directorate (£85k);
- An expected underspend on borrowing costs due to the re-profiling of funding of the Eric Gray Replacement Project, £171k.

1.6 Adult Social Work – projected outturn overspend of (£485k) (28%)

The projected overspend mainly relates to:

- the projected cost of Off-Island Placements (£423k) for which contingency is available if required. This has not been applied as the cost is currently forecast to be met from within the projected underspend of the Directorate;
- increased demand for care services to be provided from Self-Directed Support packages, (£72k). The projected overspend is based on the current level of packages being provided, after the application of Additional IJB funding of £348k, as agreed by the IJB in June 2016.

There is a contingency budget for Off-Island Placements which may be allocated if costs cannot be met from underspends during the year.

1.7 Community Care Resources – projected outturn underspend of £639k (6%)

The projected underspend is mainly due to:

- a projected underspend on employee costs across the service, £825k, most notably in Care at Home Central, £436k, where rotas are being revised to recognise a reduced number of Care at Home hours delivered against budget;
- the remainder of the projected underspend in employee costs relates to rolling vacancies across the service which may take several months to fill, budgeted relief hours not being fully utilised due to making best use of care at home staff to cover residential shifts where possible, and some difficulty in recruiting to Care at Home posts in specific areas, £389k;
- the projected outturn for employee costs includes the expected cost of holiday pay, for which contingency is available if required. This has not been applied as the cost is currently forecast to be met from within the projected underspend for the Directorate, (£231k);
- expected over-achievement of income from charging for board and accommodation and other non-residential charges. This can vary significantly from budget due to changing customer base and it is dependent on the financial circumstances of those receiving care, £254k;
- the projected cost of Independent Sector Placements of (£186k) for which contingency is available if required. This has not been applied as the cost is currently forecast to be met from within the projected underspend of the Directorate.

It is forecast that £825k of the employee costs underspend in Community Care Resources is a recurring saving. It is also projected that £82k of the over-achievement of charging income is a recurring saving, with the remaining £172k deemed as one-off savings.

There are contingency budgets for Independent Sector Placements and holiday pay available if costs cannot be met from underspends during the year.

1.8 Occupational Therapy – projected outturn overspend of (£15k) (1%)

There are no significant variances in this service area.

1.9 Criminal Justice – projected outturn underspend £7k of (24%)

There are no significant variances in this service area.

1.10 Scottish Government Additionality Funding

Scottish Government Additionality Funding of £512k was discussed and approved by the IJB in June 2016. The Council was allocated £426k of the overall additional funding of £512k.

It was agreed that £348k of the additional funding would be used to fund the increased level of demand for Self-Directed Support Packages. Based on the current level of support packages in place, it is projected that this funding will be spent in full. Analysis of the increased level of packages shows that the majority of the increase relates to demographic change, with increased requests for support, not just for older people, but also for adults under 65 years with physical and learning disabilities.

A further £78k allocation of this funding has been made to the Council to be utilised to cover the cost of one full-time social worker and one full-time administration worker who will specifically focus on expediting timely hospital discharges. It is anticipated that the allocation will be spent in full.

Community Health and Social Care

2. Projected Capital Outturn Position 2016/17

Budget v Projected Outturn Variance Qtr 1 £000	Service	2016/17 Revised Budget Qtr 2 £000	2016/17 Projected Outturn Qtr 2 £000	2016/17 Projected Variance Qtr 2 £000	Slippage Required in 2017/18 £000	Overall Projected Outturn Variance Qtr 2 £000
0	Director of Community Care	8	8	0	0	0
0	Adult Services	3,023	1,067	1,956	1,956	0
(90)	Community Care Resources	291	403	(113)	0	(113)
(90)	Total Controllable Costs	3,322	1,479	1,843	1,956	(113)

The projected outturn at Quarter 1 has been included for reference. The main reason for changes from the Quarter 1 projected outturn variance to the Quarter 2 position is slippage of the Replacement Eric Gray project to 2017/18.

An explanation for the main projected outturn variances by service at Quarter 2 are set out below.

2.1 Director of Community Care - projected outturn breakeven

The service is expecting to be on budget.

2.2 Adult Services – projected outturn underspend of £1,956m (65%)

The projected underspend relates to the Replacement Eric Gray Project. The project was budgeted to start on site in April 2016, but only commenced in August 2016, therefore slippage of £1.956m is expected into 2017/18.

2.3 Community Care Resources – projected outturn overspend of (£113k) (39%)

The projected overspend relates to the ET and Taing House Extension project. This includes reconfiguring and extending the

fire alarm system and extending the nurse call system (£51k); additional CPS recharge for Officer's time manage and supervise the project (£35k); replacement laundry equipment that was required to upgrade the existing equipment, which was not included in the contract (£26k). This is to be funded as part of the spend to save project and there are recurring savings within the service in-line with the requirements of the Spend to Save Scheme.

Community Health and Social Care

3. Projected Overall Outturn Position for the Integration Joint Board

Service Headings	2016/17 Approved Delegated Annual Budget £000	2016/17 Revised Delegated Annual Budget £000	Projected Outturn at Quarter 2 £000	Budget v Proj. Outturn Variance (Adv)/ Pos £000
Mental Health	2,413	2,412	2,620	(208)
Substance Misuse	753	661	661	-
Oral Health	3,123	3,177	3,177	-
Pharmacy & Prescribing	6,176	6,367	6,538	(171)
Primary Care	4,571	4,594	4,882	(288)
Community Nursing	2,330	2,432	2,432	-
Directorate	353	712	681	31
Pensioners	78	78	78	-
Sexual Health	38	38	38	-
Adult Services	5,267	5,209	5,008	201
Adult Social Work	1,665	1,747	2,232	(485)
Community Care Resources	10,512	10,176	9,537	639
Criminal Justice	29	29	22	7
Speech & Language Therapy	83	83	83	-
Dietetics	112	112	112	-
Podiatry	225	207	207	-
Orthotics	143	143	143	-
Physiotherapy	603	595	595	-
Occupational Therapy	1,556	1,593	1,608	(15)
Health Improvement	310	244	244	-
Unscheduled Care	3,190	3,235	3,684	(449)
Renal	145	144	144	-
Scottish Government Additionality	512	512	469	43
Integrated Care Funding	410	410	410	-
Recovery Plan	(1,777)	(1,777)	(807)	(970)
Total Controllable Costs	42,820	43,133	44,798	(1,665)

3.1 Projected outturn overspend at 30 September 2016 (£1.665m) (4%)

The current projected outturn to the end of March 2017 for the IJB is an overall adverse variance of £1,665k which represents an underspend in the Council arm of the budget of £323k and an overspend in NHS Shetland arm of £1,988k.

Community Health and Social Care

4. Projected Outturn Position for the IJB Recovery Plan at Quarter 2

	Directly Managed Services £000	Set-Aside Services £000	TOTAL £000
Full savings required by Recovery Plan	1,357	420	1,777
Savings achieved in the year-to-date	(96)	(140)	(236)
Savings proposed for remainder of year	(446)	(125)	(571)
Unachieved savings	815	155	970

- 4.1 A Recovery Plan has been put in place for the IJB to address the efficiency savings required within NHS Shetland (NHSS) delegated budgets for directly managed and set-aside services. Of the £807k savings identified above, £449k represents recurring savings and £358k are non-recurrent.
- 4.2 In the Financial Monitoring Report to 30 September 2016 (Report CC-79-16), to be presented to the IJB on 23 November 2016, the IJB have indicated that the Recovery Plan will not be successful in 2016/17 and asked for confirmation that the Chief Officer and Chief Financial Officer of the IJB should initiate urgent discussion with the Local Partnership Finance Team to agree the mechanism for dealing with the projected in year overspend, as set out in the Integration Scheme.



Meeting(s):	Policy and Resources Committee	7 December 2016
Report Title:	Management Accounts for Policy & Resources Committee 2016/17 - Projected Outturn at Quarter 2	
Reference Number:	F-066-16-F	
Author / Job Title:	Jonathan Belford - Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Policy & Resources Committee RESOLVES to review the Management Accounts showing the projected outturn position at Quarter 2.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Policy & Resources Committee to monitor the financial performance of services within its remit to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget. This report shows the projected financial consequence of the service performance detailed in the Executive and Corporate Services Department Performance Overview report, and allows the Committee the opportunity to provide early instruction to officers to address any forecast overspends in order that the budget is delivered by year-end.
- 2.2 This report presents the projected outturn position for 2016/17 as at the end of the second quarter for revenue and capital. The forecasts have been determined by Finance Services after consultation with relevant budget responsible officers.
- 2.3 The projected revenue outturn position for Policy & Resources Committee is an underspend of £22k (0.2%) in controllable revenue, which means that services in this Committee area are collectively projected to spend less than their Council approved budget. There are no recurring savings identified at this time. Fund Manager's Fee's are non controllable and are projected to be £67k (8%) overspent. See Appendix 1 for further details.
- 2.4 The projected capital outturn position for services for Policy & Resources Committee area is an underspend of £575k (20%) in 2016/17, with a requirement for slippage of £577k to 2017/18 resulting in an overall projected overspend position of £2k (0.1%), which means that services in this Committee area are collectively projected to spend more than their Council approved budget. See Appendix 2 for further details.

3.0 Corporate Priorities and Joint Working:

- 3.1 There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget; is living within its means; and that the Council continues to pursue a range of measures which will enable effective and successful

	management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.
3.2	The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council.
4.0	Key Issues:
4.1	On 10 February 2016 (SIC Min Ref: 2/16) the Council approved the 2016/17 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £8.106m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.
4.2	This report forms part of the financial governance and stewardship framework which ensures that the financial position of the Council is acknowledged, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Committee that resources are being managed effectively and allows corrective action to be taken where necessary.
4.3	Since the approval of the 2016/17 budget, revisions to the budget have been incorporated for the Council's budget carry-forward scheme. Therefore this report refers to the revised budget that is now in place for each of the services.
4.4	Provision was made in the Council's 2016/17 budget for cost pressures and contingencies. This budget covers both Council-wide and service specific issues. It is held centrally by the Executive Manager - Finance.
4.5	This approach assists the Council to mitigate any spending risks. However, it is expected that services will endeavour, in the first instance, to meet any additional costs from within existing resources.
4.6	Cost pressures are recurring in nature and increase the base cost of the service being delivered, eg pay awards, whereas contingency items are deemed non-recurring and likely to vary year on year, eg external recruitment costs.
4.7	Allocations of £20k for external audit and £47k for recruitment costs (the majority of which relate to Children's and Social Care Services' recruitment) from the contingencies budget have been applied.
4.8	No other cost pressure or contingency budget has been applied as the Executive and Corporate Services Directorates' overall budgets are projecting to meet their controllable additional costs from within existing underspends. This position will be reviewed quarterly.
5.0	Exempt and/or confidential information:
5.1	None.
6.0	Implications :

6.1 Service Users, Patients and Communities:	None.
6.2 Human Resources and Organisational Development:	The provision of £47k from contingency to meet increased recruitment costs across the Council, most has been applied to recruitment in Schools Service and Social Care to maintain service provision.
6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	None.
6.5 Finance:	<p>The 2016/17 Council budget does not require a draw on reserves in excess of the returns that the fund managers can make on average in a year, and therefore demonstrates that the Council is living within its means. To achieve this, a one-off underspend from the 2015/16 budget has been used to balance the General Fund. This is a one-off solution for 2016/17.</p> <p>For every £1m of reserves spent in excess of a sustainable level will mean that the Council will have to make additional savings of £73k each year in the future as a result of not being able to invest that £1m with fund managers to make a return.</p> <p>It is therefore vital that the Council delivers its 2016/17 budget. This report demonstrates that the services under the remit of the Policy & Resources Committee are collectively projecting an underspend on controllable costs. Fund Manager fees, which are non-controllable, are projected to be overspent. There is a minor overspend on capital.</p>
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	<p>There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.</p> <p>From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made.</p>

	<p>These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>The main financial risk for services in this Committee area is:</p> <ul style="list-style-type: none"> • levels of external recruitment continue to increase, and require to be funded to ensure that essential front line services' are maintained. <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures that may arise. This approach provides additional confidence for the Council to be able to mitigate any adverse financial circumstances.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for significant unforeseen events.</p> <p>Any draw on reserves beyond the Council's sustainable level would have an adverse impact on the level of returns from the Council's long-term investments. This situation would require to be addressed quickly to ensure no long term erosion of the investments.</p>	
6.10 Policy and Delegated Authority:	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved revenue and capital budgets for the 2016/17 financial year. This report provides information to enable the Committee to ensure that the services within its remit are operating within the approved budgets.</p>	
6.11 Previously considered by:	Not Applicable.	

Contact Details:

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Appendices:

Appendix 1 – Policy & Resources Committee Projected Revenue Outturn Position for 2016/17

Appendix 2 – Policy & Resources Committee Projected Capital Outturn Position for 2016/17

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=18870>

Policy & Resources Committee

1. Projected Revenue Outturn Position 2016/17

Budget v Proj. Outturn Variance as at Q1 (Adv)/Pos £000	Service	2016/17 Revised Annual Budget £000	Projected Outturn at Quarter 2 £000	Budget v Proj. Outturn Variance at Quarter 2 (Adv)/ Pos £000
2	Executive Services	1,149	1,133	16
0	Council Members	607	608	(1)
(61)	Director of Corporate Services	258	319	(61)
(4)	Capital Programmes	(47)	(49)	3
(46)	Finance	2,684	2,645	39
3	Joint Valuation Board	315	303	12
11	Governance & Law	845	828	16
1	Human Resources	1,453	1,454	(1)
(27)	ICT	1,457	1,482	(25)
11	Audit, Risk & Improvement	393	369	24
	Collective Council Budgets:			
0	Insurance	879	879	0
(118)	Training	656	656	0
0	Office Recharges	1,990	1,990	0
(228)	Total Controllable Costs	12,639	12,617	22
(67)	Fund Manager Fees	875	942	(67)
(67)	Total Non-Controllable Costs	875	942	(67)

The projected outturn variance figures at quarter 1 are included above for reference, and show a favourable change of £250k. The main changes from quarter 1 to quarter 2 outturn positions are:

- Executive Services – a favourable change of £14k due to approval of a Change Fund application;
- Finance – a favourable change of £85k due to the application of £20k cost pressure for External Audit fees from the Cost Pressures and Contingencies budget. In addition, revised projected outturn estimates for staff costs across the service are expected to save a further £58k; and
- Training – a favourable change of £118k following a recent training review undertaken to more accurately reflect the training that can be delivered within the year.

An explanation for the significant projected outturn variances by service at quarter 2 are set out below:

1.1 Executive Services – projected outturn underspend £16k (1%)

There are no significant variances in this service area.

1.2 Council Members – projected outturn overspend (£1k) (0.2%)

There are no significant variances in this service area.

1.3 Director of Corporate Services – projected outturn overspend (£61k) (24%)

The projected outturn variance relates to the budgeted vacancy factor for the whole of Corporate Services. This will be met from across the directorate, as and when underspends are achieved (£61k).

1.4 Capital Programmes - projected outturn underspend £3k (6%)

The projected outturn variance relates to a shortfall in rental income for Montfield, due to the tenant moving out in June, and Corporate Services now utilising the space until issues with 8 North Ness have been resolved (£53k), offset by receipt of disturbance payments at the Busta Estate £28k and other savings across the service.

1.5 Finance - projected outturn underspend £39k (1%)

The projected outturn variance relates to the revised outturn position for staff costs across all of Finance. These savings should contribute to the vacancy factor held under Director of Corporate Services.

1.6 Joint Valuation Board – projected outturn underspend £12k (4%)

There are no significant variances in this service area.

1.7 Governance and Law - projected outturn underspend £16k (2%)

There are no significant variances in this service area.

1.8 Human Resources - projected outturn overspend (£1k) (0.1%)

There are no significant variances in this service area.

1.9 ICT - projected outturn overspend (£25k) (2%)

There are no significant variances in this service area.

1.10 Audit, Risk and Improvement - projected outturn underspend £24k (6%)

There are no significant variances in this service area.

1.11 Insurance – projected outturn breakeven

1.12 Training - projected outturn breakeven

1.13 Office Recharges – projected outturn breakeven

1.14 Fund Manager Fees - projected outturn overspend (£67k) (8%)

Fund Manager Fees are based on the value of actively managed reserves throughout the year, and are non-controllable.

Policy & Resources Committee

1. Projected Capital Outturn Position 2016/17

Projected Outturn Variance at Quarter 1 (Adv)/Pos £000	Service	2016/17 Revised Annual Budget £000	Projected Outturn at Quarter 2 £000	Budget v Projected Outturn Variance at Quarter 2 (Adv)/ Pos £000	Slippage Required in 2017/18 £000	Overall Projected Outturn Variance at Quarter 2 (Adv)/Pos £000
0	Capital Programme	1,938	1,363	575	(577)	(2)
0	ICT	920	920	0	0	0
0	Total Controllable Costs	2,858	2,283	575	(577)	(2)

An explanation of the main variances by service is set out below:

1.1 Capital Programme – projected outturn overspend £2k (0.1%)

There are no significant variances. There will be projected slippage of £577k to 2017/18 for completion of the Town Hall restoration. A delay in the issue of tenders resulted in a later start date for the works. There are minor overspends on other Capital programmes resulting in an outturn underspend of £575k and slippage required of £577k in this area.

1.2 ICT – projected outturn breakeven

This project is expected to be on budget.



Meeting(s):	Policy & Resources Committee Shetland Islands Council	7 December 2016 14 December 2016
Report Title:	SIC Overall Management Accounts 2016/17 Projected Outturn at Quarter 2	
Reference Number:	F-070-F	
Author / Job Title:	Jonathan Belford Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Policy & Resources Committee RECOMMENDS that the Council RESOLVE to review the Management Accounts showing the projected outturn position at quarter 2.

2.0 High Level Summary:

- 2.1 The report sets out the overall Council projected financial position as at quarter 2.
- 2.2 The revenue outturn position for the combined General Fund (including Spend to Save), Harbour Account and Housing Revenue Account is projected to be under budget by £3.298m, of which £0.330m has been classified as recurring savings (Appendix 1).
- 2.3 The capital outturn position for the combined General Fund (including Spend to Save), Harbour Account and Housing Revenue Account is projected to be under budget by £6.889m, of which, £6.673m has been identified as being required in future years to deliver projects (Appendix 2).
- 2.4 From the cost pressures and contingency items budget, £1.659m has been applied to meet projected overspends in directorates (Appendix 3).
- 2.5 The projected draw from reserves of £11.793m is sustainable (equates to a daily draw on reserves of £32k). This is a decrease of £5.194m against the revised budget (Appendix 4).
- 2.6 Appendices 1-4 set out this information in detail.

3.0 Corporate Priorities and Joint Working:

- 3.1 There is a specific objective in the Corporate Plan to ensure that the Council is “continuing to keep a balanced and sustainable budget, and are living within our means” and the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.

3.2	The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council.
4.0 Key Issues:	
4.1	At quarter 2 the projections suggest that the Council will be within budget at the year-end by £3.298m. Services are expecting to spend less than they had estimated in the first quarter where the projected under spend was estimated at £1.731m less than budget.
4.2	However, circumstances may change between now and the year end which may adversely but also could favourably alter the outturn position. The risks are set out in Section 6.9 below.
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	None.
6.2 Human Resources and Organisational Development:	None.
6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	None.
6.5 Finance:	Overall the Council is projected to be within the budget set for 2016/17. The draw on reserves remains affordable.
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.

	<p>From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made. These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>The main variable assumptions are around anticipated income levels, returns on investments and cost pressures and demands.</p> <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures that may arise. This approach provides additional confidence for the Council to be able to mitigate any adverse financial circumstances.</p>	
6.10 Policy and Delegated Authority:	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2016/17 financial year. The Policy & Resources Committee has delegated authority for securing the co-ordination, control and proper management of the financial affairs of the Council, and has referred authority to make recommendations to the Council as to the level of any expenditure not provided for in the annual budgets.</p>	
6.11 Previously considered by:	Not Applicable	

Contact Details:

Hazel Tait, Team Leader Accountancy, Hazel.Tait@Shetland.gov.uk, 22 November 2016

Appendices:

Appendix 1 - Overall SIC Projected Revenue Outturn Position for 2016/17

Appendix 2 - Overall SIC Projected Capital Outturn Position for 2016/17

Appendix 3 - Contingency and Cost Pressure Budget 2016/17

Appendix 4 - Use of Reserves 2016/17

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=18870>

1. Revenue - P 1. Revenue - Projected Outturn Position for 2016/17

Budget v Projected Outturn Variance Qtr 1 £000	General/Support/Recharged	2016/17 Revised Budget Qtr 2 £000	2016/17 Projected Outturn Qtr 2 £000	2016/17 Projected Variance Qtr 2 £000
2	Chief Executive	1,756	1,741	15
(112)	Children's Services	39,530	39,530	0
335	Community Care	18,584	18,301	284
(112)	Corporate Services	7,358	7,352	6
(14)	Development	14,719	14,435	284
(360)	Infrastructure	19,782	19,774	9
(67)	Fund Managers Fees	875	942	(67)
1	Energy	2,440	2,457	(17)
0	Water	223	227	(3)
(50)	Building Maintenance	2,270	2,178	91
16	Fleet Management Unit	770	733	38
0	Insurance	879	879	0
(118)	Training	656	656	0
0	Office Building Charge	1,990	1,990	0
1,712	Contingencies & Cost Pressures	3,281	1,122	2,159
0	Economic Development Investment Income	(800)	(800)	0
0	Interest on Revenue Balances	(26)	(26)	0
500	Spend to Save (Unallocated)	1,000	500	500
0	Net Recharges to Other Fund	(1,723)	(1,723)	0
1,731	Total Net Expenditure/(Income)	113,564	110,266	3,298
	<i>Funded by:</i>			
0	Government Grants	(82,639)	(82,639)	0
0	Council Tax	(8,505)	(8,505)	0
(1,731)	Contribution from General Fund Reserve	(22,420)	(19,122)	(3,298)
(1,731)	Total Funding/Contribution	(113,564)	(110,266)	(3,298)
0	Balanced Budget	0	0	0

1. Revenue - Projected Outturn Position for 2016/17

Budget v Projected Outturn Variance Qtr 1 £000	Harbour Account	2016/17 Revised Budget Qtr 2 £000	2016/17 Projected Outturn Qtr 2 £000	2016/17 Projected Variance Qtr 2 £000
310	Sullom Voe	(8,948)	(8,734)	(214)
(208)	Scalloway	46	204	(158)
4	Other Piers	527	466	61
380	Terminals	(1,956)	(2,461)	505
486	Total Net Expenditure/(Income)	(10,330)	(10,525)	194
(143)	Shetland Gas Plant	(693)	(550)	(143)
(143)	Other Income	(693)	(550)	(143)
(342)	Contribution to Reserve Fund	11,024	11,075	(51)
(342)	Total Contribution	11,024	11,075	(51)
0	Balanced Budget	0	0	0

Budget v Projected Outturn Variance Qtr 1 2016-17 £000	Housing Revenue Account	2016/17 Revised Budget Qtr 2 2016-17 £000	2016/17 Projected Outturn Qtr 2 2016-17 £000	2016/17 Projected Variance Qtr 2 2016-17 £000
86	Expenditure	6,042	5,354	688
3	Income	(6,946)	(6,949)	3
89	Total Net Expenditure/(Income)	(904)	(1,595)	691
(89)	Contribution to HRA R&R Fund	904	1,595	(691)
(89)	Total Contribution	904	1,595	(691)
0	Balanced Budget	0	0	0

2. Capital - Projected Outturn Position for 2016-17

Budget v Projected Outturn Variance Qtr 1 £000	Service Area	2016/17 Revised Budget Qtr 2 £000	2016/17 Projected Outturn Qtr 2 £000	2016/17 Projected Variance Qtr 2 £000	Slippage Required in 2017/18 £000	Overall Projected Outturn Variance Qtr 2 £000
2,744	Children's Services	15,052	11,291	3,761	3,767	(6)
(90)	Community Care	3,322	1,479	1,843	1,956	(113)
0	Corporate Services	2,858	2,283	575	577	(2)
0	Development (GF)	190	36	154	160	(6)
446	Infrastructure (including Harbour Account)	8,915	8,359	556	213	343
0	Development (HRA)	2,413	2,413	0	0	0
3,100	Total Costs	32,749	25,860	6,889	6,673	216
	Funded by:					
0	General Capital Grant	(5,753)	(5,753)	0	0	0
0	Capital Grants Unapplied (General Fund)	(8)	(8)	0	0	0
0	External Grants	(609)	(589)	(20)	(20)	0
(1,822)	External Borrowing	(14,362)	(9,105)	(5,257)	(4,957)	(300)
92	Spend to Save Reserve	(597)	(711)	115	0	115
0	Council Tax Second Homes Reserve	(160)	0	(160)	(160)	0
(992)	Capital Fund Reserve	(3,813)	(2,703)	(1,110)	(1,476)	365
0	Capital Receipts Reserve (General Fund)	(1,443)	(1,443)	0	0	0
0	General Fund Capital Receipts	(350)	(350)	0	0	0
0	CFCR (General Fund)	(200)	(200)	0	0	0
0	Capital Energy Efficiency Fund	(34)	(34)	0	0	0
0	Capital Receipts Reserve (HRA)	(118)	(118)	0	0	0
0	Capital Receipts (HRA)	(612)	(1,310)	698	0	698
0	CFCR (HRA)	(1,682)	(984)	(698)	0	(698)
0	Capital Receipts Reserve (Harbour Account)	(323)	(323)	0	0	0
0	Capital Receipts (Harbour)	0	(2)	2	0	2
-378193	CFCR (Harbour Account)	(2,665)	(2,226)	(439)	(60)	(379)
0	Harbour Account External Grants	(20)	0	(20)	0	(20)
(3,100)	Total Funding & Financing	(32,749)	(25,860)	(6,889)	(6,673)	(216)
0	Balanced Budget	0	0	0	0	0

3. Cost Pressure and Contingency Budget for 2016/17

Service Area	2016/17 Original Budget 2016/17 Qtr 2 £000	2016/17 Budget Allocated 2016/17 Qtr 2 £000	2016/17 Revised Budget 2016/17 Qtr 2 £000
Cost Pressures:			
Living Wage	74	115	-41
Holiday Pay	300	111	189
Sleep-Over Payments/Teacher Pay Award	365	340	25
Health & Social Care Integration	15	0	15
Free School Meals	32	0	32
Free Nursery Meals	13	0	13
Fee Paid Carers	94	0	94
Kinship Allowances	31	0	31
Windybrae	88	88	0
External Audit Fees	20	20	0
Air/Bus/School Transport Inflation	81	0	81
TOTAL COST PRESSURES:	1,113	674	439
Contingency:			
Off-Island Placements (Comm Care / Child Svs)	1,052	498	554
Children's Resources	292	60	232
Schools/Quality Improvement	354	0	354
Supply Teachers / Reliefs in Schools	258	0	258
Disabled Adaptions	250	0	250
Ferry Vessel & Other Fuel	274	0	274
Ferry Staff Shortages	210	0	210
Ferry Staff Revalidation Cover	115	0	115
Infrastructure Equipment Failure	350	250	100
Winter Maintenance	110	0	110
Bitument Supplies	102	0	102
Extreme Weather Events	100	0	100
CIPFA Trainee Programme	70	0	70
Valuation Joint Board	50	0	50
Funding for Change	500	125	375
External Recruitment for Senior Officers	124	47	77
Payroll Officer	27	0	27
Homeless Accommodation Costs Inflation	60	0	60
Foula Ferry Contract Increase	60	0	60
Reduction based on risk of events occurring (41%)	-1793	0	-1,793
TOTAL CONTINGENCIES:	2,565	980	1,585
TOTAL COST PRESSURES AND CONTINGENCIES	3,678	1,654	2,024
Borrowing Support Costs (AHS funded centrally)	1,256	0	1,256
OVERALL TOTAL	4,934	1,654	3,280

4. Use of Reserves for 2016/17

(included General Fund/Harbour Account/Housing Revenue Account/Spend to Save reserves)

2016/17 Total Draw 2016/17 Qtr 1 £000	Service Area	2016/17 Revenue Draw 2016/17 Qtr 2 £000	2016/17 Capital Draw 2016/17 Qtr 2 £000	2016/17 Total Draw 2016/17 Qtr 2 £000	2016/17 Daily Draw 2016/17 Qtr 2 £000
8,105	Original Budgeted Draw on Reserves	7,954	151	8,105	22
8,109	Carry forwards from 2015/16	2,338	5,771	8,109	
	Additional Budget - Scalloway Fishmarket	200	0	200	
	Revisions to Funding of the Capital Programme	0	574	574	
16,214	Revised Budgeted Draw on Reserves	10,492	6496	16,988	47
13,152	Projected Outturn Draw on Reserves	6,453	5,341	11,794	32
3,062	Projected Variance on Draw on Reserves	4,039	1,155	5,194	14



Meeting(s):	Policy and Resources Committee	7 December 2016
Report Title:	Council Reserves - 2016/17 Mid Year Performance Review Report	
Reference Number:	F-074-F	
Author / Job Title:	Report Presented by Executive Manager - Finance	

1.0	Decisions / Action required:
1.1	This report is a review of the Council's external investments over the first six months of the 2016/17 financial year, and as such the Policy and Resources Committee RESOLVE to consider the outcome of this mid year review.
2.0	High Level Summary:
2.1	This report will allow the Policy and Resources Committee to review the mid year investment position and performance of the Council's long term external investments, managed on its behalf by fund managers.
2.2	The Council's investments increased in value by £39 million over the first six months of the 2016/17 financial year and now have an overall value at the end of September of £326 million.
2.3	Over the first six months of 2016/17 BlackRock were close to their benchmark aim, while the active fund managers Baillie Gifford and Insight outperformed their respective benchmarks. The combined investment return over the six month period was 14.4%, which was 2.1% above the benchmark return. See additional information in Appendix 1.
3.0	Corporate Priorities and Joint Working:
3.1	The Council's overall investment strategy is important to the Council's Reserves, which play a key role in helping the Council deliver its corporate objectives, as described in the Community Plan, the Corporate Plan and other strategic documents.
4.0	Key Issues:
4.1	This report is only a six month snapshot of how the markets and fund managers have performed. Over the remainder of the financial year the performance of the Council's investments could easily increase or decrease depending on economic and investment circumstances.
5.0	Exempt and/or confidential information:
5.1	<i>None</i>

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6.0 Implications :	
6.1 Service Users, Patients and Communities:	<i>None</i>
6.2 Human Resources and Organisational Development:	<i>None</i>
6.3 Equality, Diversity and Human Rights:	<i>None</i>
6.4 Legal:	This report complies with the consent issued by the Scottish Ministers under the Local Government Investments (Scotland) Regulations 2010, to give a Mid Year Report on the investment position to the Council.
6.5 Finance:	<p>It is recognised that the actual investment performance each year will be different to what is expected or required however over the long term this will be monitored and reviewed to ensure that the Council is working towards meeting its long term objectives.</p> <p>It is not likely that the Council can expect a positive investment return from its investments every year but having robust governance and monitoring in place mitigates the financial risks and enables the Council to take action at appropriate times to address poor performance by the fund managers. This report is part of that governance and monitoring framework, and compliments the reporting requirements of the CIPFA Code of Treasury Management that requires a Mid Year Review report and an Annual Year End Performance Review Report.</p>
6.6 Assets and Property:	Long term investments are assets of the Council and represent money given to fund managers to manage on its behalf for long term benefit. The Council relies upon each fund manager's fiduciary duty and to buy and sell appropriate assets in accordance with the mandate awarded to them and to report regularly on the value and performance of the fund in which Council money is invested. The value of long term investments under these mandates can go down as well as up.
6.7 ICT and new technologies:	<i>None</i>

6.8 Environmental:	<p>Whilst the fund managers have delegated powers for the acquisition and realisation of investments, fund managers will be expected as part of their investment process to consider all factors, including the social, environmental and ethical policies of companies in which they may invest, to the extent that these may materially affect the long term prospects of such companies. The fund managers will also be expected to enter into dialogue with companies in which they invest, in relation to the pursuance of socially responsible business practices, and report on these activities.</p> <p>Corporate Governance is a key responsibility for institutional shareholders and as a matter of principle the Council will seek to exercise all of its voting rights in respect of its shareholdings. It is recognised however that in practical terms this may not always be possible for overseas holdings. However for UK stocks all voting rights will be exercised in a positive fashion, i.e. no abstentions.</p> <p>The fund managers, who will act in accordance with this policy, will exercise voting.</p> <p>Baillie Gifford, BlackRock and Insight have signed up to the United Nations Principles on Responsible Investment. The principles reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios, and therefore must be given appropriate consideration by investors, if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices, and so better align their objectives with those of society at large.</p>	
6.9 Risk Management:	<p>All investments carry some degree of investment risk but these risks are actively managed and minimised through diversification of fund managers, assets, benchmarks, markets, size of holdings etc.</p>	
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.2.1(7) of the Council's Scheme of Administration and Delegations, the Policy and Resources Committee has delegated authority to secure the coordination, control and proper management of the financial affairs of the Council.</p>	
6.11 Previously considered by:	<p>None</p>	

Contact Details:

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Telephone 01595 744607

E-mail jonathan.belford@shetland.gov.uk

Appendices:

Appendix 1 - 2016/17 Mid Year Performance Review Report

Background Documents:

None

2016/17 Mid Year Performance Review Report

1.0 Investment Position and Market Performance

- 1.1 This report also complies with the consent issued by the Scottish Ministers under the Local Government Investments (Scotland) Regulations 2010, and with the requirements of the CIPFA Code of Practice for Treasury Management in Public Services 2011, in respect of the requirement to report the mid year investment position to the Council.
- 1.2 This report concentrates on the six-month period from April to September 2016. The report looks at the performance of the Council's fund managers, the overall investment performance relative to the markets, the physical movement of funds, any changes from the investment strategy, and any other relevant issues relating to the investments over the period.
- 1.3 The Council has three fund managers with total investments under management at the end of September 2016 of £326 million. The funds, type of mandate and market values at the end of September 2016 are as follows:

Manager	Mandate	% of Reserves	Market Value (£m)
Baillie Gifford	Equity and Diversified Growth	47%	153
BlackRock	Equity	36%	119
Insight	Bonds and Cash	17%	54

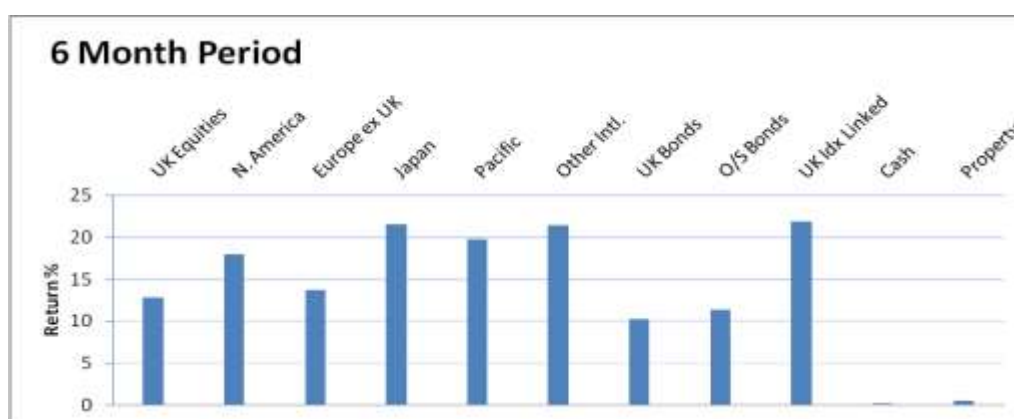
- 1.4 Individual fund manager performance is detailed later but there is the need to consider the effect of the markets themselves and of any cash withdrawals or injections into the funds. The following table shows the effect on the overall investments of these factors during the six-month period.

SIC Funds

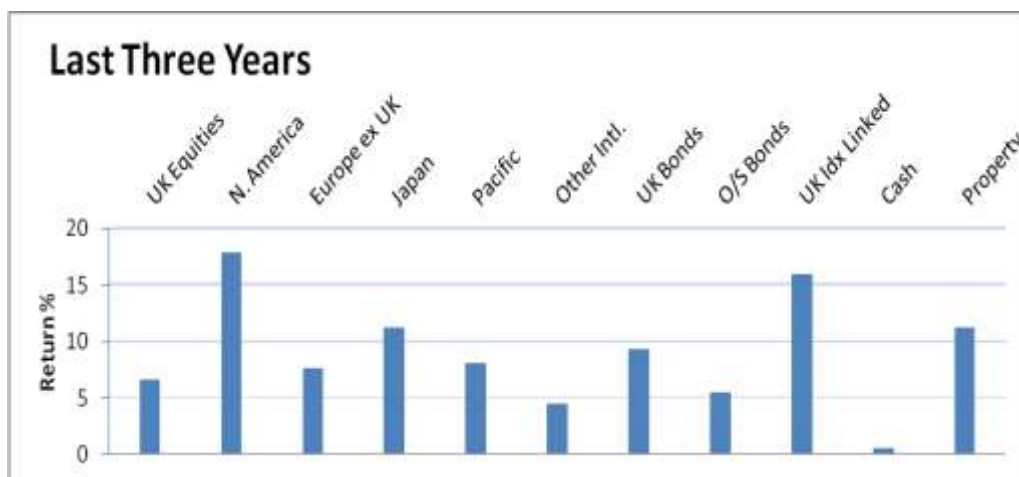
	£ Million
Market value as at 31/03/16	287
(Withdrawals) / Additions	(2)
Investment Return	<u>41</u>
Market value as at 30/09/16	<u>326</u>

- 1.5 The figures show a £41 million positive investment return over the six month period, which equates to a 14.4% increase on the opening fund value.

- 1.6 Over the six month period £2 million was withdrawn from the Council's investments. This withdrawal was required to support the Council's bank account, and cover the capital works programme.
- 1.7 The Council's Reserves have therefore increased in overall value by £39 million over the first six months of this financial year.
- 1.8 The six month period to September 2016 has been dominated by the European Referendum. Before the vote both equity and bond markets rose steadily on the overall global recovery. The markets fell immediately after the result of the vote but equity markets have since performed well mainly due to the fall in the value of Sterling. Worldwide companies with large parts of their businesses abroad have benefitted when converting that trade back into Sterling due to the falling value of the pound against other currencies.
- 1.9 The investment markets performance by asset class over the six month period looks like this:



- 1.10 This is only a six month snapshot of how the various investment classes and sectors have performed and unusually it shows a positive period of return for all asset classes, but over the short term you can have volatility that produces both positive and negative returns. History shows that investments in these asset classes over the long term are usually positive, which is the reason the investment strategy is based on a long term investment horizon. As an example of the differences in market returns over a slightly longer time period the following graph shows the same asset classes returns per annum over the last three years.



- 1.11 The fund manager has negligible influence over the market return but they may be required by the mandate agreement to invest into these markets. The main constituent of a fund's performance is the market return, where the fund is invested. A fund manager with an active mandate is asked to outperform the market return by a certain percentage, whereas a fund manager with a passive mandate is aiming to match the market return.

2.0 Fund Manger Performance

- 2.1 The Council invests in various asset classes for the long term, generally five years or more. This report looks at just the performance of the fund managers and the investment return over a six month period, which has predominately been in a rising investment environment.
- 2.2 In this environment the Council's fund managers have, over the six month period to the end of September 2016, performed as follows:

Manager	Fund Return	Benchmark Return	% Return Against Benchmark
Baillie Gifford	13.1	10.0	3.1
BlackRock	18.3	18.4	-0.1
Insight	12.5	11.0	1.5

- 2.3 Baillie Gifford's fund is split between an active equity fund (60%) and a Diversified Growth Fund (40%). Over the first three months to June active equities were below benchmark, but this reversed over the period from June to September where equities performed strongly to give an overall outperform over the six months. The diversified growth fund has as expected produced a lower less volatile return, and outperformed its cash plus benchmark over the

six month period. The overall combined fund has returned 13.1% over the six month period and outperformed the benchmark by 3.1%.

- 2.4 The fund with BlackRock is invested passively in equities, so the fund is aiming to equal the benchmark return. BlackRock are very close to this aim over the six month period, as the fund is only 0.1% away from the benchmark.
- 2.5 The fund with BlackRock had an investment return of 18.3% over the six month period, which is a reflection of the mixture of returns from the various equity markets the fund invests into.
- 2.6 The bond fund with Insight not only outperformed the benchmark but produced a return of 12.5%. This return was mainly due to demand for UK Index Linked Gilts, on concerns about the possibility of rising inflation from the European Referendum result.
- 2.7 The overall Council investment return for the six-month period to end September 2016 was 14.4%, which was 2.1% above the benchmark return.

3.0 After the end of September 2016

- 3.1 Since the end of September the US Presidential Election has dominated the news and influenced the investment markets. October was another good month for equities although bonds struggled. In November the result of the US Presidential Election created much uncertainty within the world's investment markets, and this could continue for some time until there is more clarity on the new President's policies.
- 3.2 The most up to date Council investment value is £322 million (unaudited) at the end of October 2016. This is £4 million below the September figure but £10 million was recalled from the investments during October to bolster the Council's bank account and cover expenditure.



Shetland Islands Council

Agenda Item

6

Meeting(s):	Policy & Resources Committee	7 December 2016
	Audit Committee	12 December 2016
Report Title:	Audit Scotland and other External Audit Reports – Best Value Report Angus Council	
Reference Number:	IA-21-16-F	
Author / Job Title:	Crawford McIntyre – Executive Manager – Audit, Risk & Improvement	

1.0 Decisions / Action required:

- 1.1 That the Policy & Resources Committee and the Audit Committee:

NOTE the contents of this report and COMMENT on any actions required, for recommendation to the relevant Committee, or an officer.

2.0 High Level Summary:

- 2.1 In August 2014 a policy was approved by the Council to improve reporting procedures for Audit Scotland, and other External Audit bodies reports, directed to this, and other Councils.
- 2.2 In the case of best value reports, not specific to Shetland Islands Council, these cannot be allocated to a specific officer.
- 2.3 Responses from relevant officers are sought and a report co-ordinated by the Executive Manager – Audit, Risk & Improvement
- 2.4 A best value report has recently been issued to Angus Council (link below).

3.0 Corporate Priorities and Joint Working:

- 3.1 Improved external engagement and sharing best practice will contribute to high standards of governance and the Council being operated and managed effectively.

4.0 Key Issues:

- 4.1 The overall view of officers is that the report contains many parallels with initiatives that the Council already has in place or are a work in progress and that none of the findings present concern from a Shetland perspective. If Members however consider that further information is required on a specific matter this will be acted upon.

5.0 Exempt and/or confidential information:

- 5.1 None

6.0 Implications :		
6.1 Service Users, Patients and Communities:	The Council must ensure Best Value in the delivery of services. The work of the Policy and Resources Committee and the Audit Committee together with improvement opportunities identified in Audit Scotland and or external audit reports contribute to this.	
6.2 Human Resources and Organisational Development:	None arising directly from this report however the Angus Best Value report highlights a number of Human Resource issues.	
6.3 Equality, Diversity and Human Rights:	None arising directly from this report.	
6.4 Legal:	The Council has a statutory duty to demonstrate best value. Being aware of best value matters highlighted in other Councils can contribute to the Council demonstrating best value.	
6.5 Finance:	None arising directly from this report albeit there are financial matters within the Angus report.	
6.6 Assets and Property:	None arising directly from this report albeit an Asset and Property issue is highlighted in the Angus report.	
6.7 ICT and new technologies:	None arising directly from this report albeit an ICT / Technology matter is referred to in the Angus report	
6.8 Environmental:	None arising directly from this report.	
6.9 Risk Management:	Audit Scotland and External advisors reports provide useful information on best practice from other local authorities and recommendations for the Council to improve. A failure to deliver effective external engagement or to learn from suggested improvement recommendations or best practice from elsewhere increases the risk of the Council working inefficiently.	
6.10 Policy and Delegated Authority:	As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the remit of Audit Committee includes "...review reports from the Council's External Advisors and review action on External Audit recommendations". The Policy and Resources Committee has within its remit "...ensure the Council discharges its functions relating to Best Value".	
6.11 Previously considered by:	None	N/A

Contact Details:

Crawford McIntyre

Executive Manager – Audit, Risk & Improvement

Crawford.mcintyre@shetland.gov.uk

17 November 2016

Background Documents:

<http://www.audit-scotland.gov.uk/report/angus-council-best-value-audit-report>



Meeting(s):	Policy and Resources Committee Shetland Islands Council	7 December 2016 14 December 2016
Report Title:	Asset Investment Plan – Progress Report	
Reference Number:	CPS-14-16-d2	
Author / Job Title:	Robert Sinclair, Executive Manager – Capital Programme	

1.0	Decisions / Action required:
1.1	That the Policy and Resources Committee RECOMMENDS that the Council notes the progress and budget re-profiling of the projects within the Asset Investment Plan
2.0	High Level Summary:
2.1	This report advises the Council on the progress of the projects contained within its Asset Investment Plan which are currently underway or to be started in 2016/17.
2.2	It includes a summary of the financial status and predicted outturn for the full life of each project.
2.3	This report details the requirement to re-profile two capital maintenance programme budgets in order to avoid substantial additional costs for the Council.
3.0	Corporate Priorities and Joint Working:
3.1	This report forms part of the annual performance reporting arrangements on financial matters in support of the Financial Strategy, Reserves Policy and Budget Strategy. 'Our Plan 2016 to 2020' states that "Excellent financial-management arrangements will make sure we are continuing to keep to a balanced and sustainable budget, and are living within our means" and that "We will have prioritised spending on building and maintaining assets and be clear on the whole-of-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in this plan and the community plan".
4.0	Key Issues:
4.1	This report provides an overview of the full life of those projects within the Council's Asset Investment Plan that are currently underway or to be started in 2016/17, based on the agreed budget and the predicted outturn.
4.2	Where projects take place over a number of financial years, this report summarises the position from the beginning to completion of the project. Capital maintenance is not included in this report.
4.3	Quarterly monitoring reports on capital expenditure are provided by the Executive

<p>Manager - Finance, detailing the progress of all capital projects within the current financial year. That report also covers expenditure on capital maintenance.</p>	
4.4	The detailed project information is attached as Appendix A.
4.5	Although this report does not focus on capital maintenance, there are two capital maintenance budgets which have been re-profiled and require to be reported to Council at this time.
4.6	<p>Vehicle & Plant Replacement Programme</p> <p>Six winter gritting vehicles have been replaced in the current year to avoid substantial repair costs of £100k. As the Replacement Programme budget is fully committed for the current year, there is a requirement to draw forward budget from the 2017/18 Programme to meet the additional cost in 2016/17. The budget for 2017/18 has therefore been reduced by £324k and reprofiled to 2016/17 resulting in no additional budget over the two year period.</p>
4.7	<p>PC/Lan Upgrade Programme</p> <p>An essential planned upgrade to Microsoft Software Licenses has been brought forward due to notification of a price increase in January 2017. This early purchase will result in estimated avoided costs of £228k over the six year life of the Licenses. As the Programme budget for 2016/17 is fully committed, additional budget of £245k has been allocated to the current year, with an equivalent reduction in the Programme budget in future years in the 5 Year Asset Investment Plan, resulting in no additional budget requirement over the 5 year period.</p>
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	Upon completion, the projects described in the appendix to this report will either enhance the quality and/ or condition of the assets available to the people of Shetland or add to them.
6.2 Human Resources and Organisational Development:	No implications arising directly from this report.
6.3 Equality, Diversity and Human Rights:	No implications arising directly from this report.
6.4 Legal:	No implications arising directly from this report.
6.5 Finance:	The Asset Investment Plan projects which are currently underway or to be commenced in 2016/17, and are detailed in

	<p>Appendix A, have a projected outturn cost of £44.6m.</p> <p>Of the total cost, £3.4m will be funded externally with £41.2m to be funded by the Council.</p> <p>The budget re-profiling referred to in paragraphs 4.6 and 4.7 of this report results in an estimated additional cost avoidance of £100k on vehicle maintenance and £228k on software licenses for the Council.</p>	
6.6 Assets and Property:	Upon completion, the projects described in the appendix to this report will either enhance the quality and/ or condition of the Council's existing asset base or add to it.	
6.7 ICT and new technologies:	No implications arising directly from this report.	
6.8 Environmental:	All maintenance and new-build projects seek to address climate change and carbon management for example by embedding energy saving measures and environmentally friendly materials in their design. Where possible, assets are repaired and maintained where this reduces the carbon footprint associated with new-build. Environmental Impact Assessments are carried out where the nature or scale of the project dictates. The only such project currently underway is the new AHS and associated Halls of Residence.	
6.9 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.	
6.10 Policy and 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.	
6.11 Previously considered by:	Policy and Resources Committee Shetland Islands Council	30 August 2016 31 August 2016

Contact Details:

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7 December 2016

Appendices:

Appendix A - Asset Investment Plan – Progress Report

Background Documents: None

Capital Projects - Full Life Project Costs

CPS-14-16 Appendix A

Directorate	Service Area	Budget			Funding		Expenditure	
		Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to Date £	Project Cost Outstanding £
Corporate Service	Capital Programme Service	2,885,000	2,885,000	0	233,855	2,651,145	233,341	2,651,659
		2,885,000	2,885,000	0	233,855	2,651,145	233,341	2,651,659
Children's Services	Schools	21,201,727	21,201,727	0	1,032,500	20,169,227	10,739,842	10,461,885
		21,201,727	21,201,727	0	1,032,500	20,169,227	10,739,842	10,461,885
Community Care Services	Adult Service	11,555,312	10,451,298	1,104,014	2,000,000	8,452,995	5,059,494	5,391,805
		11,555,312	10,451,298	1,104,014	2,000,000	8,452,995	5,059,494	5,391,805
Development Services	Economic Development	190,000	190,000	0	0	190,000	0	190,000
	Housing	100,000	100,000	0	0	100,000	0	100,000
		290,000	290,000	0	0	290,000	0	290,000
Infrastructure Services	Environmental Services	660,000	660,000	0	0	660,000	255,528	404,472
	Estate Operations	1,450,000	1,627,385	(177,385)	0	1,627,385	1,303,439	323,946
	Ferry Operations	3,050,000	3,050,000	0	0	3,050,000	499,322	2,550,678
	Roads	1,761,400	1,757,854	3,546	136,245	1,621,609	1,484,197	273,657
	Ports & Harbours	2,647,000	2,664,515	(17,515)	20,000	2,644,515	426,774	2,237,741
		9,568,400	9,759,754	(191,354)	156,245	9,603,509	3,969,261	5,790,493
	Total All Funds	45,500,439	44,587,780	912,659	3,422,600	41,166,877	20,001,937	24,585,842

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	Update
Market Street Store Redevelopment	305,000	305,000	0	0	305,000	30,428	274,572	Tender returned over budget, cost saving exercise being undertaken with contractor.
Lerwick Library Refurbishment	900,000	900,000	0	0	900,000	0	900,000	Initial design work underway. Works planned for 17/18.
Town Hall Conservation Project	1,680,000	1,680,000	0	233,855	1,446,145	202,913	1,477,087	Following a tender exercise, Laing Traditional Masonry Ltd (LTM) were awarded the contract for the repairs to the building fabric and the conservation of the stained glass. LTM started on site 17/10/16 with a contract period of 34 weeks. Contract work to date includes: Scaffold erection; making templates for and ordering replacement stone; raking out cement pointing and dismantling and conservation of stained glass. The external funding figure listed here is provisional and will depend on the type of eligible grant work completed.
Total	2,885,000	2,885,000	0	233,855	2,651,145	233,341	2,651,659	

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	Update
Anderson High School Replacement	3,094,803	3,094,803	0	25,000	3,069,803	1,710,927	1,383,876	The budget and cost of project cost shown here is for the expenditure to be funded by the Council only as the £42m contract expenditure, to be funded by SFT, will not go through the Council. Construction work began on site in summer 2015. The main structural work on the building is now complete. Cladding and glazing work is well advanced and the Contractor is focused on getting the building wind and water tight before winter. Work is also progressing in first fix of services and the erection of internal partitions. Work is due to be completed by September 2017.
Anderson High Clickimin Path Upgrade	1,015,000	1,015,000	0	507,500	507,500	653,012	361,988	SIC / Sustrans funded project, with only retention to be paid on completed sections. Land purchase at Westerloch will enable Infrastructure to commence with the west path (est 40K) in late November 2016. The path around the Rugby pitch will not be built until the roundabout and new school works are complete. Remaining budget required for completion of the rugby pitch and loch link.
Anderson High Halls of Residence	13,740,000	13,740,000	0	0	13,740,000	6,702,561	7,037,439	Construction work began on site in summer 2015. The building's superstructure is now complete and work on the external cladding and glazing is well advanced. It is anticipated that the building will be wind and water tight before the onset of winter. Work on mechanical and electrical installations is progressing well and the internal partitioning for the upper floor bedroom is substantially complete. Work is due to be completed by September 2017
Anderson High ICT Equipment	250,000	250,000	0	0	250,000	0	250,000	Equipment purchase to be co-ordinated by ICT who advise that some slippage will be required to next financial year.
Clickimin Works	3,101,924	3,101,924	0	500,000	2,601,924	1,673,343	1,428,581	SIC / Sport Scotland funded Project. Work has commenced on the covered indoor training facility in March this year. The project is nearing completion as work focuses on the laying of the synthetic playing surface and on completing the changing facilities. The covered training pitch is programmed to be complete in December 2016. Proposals for internal modifications to the existing Clickimin Leisure Facility are also nearing completion, and design work is being progressed for alterations to the main building entrance.
Total	21,201,727	21,201,727	0	1,032,500	20,169,227	10,739,842	10,461,885	

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	Update
ET & Taing House Extension (Spend to Save)	3,500,000	2,397,683	1,102,317	0	2,397,683	2,286,498	111,186	Phase 1 complete. Phase 2 delayed as scope of project and budget reduced accordingly, however further funding required in 2016/17 to cover upgrade to laundry equipment, material testing and ADT installation. Practical completion issued 12/08/16.
NHS Conversion Scalloway School	2,000,000	1,998,303	1,697	2,000,000	0	1,998,303	0	Works all complete with final account still to be settled.
Eric Gray Replacement	6,055,312	6,055,312	0	0	6,055,312	774,693	5,280,619	Works started on site 1 August, 2016. Groundworks, external drainage and concrete retaining walls substantially complete. Concrete foundation and floor slab due to start mid November. Works currently on programme.
Total	11,555,312	10,451,298	1,104,014	2,000,000	8,452,995	5,059,494	5,391,805	

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	Update
Landfill Capping - Phase 2	660,000	660,000	0	0	660,000	255,528	404,472	Phase 2 under way, the budget shown here also includes further phases scheduled for future years.
Bells Brae PS Refurbishment	850,000	850,000	0	0	850,000	559,754	290,246	Works tendered and commenced on site. Programme timing still very tight. 50% complete at Q2 2016. Overspend to be partially offset by under spending on capital building maintenance programme. Additional mechanical works have come to light as the original installation was uncovered, compounded by difficulties programming such invasive works into holiday periods so that the school remains operational.
Sound PS Refurbishment	600,000	777,385	(177,385)	0	777,385	743,685	33,700	Sound School site works are now complete. Additional works for the Sound project were due to a change in scope and tender prices higher than anticipated. To be partially offset by under spending on capital building maintenance programme.
Clickimin Roundabout Works	1,059,000	1,045,636	13,364	17,745	1,027,891	1,041,967	3,668	Culvert works and roundabout complete, with only retention to be paid. Some planting undertaken with further planting planned next year. Final layer of bitmac to be laid on access road to new AHS next financial year.
Mill Brae Footway	169,400	179,219	(9,819)	118,500	60,719	177,103	2,116	Works complete, with only retention to be paid. Overspend against Visirail fencing when anticipated land purchase failed. Additional expenditure against replacement street lighting as this was hard to remove.
Trondra Bridge Painting & Replacement of Parapet Bolts	305,000	305,000	0	0	305,000	265,022	39,978	Contract almost complete. Weather permitting works will be completed this financial year.
Muckle Roe Bridge Painting	228,000	228,000	0	0	228,000	105	227,895	Preparation of tender documents underway, anticipate tender documents will go out January 2017.
Linga Conversion	2,150,000	2,150,000	0	0	2,150,000	0	2,150,000	Design fees for propulsion and control systems upgrade options are being progressed with Rolls Royce who have been to Shetland to discuss requirements. There is a possibility that the project might not go ahead, but BRO anticipates 200K in feasibility costs this financial year.
Fivla Life Extension	900,000	900,000	0	0	900,000	499,322	400,678	Life extension works involve navigation, bridge, equipment and electrical upgrades with internal and external refurbishment. BRO anticipates a £100K carry forward to complete wheelhouse in 2017/18.
Scalloway Fishmarket	222,000	230,566	(8,566)	0	230,566	230,566	0	Replacement of coolers/ condensing units and sectional overhead doors now complete.
Ferry Terminal Access	40,000	40,000	0	20,000	20,000	0	40,000	Upgrade of ferry terminal disabled access, Bressay and Laxo have been completed. BRO to request that £30K be carried forward to 2017/18.

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	Update
Ferry Terminal Security	60,000	60,000	0	0	60,000	25,101	34,899	Upgrade of ferry terminal security. Installation beginning now with completion anticipated before end of financial year.
Hamarsness Ferry Terminal Painting	150,000	150,000	0	0	150,000	14,279	135,721	Surveys have indicated that the main project works can be re-programmed, and can be slipped to 2017/18. Anticipate spend of 15K this year for minor works and tender preparation.
Toft Ferry Terminal Painting	150,000	150,000	0	0	150,000	11,173	138,827	Surveys have indicated that the main project works can be re-programmed, and may be delayed for 2 to 3 years. Anticipate spend of 15K this year for minor works and some tender preparation.
Ulsta Ferry Terminal Painting	150,000	150,000	0	0	150,000	11,173	138,827	Surveys have indicated that the main project works can be re-programmed, and may be delayed for 2 to 3 years. Anticipate spend of 15K this year for minor works and some tender preparation.
Cathodic Protection - Cullivoe Pier	250,000	250,000	0	0	250,000	273	249,728	Contract awarded to Ocean Kinetics. Contract start date 01/11/16. Works to be completed this financial year
Scalloway Quay West - Pile Repairs	250,000	250,000	0	0	250,000	260	249,740	Tender documents prepared and tenders expected to be returned by mid December. Work expected to be complete during this financial year.
Baltasound Old Pier - Pile Repairs	250,000	250,000	0	0	250,000	0	250,000	Tender documents and drawings currently being prepared. Work expected to be complete during this financial year.
Hydrographic Survey - Sullom Voe	125,000	133,949	(8,949)	0	133,949	133,949	0	Complete with additional surveys undertaken at some Ferry Terminals. All expenditure has been incorrectly coded here, the BRO to organise transfer of Ferry Terminal costs to correct codes.
VTs Radar Replacement	1,000,000	1,000,000	0	0	1,000,000	0	1,000,000	Design specification complete and tenders have been issued, anticipate tender return January, 2017. BRO advises under spend in 16/17 financial year will need to be slipped to 17/18. Works likely to be programmed over 2 years.
Total	9,568,400	9,759,754	-191,354	156,245	9,603,509	3,969,261	5,790,493	

	Budget			Funding		Expenditure		
Project Name	Approved Budget £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	Update
Walls Pier Crane	30,000	30,000	0	0	30,000	0	30,000	Existing fixed crane is beyond economic repair. Infrastructure Services will procure the crane, tenders have been received and are being evaluated.
Leaside Conversion	160,000	160,000	0	0	160,000	0	160,000	Continued demand for smaller housing units at a premium; so conversion of 24/25 Leaside to 4 flats with external stairway deemed the best value for money at £40K per unit. Tenders have been returned and after evaluation will need to be reported further.
Pitt Lane Demolition	100,000	100,000	0	0	100,000	0	100,000	Subject to ongoing legal process.
Total	290,000	290,000	0	0	290,000	0	290,000	



Meeting(s):	Policy & Resources Committee Shetland Islands Council	7 December 2016 14 December 2016
Report Title:	Corporate Risk Register	
Reference Number:	CRP-26-16-F	
Author / Job Title:	Christine Ferguson Director of Corporate Services	

1.0 Decisions / Action required:

- 1.1 That the Policy & Resources Committee and Council RESOLVE to
- 1.1.1 NOTE the changes to the Corporate Risk Register;
 - 1.1.2 NOTE key risks facing the Council at this time and the action taken to mitigate those risks; and
 - 1.1.3 COMMENT and ADVISE the Chief Executive and senior managers of their views and any changes required.

2.0 High Level Summary:

- 2.1 The purpose of this report is to present the current Corporate Risk Register to Policy & Resources Committee and to Council as part of the organisation's Performance Monitoring arrangements.

3.0 Corporate Priorities and Joint Working:

- 3.1 Our Plan 2016, in its 20 by 20 states that:-
- High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.
 - Our approach to managing the risks we face will have resulted in a more risk-aware organisation that avoids high risk activities.
- 3.2 The implications for partnership working are included in the narrative in the Risk Register as appropriate.

4.0 Key Issues:

- 4.1 *Addition to the Register*
Children's Services Management team requested the addition of the risk of an unpredictable increase in revenue expenditure from additional charges being

levied where an off-island placement is secured for a child. As per risk no 026, Children's Services on occasion require an off-island placement for a child. The cost of that placement would be met by Shetland Islands Council and the host local authority would provide appropriate educational access services as they would for any child in their catchment area. Some host local authorities have indicated that the additional cost of a school place or education provision, including meeting the possible additional support needs of a pupil placed off-island, will be recharged to the Shetland Islands Council. This is currently quantified, unanticipated and not in the revenue budget. This risk is estimated as being Possible (I think this could maybe occur in the next year), and with an impact of Minor (increased cost of working of between £10k and £100k).

4.2 *Removal from Register*

Lack of compliance with standing orders on procurement (ORG 013) has been removed from the Register. The Director of Infrastructure Services explained that necessary control measures remain in place to ensure the risk continues to be managed effectively, and external auditors have not mentioned this in the last two years.

4.3 *Revisions to Risks*

- Management capacity to deliver the benefits of health and social care integration – the control measures have been updated to reflect current activity - ORG016;
- Recruitment of staff - Revised to reflect the current areas of high demand such as in Planning, teaching and Ports and Harbours, and the likelihood has been increased to Likely - ORG018;
- Communications failure leading to risk of harm to a vulnerable adult – the risk has been revised and additional control measure details added to explain that 'There is good multi-agency working with formal arenas to discuss individual cases causing concern' - ORG024;
- Cyber attack – the control measure has been revised to take account of improvements in technology - ORG029;
- Missed opportunities from the Viewpoint survey – The control measures have been revised to state that the Workforce Strategy is now approved, as well as the Viewpoint Engagement Plan. CMT are now leading on a number of work streams within the Plan - ORG031;
- Failure to meet Corporate/Community Plan – This risk has been revised to take account of the move from 8 North Ness and the increase in workload caused by the workarounds required. – ORG 0032.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :	
6.1 Service Users, Patients and Communities:	A robust approach to risk management at all levels of the organisation is essential in order to prevent or reduce potentially negative impacts on the Community/ Stakeholders. The detail in this regard is covered in the Risk Register.
6.2 Human Resources and Organisational Development:	Risk management promotes best practice and seeks to protect staff across the Council. Risk ORG0037, makes reference to the potential impact on the Council's workforce planning of the uncertainties that Brexit creates. This will add to the already complex arrangements put in place by the UK Borders Agency in relation to preventing illegal working. There is much speculation about the impact on employment in the UK which HR is monitoring to ensure the Council responds appropriately.
6.3 Equality, Diversity and Human Rights:	By actively managing risks the Council ensures that negative impacts on the staff and service users are anticipated and prevented or minimised.
6.4 Legal:	There are no legal implications arising directly from this report. Legal issues are considered as an integral part of the risk management process.
6.5 Finance:	The new risk added by Children's Services highlights the potential for an unplanned and unpredictable increase in revenue spending. Recognising and highlighting risks facing the Council will help ensure that appropriate controls are considered and put in place.
6.6 Assets and Property:	The recent move out of the offices at 8 North Ness has caused some disruption to the Council and the services provided to the public and also internally by Corporate and Executive Services and Planning. Risk ORG0032 has been updated to reflect the current situation and actions being taken to mitigate against any negative impacts.
6.7 ICT and new technologies:	None
6.8 Environmental:	Risks to the environment are considered in reports to committee or the Council in order to ensure that negative impacts are identified and reduced as far as practicable. There are no environmental issues identified specifically in this report.
6.9 Risk Management:	This report presents the current risks to the organisation's delivery of services, as identified by the Risk Board, thus ensuring that the organisation complies with the Risk Policy and Strategy.

6.11 Policy and Delegated Authority:	Policy and Resources Committee requires the Corporate Risk Register to be reported periodically [Min. Ref. P&R 75/15]. The Risk Management Strategy forms part of the Policy Framework contained in Section A of the Constitution – Governance, which states that the management body for the Risk Management Strategy lies within the remit of the Policy and Resources Committee. Ensuring the proper management of the Corporate Risk Register is therefore a delegated matter for the Policy and Resources Committee. However, the Council instructed that the Corporate Risk Register be reported to the Council quarterly as part of the PPMF cycle [Min. Ref. SIC 20/16] so that all Members are informed and involved in discussing the high level and strategic risks facing the Council alongside other performance information.	
6.12 Previously considered by:	Policy & Resources Committee	7 December 2016

Contact Details:

Christine Ferguson, Director of Corporate Services

christine.ferguson@shetland.gov.uk

29 November 2016

Appendices:

Appendix 1 – Corporate Risk Register as at 17 November 2016

Background Documents:

Risk Assessment - Shetland Islands Council

Risk & Details	Current			Current and Planned Control Measures	Controlled			Responsible Officer
	Likelihood	Impact	Risk Profile		Probability	Impact	Risk Profile	
Category	Corporate							
Corporate Plan	A2. Young People - Vulnerable Children and young people's opportunities							
ORG0025 - Physical - People / Property - Other - Child Protection - Children's Services deliver a range of services across a wide geographic area and all service users need to be safe. Children's Social Work manage high risk, complex situations in their work with families. Often it requires significant resource provision to mitigate risks and ensure the safety of a child or young person. A crisis or escalation of a complex situation (often unanticipated) can put a child at increased risk of harm. A failure to act quickly or to the extent required because of restricted resources can result in the child being exposed to potentially more harm or to harm for a longer period of time, resulting in harm to the child, impact on services and financial impact	Possible	Major	High	• Robust systems and procedures in place. Preventative measures, effective communications and information sharing to ensure that any changes or increased risk are identified quickly.	Unlikely	Major	Medium	Helen Budge Shetland Islands Council
ORG0026 - Economic / Financial - Other - Failure to appropriately accommodate looked-after children, off-island placement. There are circumstances when the Children & Families Team is required to accommodate children and young people away from home. Currently, there is a shortage of foster placements and residential placements in Shetland. On occasion this results in placements being sought away from Shetland, which is undesirable and which comes at a high cost to the Local Authority. There are however situations whereby the assessed needs of a child or young person are such that they require a specialist service that is not available in Shetland, such as secure accommodation or a parenting assessment unit.	Likely	Significant	High	• Working to identify and develop alternative and flexible solutions which includes development of fee-paid foster carers and ensuring a second residential property becomes operational	Possible	Significant	Medium	Helen Budge Shetland Islands Council
Corporate Plan	B2. Older People - Independent Living							

ORG0024 - Communications failure - Risk of harm to a vulnerable adult - Shetland has an increasing older population and an increase in people with a learning disability reaching older age. Statutory services will need to have oversight of an increasing number of vulnerable adults to prevent harm occurring. Triggers such as - Statutory services fail to identify and take account of all vulnerable adults within their remit, systems failure means that information is not fully collated and/or shared, could result in vulnerable adult not given access to full range of services that they need, delay in access to services leads to harm to vulnerable adult, reputational risk to organisation, potential for HSE action, Care Commission/ external advisors' negative report, civil action.	Possible	Major	High	<ul style="list-style-type: none"> There are well established mechanisms in place to support the detection of risk with an active Adult Protection Committee overseeing the work. There is good multi-agency working within formal arenas to discuss individual cases causing concern. Transitions group in place for Learning Disability Services to manage childhood support to adult support. Ongoing work to review services to make effective use of limited and reducing budgets. 	Unlikely	Major	Medium	Simon Bokor-Ingram Shetland Islands Council
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Corporate Plan

F1. Our "20 by '20" - Leadership & Management

ORG0015 - Professional Errors and Omissions - Lack of compliance with policies leading to a poorly run organisation with costly consequences. The Council could still improve further compliance with council policies and procedures. These include Standing Orders, Health & Safety, Risk Management, Insurance, Financial Regulations, Travel & Expenses, Employee Review & Development, managing poor performance and attending mandatory training events.	Possible	Extreme	High	<ul style="list-style-type: none"> CMT has been sending out a strong message on compliance with policies which is having an effect, particularly with regard to budgetary control and financial management. However, there is still an issue of non-compliance in a number of other areas which has yet to be addressed. Some policies and processes need to be reviewed in order to ensure that compliance across the organisation is more achievable. 	Possible	Significant	Medium	Mark Boden Shetland Islands Council
ORG0016 - Professional - Other - Management capacity to deliver the benefits of health and social care integration. Significant effort is required to continue driving the integration agenda and to realise the benefits, and adequate management capacity and skill is required to achieve this. Locality working will require further drive and effort to achieve a shift in structure that delivers front line benefits to residents.	Possible	Major	High	<ul style="list-style-type: none"> There is a joint management structure in place. Work underway to deliver strategic direction agreed by IJB where localities are better supported. Structures in place around joint projects/ programmes of work. 	Possible	Significant	Medium	Simon Bokor-Ingram Shetland Islands Council
ORG0022 - Professional - Other - Failure to deliver major STERT review on time and on budget. The time frame for the project is up to June 2018 i.e. the end of the Interim Joint Principal position. There is a change fund of £300K for two years but there will be an ongoing saving of £200K from the start of the second year. In the first year these payments will be attached to milestones which are also deliverables of the Interim Joint Principal. The project timescale is now less challenging as an Interim Joint Principal has been appointed and is now in post'	Unlikely	Significant	Medium	<ul style="list-style-type: none"> There are project management arrangements in place which have been enhanced and strengthened recently. Both the Council and the NAFC Marine Centre Board confirmed their commitment to the next steps towards integration on 24 Feb and 3 March respectively. Project timescales are however challenging. The project timescales will be less challenging now that an Interim Joint Principal has been recruited. 	Unlikely	Minor	Low	Neil Grant Shetland Islands Council

ORG0028 - Professional - Other - Failure to deliver major AHS build project on time and on budget. Complex project involving several external parties, following a methodology not previously used by the Council Design Build Financial Model (DBFM) which increases the risk of the project going off track. However, financial close was achieved in July 2015, and construction has commenced. A lack of understanding of DBFM, project management failure or partner failure can lead to project delay and/or budget rises, negative reaction in press and public. Project completion is currently timetabled for Sept 2017	Possible	Significant	Medium	• Project register in place which is closely monitored and managed	Unlikely	Significant	Medium	Mark Boden Shetland Islands Council
ORG0032 - Corporate/Community plan - failure to meet - Recent Council activities plus local / national issues have led to an increased workload for Services across the Council and within Corporate Services - and particularly for Finance, Governance and Law, Capital Programme and Human Resources. There is a limit to how much additional work staff can absorb - staff and services are considered to be at capacity. The implemented move from 8 North Ness was disruptive and there is an ongoing increase in workload caused by the work arounds required so that the Council can continue to operate from other locations.	Possible	Significant	Medium	• The effects of the move from 8 North Ness are being monitored and adjustments made where possible to ensure minimal disruption to services. • Our Plan 2016-20 has been agreed. This explains the outcomes that the SIC wants to achieve by April 2020. Our financial planning process is more robust and in line with other planning processes. The risks to Directorate and Service plans are articulated and considered in reports. The Risks for new initiatives including the allocation of resources are considered at Project start up and kept under review.	Unlikely	Minor	Low	Christine Ferguson Shetland Islands Council

Corporate Plan

F13. Our "20 By '20" - Workforce Planning

ORG0018 - Demographic change - Recruitment & Retention of staff within areas of high demand such as health and social care and in professional areas such as Planning, teaching and Ports and Harbours. The distant and remote nature of Shetland means that there is a small labour pool and therefore limited skills locally which is a greater challenge due to occupational segregation in areas such as ferries and social care. The national pay structures also place restrictions on our ability to match salaries of larger organisations.	Likely	Minor	Medium	• HR continually reviews the council's HR policies and processes to maximise successful recruitment and retention .Support is also provided to managers to ensure effective people management that encourages staff retention within service areas.	Unlikely	Minor	Low	Denise Bell Shetland Islands Council
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Corporate Plan

F15. Our "20 By '20" - Assets

ORG0035 - Missed opportunities - The current Anderson High School campus is a large open site with a number of buildings on it. There are various access points to the campus and it is surrounded by residential properties. The school will be vacated when the service/ staff/ pupils, etc move to the new build at the Clickimin. A failure to properly plan for the vacant campus may lead to missed opportunities to capitalise on this asset. There will be on-going costs associated with the site, rates, maintenance etc, and a risk of vandalism or other damage. There is also a risk of reputational damage if the site is not developed.	Unlikely	Extreme	High	• The Council has completed a Development Brief for the site - and will shortly be undertaking a masterplanning exercise. It is hoped this will be complete by Autumn of 2017.	Unlikely	Significant	Medium	Robert Sinclair Shetland Islands Council
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Corporate Plan

F2. Our "20 By '20" - Staff Value & Motivation

ORG0031 - Missed opportunities - An organisation-wide Staff Viewpoint Survey was carried out in January 2015 for the purpose of gauging staff opinions. The returns were analysed with the issues prioritised, and that information was reported to Directors, Managers and staff. Managers and Directors were then tasked with putting in place a range of measures to address the specific issues raised. The comments made reflect concerns about the Council, recent changes, and the impact of those changes. In general you suggested things such as: •better communication, •listening more, •being clear about Council strategy and sticking to it, •having better training for Managers, •Senior Leaders spending more time on the "shop floor".	Possible	Significant	Medium	• Various measures in progress: Action plan prepared following Viewpoint Survey, Workforce Strategy is now approved, as well as the Viewpoint Engagement Plan. CMT are now leading on a number of work streams within the Plan	Rare	Significant	Low	Denise Bell Shetland Islands Council
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Corporate Plan

F4. Our "20 By '20" - It Equipment & Systems

ORG0029 - Malicious damage/ vandalism/sabotage - Malicious cyber attack could happen at any time. ICT and SIC have a host of security systems and approaches in place. However, an attack, successful or otherwise, can always happen. It may be impossible to tell whether there has been an attack, or what any attack has looked at/ taken/ copied. Any attack could result in compromise /damage to systems or reputation, data leak, loss of data or system downtime.	Unlikely	Major	Medium	• Anti-virus and firewall defences, ICT security policy, boundary appliance scan all incoming e-mail. Corporate anti-virus installed on all servers and workstations. Corporate firewalls Surecloud vulnerability scanning and IDS appliance - Systems support team monitor network activity and check open server ports Annual penetration testing	Rare	Significant	Low	Susan Msalila Shetland Islands Council
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Corporate Plan

F5. Our "20 by '20" - Standards of Governance

ORG0014 - Policies - effect of - - Health & Social Care Integration. Shetland's Integration Joint Board has delegated authority for the strategic planning of services, and the responsibility for directing delivery to achieve those strategic aims. Board has been established and core constitutional documents approved. The risk is that the outcomes for the individuals and communities does not improve within a new framework.	Possible	Significant	Medium	<ul style="list-style-type: none"> • A Strategic Plan is in place for 2016/17 that sets out service delivery matched to available funding. • Performance indicators have been developed to complement the national core suite of indicators. Joint governance arrangements are in place with NHS Shetland that bring together scrutiny of both clinical and social care activity. . • The Chief officer for the IJB is the Director of Community Health and Social Care, who is a member of a national group of Chief Officers and information from the meeting/ activities of the group will ensure that the Council is kept up to date with developments so that these can be fed back to a wider audience. 	Unlikely	Minor	Low	Simon Bokor-Ingram Shetland Islands Council
ORG0021 - Physical - People / Property - Other - The Council invested heavily in infrastructure at the time when the oil industry was taking off. This infrastructure was funded from income generated from the oil industry. That infrastructure is now aging and will need to be replaced, however, the financial situation is now tighter which will mean that it will be challenging to finance this.	Likely	Extreme	High	<ul style="list-style-type: none"> • The current Asset Investment Plan focuses on the maintenance of existing assets in order to prolong their useful economic lives. This should mitigate against the risk of immediate failure. In order to address the longer term replacement of assets, a Borrowing Policy was approved by Council on 11 December 2013. 	Likely	Major	High	Christine Ferguson Shetland Islands Council
<div>Corporate Plan</div> <div>F6. Our "20 By '20" - Financial Management</div>								
ORG0034 - Customer / Citizen - Other - The SIC Pension Fund is currently not 100% funded. At 31 March 2014 triennial evaluation the Fund was 91.7% funded. The SIC Pension Fund, as well as the Council has a number of Scheduled and Admitted Bodies that have liabilities to fund over the long term. Admitted bodies failing or being unable to meet their contributions places risk from these arrangements on the Council, as the largest contributor to the Pension Fund.	Almost Certain	Major	High	<ul style="list-style-type: none"> • For Bodies seeking admission to the Pension Fund they now have to be supported in doing so by the Council (as a Schedule 1 Body) and also provide a guarantee / bond to meet any liabilities should they default in the future. This mitigates the risk in relation to new entrants. 	Rare	Extreme	High	Jonathan Belford Shetland Islands Council
<div>Corporate Plan</div> <div>F8. Our "20 by '20" - Efficient</div>								
ORG0020 - Economic / Financial - Other - Failure to deliver on Medium term Financial Plan - The Council's reserves have decreased by 60% since the turn of the century due to an over reliance on them to meet the funding gap between income and expenditure. The Council continues to operate unsustainably and without intervention, the Council would eventually run out of reserves altogether.	Unlikely	Extreme	High	<ul style="list-style-type: none"> • The Financial Management arrangements of the Council have been strengthened with the introduction of the MTFP and more rigorous budgetary control. 	Unlikely	Major	Medium	Mark Boden Shetland Islands Council
<div>Corporate Plan</div> <div>Shetland Islands Council - Our Plan 2016 - 2020</div>								

ORG0037 - Political - Other - On 23rd June 2016, a country-wide referendum was held to identify whether the UK wished to remain in, or leave, the European Union. Following the immediate political turmoil, there has been ongoing economic and political uncertainty. Various organisations in Shetland receive EU funding and this could be (and in some cases, has been) removed. The Shetland Islands Council receives EU funding for a number of purposes. Trigger: Referendum result, post referendum political and economic uncertainty or change, could lead to: Short-term - Withdrawal of funding, political and economic uncertainty, potential impact on recruitment, uncertainty for non-UK EU nationals employed by SIC/ in Shetland, impact on partner organisations and partner-funded bodies. Does the SIC have a lobbying role?; Medium term: Withdrawal of funding, political and economic uncertainty, legislative change, regulatory uncertainty, impact on pension fund and Council investments, issues round fish quotas/ market/ pelagic fleet, economic impact, uncertainty for non-UK EU nationals employed by SIC/ in Shetland, potential impact on recruitment (of staff/ students),/ on SIC's workforce planning particularly given the already complex arrangements put in place by the UK Borders Agency in relation to preventing illegal working potential for further legislative, political and structural change, opportunity to influence direction and shape of new legislation, impact on partner organisations and partner-funded bodies, requirement to consider risks around capital expenditure. What is the SIC's role and priorities?; Long-term: Uncertainty, impact on longer term planning for organisation, potential for further legislative, political and structural change.	Likely	Major	High	<ul style="list-style-type: none"> Development Services are preparing a Brexit impacts paper for Shetland which should help in scenario planning, lobbying etc. 4th October Risk Board to focus on Brexit risks, potential for an all-day service plan seminar with an opportunity to discuss Brexit at that forum. 	Possible	Minor	Medium	Mark Boden Shetland Islands Council
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Meeting(s):	Policy and Resources Committee	7 December 2016
Report Title:	Policy and Resources Committee Business Programme – 2016/17	
Reference Number:	GL-45-16-F	
Author / Job Title:	Team Leader - Administration	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee considers its business planned for the remaining quarters of the current financial year (1 April 2016 to 31 March 2017), and RESOLVES to approve any changes or additions to the business programme.

2.0 High Level Summary:

- 2.1 The purpose of this report is to inform the Committee of the planned business to be presented to the Committee for the remaining quarters of the financial year 1 April 2016 to 31 March 2017, and discuss with Officers any changes or additions required to that programme.
- 2.2 The presentation of the Business Programme 2016/17 on a quarterly basis provides a focussed approach to the business of the Committee, and allows senior Officers an opportunity to update the Committee on changes and/or additions required to the Business Programme in a planned and measured way.

3.0 Corporate Priorities and Joint Working:

- 3.1 Our Plan 2016, in its 20 by 20 states that:-
“High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects”.

4.0 Key Issues:

- 4.1 The Council approved the schedule of meetings for 2016/17 at its meeting on 16 December 2015 (Min Ref: 79/15).
- 4.2 It was agreed that the Business Programmes for each Committee/Board would be presented to the Planning and Performance Management Framework (PPMF) meetings, which are held on a quarterly basis, for discussion and approval.
- 4.3 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 two

weeks of the meeting, the meeting will be cancelled;

- Special meetings may be 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, and if required according to the circumstances, the time, date, venue and location of any meeting may be changed, or special meetings added.

4.4 The Business Programme for 2016/17 is presented by Committee Services to the Council and each Committee/Board on a quarterly basis for discussion and approval, particularly in relation to the remaining projects and reports which are listed at the end of the business programme page for each Committee/Board as still to be scheduled.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:	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.
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	None
6.5 Finance:	There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time.

6.6 Assets and Property:	None
6.7 ICT and new technologies:	None
6.8 Environmental:	None
6.9 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.
6.10 Policy and Delegated Authority:	Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committee's role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations.
Previously considered by:	N/A

Contact Details:

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28 November 2016

Appendices:

Appendix 1 – Policy and Resources Committee Meeting Dates and Business Programme 2016/17

Background Documents:

Report GL-60-F: SIC Diary of Meetings 2016/17

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4785>



**Policy and Resources Committee - Meeting Dates and Business Programme 2016/17
as at Wednesday, 30 November 2016**

Policy and Resources Committee			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2016 to 30 June 2016	Date of Meeting	Business	
	Ordinary 18 April 2016 10 a.m.	Irrecoverable Debt 2015/16	D
		An overview of Local Government in Scotland Audit Scotland Reports	D
		Audit Scotland Report – Major Capital Investment in Councils	D
		Audit Scotland Report – Procurement in Councils – Impact Report	D
		Workforce Strategy	D
		Chair’s Report – Development Committee: Business Case for the use of Assets Transferred from Shetland Development Trust	D
		Care and Support Charging Policy 2016-2019	D
		College Lecturers Pay Claim	D
		Exemption from Contract Standing Orders MV Geira Emergency Works	D
		Update on Request for Support	R SIC 20 April
		Commissioning and Procurement Strategy	R SIC 20 April
		Shetland’s Local Outcome Improvement Plan	R SIC 20 April
		College Integration – Progress Update and Next Steps	R SIC 20 April
		College Integration – Joint Principal Recruitment	R SIC 20 April
		Corporate Risk Register	R SIC 20 April
	PPMF 24 May 2016 10 a.m.	Management Accounts for Policy and Resources Committee 2015/16 – Projected Outturn at Quarter 4	D
		SIC Draft Outturn 2015/16	D
		Corporate Risk Register	D
		Fund Management Annual Report 2015/16	D
		Asset Investment Plan – Progress Report – Quarter 4	R SIC 25 May
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 4	D
		Development Services Directorate Performance Report: 12 Month/4 th Quarter 2015/16	D
		Corporate and Chief Executive Services Departments Directorate Plan – Integrated and Formatted Final Edit	D
		Solan and Bonxie – Conclusion of Sale	D
		Committee Business Programme 2016/17	D



**Policy and Resources Committee - Meeting Dates and Business Programme 2016/17
as at Wednesday, 30 November 2016**

Policy and Resources Committee (continued)

D= Delegated R=Referred

	Date of Meeting	Business	
Quarter 1 1 April 2016 to 30 June 2016 <i>continued</i>	<i>Ordinary</i> 28 June 2016 2pm	Chair's Report – Development Committee – 13 June 2016 Strategic Housing Investment Plan – Update	D
		Joint Staff Forum – Terms of Reference	R SIC 29 June
		Proposed Amendment to Review Revision of Course Fees 2016/17	R SIC 29 June
		Low Carbon Transport – Electric Vehicle Charge Points Charge Costs	R SIC 29 June
		ICT Strategy update (2016/21)	D
		Knab Development – Masterplanning	R SIC 29 June
		New Gateway Process for the Approval of Capital Projects	R SIC 29 June
		Review of Strategic Options for the Port of Sullom Voe – Progress and Next Steps	R SIC 29 June
		Review of Scalloway Harbour – Progress and Next Steps	R SIC 29 June
		Community Empowerment (Scotland) Act 2015 – Consultation on Draft Response	D
		Chair's Report – Harbour Board – 15 June 2016 Ports and Harbours Management Review	D
		Due Diligence Exercise – Update on Governance Arrangements	R SIC 29 June
		Review of Commissioned Services	R SIC 29 June
Quarter 2 1 July 2016 to 30 September 2016	<i>PPMF</i> 30 August 2016 10am	Date of Meeting	Business
		Management Accounts for Policy and Resources Committee 2016/17 – Projected Outturn at Quarter 1	D
		Management Accounts for Community Health and Social Care Directorate– Projected Outturn at Quarter 1	D
		Corporate Risk Register	R SIC 31 Aug
		Confidential Risks	R SIC 31 Aug
		Knab Redevelopment – Masterplanning Procurement	R SIC 31 Aug
		Overall SIC Management Accounts 2016/17– Projected Outturn at Quarter 1	D
		Council Investments Review 2016/17 – Quarter 1	D
		Asset Investment Plan – Progress Report – Quarter 1	R SIC 31 Aug
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 1	D
		Committee Business Programme 2016/17	D



**Policy and Resources Committee - Meeting Dates and Business Programme 2016/17
as at Wednesday, 30 November 2016**

Policy and Resources Committee (continued)

D= Delegated R=Referred

Quarter 3 1 October 2016 to 31 December 2016	Date of Meeting	Business	
Quarter 3 1 October 2016 to 31 December 2016	Ordinary 24 October 2016 10 a.m.	Charging Framework	R SIC 3 Nov
		Asset Investment Plan, Gateway Process – Business Cases	R SIC 3 Nov
		Chair’s Report: Children’s Resources – Fee Paid Carer Proposal & Fostering Allowances 2017/18 Proposal	D
		Ports and Harbour – Team Leader Harbourmaster Market Forces Supplement	D
		Road Asset Management Plan and Road Maintenance Manual	R SIC 3 Nov
		National Bargaining (National Recognition Procedures Agreement) Shetland College	D
		Overtime/TOIL Policy and Procedure	D
		Annual Leave And Public Holidays Policy	D
		Chair’s Report: Economic Development Lending Service	D
		Chairs’ Report: Fuel Affordability Survey – Survey Results and Analysis	D
		Chair’s Report – Development Committee Management of Existing Investment	D
Quarter 3 1 October 2016 to 31 December 2016 <i>Continued</i>	PPMF 7 December 2016 2 p.m.	Management Accounts for Policy and Resources Committee 2016/17– Projected Outturn at Quarter 2	D
		Management Accounts for Community Health and Social Care Directorate – Projected Outturn at Quarter 2	D
		Overall SIC Management Accounts 2016/17 – Projected Outturn at Quarter 2	R SIC 14 Dec
		Council Investments Mid Term Performance Review 2016/17	D
		Corporate Risk Register	R SIC 14 Dec
		Confidential Risks	R SIC 14 Dec
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 2	D
		Audit Scotland and Other External Audit Reports: Best Value Report Angus Council	D AC 12 Dec
		Asset Investment Plan – Progress Report – Quarter 2	R SIC 14 Dec
		Committee Business Programme 2016/17	D



**Policy and Resources Committee - Meeting Dates and Business Programme 2016/17
as at Wednesday, 30 November 2016**

Policy and Resources Committee (continued)

D= Delegated R=Referred

Quarter 4 1 January 2017 to 31 March 2017	Date of Meeting	Business	
Quarter 4 1 January 2017 to 31 March 2017	Ordinary 13 February 2017 at 10 a.m.	2017-18 Policy and Resources Committee Budget and Charging Proposals	R SIC 15 Feb
		2017-18 HRA Budget and Charging Proposals	R SIC 15 Feb
		2017-18 Community Health and Social Care Directorate Budget and Charging Proposals	R SIC 15 Feb
		Proposed Five year Asset Investment Plan 2017/18 to 2021/22	R SIC 15 Feb
		2017-18 SIC Budget Book	R SIC 15 Feb
		Medium Term Financial Plan 2017/18 to 2021/22	R SIC 22 Feb
		Borrowing Policy 2017/18 to 2021/22	R SIC 22 Feb
		Long Term Financial Plan 2016-2051	R SIC 22 Feb
		Annual Investment and Treasury Strategy 2017/18	R SIC 22 Feb
		Chair's Reports on 2017-18 Budget and Charging Proposals (from each of the Committees/Harbour Board/College)	D
		Corporate and Chief Executive Services Departments Directorate Plan 2017-18	D
		Irrecoverable Debt 2016/17	D
		Economic Development Lending Service - Decision Making and Conditions	D
		Acting Up/Undertaking Higher Duties Policy	D
		No Smoking Policy (Incorporating Tobacco Free Premises)	D
		Occupational Road Risk Policy and Handbooks	D
		Lone Working Policy	D
		Implement Review of Economic Development	D
		Essential Care User Allowance Review	D
		Living Wage Update	D
		Health and Wellbeing Policy	D
		Substance Misuse Policy	D
		Equalities Update	D
		Organisational Development and Workforce Strategy	D



**Policy and Resources Committee - Meeting Dates and Business Programme 2016/17
as at Wednesday, 30 November 2016**

Policy and Resources Committee (<i>continued</i>)			
		<i>D= Delegated R=Referred</i>	
Quarter 4 1 January 2017 to 31 March 2017 <i>Continued</i>	Date of Meeting	Business	
	PPMF 7 March 2017 10 a.m.	Management Accounts for Policy and Resources Committee – Projected Outturn at Quarter 3	D
		Management Accounts for Community Health and Social Care Directorate – Projected Outturn at Quarter 3	D
		SIC Overall Management Accounts 2016/17 – Projected Outturn at Quarter 3	D
		Council Investments Review 2016/17 – Quarter 3	D
		Corporate Risk Register	R SIC 8 March
		Confidential Risks	R SIC 8 March
		Corporate and Chief Executive Services Departments - Performance Overview Q3	D
		Asset Investment Plan – Progress Report – Quarter 3	R SIC 8 March
		Committee Business Programme 2017/18	D

Planned Committee business still to be scheduled - as at Wednesday, 30 November 2016

- Governance Review – Asset and Treasury Sub-Committee
- Single Outcome Agreement Annual Report 2014/15
- Quarterly Fund Management Investment Report
- Shetland College TOIL Policy
- Annual Report – Complaints
- Performance Management Strategy and Policy
- Allocations Policy for the Halls of Residence
- Audit Scotland and other External Audit Report – Best Value Reports
- Staff Development Policy
- Employee Review and Development Policy

tbc = to be confirmed

PPMF = Planning and Performance Management Framework meetings – no other business to be added

Budget = Budget setting meetings – other items can be added if time permits

Ordinary = Ordinary meetings – other items can be added

Special = Special meetings arranged for particular item(s) – other items can be added if time permits

END OF BUSINESS PROGRAMME as at Wednesday, 30 November 2016