



Shetland Islands Council

Agenda Item

1

Meeting(s):	Development Committee Environment and Transport Committee Shetland College Board	6 March 2017 6 March 2017 9 March 2017
Report Title:	Development Services Directorate Performance Report – 9 Month/3rd Quarter 2016/17	
Reference Number:	DV-18-17-F	
Author / Job Title:	Neil Grant, Director of Development Services	

1.0 Decisions / Action Required:

- 1.1 The Committee/Board should discuss the contents of this report as appropriate to their remit and make any relevant comments on progress against priorities to inform further activity within the remainder of this year, and the planning process for next and future years.

2.0 High Level Summary:

- 2.1 Highlights of progress against Council priorities from the Council's Corporate Plan by the Development Services Directorate are set out in Appendix 1. Also included is a summary of the Investment Fund activity and the 2015/16 Planning Performance Framework report. Further detail on Actions, Indicators and Risks are contained in appendices to this report.
- 2.2 The Committee/Board is invited to comment on any issues which they see as significant to sustaining and improving service delivery.

3.0 Corporate Priorities and Joint Working:

- 3.1 The Council's Corporate Priorities are set out in "Our Plan". This report reviews progress against these.

4.0 Key Issues:

- 4.1 The three priority outcomes identified in Our Plan, which the Development Directorate leads on are:

- Increasing Supply of Housing of all Tenures in Shetland
- Improve High Speed Broadband and Mobile Coverage
- Improve Transport Connections Internally and Externally

Progress in achieving outcomes in these areas are noted in the attached appendices.

<p>4.2 The Directorate has been leading a public engagement process focusing on ‘the place we live’, and its effects on our wellbeing, thus the Place Standard engagement which will feed into Local Housing Strategy, Local Development Plan, Local Transport Strategy and Local Outcomes Improvement Plan in the coming year.</p> <p>4.3 We are also progressing a plan along with other community partners to increase the number of young people in Shetland, attracting young people to study is a key part of that.</p> <p>4.4 Engagement with the Scottish Government and Transport Scotland on Specification and Fair Funding of Inter-Island Transport continues to be a priority, and dialogue is continuing with Scottish Government regarding funding for 2017/18</p>	
5.0 Exempt and/or Confidential Information:	
<p>5.1 None.</p>	
6.0 Implications :	
<p>6.1 Service Users, Patients and Communities:</p>	<p>Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public. The Development Directorate has been leading a public engagement process using the Place Standard tool to gather the views of communities on aspects of the place they live in, which will be used as an evidence base for strategic planning, and will also feed into the Locality Profiles.</p>
<p>6.2 Human Resources and Organisational Development:</p>	<p>Recruitment of professional staff particularly in Planning Services remains challenging. Workforce development, attracting people to live work and study in Shetland and skills development plans are noted in the appendices to this report.</p>
<p>6.3 Equality, Diversity and Human Rights:</p>	<p>The Development Service, through Community Planning and Development, has a role in supporting all Council services and partner organisations to promote Equalities, Diversity and Human Rights, as well as ensuring the Government’s drive to reduce inequalities is forefront in service planning and delivery. There are some recent examples of best practice within the Service; for example, the ZetTrans pilot which has enabled at least 7 people to move into employment, without cost to any public service. All projects within the Development Service are monitored and assessed to understand and ensure negative impacts are mitigated and positive impacts are optimised.</p>
<p>6.4 Legal:</p>	<p>There are a number of projects and key actions within the Performance Report that have legal implications. Legal advice will be sought as matters progress to ensure that Shetland Islands Council complies with all statutory requirements.</p>

6.5 Finance:	The actions, measures and risk management described in this report have been delivered within existing approved budgets. The service performance has contributed to an overall projected underspend, which is detailed in the Quarter 3 Management Accounts for Development Committee, presented this cycle.	
6.6 Assets and Property:	The Business Case for the Council investing further in broadband infrastructure is noted in this report.	
6.7 ICT and new technologies:	None.	
6.8 Environmental:	None.	
6.9 Risk Management:	Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.	
6.10 Policy and Delegated Authority:	<p>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;</p> <p>“Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –</p> <ul style="list-style-type: none"> (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.” 	
6.11 Previously considered by:	N/A	

Contact Details:

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28 February 2017

Appendices:

- Appendix 1 – Projects and Actions, Performance Indicators (Development Committee, Environment & Transport Committee & Shetland College Board) and Complaints (Development Committee)
- Appendix 2 – Risk Register (Development Committee & Environment & Transport Committees)
- Appendix 3 – Ferry Passenger Information & Ferry Vehicle Information (Environment & Transport Committee only)
- Appendix 4 – Summary of Investment Fund Activity (Development Committee only)
- Appendix 5 - Planning Performance Framework 2014/15 (Development Committee only)

Background Documents: None

Appendix A - Projects and Actions - Development ->Shetland College Board


Generated on: 23 February 2017

OUR PLAN 2016-2020

A) YOUNG PEOPLE

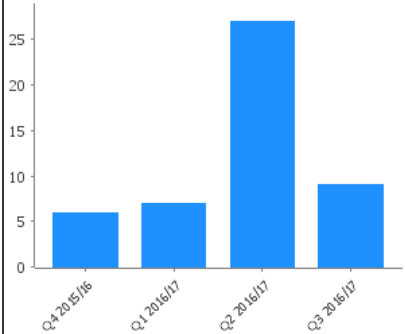
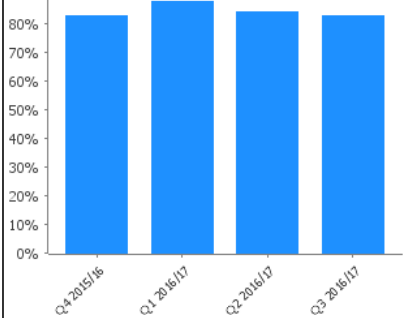
3) Shetland Learning Partnership

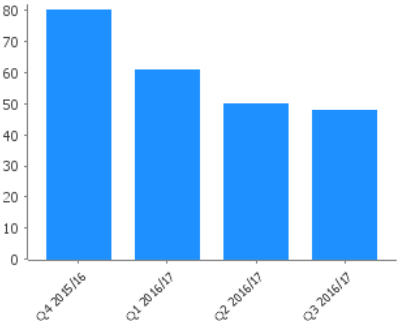
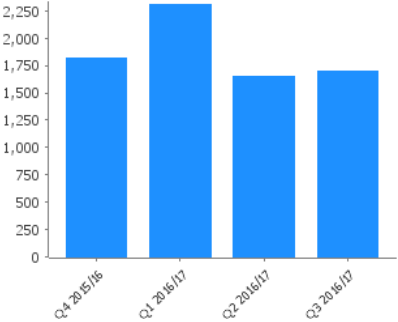
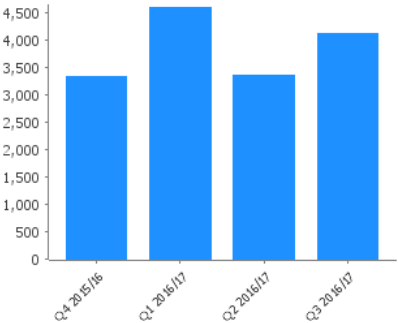
Shetland Learning Partnership will be delivering important opportunities for young people to gain workplace experience and vocational qualifications while at school, equipping them with the skills to enable them to get jobs or continue into further education.

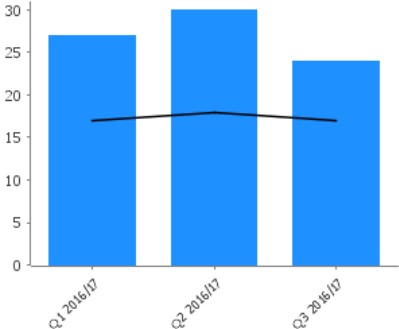
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP050 Progress Shetland Tertiary Education Research and Training Project	Progress Shetland Tertiary Education Research and Training Project to implementation stage	Progress Shetland Tertiary Education Research and Training Project to implementation stage	Planned Start			Tertiary Education Sector Strategic Plan has been approved by the Boards, and presented to Council on 22 February. Plans for Combined Second Tier management structure are being prepared.	Shetland College
			Actual Start	01-Mar-2013	<div><div>50%</div></div>		
			Original Due Date	31-Mar-2015	Expected success		
			Due Date	31-Aug-2018			
			Completed Date		Likely to meet or exceed target		

Appendix B Performance Indicators (Quarterly)- Development Directorate -> Shetland College Board

Generated on: 23 February 2017

	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
GC-01 Number of modern apprentices recruited by Train Shetland	54	49		6	7	27	9			Train Shetland recruited 9 new starts in Q3, bringing the cumulative total of new starts for 2016/17 so far to 42. In line with Skills Development Scotland contract profiling. The total contracted volume of new starts for 2016/17 is 51.
GC-02 % Achievement rate of Modern Apprentices recorded by Skills Dev Scotland	75%		85%	83%	88%	84%	83%			This indicator is based on Skills Development Scotland measurements of MA achievements in Shetland and covers the period 01 April 2016 to 30 December 2016. In terms of overall achievement rates, Shetland is the joint fifth highest performing local authority area in Scotland at 83%, against a national average of 78%. This achievement rate for the 16-19 age range is 79% and for 20-24 year olds is 88%.

	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
GC-03 Number of courses provided to meet industry demand	157			80	61	50	48			These figures include courses delivered to support industry training requirements and requests, Business Gateway courses, and courses hosted on behalf of HIE through their Digital Boost programme. The total does not include the number of examinations delivered, which contributes to service income, and does not include courses delivered directly to or on behalf of the Council.
GC-04 Shetland College Student Enrolments Further & Higher Education Combined	776			1,820	2,303	1,646	1,694			The number of FE Students studying within the tertiary education sector in Shetland at the 24th of January 2017 stand at 101 Full Time and 1972 Part time giving 2073 FE students. In term of HE Students the totals are 97 Full time students and 150 Part time students giving a Shetland total of Students studying HE of 247 Students. This gives a grand total of 2320 students studying in Shetland. Please note that this total is for Shetland College, Train Shetland and the NAFC Marine Centre. If you remove the NAFC figures the number of students studying at Shetland College and Train Shetland drops by 626 (606 FE and 20 HE) to 1694. Train Shetland courses are generally short courses of typically a day and these, counted as PT students, are made up of 789 training attendances of the overall total.
GC-05 Total Credits (inc Train Shetland & NAFC)	3,905			3,334	4,590	3,363	4,124			The total of FE credits (the fundable units the SFC pay college for courses that do not make full cost recovery the Shetland target this increased slightly due to a redistribution of credits with UHI to 4255. The current number of credits achieved by the tertiary education sector in Shetland is 4124, 97% of the overall target. It is certain that Shetland will again exceed the number of credits available in its target figure. It is predicted that the total credits achieved by the end of the academic year will be approximately 5000.

	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
GC-23 Number of professional examinations delivered by Train Shetland	63	77	81		27	30	24	17		Train Shetland delivers professional examinations on behalf of a number of accrediting industry bodies, including the Chartered Institute of Procurement & Supply, the Association of Accounting Technicians and the Chartered Institute of Public Finance and Accountability. The indicator also includes examinations delivered on behalf of Open University and other UK universities.

Appendix B (cont) - Performance Indicators (Annual)- Development Directorate -> Shetland College Board

Generated on: 23 February 2017



Meeting(s):	Development Committee Environment and Transport Committee Shetland College Board	6 March 2017 6 March 2017 9 March 2017
Report Title:	Development Services Directorate Plan 2017-2020	
Reference Number:	DV-02-17-F	
Author / Job Title:	Neil Grant, Director of Development Services	

1.0 Decisions / Action Required:

1.1 That the Committee/Board:

- 1.1(a) REVIEW and COMMENT on the contents of the Directorate Plan; and
- 1.1(b) ENDORSE the Directorate Plan, recognising that the Director of Development Services will make any adjustments required to ensure it is fully aligned with the final version of the Council's Corporate Plan approved by Council.

2.0 High Level Summary:

2.1 This report presents the Development Services Directorate Plan for 2017-20 which sets out the strategic action to be taken to deliver the Council's Corporate Plan, and Medium Term Financial Plan. The Directorate Plan also sets out strategic actions to deliver on the following cross cutting themes:

- Workforce development and customer service.
- Shetland Partnership 10 year plan to attract people to Shetland to live, study, work and invest in Shetland.
- Tackling Inequality action plan.
- New financial restrictions, and planning for further Council savings of £20m by 2020.
- Developing more effective community engagement.

2.2 Quarterly Progress Reports will be submitted to the relevant Committee/Board in line with the Council's Planning and Performance Management Framework (PPMF) to allow Members to monitor and scrutinise the delivery and progress of the plan.

3.0 Corporate Priorities and Joint Working:

3.1 Effective Planning and Performance Management are key aspects of Best Value and features of "Our Plan", the Council's Corporate Plan 2016-2020.

- Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services. Poor performance will be dealt with, and good service performance will be highlighted and shared.

4.0 Key Issues:	
4.1	The Directorate Plan sets out the actions to be taken by the Directorate between 2017- 2020. The plan is designed to give strategic focus to the activities that will be required to deliver the Corporate Plan outcomes, rather than focusing on the day to day business of the Services in the Directorate. Services operational activities are delivered and monitored through Service Plans.
4.2	The Plan provides the Committee/Board with a suite of performance indicators to that show whether or not targets for service delivery are being met. This should provide Members with the assurance that operational service performance is on target, or that action is being taken to address performance.
4.3	The measurable Performance Indicators are currently being completed and will be reported during the 2017/18 performance meeting cycle.
4.4	The Risk Register sets out the strategic risks within the Directorate that could impact on the Council's performance.
5.0 Exempt and/or Confidential Information:	
5.1	None.
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. 'Shetland Place Standard' and 'Community Choices' are two current projects which focus on providing better more effective community engagement.
6.2 Human Resources and Organisational Development:	Workforce development is a key to this plan, to address recruitment and retention of staff, skills and re-skilling requirements, and delivering services with fewer resources.
6.3 Equality, Diversity and Human Rights:	The Council is required to make sure systems are monitored and assessed for any implications in this regard.
6.4 Legal:	None.
6.5 Finance:	The actions, measures and risk management described in this report have been developed within the Target Operating Budgets for 2017/18 as set out in the Medium Term Financial Plan for Development Services Directorate, and actions to deliver transformational change required to achieve £20m of savings across the Council by 2020.
6.6 Assets and Property:	The costs of the estate and buildings currently utilised by the Development Directorate is not sustainable in the medium term. This is particularly the case for the Colleges estate.

6.7 ICT and New Technologies:	The transformational change noted in this report will require ICT and new technologies, which will be identified in a Council wide Digital Strategy.	
6.8 Environmental:	None.	
6.9 Risk Management:	Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to negative external scrutiny.	
6.10 Policy and Delegated Authority:	<p>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;</p> <p>“Monitor and review achievement of key outcomes in the Directorate and Service Plans within their functional area by ensuring –</p> <p>(a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.</p> <p>(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.”</p>	
6.11 Previously Considered by:	N/A	

Contact Details:

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28 February 2017

Appendices:

Appendix 1 – Development Services Directorate Plan 2017-20
Appendix A – Projects and Actions – Development Directorate
Appendix 2 – Risk Register

Background Documents:

Our Plan
Medium Term Financial Plan

Development Directorate Plan 2017-20

Development
2017-20 Directorate Plan

“Enabling our communities to develop their potential”

Introduction

Every year, each Directorate within the Council produces a Directorate Plan for the following year. This Directorate Plan provides an overview of the Development Directorate for 2017-20. This plan contains information on major activities, aims, objectives, actions, targets, performance indicators and risks. Detailed activities for each Service within the Directorate are included in their individual Service Plans.

Directorate plans are approved at Service Committees and Council as part of the budget setting process.

Drivers for Change - What we must do in 2017-20:

Shetland Partnership

- Enable a 10 year plan to attract people to Shetland to live, work, study and invest in Shetland
(We will work with Community Partners to influence a net in-migration of 700 people in the 16-40 age group by 2028)
 - Target support for industry growth sectors and entrepreneurship
 - Raise Shetland's global profile
 - Provide better support to incoming families and workers

Shetland Islands Council Corporate Plan “Our Plan” 2016-2020

Community

- Support communities to reach their full potential
 - Develop policy and support implementation of all parts of the Community Empowerment Act. In relation to Part 2 – Community Planning, the following three priority areas have been identified:
 - Governance – who carries out community planning and how?
 - Locality Planning – what does community planning do and why?

- Community Participation – how will the community be involved in community planning?
- Develop a shared policy approach and working arrangements in relation to resilient rural communities, and in particular islands with small populations
- Continue to develop the Council's approach to Community Choices (PB) and community commissioning as a means of engaging residents in service planning and financial decision making
- Enable development to happen
 - Consider policy implications in response to the National Review of Planning, which covers the following four themes:
 - Making plans for the future: by simplifying and strengthening development planning
 - Empowering people to make the system work: by improving the way people are involved in the planning process.
 - Building more homes and delivering infrastructure: by using planning to actively enable and co-ordinate development
 - Promoting stronger leadership and smarter resourcing: by removing processes that fail to add value, and by strengthening leadership, resources and skills
 - Develop a new Local Development Plan which reflects community aspirations and provides priority infrastructure across local boundaries
 - Assist Corporate Services to develop a Master Plan for AHS Knab site
- Increase the supply of housing across all tenures
 - Develop refreshed Local Housing Strategy
 - Continue to deliver supply target of affordable housing in the Local Housing Strategy (LHS) through the Strategic Housing Investment Plan (SHIP)
 - Investigate incentives and initiatives to increase the supply of affordable housing
 - Encourage appropriate private development

Economy & Skills

- Support for local businesses and entrepreneurs
 - Work with Corporate Services, Government and OIOF Partners to achieve a strong Islands Deal, and to secure external funding and support.
 - Proactively research Brexit opportunities, risks and scenarios
 - Provide commercial lending and grant support funding to local businesses

- Develop Shetland's Skilled Workforce
 - Deliver a sustainable model for HE, FE, Research and Training in Shetland, which is more effective in providing the skilled workforce requirements of the local economy
 - Establish Shetland's Unique Selling Points for attracting Students to study in Shetland
 - Influence UHI provision of Student and Key Worker Accommodation in Shetland
 - Work with Children's Services to increase the level of pupil interest in STEM subjects and entrepreneurship to affect career choices and gender balance of Shetlands Young Workforce
 - Further increase the number of Modern Apprentices and Work with Children's Services to develop and grow the Academies in Engineering, Care, and Construction at the Shetland College and NAFC Marine Centre
 - Engage with the Scottish Government and Skills Development Scotland to access funding programmes and opportunities brought about by the Modern Apprenticeship levy

Connectivity

- Achieve High Speed Broadband and full mobile coverage to all Shetland settlements
 - Work with the Scottish Government to affect the Roll out of High Speed broadband and Mobile Coverage, under the Reaching 100% by 2021 (R100) Plan, prioritising early delivery in Shetland.
 - Identify the business case for the Council's intervention in provision of fibre Broadband network to the North Isles, and identify Business Model for Shetland Telecoms.

- Achieve sustainable and affordable internal and external transport links
 - Work with Scottish Government and Transport Scotland to achieve appropriate level of Inter-Island transport service provision and Fair Funding of Ferries and Internal Air Services.
 - Continue to work with Scottish Government and Transport Scotland to influence External Transport provision. New North Isles Ferry Contracts to commence 2018
 - Work with stakeholders to identify a system of fares which and which helps to address inequalities
 - Develop and promote internal transport networks, including the new public bus services, increasing usage and ticket income, and manage revenue security.

How we will do it ('20 By '20')

- Development Services workforce development and recruitment, making more use of Career Grading, Retraining, Modern Apprenticeship, and Graduate opportunities.
- Continue to improve workforce engagement by delivering the 'Viewpoint Employee Engagement Action Plan 2016/18'
- Improve Customer Service, and Service Efficiency by engagement with the Corporate Business Transformation Programme, 2017-20
- Contribute to the development of a Digital Strategy for the Council which is also a key strand in the Business Transformation Programme.

New Financial Restrictions

The Council's General Revenue Grant has been reduced and it is projected that the Council must save £20m by 2020 to deliver a sustainable budget. It is therefore necessary to review the services we provide, identify ways to provide services with less resources, and secure additional income sources. The priorities identified for the Development Directorate are intended to form part of a Corporate Wide plan to save £20m by 2020 and are as follows:

- Achieve fair funding for Internal Ferries Services, or review Ferry Services to deliver future Services at an affordable level based on Scottish Government - Priority 2017/18 (shared with Infrastructure Directorate)
- Achieve benefits from Colleges Integration and progress external funding and SFC funding opportunities. Also reduce cost of Colleges Estate 2017-2020
- Achieve fair funding for Internal Air Service 2017/18 (shared with Infrastructure Directorate)
- Explore opportunities to share service with community partners and other local authorities, 2017-2020
- Review funding of external organisations, 2017-2020

- Workforce Review – establish requirements for level of service by Development Services by 2020 and develop a workforce plan to meet future skills gaps, considering retirements, redeployments, extended use of career grades and Modern Apprentice placements, and maximise opportunities from Apprenticeship Levy project funding, 2018-2019

New Legislation

Community Empowerment (Scotland) Act 2015.

Review of Scottish Planning System

National Transport Strategy

Islands Bill

Contact Details

Shetland College Gremista Lerwick ZE1 0PX 01595 771000 Train Shetland Gremista Lerwick ZE1 0PX 01595744744	Community Planning & Development Solarhus 3 North Ness Business Park Lerwick ZE1 0LZ 01595 743888	Economic Development Solarhus 3 North Ness Business Park Lerwick ZE1 0LZ 01595 744940	Housing 6 North Ness Business Park Lerwick ZE1 0LZ 01595 744360	Planning Train Shetland Gremista Lerwick ZE1 0PX 01595 744840	Transport Planning 6 North Ness Business Park Lerwick ZE1 0LZ 01595 744868
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Appendix A - Projects and Actions - Development Directorate



Generated on: 23 February 2017

OUR PLAN 2016-2020

C) ECONOMY & HOUSING

- 1) **Promote enterprise** We will have an economy that promotes enterprise and is based on making full use of local resources, skills and a desire to investigate new commercial ideas.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP203 Support for local businesses and entrepreneurs	Development of a skilled workforce to match industry requirements, and other direct and indirect support to businesses. Sustainable integrated delivery model for Tertiary Education and Research is in place for August 2018.	Sustainable economy with access to skilled workforce	Planned Start	01-Apr-2017			Development Services Directorate
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	01-Apr-2020	Expected success		
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet or exceed target		

- 7) **Housing supply** We will have increased the number of houses in Shetland, with a range of options that are affordable and achievable for all.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP200 Increase supply of housing across all tenures	Deliver refreshed Local Housing Strategy and Local Development Plan Main Issues Report in 2017, and increase confidence and engagement of developers to build in Shetland	Housing supply is facilitating an increased population	Planned Start	01-Apr-2017			Development Services Directorate
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	01-Apr-2020	Expected success		
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet or exceed target		

D) COMMUNITY STRENGTH

- 1) **Community support** Communities will be supported to find local solutions to issues they face.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP201 Develop sustainable and resilient communities	Work with the Shetland Partnership to develop Community Engagement	Communities feel engaged in local decision making	Planned Start	01-Apr-2017			Development Services Directorate
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	01-Apr-2020	Expected success		
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet or exceed target		

E) CONNECTION & ACCESS

1) Community transport solutions

There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP205 Achieve sustainable and affordable internal and external transport links	Work with Scottish Government and Transport Scotland to achieve appropriate level of internal and external transport, and achieve fair funding for inter-island transport services, by 2017/2018.	Sustainable and affordable transport services	Planned Start	01-Apr-2017			Development Services Directorate
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	01-Apr-2020	Expected success		
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet or exceed target		

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
DP204 Digital and mobile connectivity	Work with Scottish Government to influence rollout of broadband and mobile services in Shetland under the Government R100 plan, and identify where there are business cases for council engagement in provision of services and infrastructure.	Achieve 100% high speed broadband and mobile coverage throughout Shetland	Planned Start	01-Apr-2017			Development Services Directorate
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	01-Apr-2021	Expected success		
			Due Date	01-Apr-2021			
			Completed Date		Likely to meet or exceed target		

Risk Assessment - Development Services

Risk & Details	Likelihood	Current Impact	Risk Profile	Current and Planned Control Measures	Probability	Target Impact	Risk Profile	Responsible Officer
Category	Directorate							
<i>Corporate Plan</i>	<i>C1. Economy and Housing - Promote Enterprise</i>							
Service reviews completed, Planning suffers from acute national shortage of qualified staff (currently trying to recruit to 5 posts, equivalent to 15.6% of their 31.9 FTE), general climate (v low unemployment) continues to impact to some extent. Key posts in some areas are difficult to recruit to, and exacerbated by national and local competition and limited local housing options. Trigger : Resignation, retirement, Consequences : Impact on service delivery, workload on staff and consequent impact. Risk type : Key staff - loss of Reference - C0017	Almost Certain	Significant	High	<ul style="list-style-type: none"> Corporate wide Staff Survey (Viewpoint) - progressing Action Plan to address staff views raised in Corporate wide staff survey (Viewpoint); *A corporate workforce development plan is progressing - HR workforce strategy has been approved. *Management to ensure that exit interviews are always completed, and to track exit interview statistics; *Ten year plan to attract people to live, work and study in Shetland is being developed by the Development Partnership; *Management to look to extending the 'grow your own' trainee posts; *Careful monitoring of the impact of policy interventions such as market forces; *Consideration to be given to wider use of adjusted posts to 'fill gaps' on a temporary basis, and for temporary '2-way probation' or 'secondments' so that staff can try out an advertised post before committing. 	Possible	Significant	Medium	Neil Grant Development Services
Development Service operates within a complex legislative environment and is expected to be an exemplar. Current controls include, e.g. ICT security policy, ICT automatic encryption of all laptops and USBs are auto-encrypted before any data can be downloaded. Trigger : Lack of training or understanding could lead to a breach of, for example, HSE/ Data protection/ human Rights/ employment practice, etc. Consequences : Investigation, censure/ prohibition notice/criminal prosecution/ fine, impact on workload, impact on staff, stress, bad publicity Risk type : Breach of Legislation - Data Protection, Human Rights, Employment Practice, Health and Safety etc Reference - C0018	Likely	Significant	High	<ul style="list-style-type: none"> Ensure projects are a priority activity in achieving the Outcomes identified in the new Corporate plan 2016-20, and ensure proper process for identifying and allocating project resource; Train staff and adhere to standing orders, on-going staff training on employment practices, H & S, ensure risk assessments are current, communicated and complied with; All staff to make themselves aware of the ICT security policy - http://intranet2/Policy/Shared%20Documents/ICT%20SecurityPolicy%20v2_10.pdf (Exec summary on page 5). 	Unlikely	Minor	Low	Neil Grant Development Services
<i>Corporate Plan</i>	<i>E1. Connection and Access - Community transport solutions</i>							

C0027 - Central Govt Funding Issues - Central Govt Funding Issues - Provision of Air and Ferry Services, Revenue and Capital Funding - subject to Inter-island Transport review, and work ongoing with Scottish Government and Transport Scotland. Trigger : Scottish Government decision not to support Revenue and Capital cost of service. Delay in Scottish Government's decision beyond next year. Islands deal I, brexit also can affect this risk. Consequences : Council cannot afford current service levels or replacement of aging infrastructure, financial risk sits with Infrastructure Risk type : Central Govt Funding Issues Reference - C0027	Unlikely	Minor	Low	• Project board, PRINCE2. Agreed process with Scottish Government and Transport Scotland, for level of provision and fair funding of services. Islands deal can affect funding.	Possible	Insignificant	Low	Neil Grant Development Services
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Corporate Plan F1. Our "20 by '20" - Leadership & Management

Council commitment to partnership working. This is soon to become a statutory requirement. Trigger : There is a risk that the Council as lead for Shetland's Community Planning Partnership fails to engage effectively with all partners to develop a coherent Community Plan Consequences : Censure/ action against the council for failing to comply with legislation, Failure to achieve the best outcomes for the community. Risk type : Partnership working failure	Possible	Major	High	• Community Planning is supported by the Community Planning and Development Team in the Development Department. Seminars and wider engagement activities were delivered, including collaboration regarding locality working which informs strategic planning for Health & Social Care Services	Unlikely	Major	Medium	Neil Grant Development Services
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Corporate Plan F5. Our "20 by '20" - Standards of Governance

Development Directorate is managing a number of significant projects of strategic importance, including Colleges Review; Internal and External Ferries; Outer Isle's Transport; Economic Development Service, Commercial Lending; Participatory Budgeting; Strengthening Community Involvement; High Speed Broadband; Local Housing Strategy; Local Development Plan; Transport Strategy; Economic Development Strategy; Energy Strategy; LOIP (Local Outcome Improvement Plan) 2016-2020 Trigger : Focus or priority could be wrong Consequences : Wasted resources, negative impact on wider community, Financial cost, bad publicity Risk type : Strategic priorities wrong Reference - C0019	Possible	Major	High	• Ensure projects are a priority activity in achieving the Outcomes identified in the new Corporate Plan Ensure projects are a priority activity in achieving the Outcomes identified in the new Corporate plan 2016-20, and ensure proper process for identifying and allocating project resource.	Unlikely	Significant	Medium	Neil Grant Development Services
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<p>Development Service delivers a service with reducing resources and constraints including the MTFP. Service reviews moving towards completion.</p> <p>Trigger : Reduced and reducing budget, fewer staff - requirement to accommodate and work within 20% / (£20 million reduction across the organisation) in resources over 4 years</p> <p>Consequences : Impact on service, workload has to be managed by fewer staff, stress, impact on service users & communities</p> <p>Risk type : Economic / Financial - Other</p> <p>Reference - C0021</p>	Likely	Significant	High	<ul style="list-style-type: none"> • Restructure implemented, strategic planning continuing, awareness of issues 	Possible	Significant	Medium	Neil Grant Development Services
<p>Development Service / the Council works in a number of areas and necessarily publishes information on its activities</p> <p>Trigger : Failure to share information, poor management of communications/ poor communication with service users/ members of the public/ media, or mis-perception by media.</p> <p>Consequences : Bad publicity, communities miss opportunities, finite resources spent on rectifying misunderstandings, staff morale impact, service users/ partners lose trust in services.</p> <p>Risk type : Communications poor</p> <p>Reference - C0022</p>	Unlikely	Major	Medium	<ul style="list-style-type: none"> • Link to risk around corporate priorities • Adhere to corporate communications policy, Management team are aware of the issues and risks that fall to Dev MT and CMT. 	Rare	Significant	Low	Neil Grant Development Services
<p>One or more communities fail to be sustainable</p> <p>Trigger : Demographic and socio-economic problems on remote communities</p> <p>Consequences : Depopulation of remote areas, sudden impact on development services</p> <p>Risk type : Economic climate</p> <p>Reference - C0026</p>	Possible	Significant	Medium	<ul style="list-style-type: none"> • Impact of connectivity from broadband and transport links, working with communities to develop sustainable plans Progressing 'Islands with small populations' project 	Unlikely	Significant	Medium	Neil Grant Development Services



Meeting(s):	Shetland College Board	9 March 2017
Report Title:	Management Accounts for Shetland College Board 2016/17 - Projected Outturn at Quarter 3	
Reference Number:	F-022-17-F	
Author / Job Title:	Jonathan Belford - Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Shetland College Board RESOLVES to review the Management Accounts showing the projected outturn position at quarter 3.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Shetland College Board 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 Development Directorate Performance Report, and allows the Board the opportunity to provide 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 third quarter for revenue. The forecasts have been determined by Finance Services after consultation with relevant budget responsible officers.
- 2.3 The projected revenue outturn position for Shetland College Board is an underspend of (£10k) (2%) which means that services under this Board are collectively projected to spend less than their approved budget. There are no recurring savings identified at this time. See Appendix 1 for further 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	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	Cost pressures are recurring in nature and increase the base cost of the service being delivered, e.g. pay awards, whereas contingency items are deemed non-recurring and likely to vary year on year, e.g. equipment failure costs.
4.6	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.
4.7	No allocation has been made to services within the Shetland College Board, as the Development Directorate's overall budget is projected to cover these costs within existing underspends. This position will be reviewed quarterly.
5.0 Exempt and/or confidential information:	
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:	<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 and this report demonstrates that services under the remit of the Shetland College Board are projecting to achieve this, with an underspend of £10k on revenue.</p> <p>The contribution required from the Council to balance the Shetland College budget is projected to be £838k.</p> <p>No recurring savings have been identified at this time.</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. 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 Shetland Tertiary Education, Research and Training Review are seeking to reduce the financial risks associated with the unsustainability of the current model of provision in Shetland.</p> <p>The main financial risks for services in this Board area are:</p> <ul style="list-style-type: none"> • Scottish Funding Council income, which is related to the

	<p>level of student activity in any given year and the outcomes achieved by those students;</p> <ul style="list-style-type: none"> • in addition, it is likely that the Further Education (FE) funding element will change from a standard flat rate per credit, to weightings per credit – which could impact the total grant funding received; and • a reduction in income which is not offset by other corresponding reductions in expenditure or additional sources of income. <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>In accordance with Section 2.8 of the Council's Scheme of Administration and Delegations (<i>as amended on 29 June 2016 (SIC Min Ref. 53/16)</i>), the Shetland College Board has a responsibility within its remit to monitor and give assurance that the College operates sound financial management, including developing budgets and pursuing FE credit funding. The Council approved both revenue and capital budgets for the 2016/17 financial year. This report provides information to enable the Shetland College Board to give assurance that the College is operating within its approved budgets.</p>	
6.11 Previously considered by:	Not Applicable.	

Contact Details:

Janice Thomason, Management Accountant, janice.thomason@shetland.gov.uk

Appendices:

Appendix 1 – Projected Revenue Outturn Position 2016/17

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

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

Shetland College Board

1.0 - Draft Revenue Outturn Position 2016/17 Financial Year

Budget v Proj. Outturn Variance Q2 (Adv)/ Pos £000	Service Area	2016/17 Revised Annual Budget £000	Projected Outturn 2016/17 Quarter 3 £000	Budget v Proj. Outturn Variance Quarter 3 (Adv)/ Pos £000
58	Grants from Funding Council	(1,277)	(1,369)	92
(5)	Property Costs	471	479	(8)
(54)	Teaching Departments	1,069	1,156	(87)
(23)	Senior Management & Admin	444	448	(4)
1	Support	422	392	29
21	Income Generating Units	37	9	28
	Approved Contribution from SIC	(888)	(809)	(79)
(2)	Total Shetland College	278	307	(29)
20	Train Shetland	171	132	39
18	Total	449	439	10

The projected outturn figures as at Quarter 2 are included above for reference and show an unfavourable change of £8k.

Explanations of the main variances at Quarter 3 are set out below:

1.1 Grants from Funding Council – Projected underspend £92k (7%)

An element of the FE property costs grant will be applied to cover some maintenance on property costs in line with guidance, leading to a net favourable variance here - £60k.

1.2 Property Costs – Projected outturn overspend (£8k) (2%)

There are no significant variances in this area.

1.3 Teaching Departments - Projected outturn overspend (£87k) (8%)

The projected overspend relates to:

- reduced grant income in Chair of Creative Industries Project (£49k), and an increase in costs associated with the delivery of Music qualifications (£14k) coupled with a slight reduction in course fee income (£26k); and
- a reduction in take up by S4 pupils onto Enterprise schemes (£19k); offset by
- reduced staffing costs of £67k mainly in Chair of Creative Industries - £49k, and Art & Design £23k, offset by increases in Health & Care (£59k) and Community Learning (£20k).

1.4 Senior Management & Administration - Projected outturn overspend (£4k) (1%)

There are no significant variances in this area.

1.5 Support – Projected outturn underspend £29k (7%)

Projected underspend is primarily due to vacant posts not yet filled in Student Services and Library Services, contributing a net salary saving of £15k.

1.6 Income Generating Units – projected outturn underspend £28k (76%)

Projected underspend is due to a vacant post not yet filled in 'Knowledge Transfer', estimated to generate salary cost saving £30k.

1.7 Approved Contribution from SIC – Projected overspend £79k (9%)

The contribution from the Council varies in relation to the value of credits transferred to NAFC.

1.8 Train Shetland – Projected outturn underspend £39k (23%)

There are no significant variances in this service area however; higher activity in Vocational training has resulted in a greater level of grant income, which is offset by increased costs in providing training.



Meeting(s):	Shetland College Board	9 March 2017
Report Title:	Shetland College Accounts – 2015/16 Academic Year	
Reference Number:	F-023-F	
Author / Job Title:	Jonathan Belford - Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Shetland College Board NOTES the Annual Accounts for Shetland College for the period 1 August 2015 to 31 July 2016, shown at Appendix 1.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Shetland College Board to review the Annual Accounts for Shetland College for the period 1 August 2015 to 31 July 2016, as presented to UHI and the Scottish Funding Council in February 2017.

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 The Shetland College Annual Accounts for 2015/16 at Appendix 1, show that the Shetland College reserve increased from £65k to £108k, as the result of a surplus of £43k.
- 4.2 Table 1 below provides a summary.

Table 1 - Shetland College Annual Accounts	2014-15 £	2015-16 £	Variance Pos / (Adv) £
<u>Income</u>	- 3,020,242	- 3,441,771	421,529
Grant in Aid	- 1,831,281	- 1,979,500	148,219
Grants & Contributions	- 302,735	- 236,289	- 66,446
Tuition Fees/Charges	- 323,050	- 378,760	55,710
Catering Operations	- 77,532	- 77,999	467
Other Income	- 485,644	- 769,223	283,579
<u>Expenditure</u>	3,069,812	3,398,403	- 328,591
Academic Departments	1,090,619	1,133,830	- 43,211
Academic Services	704,792	794,894	- 90,102
Central Administration	730,893	930,201	- 199,308
Property Costs	484,888	476,646	8,242
Other Equipment	65,825	62,833	2,992
Depreciation Adjustment	- 7,204		- 7,204
Net Total	49,570	- 43,368	92,938

- 4.3 The Academic Year Accounts run from 1 August to 31 July each year, and the Financial Year Accounts run from 1 April to 31 March each year.
- 4.4 The Final Outturn position, for the Financial Year 2015/16, for Shetland College was £156k underspent. This is £106k higher than the underspend position recorded in the 2015/16 Academic Year Accounts.
- 4.5 The main difference between these two accounting periods relates to the inclusion of part-year Hardship Funds of £117k, which were required to be carried forward into the 2016/17 Financial Year. The remaining variances are a result of the timing of inflows and outflows of money.
- 4.6 The Finance Service liaises with Shetland College to ensure that transactions are accounted for in the year to which they relate.
- 4.7 With regard to the in-year variances in the Academic Year Accounts between 2014/15 and 2015/16, the main reasons are:
- a favourable variance of £148k on Grant in Aid is due to success across the sector in meeting FE and HE targets;
 - an adverse variance of (£66k) on Grants and Contributions is due to a reduction in income in Health & Care (£94k) now accounted for as Tuition Fees, Property grants (£38k), offset by additional income relating to the Chair of Creative Industries Project £48k;
 - a favourable variance of £56k on Tuition Fees and Charges is due to a change in treatment of Health & Care income £84k, offset by a reduction in Art & Design income (£25k);
 - a provision of (£270k) was made in 2015/16 for a possible re-payment of ERDF Grant in relation to the Phase 3 project. This is shown as an increase in Other Income (which ensures that Shetland College have sufficient funding to meet the cost), and also as an increase in Central Administration costs (where the provision has been allocated). There is no impact on the bottom line;

- an adverse variance of (£43k) on Academic Departments is due to increased staffing costs in Health & Care (£60k), the implementation of the Chair of Creative Industries Project (£48k), and Creative Industries Music (£8k), offset by reductions in staffing costs in Hospitality Studies £33k, Nordic Studies £24k, IT £7k, and Construction Studies £8k; and
- an adverse variance of (£90k) on Academic Services is due to an increase in staffing costs (£48k), the majority of which are in Community Learning (£37k), an Erasmus project (£11k), and Childcare/hardship funds (£32k).

5.0 Exempt and/or confidential information:

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:	There are no financial implications arising from this report which is for noting.
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>The Shetland Tertiary Education, Research and Training Review are seeking to reduce the financial risks associated with the unsustainability of the current model of provision in Shetland.</p>

	<p>The main financial risks for services in this Board area are:</p> <ul style="list-style-type: none"> • Scottish Funding Council income, which is related to the level of student activity in any given year and the outcomes achieved by those students; • in addition, it is likely that the Further Education (FE) funding element will change from a standard flat rate per credit, to weightings per credit – which could impact the total grant funding received; and • a reduction in income which is not offset by other corresponding reductions in expenditure or additional sources of income. 	
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.8 of the Council's Scheme of Administration and Delegations (<i>as amended on 29 June 2016 (SIC Min Ref. 53/16)</i>), the Shetland College Board has a responsibility within its remit to monitor and give assurance that the College operates sound financial management, including developing budgets and pursuing FE credit funding. The Council approved both revenue and capital budgets for the 2016/17 financial year. This report provides information to enable the Shetland College Board to give assurance that the College is operating within its approved budgets.</p>	
6.11 Previously considered by:	Not Applicable.	

Contact Details:

Janice Thomason, Management Accountant, janice.thomason@shetland.gov.uk

Appendices:

Appendix 1 – Projected Revenue Outturn Position 2016/17

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

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

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 JULY 2016 - (12MONTHS)

		2015/16		2014/15	
		£	£	£	£
INCOME					
Grant-In-Aid from SFEFC/SHEFC Note 1			(1,979,500)		(1,831,281)
ESF Grant		0		0	
Grants and Contributions	Note 1	(204,498)		(302,735)	
Othe Government Grants	Note 1	(31,791)			
Tuition Fees and Training Charge Note 2		(378,760)		(323,050)	
Catering Operations	Note 2	(77,999)		(77,532)	
Other Income	Note 2	(769,223)	(1,462,271)	(485,644)	(1,188,962)
			(3,441,771)		(3,020,242)
EXPENDITURE					
Academic Departments	Note 3	1,133,830		1,090,619	
Academic Services	Note 4	794,894		704,792	
Central Administration	Note 5	930,201		730,893	
Property Costs	Note 6	476,646		484,888	
Other Equipment	Note 7	62,833		65,825	
Depreciation	Note 9	129,419	3,527,823	1,434,789	4,511,806
(Surplus)/Deficit Before Accounting Adjustments			86,052		1,491,563
Reverse Depreciation	Note 9		(129,419)		(1,441,993)
12 Month Surplus			(43,367)		49,570
Opening Balance			(65,079)		(114,649)
12 Month Surplus			(43,367)		49,570
Balance Carried Forward			(108,447)		(65,079)

Signed.....

Mark Boden
Chief Executive

Signed.....

Jonathan Belford
Executive Manager - Finance



Meeting(s):	<i>Shetland College Board</i>	09 March 2017
Report Title:	Tertiary Education Student Enrolments Update – March 2017	
Reference Number:	SCB126-F	
Author / Job Title:	Andy Glen Vice Principal, Teaching and Learning	

1.0 Decisions / Action required:

- 1.1 Shetland College Board should note the current position in relation to FE and HE enrolments at this stage in academic session 2016/17, and continue to seek regular updates throughout the remainder of the session.

2.0 High Level Summary:

- 2.1 The purpose of this report is to provide the Board with information relating to the number of full-time and part-time FE and HE enrolments recorded, for all tertiary education providers within Shetland, to date in the academic session 2016/17 and to give an early indication for HE enrolments for academic year 2017/18. This report also provides the number of fundable FE Credits that have been recorded to date.
- 2.2 The outlook for the 2016/17 academic year remains positive, with good student numbers being achieved in FE.
- 2.3 As highlighted in the previous report, the predicted enrolments for HE in year 2017/18 is the highest ever estimate for the College, but this positive indication should be treated with some caution, because these are very early estimates.

3.0 Corporate Priorities and Joint Working:

- 3.1 Shetland's Student Enrolments report links to the corporate priority of maximising the opportunity for further, higher and vocational learning opportunities, both for school leavers and for people returning to learning.

4.0 Key Issues:

- 4.1 As previously advised, the overall FE Credit target set by the Scottish Funding Council (SFC) is 4255. This therefore equates to £1,616,900, with each credit valued at £380. There is an additional £20 per credit for Capital Maintenance funding, and this equates to a further £85,100. All Tertiary education providers in Shetland contribute to achieving this target e.g. Train Shetland, NAFC Marine Centre, Shetland Arts and Shetland College
- 4.2 As highlighted in the previous enrolments report to the Board it remains the case that the expected total of credits produced by the tertiary sector in Shetland will exceed the revised credit total. The Joint Principal remains in close contact with the Chair of the SFC and with UHI and continues to aim to get more credits into

the Shetland total. As an illustrative example, the figures for the previous year indicate that for every 112 credits delivered we only received payment for 100.

- 4.3 At this stage in academic session 2016/17 Shetland College has enrolled 74 full-time and 633 part-time FE students. In the NAFC, there are 28 full-time and 610 part-time FE enrolments and Train Shetland have enrolled 944 short course students so far.

- 4.4 The table below shows how these numbers compare with previous years.

	Outturn Figures			To Date
	2013/14	2014/15	2015/16	2016/17
Student Numbers FE Full Time (Shetland College)	53	62	59	74
Student Numbers FE Full Time (NAFC)	Not Available	Not Available	16	28
Shetland Total			75	101

- 4.5 As in previous report, enrolments remain high in both Shetland College and the NAFC. The predicted number of total credits for 2016/17 is likely to be around 4859. This would equate to 604 credits in excess of our target and an over trading position of 14%. This is despite an increase in our FE credit target. In short, at £400 per credit, £380 + £20 capital, this means we would not be getting paid £241,600 for activity we have carried out.
- 4.6 At Shetland College, 77 full-time and 156 part-time HE enrolments have been achieved so far, with a further, 20 full-time HE enrolments in the NAFC. There are no HE enrolments at Train Shetland.

	Outturn Figures			To Date
	2013/14	2014/15	2015/16	2016/17
Student Numbers HE Full Time (Shetland College)	88	93	73	77
Student Numbers HE Full Time (NAFC)	Not Available	Not Available	30	20
Shetland Total			103	97

- 4.7 If the predicted number of full time equivalent (Part time + Full time) wishing to study HE subjects at Shetland College in 2017/18 is accurate at 123, this would be a record high for the college. However, caution is advised on these figures, as they are very early predictions.
- 4.8 Section Leaders at Shetland College are currently in the process of predicting 2017/18 FE numbers. This is not yet complete, but the Board will be advised of the projection as soon as it becomes available.

- 4.9 The challenge for Tertiary education in Shetland is to retain as many of its FE and HE full-time and part-time students as possible and to ensure that we get paid for what we deliver. Further information is provided at Appendix 1.

5.0 Exempt and/or confidential information:

- 5.1 There is no exempt information contained within this report.

6.0 Implications : *Identify any issues or aspects of the report that have implications under the following headings*

6.1 Service Users, Patients and Communities:	The increase in enrolments reflects the growing demand and increase in opportunities that Shetland College provides to young people in Shetland.
6.2 Human Resources and Organisational Development:	N/A
6.3 Equality, Diversity and Human Rights:	N/A
6.4 Legal:	N/A
6.5 Finance:	At this stage of academic session 2016/17 overall student enrolments translated into FE Credits are 1.3% over the target agreed (4255) with the SFC. We are now in an over production situation, where we are not being paid for the FE activity we carry out from now on.
6.6 Assets and Property:	N/A
6.7 ICT and new technologies:	N/A
6.8 Environmental:	N/A
6.9 Risk Management:	In previous reports, financial risks associated with not achieving the FE Credit target were highlighted to the Board. This year the risk is concerned with over trading on activities associated with the generation of FE credits. As highlighted in the previous Enrolments Paper to this Board, the Shetland target for FE credits is too low, even given the increase of 123 credits. This means that unless an increased FE Credit target is awarded by

	<p>the SFC, the additional FE Credit income due from SFC will not be provided. It is this risk that has initiated discussions with SFC with the aim of an additional credit amount being applied to Shetland, however there is no guarantee that additional FE credits will be allocated. There is the potential that unless we receive addition FE Credits then we may have to reduce FE activity, to achieve financial balance.</p>	
6.10 Policy and Delegated Authority:	<p>To support the Interim Joint Principal of Shetland College / Train Shetland / NAFC Marine Centre in carrying out his roles and to monitor progress against objectives approved by the Board or which have been set by the Council, including: -</p> <ul style="list-style-type: none"> a Strategic direction for Shetland College: specifically, the Board shall have the delegated authority to approve immediate short and medium term joint strategic plans with reference to the Council's agreed deliverables and milestones until June 2018. Approval of long term plans shall be reserved to SIC and Education and Families Committee as a component of their longer term vision wider strategic remit for learning at all stages of life. b Ascertaining the needs of users and promoting access between school, work, research and further and higher education, including approval for submission of annual, strategic and operational plans to UHI on behalf of the Council. c Developing resources, including financial resources, to support the learner. d Authority to review and develop structure plans to provide the staffing required for the College and to meet needs and provision for staff development and career review. e To give direction on matters of quality assurance and improvement. f To monitor and give assurance that the College operates sound financial management, including developing budgets and pursuing credit funding. g Liaising with UHI and other appropriate bodies, e.g. SQA, Scottish Funding Council and Education Scotland. h Take such decisions as appropriate to support the Interim Joint Principal in meeting the Council approved integration milestones. 	
6.11 Previously considered by:	N/A	

Contact Details:

Andy Glen, Vice Principal, Teaching and Learning. 24th February 2017

Appendices:

Appendix 1 – Credits Monitoring Spreadsheet

Student Enrolments and Credits Monitoring 23 February 2017

(from SITs 23/02/17)

	Further Education		Higher Education		Total
	Full time	Part time	Full time	Part time	
Shetland College	74	633	77	156	940
North Atlantic Fisheries College	28	610	20	0	658
Train Shetland	0	944	0	0	944
Adult Learning Evening Classes	0	0	0	0	0

	Full time			Part Time		
Further Education Credits Monitoring	Target	Full-time Enrolled	Credits Value	Target	Part-time enrolled	Credits Value
Creative Industries	28	19	342	25	9	51
Business & Management	6	6	108	21	33	101
Care	42	27	480	77	95	492
Community Learning	0	0	0	195	198	277
Computing	9	8	144	8	17	27
Construction	16	14	219	20	52	126
Cultural Studies	0	0	0	0	0	0
Hospitality	0	0	0	11	7	0
Special Programmes	0	0	0	51	34	84
Vocational Pathways	0	0	0	147	116	293
Sub-Total		74	1293		561	1450
NAFC		28	504		610	723
Adult Learning Eve Class	n/a	n/a	n/a	n/a	0	0
Train Shetland	n/a	n/a	n/a	n/a	944	173
ECDL	0	0	0	39	30	80
ESOL	0	0	0	44	42	87
Totals	101	102	1797	638	2187	2514
Shetland College Target 2016/17	4,255					
Total Credits @ 24 Jan 2017	4311					
Balance to be achieved	-56					
No Margin	0					
Monetary Value	£0					

Higher Education Enrolment Monitoring			
Full time		Part Time	
Target	Full-time Enrolled	Target	Part-time enrolled
18	21	15	23
14	14	20	34
20	18	65	48
n/a	n/a	35	25
14	14	14	9
0	0	6	12
4	10	4	5
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
70	77	159	156

Notes
Special programmes includes life skills students
Business part-time students includes 13 students spanning to 17/18 (credits = 103)
Construction part-time students includes 28 PT (credits = 284) students spanning to 17/18
Care part-time students includes 9 students spanning to 17/18 (credits = 90)
Hospitality students includes 7 students spanning to 17/18 (credits 124)
Vocational pathways students includes 39 students spanning to 17/18 (credits = 146)