

Executive Manager: Jan-Robert Riise
Director: Christine Ferguson

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If calling please ask for
Leisel Malcolmson
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Date: 6 June 2017

Dear Sir/Madam

You are invited to the following meeting:

Environment and Transport Committee
Auditorium, Shetland Museum and Archives, Hay's Dock, Lerwick
Tuesday 13 June 2017 at 10am

Apologies for absence should be notified to Leisel Malcolmson at the above number.

Yours faithfully

Executive Manager – Governance and Law

Chair: Mr R Thomson
Vice-Chair: Mr R McGregor

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Declarations of interest - Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.
- (d) Confirm minutes of meeting held on 6 March 2017, enclosed.

ITEM

1. Infrastructure Directorate Performance Report -2016/17
ISD-04
2. Development Directorate Performance Report - 2016/17
DV-32
3. Management Accounts for Environment & Transport Committee: 2016/17 – Draft
Outturn at Quarter 4
F-048
4. Carriageway Condition of Shetland's Roads
RD-04



Meeting(s):	Environment & Transport Committee	13 June 2017
Report Title:	Infrastructure Directorate Performance Report - 2016/17	
Reference Number:	ISD-04-17-F	
Author / Job Title:	Maggie Sandison / Director of Infrastructure Services	

1.0 Decisions / Action required:

- 1.1 The Environment and Transport Committee should discuss the contents of this report and make any relevant comments on the achievements of the Directorate during 2016/1, progress against the priorities set out in the Directorate Plan, and contribute to the planning process for future years.

2.0 High Level Summary:

- 2.1 This report summarises the activity and performance of the Infrastructure Directorate for 2016/17, enabling members to analyse its performance against the Directorate's Service objectives and the Corporate Plan outcomes.

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's objectives as detailed in the Directorate Plan are the outcomes the Directorate aims to deliver in the year. We said "**what we must do in 2016/17**" was:
- reliably and safely deliver our day to day services that meet the needs of our customers;
 - meet our statutory requirements and deliver compliant services;
 - deliver our objectives to ensure the Corporate Plan commitments are met;
 - maintain our existing assets;
 - protect the environment and reduce the environmental impact of our activities;

- address inequality- supporting those most in need and not making inequalities worse;
- provide best value for the public funds invested in our services and infrastructure;

Progress on Corporate Plan Outcomes

- 4.2 The Directorate is leading on the Corporate Plan Commitment to Clarify ***the Council's future role in the Port of Sullom Voe***. This is business which is reported to the Harbour Board.
- 4.3 The Directorate are also contributing substantially to the Transport Planning projects to ***understand the options and investment required to create a sustainable internal transport system over the next 50 years*** and ***People booking and paying for journeys on our ferries using efficient and effective systems***.

Directorate Achievements in 2016/17

- 4.4 During 2016/17 the Infrastructure Directorate did:
- Mill Brae Scalloway footpath widened and improved using Sustrans funding and the impact that has had on promoting active travel to Scalloway School by connecting the East Voe better to the rest of Scalloway.
 - Energy Team secured almost £3 million of external funding for carbon reduction related projects which have provided help to 150 households in alleviating fuel poverty
 - Completed upgrades to Ferry Terminals to ensure our toilets and waiting rooms are more energy efficient, more comfortable and more accessible for disabled and elderly people
 - Shetland's A Class roads were ranked 8th best out of the 32 Scottish Authorities. The council's Roads Engineers use the annual SCANNER survey data to target their Road Maintenance and Capital Reconstruction budgets to the worst conditioned roads and have been able to deliver an overall improvement in the condition of Shetland's roads in recent years despite spending the fifth lowest on Roads Maintenance per kilometre in Scotland.
 - Completed the Trondra bridge Painting
 - Completed phase 1 of the North Road Reconstruction
 - Secured £168,000 funding from Sustrans to deliver the 20mph zone to improve pedestrian safety in Lerwick Town Centre;
 - Delivered the Schools for the Future Project at Sound School
 - Inspected all street lighting columns to establish asset condition prior to development of the LED Streetlighting Replacement Programme
 - Retrained all marine staff to meet the STCW qualification requirements in under 12 months with no adverse impact on service delivery
 - Vehicle tracking system fitted to 230 vehicles to improve the management of lone worker and driver safety, reduce carbon emissions, reduce fuel usage and provide better Fleet Management information.
 - Over 99% of all ferries run on timetable despite the aging vessels and weather
 - An LED lighting replacement programme has been rolled out to ferry terminals
 - External audits of Services- met statutory standards set by MCA, CAA, SEPA
- 4.5 Analysis of performance data trends and benchmarking allows the Directorate to assess its performance standards. Many services within the Directorate complete APSE returns to enable access to comparative data from other similar services

across the UK. The Directorate has received notification from APSE that 2015/16 performance data has been reviewed and they have shortlisted Estate Operations as one of the **best performers this year** in delivering building maintenance services. Roads have also been shortlisted for the 3rd consecutive year for **best performance** in Highways and Winter Maintenance.

- 4.6 SEPA provided an **EXCELLENT** rating for the Energy Recovery Plant and Landfill Site compliance with its licence conditions.
- 4.7 Appendix A is an Infographic which provides the Committee with a range of statistics to show the activities and outputs of the Directorate- this demonstrates that we are delivering our services reliably day to day to meet the needs of the public.;
- 4.8 Appendix B shows progress on the key projects and actions the Directorate set out to complete or substantially progress in 2016/17. Appendix C shows the Council wide indicators and the Key Directorate Indicators to enable the Committee to monitor service delivery against our performance targets and our Directorate Objectives in 4.1.

Risk and Service Challenges

- 4.9 Performance monitoring and performance reporting must also consider the areas of risk arising from our operations, the service challenges the directorate faces, actions and projects which have not progressed as planned and where we don't meet Performance Indicator Benchmarks:
- Due to unforeseen works the Schools for the Future Project at Bells Brae has been delayed; **Corrective Action:** timetable and budget for work has been increased as unforeseen works identified;
 - Due to staffing issues and the increase in reactive workload the Environmental Health Service has not completed its annual inspections of all food businesses- **Corrective Action** resource has been targeted at highest risk premises and a career grade post has been developed to increase Environmental Health Officer posts resource in response to growing demand;
 - Failure to respond to Scottish Government's target for recycling 70% of waste by 2025- we achieve 13% recycling currently **Corrective Action-** New recycling service being developed for roll out in 2018.
- 4.10 The Directorate Risk Register in Appendix D sets out the strategic risks which might prevent the Directorate from achieving its objectives in 4.1. The Committee should consider whether additional control measures could be applied to reduce the risk of circumstances giving rise to a negative impact on Directorate Performance.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications : <i>Identify any issues or aspects of the report that have implications under the following headings</i>	
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. The Directorate uses customer feedback and complaint analysis to drive service change and service improvement.
6.2 Human Resources and Organisational Development:	There are a number of actions in this service plan with staffing implications. Care is taken to ensure that staff are involved and informed about changes that might affect them, that HR are closely involved and that relevant Council policies are followed. Ensuring staff feel valued and supported especially through periods of challenge and change is a key consideration for the Directorate Management team.
6.3 Equality, Diversity and Human Rights:	The Directorate uses Equalities Impact assessment to ensure its services are supporting those most in need and not making inequalities worse;
6.4 Legal:	The Directorate delivers statutory services, monitoring performance provides assurance that statutory requirements are met and the Council complies with its duties in delivering Services.
6.5 Finance:	The actions, measures and risk management described in this report have been delivered within existing approved budgets.
6.6 Assets and Property:	A number of the actions in the Directorate Plan relate to maintenance and replacement of Infrastructure and Council assets to maintain delivery of services to the people of Shetland.
6.7 ICT and new technologies:	None
6.8 Environmental:	The Directorate leads the delivery of the Council's Carbon Management Plan and delivers a programme of works to reduce energy usage across the Council's assets.
6.9 Risk Management:	<p>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.</p> <p>Risk management is a key component of the performance cycle and the Directorate Plan actions are determined to be priorities to manage the Directorate risks.</p>
6.10 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;

	<p>“Monitor and review achievement of key outcomes in the 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:	<i>None</i>	

Contact Details:

Maggie Sandison, Director of Infrastructure Services,

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May 2017

Appendices:

Appendix A – Infographic (to be tabled at the meeting)

Appendix B - Progress on the Directorate Projects and Actions

Appendix C – Key Directorate Indicators and Council Wide Indicators

Appendix D – Complaints Summary

Appendix E – Risk Register

Background Documents:

[Infrastructure Services Directorate Plan 2016/17](#)

Appendix B - Projects and Actions - Infrastructure Directorate

Generated on: 06 June 2017

OUR PLAN 2016-2020

C) ECONOMY & HOUSING




2) Diverse businesses


We will have a culture of helping new businesses to start up and businesses to grow, as well as having a thriving 'social enterprise sector' of businesses that give something back to the community.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP067 Develop the Scalloway Harbour business plan	Investigate options for developing Scalloway Harbour and present reports to members	Effective operations and financial planning	Planned Start	02-Mar-2015	✓	Outline business case for refurbished / extended Scalloway Fishmarket approved by Council October 2016. Professional advisors being appointed. Full business Case to be reported February 2017.	Harbour Master & Port Operations
			Actual Start	02-Mar-2015	100%		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	07-Feb-2017	✓		
			Completed Date	15-Feb-2017	Likely to meet or exceed target		

6) Sullom Voe future

We will have made the council's future role in the port of Sullom Voe clear and we will be seeing the best possible returns from our investments.




Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP097 Sullom Voe Harbour future	Achieve a sustainable future for Sullom Voe Harbour in partnership with Government and the Oil industry	Corporate Plan outcome of the Council's future role in the port of Sullom Voe being clear	Planned Start	01-May-2016		Harbour Board and Policy and Resources Committee have considered the strategic options generated in the outline business case and confirmed that further analysis and market testing should be undertaken to establish the economic, commercial and financial information to support these options. A Member's seminar was held on 11 May with PWC presenting the results of market testing. Further study has been undertaken to understand shuttle tanker economics and the opportunities for the Port of Sullom Voe. The report has been received and presented to Harbour Board members at a seminar.	Infrastructure Services Directorate
			Actual Start	12-May-2016			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Apr-2017			
			Completed Date	30-May-2017	Likely to meet or exceed target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP107 VTS Radar at Sullom Voe	Replace VTS Radar at Sullom Voe to maintain safe operations	A modern, fully equipped harbour able to adapt to changes in use and legislation	Planned Start	01-Apr-2015		Tenders were back December 2016. Award March 2017	Infrastructure Services Directorate
			Actual Start	01-Apr-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Jun-2017			
			Completed Date	30-May-2017	Likely to meet or exceed target		

E) CONNECTION & ACCESS


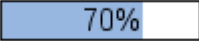

1) Community transport solutions

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
DP068 Small ports development/maintenance plan	Small ports development/maintenance plan developed to decide future of these assets A small ports condition survey and major maintenance works report was submitted to the Harbour Board on the 18th August 2014	Effective operations and financial planning Small Ports Maintenance / Development plan sufficiently complete to allow individual projects to be timetabled and / or implemented for next year and future years as far as possible.	Planned Start	02-Mar-2015		Toft pier option appraisal report developed. Toft Pier SNC approved P&R 15 February 2016 2016/17 works being carried out. Anticipated expenditure in 2017/18 and future years approved in October 2017 for Capital Programme and Revenue budget development. Action taken: 2016/17 works confirmed in asset investment plan approved by Council on 10th February 2016.	Harbour Master & Port Operations
			Actual Start	02-Mar-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2017			
			Completed Date	30-May-2017	Experiencing issues, risk of failure to meet target		

5) Sustainable transport arrangements

Our communities will feel better connected using new community transport solutions developed by communities themselves.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP088 Explore Scottish Government funding for links	Secure Scottish Government funding for internal ferry service and achieve commitment of Scottish Government Capital expenditure for Ferry Replacement Programme and/or fixed links	Fair funding for Ferries.	Planned Start	01-Apr-2015		The structure of the Fair Funding bid has been revised to address 2 components. Component 1 - funding for inter-island ferry services for an interim period from 1 April 2018 onwards. It is anticipated that a position on this will be established by the end of July 2017. Component 2 - Responsibility, delivery and funding of inter-island transport in the long term. It is anticipated that the detail of this will be established by mid 2018.	Development Services Directorate; Infrastructure Services Directorate
			Actual Start	01-Apr-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Jun-2018			
			Completed Date		Experiencing issues, risk of failure to meet target		



Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP091 Review the inter island air service	Support the project to review the inter island air service before the contract is retendered which will determine the future infrastructure requirements for island flights including the long term plan for Tingwall Airport	Transport Links that meet the outer islands needs as determined by the SIITS study fully funded by Scottish Government.	Planned Start	01-Apr-2015		Air Services included in Inter Island Transport Project. Development Services Leading, Infrastructure Services supporting.	Development Services Directorate; Infrastructure Services Directorate
			Actual Start	01-Apr-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Sep-2016			
			Completed Date	30-Jan-2017	Likely to meet or exceed target		




Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP098 Secure external funding for ferry terminals	Secure external funding to deliver the accessibility improvements to ferry terminals	Sufficient funds are available to maintain, repair and develop Ferry Terminal Infrastructure	Planned Start	01-Feb-2016		Funding secured for DDA improvements to Terminals. Overall funding by Ferry Operations. Laxo & Bressay ferry terminal completed to a high standard. Roll out of remainder to be scheduled. Additional funding secured from Transport Scotland.	Infrastructure Services Directorate
			Actual Start	17-Feb-2016	<div><div></div>75%</div>		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Dec-2017	 Likely to meet or exceed target		
			Completed Date				


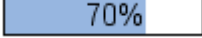

6) Internal transport investment

We will have a clearer understanding of the options and the investment needed to create a sustainable internal transport system over the next 50 years.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP242 Install new bitumen storage tanks in the Scord Quarry	Install new bitumen storage tanks, with electric heating, in the Scord Quarry boiler house to replace the old steam heated tanks. Reduce running costs at the Quarry	To reduce the cost of heating bitumen at the Scord's asphalt batching plant by approximately £18,000 per year. There will also be a reduction in CO2 production. This will support the Council's Aim of "Living within our means"	Planned Start	01-Sep-2015		Ongoing. Internal building works progressing. External works will progress when weather permits. Balance of works to be completed in 2016/17. Floor slab complete and tank installation progressing.	Roads
			Actual Start	29-Jul-2015	<div><div></div></div> 90%		
			Original Due Date	30-Sep-2017	Expected success		
			Due Date	30-Sep-2017			
			Completed Date			Likely to meet or exceed target	

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP348 Deliver the new agreed programme for road reconstruction	Maintain the carriageway in its present condition	Ensure Shetland's public road network is maintained and improved. This will support the Council's Aim under Connection and Access to "Provide quality transport services within Shetland," and "There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term."	Planned Start	01-Apr-2016		Complete	Roads
			Actual Start	04-Apr-2016	<div><div>100%</div></div>		
			Original Due Date	31-Mar-2017	Expected success		
			Due Date	31-Mar-2017			
			Completed Date	25-Apr-2017	Likely to meet or exceed target		


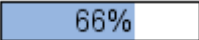

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP349 Painting of the Trondra Bridge	Maintain the condition and extend the life of the bridge	Ensure Shetland's public road network is maintained and improved. This will support the Council's Aim under Connection and Access to "Provide quality transport services within Shetland," and "There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term."	Planned Start	01-Apr-2016		Works complete.	Roads
			Actual Start	09-May-2016			
			Original Due Date	30-Sep-2016	Expected success		
			Due Date	30-Sep-2016			
			Completed Date	30-Nov-2016	Likely to meet or exceed target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP350 Progress the Business case for the complete replacement of the current street lighting with LED	Reduce the running costs and carbon footprint from the street lighting asset whilst improving the asset	Ensure Shetland's public road network is maintained and improve. This will support the Council's Aim under Connection and Access to "Provide quality transport services within Shetland," and "There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term." Also 20 by 20 "We will have reduced the effect we have on the local environment, particularly reducing carbon emissions from our work and buildings."	Planned Start	01-Apr-2016		Column assessment delayed due to weather but now almost complete. Business case to follow summer 2017.	Roads
			Actual Start	04-Apr-2016			
			Original Due Date	31-Mar-2017	Expected success		
			Due Date	30-Sep-2017			
			Completed Date		Likely to meet or exceed target		

F) OUR "20 BY '20"




02) Staff value & motivation

Our staff will feel valued for their efforts and want to stay with us because they feel motivated to do their very best every time they come to work.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP103 Employee review & development	Undertake 100% of the employee review development plans	All staff to receive ERD to improve staff engagement and enable training analysis.	Planned Start	01-Apr-2016		The % of staff receiving ERD's in 2016 for each of the Services within the Department are: Directorate 100%; Environmental Svcs 81%; Estate Operations 79%; Ferry Operations 89%; Port Operations 13%; Roads 73% Total for Department as a whole 66%	Infrastructure Services Directorate
			Actual Start	01-Jan-2016			
			Original Due Date	31-Dec-2016	Expected success		
			Due Date	31-Dec-2016			
			Completed Date		Significant issues, likely failure to meet 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
DP104 Regulators	Positive audits from our regulators with no serious non-conformances identified	Continued adherence to all current standards applicable to our operations.	Planned Start	01-Apr-2016		Target met year to date.	Infrastructure Services Directorate
			Actual Start	01-Apr-2016			
			Original Due Date	31-Mar-2017	Expected success		
			Due Date	31-Mar-2017			
			Completed Date	31-Mar-2017	Likely to meet or exceed target		

07) Procurement

Our arrangements for buying goods and services will be considered to be efficient and provide ongoing savings.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP213.7 Vehicle and Plant Replacement (Telematics)	Develop decision making matrix for vehicle and plant replacement, once Asset Investment Plan funding agreed in December 14	To have in place a modern, fuel efficient fleet of vehicles and plant which is fit for purpose while meeting evolving user requirements.	Planned Start	01-Apr-2015		Approved Driver system now in place. Approved Driver handbook in place. A Council wide driver policy is being developed. Vehicle Telematic project on site with 90% of installs completed. Still scheduled for "go live" by 31 Mar 2017. Post implementation process set for six month review on policy, process and procedures.	Estate Operations
			Actual Start	25-May-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	29-Sep-2017			
			Completed Date		Likely to meet or exceed target		

13) Workforce planning

We will have found ways of filling our 'hard to fill' posts and increased the number of ways that young people can join our workforce.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP323 New STCW qualification regime	Meeting the requirements of the new STCW qualification regime (Manilla Training) and ongoing revalidation for marine staff.	Working safely, developing our workforce and delivering best value services A suitably trained and qualified workforce and arrangements to maintain qualification levels	Planned Start	01-Apr-2015		Action Taken: Contracts placed and training initiated. Action Planned: Implement the necessary training by December 2016 including arrangements to ensure Ops continue safely during periods of staff absence. All staff will be trained by end December 2016	Ferry Operations
			Actual Start	01-Jan-2016			
			Original Due Date	31-Dec-2016	Expected success		
			Due Date	31-Dec-2016			
			Completed Date	20-Dec-2016	Likely to meet or exceed target		

15) Assets

We will have a better understanding of the number of assets we can afford with the resources we have available, and will have reduced the number of buildings we have staff in.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP215.1 Sound School Repairs - Part SFT Funded	The existing roofs are in poor condition and need to be replaced. See SNC for further detail.	Ensuring the long-term viability of the building and it's ability to deliver key educational outcomes.	Planned Start	01-Apr-2015		Sound School site works complete. Project completed ahead of schedule and within SFT stipulated timescales.	Estate Operations
			Actual Start	01-Apr-2015			
			Original Due Date	31-Mar-2017	Expected success		
			Due Date	31-Mar-2017			
			Completed Date	07-Nov-2016	Likely to meet or exceed target		


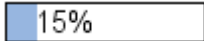





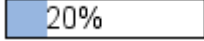

16) Prioritise spending


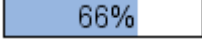







We will have prioritised spending on building and maintaining assets and be clear on the whole-of-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in this plan and the community plan.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP215.3 Bells Brae School Repairs - Part SFT Funded	Works to replace and upgrade failed or life expired elements of the fabric, structure and services installations which have an elemental condition rating of "C" (poor), are life expired and beyond economic repair. See SNC for further detail.	Ensuring the long-term viability of the building and it's ability to deliver key educational outcomes.	Planned Start	01-Apr-2015		Works tendered and commenced on site. Programme timing still very tight with an extension issued to 30 Nov 2017. Some site issues have arisen due to the presence of asbestos, concerns regarding condensation and the age of the building.	Estate Operations
			Actual Start	10-Nov-2015			
			Original Due Date	31-Mar-2017	Expected success		
			Due Date	30-Nov-2017			
			Completed Date		Experiencing issues, risk of failure to meet target		

17) Carbon reduction

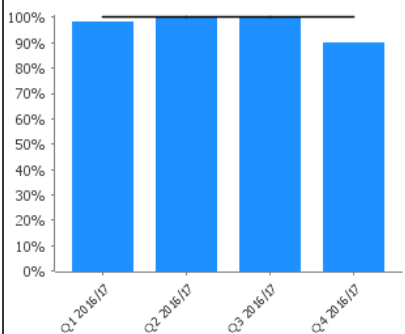
We will have reduced the effect we make on the local environment, particularly reducing carbon emissions from our work and buildings.

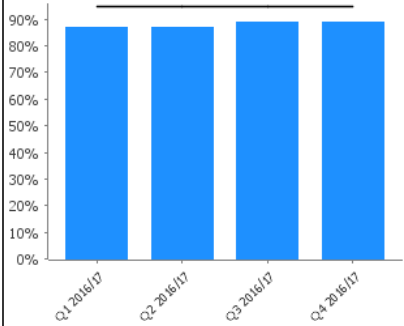
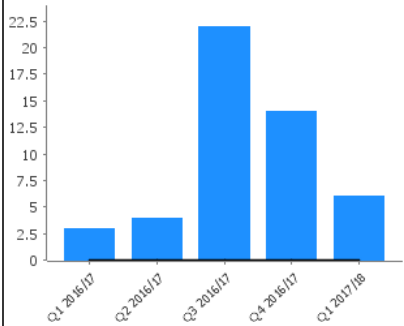
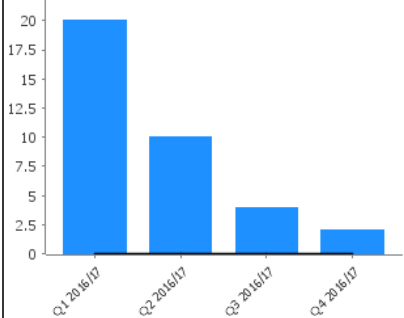
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP109 Local climate impacts report	Local climate impacts report to assess the impact and risk of extreme weather events and develop a climate change adaption plan	Help protect Shetland's natural environment while embedding climate change mitigation into all relevant Council policies and procedures.	Planned Start	18-Jan-2016		Collaborative leadership project to capture climate change impacts is being facilitated. Part of this work has been included in the SEEP2 project (See SP217.04D) and the collaborative leadership programme. The original due date was too ambitious given the scope and scale of the overall Carbon Management Plan and the training needs which have become apparent during rollout.	Infrastructure Services Directorate
			Actual Start	15-Aug-2016			
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Experiencing issues, risk of failure to meet target		
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP111 Waste Strategy & Recycling Collection	Implement recycling collection across Shetland and redesign the waste service to prepare for further legislative changes	Because of the current waste strategy in Shetland with generating heat from waste burn the recycling waste collection is unlikely to change in the immediate future.	Planned Start	01-Apr-2015		Committee approval for adoption of Waste Charter received on 3 October 2016.	Infrastructure Services Directorate
			Actual Start	14-Nov-2016			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2019			
			Completed Date		Likely to meet or exceed target		
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
HN01 Waste Strategy Implementation	The waste Strategy was to be built around the Waste Scotland Regulation and the introduction of the Industrial Emissions Directive for the Energy Recovery Plant.	New Vehicles New Staffing arrangements in place Collection equipment sourced and rolled out New recycling collection started Legislative compliance	Planned Start	01-Oct-2014		Committee approved adoption of Waste Charter. Working with ZWS for their appraisal on recycling and should be possible to proceed with a waste strategy	Environmental Services
			Actual Start	01-Oct-2014			
			Original Due Date	31-Mar-2015	Expected success		
			Due Date	31-Dec-2017			
			Completed Date		Experiencing issues, risk of failure to meet target		

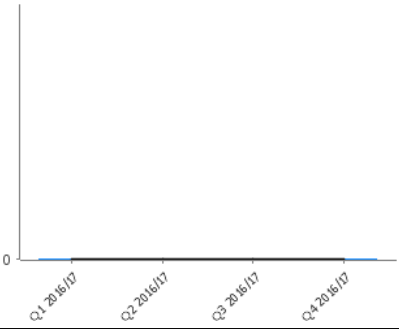
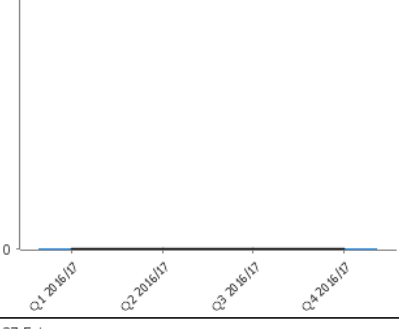
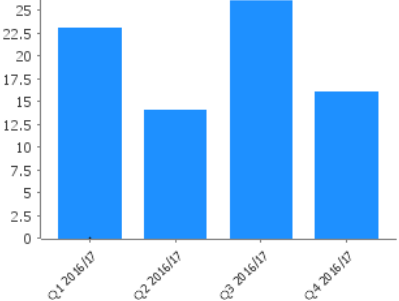
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP216 Home Energy Efficiency Scheme (HEEPS:ABS)	The Home Energy Efficiency Programme (Area Based Scheme) is a Scottish Government initiative which seeks to reduce fuel poverty and carbon emissions while supporting the local economy and sustainable local economic development.	To improve outcomes for Shetland's fuel poor by continuing to secure Scottish Government funding which allows us to deliver area based energy efficiency works to those deemed to be priorities.	Planned Start	01-Apr-2015		Programme for 2016/17 complete. Project funding bid submitted and accepted for 2017/18.	Estate Operations
			Actual Start	06-Apr-2015			
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP217 Carbon Management Plan – Implementation	To implement the actions, programmes and projects set out in the Carbon Management Plan	To work in partnership with Community Planning partners to reduce costs and share best practice in carbon and climate change management, specifically - Efficiencies - Better use of resources - Legislative compliance.	Planned Start	01-Apr-2015		The items listed on the action plan are in the process of being put in place. The Project Board met in August and agreed action plan priorities. Various projects under the CMP heading have been initiated and are ongoing.	Estate Operations
			Actual Start	04-May-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2020			
			Completed Date		Likely to meet or exceed target		
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
SP217.08 Optimise carbon reductions by reviewing CMP travel and transport policy/strategy	Optimise carbon reductions by reviewing CMP travel and transport policy/strategy.	Liaise with Transport Scotland, Transport Planning and HR to consider adopting further sustainable business travel and transport policies.	Planned Start	22-Apr-2015		A successful funding bid was made to Transport Scotland for the lease of 3 electric vans (Nissan NV200) which were put into fleet use in Q1 2016. Funding for a further two vehicles was secured and the vehicles were in service Q3 2016. A joint Carbon/HR project to look at staff travel is ongoing and the result of both the trials and our joint work with HR will inform future policy recommendations.	Estate Operations
			Actual Start	10-Nov-2015			
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

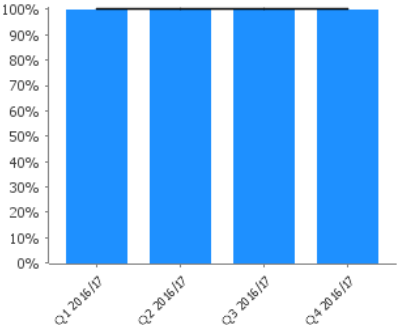
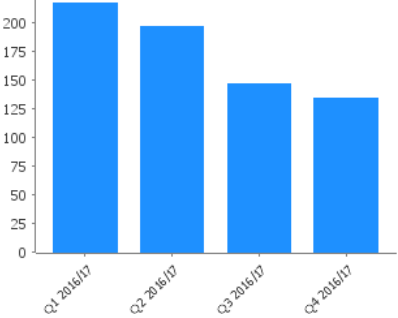
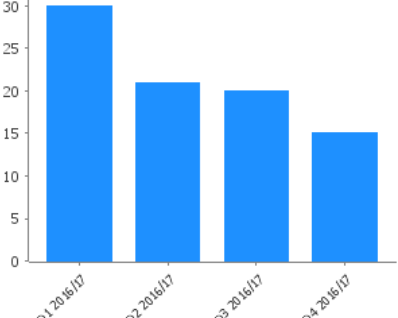
Appendix C Performance Indicators (Quarterly)- Infrastructure Services Directorate

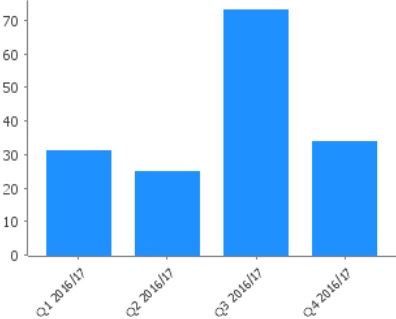
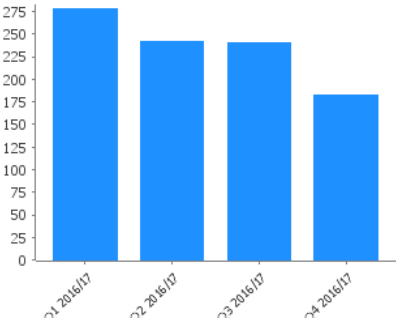
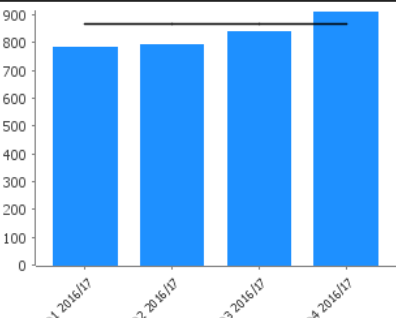
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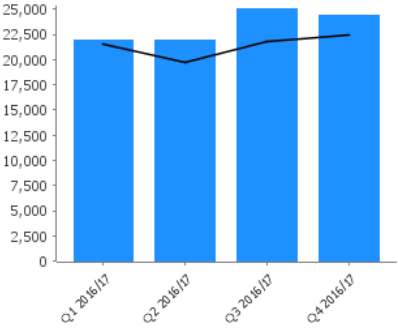
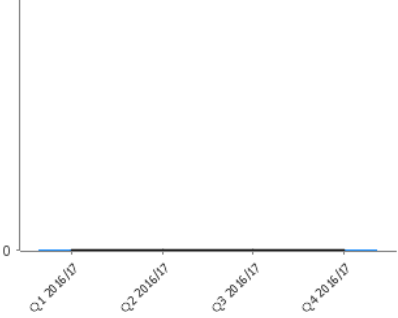
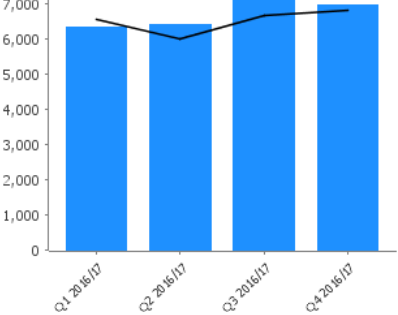
Code & Short Name	Previous Years		Quarters				Q4 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value	Target		
HN02 Food Hygiene Inspection Programme completed	88%	90%	98%	100%	100%	90%	100%		<p>Performance: The figures show that we have not achieved our target, which was anticipated due to the increase in demand for the service and staffing reductions.</p> <p>Improvement: The increase in demand for other areas of the service mean that improvement will still be a challenge. A new trainee Assistant EHO post has been created which should soon start to reduce pressure in some of these other non-food areas. One member of staff has now started their studies via distance learning to qualify as an EHO. This process will take approximately four years. This adds a further load to the service in terms of study time and appropriate training. In future years, as this person becomes food competent, their contribution should allow the target to be achieved.</p>

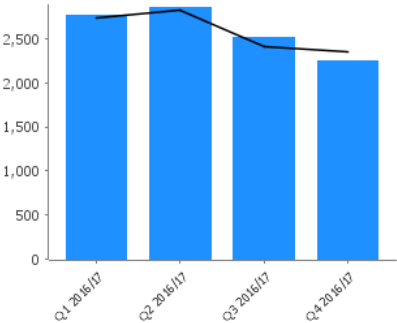
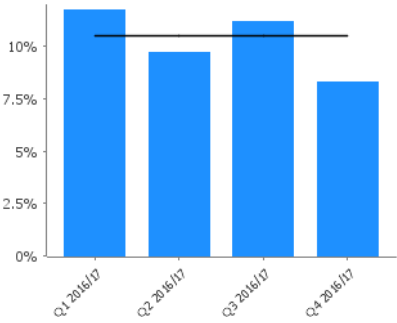
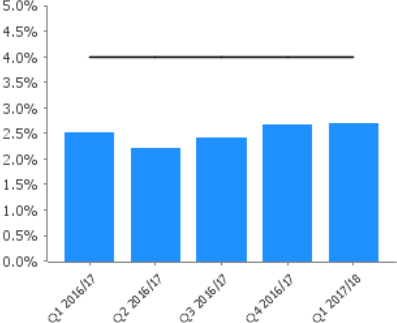
Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HN03 Premises achieving PASS standard in Food Hygiene Information Scheme	82%	88%	87%	87%	89%	89%	95%		<p>Performance Whilst the figures appear to have increased this is due to a change in how the figures are calculated. Food Standards Scotland's (FSS) method of calculation and figures from their monthly report is now being used. This is different from the method of calculation and figures published on the UK Food Standards Agency FHS website. FSS have no data on how the percentage on the UK website has been arrived at.</p> <p>The formula now being used is what has been agreed by Food Standards Scotland as follows: (Exempt + Pass) &divide; (Improvement Required + Exempt + Pass)</p> <p>Improvement It is anticipated that in the next reporting year 2016/2017 the percentage of premises achieving a PASS will improve as premises failing to achieve this standard are targeted and supported.</p>
HF10a Lost sailings by cause - Adverse Weather	311	43	3	4	22	14	0		<p>Performance: Weather effected cancellation are continuing to reduce</p> <p>Improvement: Continue dialogue in relation to contingency planning</p>
HF10b Lost sailings by cause - Breakdown	102	36	20	10	4	2	0		<p>Performance: Reduce the number of service related breakdowns</p> <p>Improvement: This target is getting harder to achieve due to the age of the fleet and key component parts reaching a "life expired" stage. We will however continue to work with our engineers, supplier and contractor to minimise service disruption</p>

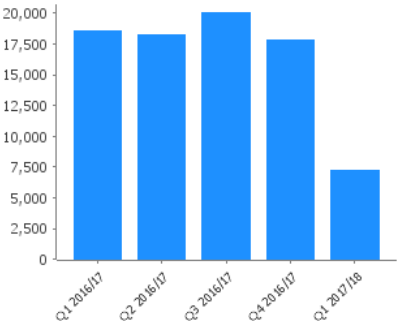
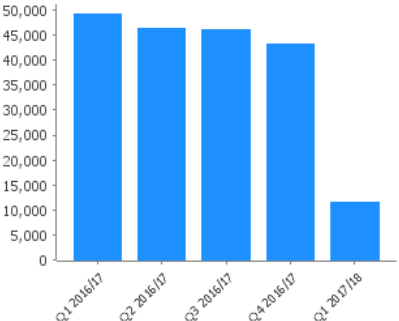
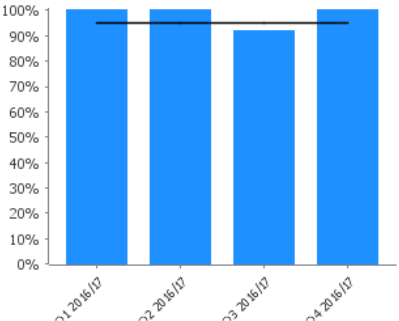
Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HF10c Lost sailings by cause - Crew	16	0	0	0	0	0	0		Performance: It would be difficult to achieve 100% compliance Improvement: continue with a robust approach to absence management and ensure that the relief panel is updated and maintained at an effective level
HF10d Lost sailings by cause - Other	24	0	0	0	0	0	0		Performance: It will be difficult to achieve the current target Improvement: Continue to work with crew, suppliers and contractor to reduce days lost
HF10T Lost sailings - TOTAL	453	79	23	14	26	16			Improvement Continue to monitor reasons for lost sailing and identify trends where possible. Additional focus on key systems and components due to the age profile of the fleet

Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HF11 Overall Ferry Availability	99.32%	99.72%	99.86%	99.88%	99.5%	99.7%	100%		Continue to work with crews & suppliers to identify and rectify any issues that may have an impact on availability
HH01a Tingwall Airport Landings - Islanders	905	694	217	196	147	134			Performance: Scheduled delivery of service unless weather disruption. Data only no target. Improvement: Continued dialogue with operators to keep them apprised of the airport's services and availability.
HH01b Tingwall Airport Landings - Air Ambulance	72	86	30	21	20	15			Performance: Improved dialogue with operators highlighting the range and quality of the services available at the airport and about the airport's flexible working arrangements. Data only no target Improvement: Continued dialogue with operators to keep them apprised of the airport's services and availability.

Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HH01c Tingwall Airport Landings - Other	136	163	31	25	73	34			Performance: Improved dialogue with both commercial operators and the General Aviation community highlighting the range and quality of the services available at the airport. Data only no target. Improvement: Continue to improve the dialogue with all parties and keep them appraised of the airport's services and availability.
HH01T Tingwall Airport Landings - TOTAL	1,113	943	278	242	240	183			Performance: A number of factors outwith the control of the airport, i.e. weather conditions - impacts o landings overall. Data only no target Improvement: The airport will use new and established means to promote the services available to increase landings.
HS01 Reactive jobs completed by Building Services	3,389	3,327	785	792	840	910	870		Performance: Our planned maintenance budget has reduced and this is an indicator of whether this is resulting in more reactive workload due to less planned maintenance (Quarterly) Improvement: This indicator is helping us to establish a trend in reactive maintenance as the budget provision for proactive and planned work reduces to reduce revenue expenditure in services

Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HH02 Council Energy Consumption (MWh)	100,242	93,340	21,937	21,959	25,097	24,347	22,435		Performance: Reducing energy usage saves Council budgets and reduces CO2 (Quarterly). Cold winter impact compared to mild winter. Improvement: Action plan to reduce energy usage is being implemented using spend to save funding and green loans.
HH04 Non-compliance ("Serious" audit comments) with Audit regimes - CAA, FSA, MCA	0	0	0	0	0	0	0		Performance: Achieving no major non-conformities at audit demonstrates good management practice and systems Improvement: Management systems are in place to ensure our service meet the compliance standards for our external auditors
SP-HS-022 Tonnes of CO2 from council operations	29,404	26,961	6,350	6,428	7,192	6,991	6,837		Performance: The Council has a statutory duty to reduce CO2 (Quarterly) Improvement: Action plan to reduce CO2 is being developed and implemented

Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
HN04 Amount of household waste collected (tonnes)	10,326	10,378	2,760	2,857	2,508	2,253	2,356		Performance: Reduced workforce at Gas Plant reducing waste collected. Improvement: New vehicles have reduced breakdown down time making service more efficient
HN05 Percentage of household Waste recycled	9.7%	10.23%	11.7%	9.7%	11.2%	8.3%	10.5%		Performance: Public making better use of bring sites in particular textile banks. Improvement: Continue to encourage public to make better use of bring sites.
OPI-4C-H Sick %age - Infrastructure Directorate	3.8%	2.4%	2.5%	2.2%	2.4%	2.7%	4.0%		Performance: Improvement in sickness level for same period last year demonstrates management attention to absence and return to work discussions. Improvement: The department continues to apply the Council's "Promoting Attendance" policy and procedures to ensure that absences are minimised.

Code & Short Name	Previous Years		Quarters				Q4 2016/17 Target	Graphs	(past) Performance & (future) Improvement Statements
	2015/16	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17			
	Value	Value	Value	Value	Value	Value			
OPI-4E-H Overtime Hours - Infrastructure Directorate	77,950	74,814	18,599	18,281	20,089	17,845			<p>Performance: Overtime levels support seasonal nature of work and there is also a reliance on overtime to deliver core services, due to recruitment problems in some areas.</p> <p>Improvement: Overtime is always done as a best-value option after consideration of alternatives, the workforce planning exercise will help minimise reliance on overtime in the future.</p>
OPI-4G-H Employee Miles Claimed - Infrastructure Directorate	180,162	184,812	49,258	46,345	46,142	43,067			<p>Performance:As work can be seasonal and responsive variation in miles claimed is to be expected.</p> <p>Improvement: The Council's carbon management plan is promoting green transport, reducing travel and using electric vehicles to reduce the impact of services on the environment.</p>
H01 FOISA responded to within 20 day limit - Infrastructure Services	96.25%	98%	100%	100%	92%	100%	95%		<p>Performance: FOISA response rate within Directorate is very good and on a par with Council average.</p> <p>Improvement: Aim to have more information made public so there is less need for the public to make FOI requests.</p>

Appendix C (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).

Generated on: 06 June 2017

Short Name	Previous Years					Last year	This year
	2012/13	2013/14	2014/15	2015/16	2016/17	Q4 2015/16	Q4 2016/17
	Value	Value	Value	Value	Value	Value	Value
Sickness Percentage - Whole Council	4.1%	3.6%	4.2%	3.7%	3.1%	4.0%	4.1%
Sick %age - Chief Executive's "Directorate"	4.5%	1.2%	2.4%	3.6%	1.2%	7.3%	2.0%
Sick %age - Children's Services Directorate	2.8%	2.8%	3.7%	2.9%	2.5%	3.4%	3.3%
Sick %age - Community Health & Social Care Directorate	6.4%	6.0%	6.0%	5.6%	5.2%	5.6%	7.4%
Sick %age - Corporate Services Directorate	3.1%	1.6%	2.4%	1.8%	1.9%	2.4%	2.4%
Sick %age - Development Directorate	3.7%	2.7%	4.2%	3.5%	3.0%	3.4%	3.3%
Sick %age - Infrastructure Directorate	3.9%	3.5%	4.1%	3.8%	2.4%	4.1%	2.7%

Appendix D - Complaints - Infrastructure Directorate

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

Generated on: 06 June 2017

Standard of service received

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-16/17-568	Frontline	09-Jan-2017	Closed	17-Jan-2017	Environmental Services	6	Upheld
COM-16/17-570	Frontline	16-Jan-2017	Closed	01-Mar-2017	Roads	32	Upheld

Dissatisfaction with Council policy

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-16/17-553	Frontline	17-Nov-2016	Closed	11-Jan-2017	Roads	32	Not Upheld

Behaviour/Attitude of staff

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-16/17-563	Frontline	04-Jan-2017	Closed	17-Jan-2017	Environmental Services	9	Not Upheld

Disagreement with decision made

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-16/17-541	Investigation	15-Dec-2016	Closed	04-Jan-2017	Environmental Health & Trading Standards	28	Not Upheld

Risk Assessment - Infrastructure Services

Risk & Details	Likelihood	Current Impact	Risk Profile	Current and Planned Control Measures	Probability	Target Impact	Risk Profile	Responsible Officer
Category	Corporate							
Corporate Plan	F4. Our "20 By '20" - It Equipment & Systems							
ICT and phone links to Infrastructure Services at Gremista are provided via a fibre-optic link. ICT is responsible once it (the cable/ equipment etc) is inside the building, but no organisation appears to be responsible for the fibre externally. There is uncertainty about who is responsible for repair and where any damage should be reported if a fault becomes apparent. There is no routine inspection or planned maintenance of this asset. There is no call-out number for faults. Trigger : Damage to external fibre link, any fault affecting ICT or phone. Consequences : Potential loss of communications (phone and ICT), inability to organise prompt repair, no clarity over timescales for repair, can't communicate with customers. Delay and impact on services. Risk type : Contractual Liabilities Assumed/Imposed	Possible	Significant	Medium	• Directors of Infrastructure to liaise with colleagues and identify plans and guidance for in the event of damage Director of Infrastructure and Director of Development to liaise and look into who is responsible for what, review any service / lease agreements, prepare fault guidance for in the event that the cable is damaged, in consultation with Director of Corporate Services. Information and arrangements to be shared with ICT.	Rare	Significant	Low	Maggie Sandison Infrastructure Services
Category	Directorate							
Corporate Plan	F1. Our "20 by '20" - Leadership & Management							
Infra delivers front line services across Shetland, employing 467 FTE delivering a range of heavy engineering and transport services, including ferries. Trigger : Poorly managed systems, staff error, oversight or actions poor training of staff equipment or facilities not maintained lack of budget for maintenance of assets Consequences : injury or death, regulator (e.g. HSE, CAA or MCA) investigation time and costs, legal action, reputational damage fines, prison- corporate manslaughter Risk type : Accidents /Injuries - Staff/Pupils/ Clients/Others Reference - F0021	Likely	Major	High	• Systems in place e.g. Risk Assessments, staff trained and competent to deliver duties. Managers trained in Health & Safety. PIN forms reviewed regularly. Safety culture to flag concerns.	Unlikely	Significant	Medium	Maggie Sandison Infrastructure Services
Pollution incident at Port, Landfill/Waste to Energy Plant/ Airport Trigger : Poor staff training and supervision, failure of systems, failure of equipment, poor maintenance of equipment, staff actions, Consequences : Legal action, death/injury to plants/animals/humans, Prosecution Risk type : Escape of pollutant Reference - F0022	Possible	Extreme	High	• Management systems in place, regular audit, staff trained and competent, maintenance plans in place.	Unlikely	Extreme	High	Maggie Sandison Infrastructure Services

<p>Failure to deliver a statutory duty or comply with legislation</p> <p>Trigger : Poor training, unqualified staff, poor supervision,</p> <p>Consequences : Prosecution, contracts failed due to failure to follow EU legislation, Legal action, Financial costs, failure to meet requirements for external auditors, reputational damage, political embarrassment,</p> <p>Risk type : Breach of Legislation - Data Protection, Human Rights, Employment Practice, Health and Safety etc</p>	Possible	Significant	Medium	<p>• Policies and procedures applied to ensure compliance. Effective risk assessments with suitable control measures. Staff trained and suitably experienced and competent to fulfill duties.</p>					Maggie Sandison	Infrastructure Services
<p>Loss of key staff, failure to recruit to key roles (Airport/Harbour/Ferries/Roads/Estates) means service cannot continue.</p> <p>Trigger : Recruitment by other industries age profile of staff</p> <p>no workforce planning</p> <p>recruitment and retention issues</p> <p>Consequences : Services stop</p> <p>financial loss at port</p> <p>impact on community</p> <p>reputational damage</p> <p>Risk type : Key staff - loss of</p>	Likely	Significant	High	<p>• Workforce planning undertaken, key roles identified and training plans to build resilience. Career grades developed.</p>	Unlikely	Significant	edium		Maggie Sandison	Infrastructure Services
<p>Budget target is not delivered due to loss of income, uncontrolled spending or failure to deliver savings</p> <p>Trigger : Poor budget management, optimism about savings and change, unexpected demands on budget, loss of income or key customer,</p> <p>Consequences : Financial sustainability of Council impacted, reputational and political damage</p> <p>Risk type : Loss of revenue/income</p>	Possible	Significant	Medium	<p>• Contingency Budget built into budget setting, regular budget monitoring to establish and respond to trends. Management trained and regular communications to staff.</p>	Unlikely	Significant	edium		Maggie Sandison	Infrastructure Services
<p>Failure to plan for the future investment required in infrastructure replacement, repairs or maintenance</p> <p>Trigger : Poor financial planning</p> <p>failure to reduce estate</p> <p>Failure to invest in maintenance of roads, transport infrastructure</p> <p>Consequences : Withdrawal of key transport services, closure of roads, communities unable to access work, health, closure of offices and schools</p> <p>Risk type : Policies - effect of</p>	Likely	Significant	High	<p>• Developing maintenance programme, long term financial plan, Asset/Investment Plan - contingency budgets for breakdowns.</p>	Possible	Significant	edium		Maggie Sandison	Infrastructure Services

<p>Infrastructure regularly procures various significant, expensive items and must follow standing orders and EU procurement rules.</p> <p>Trigger : Lack of resources/ staff training, poor communication with corporate centre, emergency procurement, limited availability of local suppliers, obsolescence</p> <p>Consequences : Failure to demonstrate best value, breach of standing orders, scrutiny of external auditors, breach of EU legislation, negative PR/ media coverage, potential costs e.g. penalties for invalid contract</p> <p>Risk type : Procurement policy - failure to observe</p> <p>Reference - F0029</p>	Rare	Significant	Low	<p>• ReportingRegular reporting in place</p> <p>• Procurement ProcessesEnsure procurement rules, standing orders are complied with and refer to Part E Contract Standing Orders (Jan 2014 - Version 0.16)</p> <p>Wherever possible use ScotExcel suite of contracts or another approved framework arrangement.</p>	Rare	Minor	Low	Maggie SandisonInfrastructure Services
<div>Corporate Plan</div> <div>F3. Our "20 By '20" - Shetlands "Voice"</div>								
<p>Changes in legislation for Fuel, waste, Carbon. Significant technological change.</p> <p>Trigger :</p> <p>Consequences :</p> <p>Risk type : Legislation changes</p> <p>Reference - F0030</p>	Possible	Significant	Medium	<p>• Contingency plans in place, Island proofing under OUR ISLANDS OUR FI</p>	Possible	Significant	Medium	Maggie SandisonInfrastructure Services
<div>Corporate Plan</div> <div>F5. Our "20 by '20" - Standards of Governance</div>								
<p>Extreme weather events cause flooding, costal erosion, loss of key infrastructure lost sailings, increased snow conditions, additional repairs</p> <p>Trigger : Severe weather,</p> <p>Consequences : Loss of service, environmental damage/ impact, damage to property, loss of communications, loss of key infrastructure, financial burden for repairs, reputational damage.</p> <p>Risk type : Storm, Flood, other weather related, burst pipes etc</p> <p>Reference - F0026</p>	Likely	Major	High	<p>• Contingency budget for weather events</p>	Likely	Significant	High	Maggie SandisonInfrastructure Services
<p>Service has to manage response to Animal or infectious disease outbreak , management of the response fails to prevent further damage to public health or animal health</p> <p>Trigger : Outbreak of disease poorly managed by service</p> <p>Consequences : reputational damage external investigation political scrutiny government/agency sanctions claims and legal action</p> <p>Risk type : Publicity - bad</p>	Unlikely	Extreme	High	<p>• Emergency plans exercisedstaff well trained and supported by progressional groups and agencies. Communication plans in place for emergencies.</p>	Rare	Significant	Low	Maggie SandisonInfrastructure Services



Meeting(s):	Development Committee Environment & Transport Committee Shetland College Board	12 June 2017 13 June 2017 14 June 2017
Report Title:	Development Directorate Performance Report - 2016/17	
Reference Number:	DV-32-17-F	
Author / Job Title:	Neil Grant - Director of Development Services	

1.0 Decisions / Action Required:

- 1.1 The Development Committee should discuss the contents of this report and make any relevant comments on the achievements of the Directorate during 2016/17, progress against the priorities set out in the Directorate Plan and contribute to the planning process for future years.

2.0 High Level Summary:

- 2.1 This report summarises the activity and performance of the Development Directorate for 2016/17, enabling Members to analyse its performance against the Directorate's Service objectives and the Corporate Plan outcomes.

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's objectives as detailed in the Directorate Plan are the outcomes the Directorate aims to deliver in the year. We said "**what we must do in 2016/17**" was:
- reliably and safely deliver our day to day services that meet the needs of our customers;
 - meet our statutory requirements and deliver compliant services;
 - deliver our objectives to ensure the Corporate Plan commitments are met;
 - maintain our existing assets;
 - protect the environment and reduce the environmental impact of our activities;
 - address inequality- supporting those most in need and not making inequalities worse;
 - provide best value for the public funds invested in our services and Development;

Progress on Corporate Plan Outcomes

4.2 The Directorate is leading on the following Corporate Plan Commitments to work with others to:

- Help new business start ups and growth, and having a thriving social enterprise sector.
- Have a much closer match between the skills which businesses need and those that the trained workforce have.
- Invest Council funds wisely to produce the maximum benefit for Shetland's Economy.
- Achieve a sustainable model for Tertiary Education and Research.
- Increase the supply of affordable housing in Shetland.
- Implement the Community Empowerment (Scotland) Act.
- Support Communities to find local solutions, and people in Shetland to feel more empowered, listened to and supported to take decisions.
- Increase the levels of volunteering.
- Ensure that people, particularly from vulnerable backgrounds are getting access to learning and development opportunities.
- Ensure more people are getting access to high-speed broadband and mobile connections.
- Enable people to book and pay for journeys on our busses and ferries using efficient and effective systems, and there will be a system of fares that helps people on lower incomes travel to and from and within Shetland.
- Enable our communities to feel better connected using new community transport solutions developed by communities themselves.
- Have a clearer understanding of the options and the investment needed to create a sustainable internal transport system over the next 50 years.
- Influence changes to our external transport systems that meet our economic growth needs.

4.3 The Directorate is also contributing substantially to the Young People commitment to provide opportunities for young people to gain work placement experience and vocational qualifications while at school, giving them the skills they need to get jobs or continue into further education.

Directorate Achievements in 2016/17

4.4 During 2016/17 the Development Directorate:

- Led a public engagement process focusing on 'the place we live', and its effects on our wellbeing. The analysis and findings from the Place Standard engagement will inform the Local Housing Strategy, Local Development Plan, Local Transport Strategy and Local Outcomes Improvement Plan in the coming year.
- Produced a Housing Revenue Account (HRA) Business Plan.
- Secured commitment from Government of £2.561 million for 2017/18 for investment in new affordable housing as part of Strategic Housing Investment Plan.
- Worked with Community Planning partners to develop a 10 Year Plan to attract people to Live, Work, Study and Invest in Shetland.
- Developed and implemented a new Lending Service, Policy and Fund.

- Led the engagement with Transport Scotland and the Scottish Government on Specification and Fair Funding of Inter-Island Transport services.
- Refreshed the Shetland Transport Strategy and published a Main Issues Report.
- Developed a programme and body of evidence/ information to support the case for Fair Funding of Inter-island transport services and infrastructure by Scottish Government.
- Worked with colleagues in Orkney and the Western Isles to develop a draft Islands Deal as part of the Our Islands Our Future project.
- Produced a Planning Brief for the Knab Site and worked with Corporate Services to produce a Master Plan Development Scope.
- The Colleges jointly delivered Further Education (FE) activity 12% in excess of UHI target, which was the highest over performance in the UHI.
- Established a new Community Learning & Development (CLD) Partnership, and had a successful external inspection.
- Worked with the Chief Executive and Corporate team to achieve a satisfactory resolution to the HIAL runway issue.
- Established an externally funded Employability Pathway to help more people into employment.
- Delivered a programme of Participatory Budgeting and Community Choices projects, with engagement from more than 1000 people.
- Community Empowerment (Scotland) Act, worked with Corporate Services to develop and implement an Asset Transfer policy.

4.5 Appendix A is an Infographic which provides the Committee with a range of statistics to show the activities and outputs of the Directorate.

4.6 Appendix B shows progress on the key projects and actions the Directorate set out to complete or substantially progress in 2016/17. Appendix C shows the Council wide indicators and the Key Directorate Indicators to enable the Committee to monitor service delivery against our performance targets and our Directorate Objectives in 4.1.

Risk and Service Challenges

4.7 Performance monitoring and performance reporting must also consider the areas of risk arising from our operations, the service challenges the directorate faces, actions and projects which have not progressed as planned and where we don't meet Performance Indicator Benchmarks:

- Colleges Integration, plans to agree and implement an Integrated 2nd Management Team have been delayed.
- Homelessness and Temporary Accommodation, we continue to experience significant pressure on housing stock particularly in the Lerwick area, leading to long periods in temporary accommodation.
- Islands with small populations. We are already experiencing reducing numbers in some of the communities and difficulties in meeting need for example island fire crew required for island air services.
- We continue to experience difficulty in recruiting to posts within the service notably Planning Service posts where there is an acute national shortage of qualified staff.

4.8 The Directorate Risk Register in Appendix E sets out the strategic risks which might prevent the Directorate from achieving its objectives in 4.1. The Committee should consider whether additional control measures could be applied to reduce the risk of circumstances giving rise to a negative impact on Directorate 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. The Directorate uses customer feedback and complaint analysis to drive service change and service improvement.
6.2 Human Resources and Organisational Development:	There are a number of actions in this service plan with staffing implications. Care is taken to ensure that staff are involved and informed about changes that might affect them, that HR are closely involved and that relevant Council policies are followed. Ensuring staff feel valued and supported especially through periods of challenge and change is a key consideration for the Directorate Management team. Recruitment continues to be an issue in some services.
6.3 Equality, Diversity and Human Rights:	The Directorate carries out Integrated and Equalities Impact Assessments to ensure its services are supporting those most in need and not making inequalities worse. 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.
6.4 Legal:	The Directorate delivers statutory services, monitoring performance provides assurance that statutory requirements are met and the Council complies with its duties in delivering Services.
6.5 Finance:	The actions, measures and risk management described in this report have been delivered within existing approved budgets.
6.6 Assets and Property:	A number of the actions in the Directorate Plan relate to maintenance and replacement of Development and Council assets to maintain delivery of services to the people of Shetland.
6.7 ICT and New Technologies:	Limitations of the Shetland wide Broadband and Mobile networks impact on delivery of services which require remote access to digital networks and databases.
6.8 Environmental:	The Directorate works closely with Infrastructure and other Directorates to reduce energy usage and carbon emissions.

6.9 Risk Management:	<p>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.</p> <p>Risk management is a key component of the performance cycle and the Directorate Plan actions are determined to be priorities to manage the Directorate risks.</p>	
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> <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:	None.	

Contact Details:

Neil Grant, Director of Development Services,

nrj.grant@shetland.gov.uk

6 June 2017

Appendices:

Appendix A – Development Infographic (To be tabled at meeting)

Appendix B- Progress on the Directorate Projects and Actions

Appendix C – Key Directorate Indicators and Council Wide Indicators

Appendix D – Complaints Summary

Appendix E – Risk Register

Development Services Directorate Plan 2017-20 -

<https://www.covalentcpm.com/reportdoc?id=jb3sfiybueryl73fxk2qje59gz02y0zuvjkmobe4nuqxclb6ey05e6pw7biax5iv&attempt=18&collect=yes&ext=.pdf>

Appendix A - Projects and Actions - Development ->Environment & Transport Committee



Generated on: 06 June 2017

OUR PLAN 2016-2020

E) CONNECTION & ACCESS


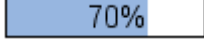

4) Fairer fares

On ferries and air services there will be a system of fares that helps people on lower incomes travel to and from, and within, Shetland.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP130 Shetland Inter-Island Transport study	Work with Scottish Government and Transport Scotland to identify required inter-island transport provision, and how this will be resourced. Complete the study to provide a 30 year strategic service provision programme and transport infrastructure programme	Establish appropriate levels of inter-island transport and review funding with the Scottish Government.	Planned Start	01-Apr-2015		The issues of responsibility, delivery and funding of inter-island transport is covered under DP088 (below)	Transport Planning
			Actual Start	01-Sep-2015	<div><div></div></div> 99%		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Jun-2017	 Likely to meet or exceed target		
			Completed Date				


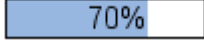

5) Sustainable transport arrangements

Our communities will feel better connected using new community transport solutions developed by communities themselves.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP088 Explore Scottish Government funding for links	Secure Scottish Government funding for internal ferry service and achieve commitment of Scottish Government Capital expenditure for Ferry Replacement Programme and/or fixed links	Fair funding for Ferries.	Planned Start	01-Apr-2015		The structure of the Fair Funding bid has been revised to address 2 components. Component 1 - funding for inter-island ferry services for an interim period from 1 April 2018 onwards. It is anticipated that a position on this will be established by the end of July 2017. Component 2 - Responsibility, delivery and funding of inter-island transport in the long term. It is anticipated that the detail of this will be established by mid 2018.	Development Services Directorate; Infrastructure Services Directorate
			Actual Start	01-Apr-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	30-Jun-2018			
			Completed Date		Experiencing issues, risk of failure to meet target		

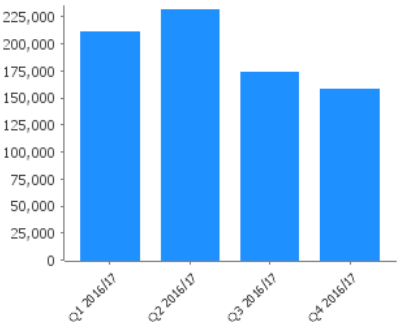
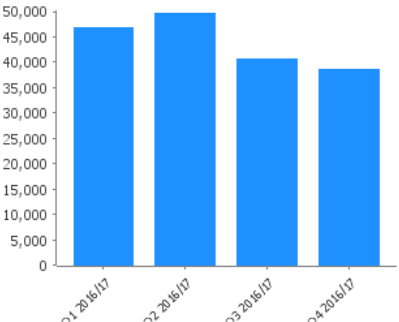
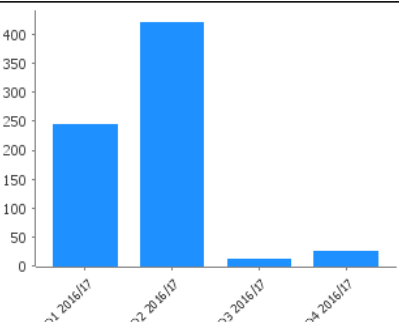
7) External transport systems

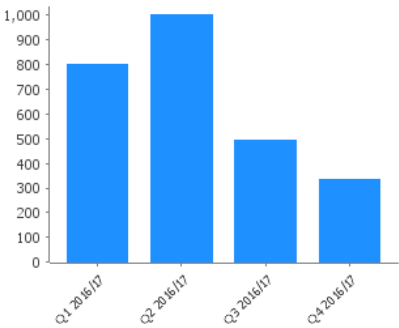
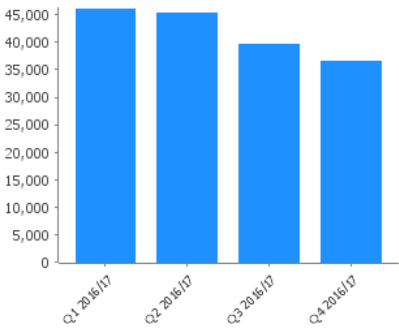
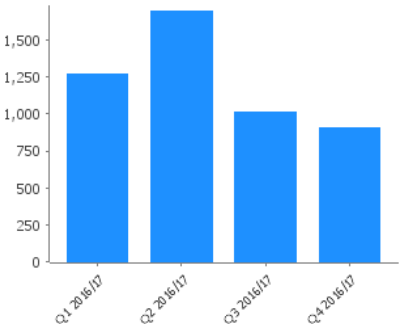
There will be a programme of potential changes to our long-term external transport systems. This will aim to meet our economic-growth needs and will be set within a realistic funding programme.

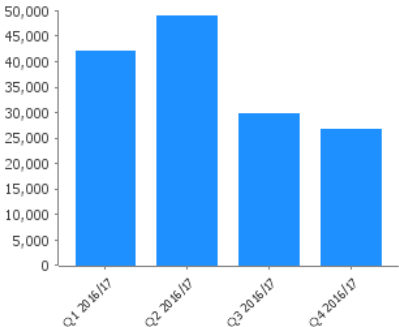
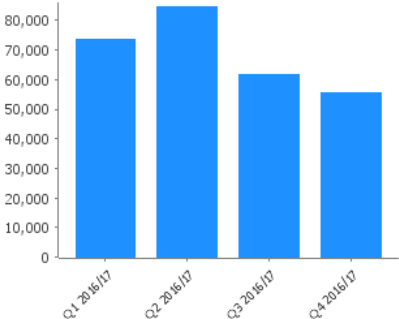
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP048 Identify Preferred Options for our external ferry provision	Proposals for our external ferry provision beyond the current contract which ends in 2018	Agree new service specification with Transport Scotland	Planned Start			Scottish Government have yet to define a timescale for review of procurement of ferry services and at the time of reporting there is no information on if the current Northern Isles Ferry Service contract will be extended. This will be reported in line with any Scottish Government announcements.	Transport Planning
			Actual Start	02-Jun-2014			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Aug-2017			
			Completed Date		Likely to meet or exceed target		

Appendix B Performance Indicators (Quarterly)- Development Directorate -> Environment & Transport Committee

Generated on: 06 June 2017

Code & Short Name	Year	Quarters				Graphs	(past) Performance & (future) Improvement Statements
	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17		
	Value	Value	Value	Value	Value		
HF-TOT-P All Ferries Total - Passengers	773,998	210,384	231,780	173,440	158,394		For information, further detail will be provided during the next PPMF cycle.
HF-BRE-P Bressay Service Total - Passengers	175,480	46,680	49,715	40,561	38,524		
HF-FRI-P Fair Isle Service Total - Passengers	703	245	421	11	26		

	Year	Quarters					
Code & Short Name	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value		
HF-PAP-P Papa Stour Service Total - Passengers	2,635	803	1,003	492	337		
HF-WHA-P Whalsay Service Total - Passengers	167,325	45,873	45,264	39,691	36,497		
HF-SWM-P Skerries/Whalsay Skerries/Mainland total - Passengers	4,877	1,265	1,694	1,010	908		

	Year	Quarters					
Code & Short Name	2016/17	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value		
HF-UYF-P Unst/Yell/Fetlar triangle Total - Passengers	147,465	41,980	48,993	29,836	26,656		
HF-YEL-P Yell/Mainland Service Total - Passengers	275,513	73,538	84,690	61,839	55,446		

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							
Corporate Plan	C1. Economy and Housing - Promote Enterprise							
Service reviews completed, Planning suffers from acute national shortage of qualified staff , 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	• 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	• 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
Corporate Plan	E1. Connection and Access - Community transport solutions							

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 Reference - C0030	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

<p>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</p> <p>Trigger : Focus or priority could be wrong</p> <p>Consequences : Wasted resources, negative impact on wider community, Financial cost, bad publicity</p> <p>Risk type : Strategic priorities wrong</p> <p>Reference - C0019</p>	Possible	Major	High	<p>• Ensure projects are a priority activity in achieving the Outcomes identified in the new Corporate Plan</p> <p>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.</p>	Unlikely	Significant	Medium	Neil Grant Development Services
<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	<p>• Restructure implemented, strategic planning continuing, awareness of issues</p>	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	<p>• Link to risk around corporate priorities</p> <p>• Adhere to corporate communications policy, Management team are aware of the issues and risks that fall to Dev MT and CMT.</p>	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	<p>• Impact of connectivity from broadband and transport links, working with communities to develop sustainable plans</p> <p>Progressing 'Islands with small populations' project</p>	Unlikely	Significant	Medium	Neil Grant Development Services
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Meeting(s):	Environment & Transport Committee	13 June 2017
Report Title:	Management Accounts for Environment & Transport Committee: 2016/17 – Draft Outturn at Quarter 4	
Reference Number:	F-048-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Environment & Transport Committee RESOLVES to
- NOTE the Management Accounts showing the 2016/17 draft outturn position at Quarter 4; and
 - NOTE the proposed budget carry-forwards which will be included in the overall Draft Outturn report to be presented for approval at Policy & Resources Committee on 19 June 2017.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Environment & Transport Committee to monitor the financial performance of services within its remit. This report details the draft outturn position for 2016/17 on net controllable costs for revenue and capital, and will be subject to final accounting and audit adjustments as part of the year end accounts process.
- 2.2 The draft revenue outturn position for Environment & Transport Committee is an underspend of £156k (0.5%), which means the services in this Committee area have exceeded the target set out in the Medium Term Financial Plan for the year. This includes £108k of recurring savings.
- 2.3 In line with the Council's budget carry forward scheme, services have requested revenue budget carry-forwards of £584k.
- 2.4 The draft capital outturn position for Environment & Transport Committee is an underspend of £544k, with a requirement for slippage of £619k to 2017/18 resulting in an overall draft overspend position of (£75k) (1%).
- 2.5 The detailed information on the revenue and capital outturn positions, recurring savings, slippage and carry-forward requests are attached as Appendices 1 and 2 to this report.

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, and 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.
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.
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	The collective Council budgets for energy, water, building maintenance, grass-cutting and fleet management are included in this report for review by Environment & Transport Committee. Although these budgets are dispersed throughout all service areas of the Council, including the Harbour Account and HRA, they are budgeted and monitored by the Estate Operations Service.
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.
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 ferry breakdown costs.
4.7	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.
4.8	An allocation of £250k from the contingency budget has been applied to Ferry Operations for substantial additional vessel repairs.
4.9	No other cost pressure or contingency budget has been applied as the Infrastructure and Development Directorates' overall budgets have met the additional costs from within existing underspends and increased income.
5.0	Exempt and/or confidential information:
5.1	None
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:	Any impacts on service users and communities in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.
6.2 Human Resources and Organisational Development:	Any implications in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.
6.3 Equality, Diversity and Human Rights:	Any implications in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.
6.4 Legal:	The Council's Financial Regulations state that the Executive Manager - Finance has a responsibility to ensure that detailed monitoring by Directors and Executive Managers is carried out and that the Council will determine the reporting content, timescale, frequency and receiving committee(s) required for monitoring statements and the Executive Manager - Finance will be responsible for ensuring compliance with this.
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.</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 Environment & Transport Committee have achieved this from the Infrastructure and Development Directorates' overall budgets.</p>
6.6 Assets and Property:	Any implications in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.
6.7 ICT and new technologies:	Any implications in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.

6.8 Environmental:	<p>Any implications in relation to the actions and service provision in this report will be included in the Director of Infrastructure and Director of Development Performance Management reports also presented at this meeting.</p>
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 main financial risks for services reporting to this Committee are</p> <ul style="list-style-type: none"> • volatility of oil prices in relation to marine gas oil, diesel and bitumen; and • ferry vessel and other plant breakdown mainly due to ageing infrastructure; <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 figures presented in this report are subject to final accounting and audit adjustments as part of the year end accounts process and as such there is a risk that the outturn position will be amended following this process.</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</p>

	within its remit are operating within the approved budgets.	
6.11 Previously considered by:	n/a	n/a

Contact Details:

Brenda Robb, Management Accountant, brenda.robbs@shetland.gov.uk, 30 May 2017

Appendices:

Appendix 1 - Environment & Transport Committee Draft Revenue Outturn Position for 2016/17

Appendix 2 - Environment & Transport Committee Draft 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>

END

Environment & Transport Committee

1. Draft Revenue Outturn Position 2016/17

Budget v Projected Outturn Variance Quarter 3 (Adv)/Pos £000	Service	Revised Annual Budget at Quarter 4 £000	Draft Outturn at Quarter 4 £000	Budget v Draft Outturn Variance Quarter 4 (Adv)/Pos £000
21	Director of Infrastructure Services	927	873	54
216	Environmental Services	2,218	2,077	142
18	Estate Operations	894	887	6
(147)	Ferry Operations	11,586	11,870	(285)
286	Roads Service	4,386	4,017	369
(32)	Transport Planning	5,810	6,019	(208)
	Collective Council Budgets:			
(12)	Energy	2,800	2,839	(39)
12	Metered Water	374	315	59
(15)	Building Maintenance	2,067	2,084	(17)
	Grasscutting	174	169	5
48	Fleet Maintenance	804	764	40
	Less: Collective Council Budgets			
13	recharged to Harbour Account, HRA, Capital & VJB	(536)	(567)	31
408	Total Controllable Costs	31,504	31,348	156

The projected outturn variance figures at quarter 3 are included above for reference. The main reasons for changes from the quarter 3 projected outturn variance to the quarter 4 draft outturn position are:

- lower commercial waste levels to both Waste to Energy Plant and Landfill Site resulting in less income in Environmental Services;
- additional ferry vessel maintenance costs on inspection than anticipated in Ferry Operations;
- slippage on road safety improvement work due to contractor availability; and
- failure to adequately monitor School Transport costs during the year, particularly in relation to changes to contracts e.g. road safety audits, upsizing of vehicles etc.

An explanation of the significant draft outturn variances by service at quarter 4 are set out below.

1.1 Director of Infrastructure Services - draft outturn underspend of £54k (6%)

There are no significant variances in this service area. There is a recurring saving of £28k for reduction of staffing requirements in the Infrastructure Administration Team.

A budget carry-forward of £20k from the overall Infrastructure Directorate underspend is proposed as a contribution to participatory budgeting projects.

1.2 Environmental Services – draft outturn underspend of £142k (6%)

The main reasons for this underspend are:

- vacancies pending recruitment across the service area £54k; offset by
- reduced income for waste disposal due to removal of temporary works accommodation, which is difficult to predict (£88k);

The vacancy underspends will be one-off savings and there is a contract saving of £22k on disposal of fly ash from the Waste to Energy Plant which will be an on-going saving.

1.3 Estate Operations – draft outturn underspend of £6k (1%)

Although this is not a significant draft outturn variance, it is comprised of the following significant variances:

- recruitment difficulties and a corresponding lack of contractor resource resulting in underspending on Building and Fleet Maintenance employee costs £82k; offset by
- a reduction in corresponding internal income with less work being carried out (£80k).

This will be a one-off saving.

A budget carry-forward of £10k from the overall Infrastructure Directorate underspend is proposed for fuel tank surveys and £13k for bus shelter surveys.

1.4 Ferry Operations – draft outturn overspend of (£285k) (2%)

This overspend position is mainly due to:

- re-scheduled drydocks for Daggri and Linga, due to overrun on Geira drydock in 2015/16 for additional emergency repair works. (£277k);

- additional welding works required on the Hendra after shotblasting revealed holes in superstructure, and MCA inspection on Bigga resulted in additional welding works required (£116k);
- engine service on Dagalien was scheduled to be carried out in 2017/18 but required to be pulled back to 2016/17. This service is required every 30,000 running hours and the last one was done early to fit in with the drydock schedule at the time resulting in this one also being required earlier than anticipated (£56k);
- additional costs mainly relating to new control system for Filla on discovery that the old system was obsolete and would be unsupported on breakdown; better notifications system now set up to allow better planning for ferry equipment and systems which are to be unsupported (£57k); offset by
- reduction in employee costs due to recruitment difficulties for vacant engineering posts £56k;
- minor increase in passenger fare income across all services £51k.

The outturn position includes a contingency allocation of £250k which was added to the Ferry Operations budget for substantial additional vessel repairs.

The staffing underspends will be a one-off saving.

A budget carry-forward from the overall Infrastructure Directorate underspend of £20k is requested for repairs to Belmont & Gutcher toilets/waiting rooms; and £10k for Ulsta toilet upgrade.

1.5 Roads Service – draft outturn underspend £369k (8%)

This underspend position is mainly due to:

- slippage on road safety improvement work due to external contractor availability £60k;
- vacant posts pending recruitment across the service area £52k;
- budget for remedial works funded by TOTAL, for damage to roads as a result of increased traffic to the Gas Plant, will be carried forward as works were unable to be scheduled in 2016/17 £339;
- balance of external funding for road safety projects to be carried forward for implementation in 2017/18 £13k;
- reduction in bitumen, fuel and maintenance costs at Scord for related to reduced production requirements £271k; offset by
- no requirement for design of proposed Kergord Road project which was to be externally funded, resulting in no external income or related costs (£100k);
- reduction in external income at Scord Quarry due to less sales than expected to BP following the downturn in activity at Sullom Voe (£215k);

The underspends noted above are one-off savings.

1.6 Transport Planning - draft outturn overspend (£208k) (4%)

The overspend position is due to:

- cost pressure and contingency provision included in the 2016/17 budget to cover indexation of Bus and Air Service Contracts, the Foula Ferry Contract, and change funding was not applied to Transport Planning, as overall the Development Directorate was underspent (£153k);
- a significant increase in the cost of providing school transport in 2016/17 (£163k);
- instances of long-term sick leave and back filling have contributed to a net salary cost overspend of (£35k); This is offset by
- a reduction in the contribution provided to ZetTrans, for the provision of public bus services in Shetland, mainly due to savings in Core Service support costs, a lower demand for replacement vehicles (due to ongoing maintenance issues) on the Westside Main Line than budgeted and additional income for Bus Service Operators Grants £109k; and
- more favourable, contracts active from April helped to produce a projected underspend in operating social work transport of £32k..

The social work transport contract savings will be recurring £40k.

A budget carry-forward of £159,970 has already been approved by the Council (Min Ref: 23/17) from the Development Directorate overall revenue underspend to cover the additional cost of the inter-island air services contract.

1.7 Energy - draft outturn overspend of (£39k) (1%)

The main reasons for the overspend are:

- The electricity unit price used to set the budget was lower than the average unit price achieved across the year resulting in an overspend across the Council (£68k);
offset by
- fuel oil costs lower than anticipated mainly due to low oil price earlier in the year £47k.

The sheltered housing savings will be recurring £18k.

1.8 Metered Water - draft outturn underspend of £59k (16%)

The underspend is mainly due to properties moving to metered water resulting in a saving of £41k.

This will be a one-off saving.

1.9 Building Maintenance - draft outturn overspend (£18k) (1%)

The projected overspend is due to the costs of major building work on the rural care homes being met by the revenue budget. The building works had originally been programmed under the capital programme, but because the care homes are not owned by the Council this cost cannot be capitalised. The consequence is that there is a corresponding saving in the capital budget (£25k).

1.10 Grasscutting - draft outturn underspend £5k (3%)

There are no significant variances in this area.

1.11 Fleet Management Unit - draft outturn underspend £40k (5%)

The underspend is due to reduced maintenance required on new gritters purchased this year and focus on fitting vehicle tracking equipment at the end of the year reducing other scheduled maintenance work.

This will be a one-off saving.

Environment & Transport Committee

2. Draft Capital Outturn Position 2016/17

Overall Budget v Projected Outturn Variance Quarter 3 (Adv)/Pos	Service	Revised Annual Budget at Quarter 4	Draft Outturn at Quarter 4	Budget v Draft Outturn Variance Quarter 4 (Adv)/ Pos	Slippage Required in 2017/18	Overall Budget v Draft Outturn Variance Quarter 4 (Adv)/Pos
£000		£000	£000	£000	£000	£000
0	Director of Infrastructure Services	0	21	(21)	0	(21)
135	Environmental Services	581	353	228	(131)	97
(261)	Estate Operations	2,922	3,053	(131)	(196)	(327)
150	Ferry Operations	679	436	244	(94)	150
32	Roads Service	2,405	2,211	194	(198)	(4)
30	Transport Planning	30	0	30	0	30
86	Total Controllable Costs	6,617	6,074	544	(619)	(75)

The draft outturn variance figures at quarter 3 are included above for reference.

An explanation for the significant variances by service is set out below:

2.1 Director of Infrastructure Services – draft outturn overspend (£21k) (100%)

This overspend relates to a final valuation payment for hangar extension works at Tingwall Airport completed in 2011 which was withheld pending resolution of negotiations with the contractor. This was held as provision in the Council's balance sheet and has now been paid (£21k).

2.2 Environmental Services – draft outturn underspend £97k (17%)

This underspend is due to the awarded tender coming in under the contract valuation for Landfill capping £97k.

Slippage

A total of £131k will be slippage into 2017/18, as follows:

- Energy Recovery Plant - outstanding equipment purchase £11k;
- Landfill Capping - preparation of documentation for next phase £10k; and
- Landfill Gas Testing - scheduled to be completed in 2017/18 £109k.

2.3 Estate Operations - draft outturn overspend (£327k) (11%)

The projected overspend relates to the replacement boiler system and associated pipework required for the Bells Brae Primary School. Additional mechanical works were required on this project due to the complex nature of the building and having to make new ways for pipework through the structure while retaining the old system in operation until change over. The original plan was to strip, remove and re-install any defective pipework in the summer holidays but as stripping out commenced, revealing hidden pipe runs, it became apparent that the level of deterioration and subsequent replacement increased the scope and scale of the task beyond the holiday window. This problem was compounded as the entire heating system operates as a single zone with no potential for shutting down individual sections, which necessitated additional work in implementing zoning (£303k).

Slippage

A total of £196k will be slippage into 2017/18, as follows:

- Building Maintenance works mainly at Aith School to be completed in 2017/18 £160k;
- Vehicle Telematics – gritting information element outstanding £36k.

2.4 Ferry Operations - draft outturn underspend £150k (22%)

The projected underspend is due to the Linga conversion project which is delayed pending determination of the outcome of discussions with the Scottish Government/Transport Scotland on fair funding for ferries for the ferry & terminal replacement programme £150k.

Slippage

There will be project slippage of £94k to 2017/18 for the Fivla life extension works for the wheelhouse which cannot be completed this year due to time constraints.

2.5 Roads Service - draft outturn overspend (£4k) (0.2%)

The main reasons for the outturn position are:

- unforeseen repairs to Scord mixing plant (£47k);
- tender prices which were higher than budget estimate on the Trondra Bridge painting project (£30k);

- minor overspends on Streetlighting and Crash Barrier replacement programmes (£29k); offset by
- savings on Bridge Replacements including Vatsetter bridge as full reconstruction was not required, and West Sandwick bridge replacement done in-house coming in under the estimated external tender £58k;
- savings on Roads Reconstruction, including Old North Road works completed faster than anticipated requiring reduced labour and plant hire costs, £51k.

Slippage

A total of £198k will be slippage into 2017/18, as follows:

- the Clickimin roundabout tarring works can only be completed once the new AHS and Halls of Residence builds are completed in 2017/18 £30k;
- Commercial Street reconstruction works could not be completed due to limited access to Commercial Street to minimise disruption to businesses £20k;
- the Esplanade 20mph/Traffic Calming works are ongoing into 2017/18 £105k;
- Vatsetter bridge project can only be completed once the water level lowers £5k; and
- external funding for flood defence works to repair the damaged sea wall and carriageway on the Sea Road slipped to 2017/18 for better weather conditions £38k.

2.6 Transport Planning - draft outturn underspend £30k (100%)

After investigation of the options, the replacement of the crane at the Walls Pier would not be cost effective compared to mobile crane hire therefore the purchase will not go ahead.



Meeting(s):	Environment & Transport Committee	13 June 2017
Report Title:	Carriageway Condition of Shetland's Roads	
Reference Number:	RD-04-17-F	
Author / Job Title:	Neil Hutcheson / Team Leader – Asset and Network	

1.0 Decisions / Action required:

- 1.1 That the Environment and Transport Committee NOTE the contents of this report including the improvement in the overall Road Condition Indicator (RCI) figure shown in the 2015-17 results, the benchmarking of Shetland's roads against the other Scottish local authorities and the predicted impact of budgetary decisions on the future condition of our carriageways.

2.0 High Level Summary:

2.1 Carriageway Condition 2015-17

2.1.1 The Council in its role as roads authority has a statutory duty to "manage and maintain" the public road network. The carriageway condition is measured each year and the results submitted as a statutory performance indicator to Audit Scotland. The Road Condition Indicator (RCI) that is used is a measure of "the percentage of the road network that should be considered for maintenance treatment." Therefore, the lower the RCI the better the carriageway condition.

2.1.2 The overall RCI for Shetland's entire road network, as at April 2017, has improved to 37.7% "that should be considered for maintenance" from a percentage of 38.9 last year. The Scottish average is 36.4%. The breakdown of the RCI for the various road classifications is detailed in Appendix 1.

2.1.3 The recent improvements in the overall RCI are largely due to the various treatments undertaken on our classified roads as the condition of our unclassified roads has remained fairly steady at a figure of around 50 to 55%. The majority of Shetland's classified roads were improved in a short period during the early years of the oil "boom." Many of these have shown and continue to show signs of deterioration after 30 years of use as they near the end of their "design life." The surface dressing of these roads, to address poor texture (see 1.1 above), has improved the RCI of these roads. However, this will to a certain extent mask the long term decline of the "structure" of the road network, indicated by heavy cracking, rutting and poor longitudinal profile, that can only be addressed with more expensive treatments such as overlay resurfacing or reconstruction. The cost of surface dressing is £5 per square metre while resurfacing and reconstruction cost approximately £30 and £125 respectively.

2.2 Benchmarking

2.2.1 Shetland is ranked 21st out of the 32 Scottish authorities for the condition of our carriageways. We spend the 5th least on maintenance per kilometre of road network. However, we are third for the percentage of the network that is surface dressed and tenth for the percentage of the network that is either resurfaced or surface dressed. Further information on our performance over the years is detailed in Appendix 2.

2.3 Impact of Budgetary Decisions

2.3.1 This report also presents a number of options for the future maintenance of the road network that have been run through the SCOTS “Cost Projection Tool” to predict the effects on carriageway condition. The options are:

- a continuance of current funding levels;
- a reduction in current funding levels; and
- the predicted effect of a preventative strategy.

Since road assets deteriorate slowly the impact of a level of investment cannot be shown by looking at a couple of years. Therefore, the report includes 20 year predictions in Appendix 3 to give an understanding of the long term implications of budgetary decisions.

2.3.2 The tool shows that the best method for reducing deterioration of the carriageway network is to increase the amount of surface dressing that is done to address poor surface texture and cracking of the carriageway. However, the Road Service only has enough capacity to complete a limited additional amount during the short surface dressing season. Therefore, an option for a 10% transfer of funds from resurfacing to surface dressing has been modelled. This predicts that over a 20 year period the RCI would only increase by 3% from the current figure. (Please note that this option does not require additional spending). This compares to the current spending regime that would result in a 6% increase in the RCI. It should be noted that even with the better option there would be an increase in the lengths of unclassified road in the worst condition category. In the long term there would need to be a significant increase in the level of reconstruction and resurfacing spending to prevent the predicted 5 to 8% deterioration in the condition of our unclassified roads.

2.3.4 The tool was also used to predict the effects of a 10% reduction in the overall carriageway maintenance budget. This would result in the RCI increasing by 10% from the current figure over the 20 year period. This is 4% worse than retaining the current regime. This means that an additional 42 kilometres of road in Shetland would be in the category “that should be considered for maintenance.”

3.0 Corporate Priorities and Joint Working:

3.1 The priorities listed in the Council’s “Our Plan” include “Provide quality transport services within Shetland,” “There will be transport arrangements in place that meet people’s needs and that we can afford to maintain in the medium term” and “We will have a clearer understanding of the options and the investment needed to create a sustainable internal transport system over the next 50 years.” The condition of the carriageway has direct implications for these priorities.

3.2 “Our Plan” also states that one of the 20 things the Council “aims to achieve by 2020” is “to prioritise 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.”

- 3.3 Development of a sustainable public road network contributes to the “Shetland has sustainable economic growth and all our people have the chance to be part of island life” section of the Local Outcome Improvement Plan and also the Corporate aim to use resources sustainably.

4.0 Key Issues:

4.1 Analysis of Road Condition Indicator (RCI) Data

4.1.1 The survey results show that between 2015 and 2016 there was an improvement of 1.2% in the overall condition of Shetland’s roads from 38.9% to 37.7%. This is due to improvements across all road classes but most notably a 3.5% improvement in the “C class” condition figures. The condition of our “A and B class” carriageways also improved during this period by 0.9% while the “unclassified” roads improved by 0.6%.

4.2.1 However, it is important to remember that the unclassified roads, which in terms of length make up of 44% of our network, are only surveyed once every 10 years. Therefore, we must consider the long term trend when evaluating progress. In the past 5 years there has been an improvement of 4.8 % in the overall RCI equating to a 1% fall per year in the length of road requiring maintenance treatment. However, if we consider the condition over a 12 year period then all our road classes, apart from “C class,” have had a long term trend of deterioration. This is shown by the “linear” trend lines on the graphs of Shetland’s RCI figures (see Graph 1 in Appendix 1).

4.2 Road Condition Conclusions

4.2.1 In 2014 we reported that there was a need to reconsider our priorities and give more weighting to the improvement of our unclassified roads. The conclusion reached was that this would result in a deterioration of the overall RCI because the unclassified roads are only surveyed once every 10 years and it would take a number of years for any improvement in them to register in the overall RCI figure. However, if we did not increase the proportion of unclassified roads to be treated they would continue to decline resulting in the failure of road surfaces and the need for more costly repairs.

4.2.2 Based on the latest figures the initial indications are that the “unclassified” roads are slightly improved and the overall RCI is not suffering but, as stated above, the short term results may give a false indication. Therefore, it may be a number of years before we can determine that this new practice of treating a greater proportion of unclassified roads has been a success. It is to be hoped that an improvement in our “unclassified” roads will arrest and may even in time reverse the long term decline in overall carriageway condition within Shetland.

5.0 Exempt and/or confidential information:

- 5.1 None.

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:	<p>The condition of the road network will affect its reliability which in turn will impact on stakeholders and the community if there are delays and temporary road closures due to maintenance works.</p> <p>The contribution of road maintenance to communities is recognised by the Audit Commission in their report Going the Distance, 2011. The report states “Councils must use their road maintenance to support the economic competitiveness of their area. Roads play a critical role in public service delivery and economic growth – both through the increased mobility of citizens, goods and services, and through building and maintaining infrastructure.”</p>																								
6.2 Human Resources and Organisational Development:	No implications.																								
6.3 Equality, Diversity and Human Rights:	No implications.																								
6.4 Legal:	The Council’s statutory duties are defined by Section 1 of the Roads (Scotland) Act 1984 which requires that “a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their “list of public roads”).”																								
6.5 Finance:	<p>Under the Local Government in Scotland Act 2003, the Council has a duty to make arrangements that secure Best Value. Best Value is continuous improvement in the performance of the authority’s functions taking into account efficiency, effectiveness, economy and equal opportunities.</p> <p>There are no direct implications arising from this report but for Councillors information the combined total carriageway maintenance cost (made up of resurfacing, surface dressing and patching) for each of the past 2 financial years and the budget for 2017/18 is as shown in the following table.</p> <table><tr><th>Financial Year</th><th>Resurfacing</th><th>Surface Dressing</th><th>Patching</th><th>Reconstruct</th><th>TOTAL</th></tr><tr><td>2015/16</td><td>687,000</td><td>489,500</td><td>330,700</td><td>269,000</td><td>1,776,200</td></tr><tr><td>2016/17</td><td>687,000</td><td>489,500</td><td>325,700</td><td>269,000</td><td>1,771,200</td></tr><tr><td>2017/18</td><td>687,000</td><td>489,500</td><td>325,700</td><td>269,000</td><td>1,771,200</td></tr></table> <p>The spending on carriageway maintenance was at its highest in 2010/11 when the budget for all 4 maintenance categories summed to approximately £2.4 million. Please note that these are the figures for labour, plant and materials only. They do not include costs for administration and management.</p>	Financial Year	Resurfacing	Surface Dressing	Patching	Reconstruct	TOTAL	2015/16	687,000	489,500	330,700	269,000	1,776,200	2016/17	687,000	489,500	325,700	269,000	1,771,200	2017/18	687,000	489,500	325,700	269,000	1,771,200
Financial Year	Resurfacing	Surface Dressing	Patching	Reconstruct	TOTAL																				
2015/16	687,000	489,500	330,700	269,000	1,776,200																				
2016/17	687,000	489,500	325,700	269,000	1,771,200																				
2017/18	687,000	489,500	325,700	269,000	1,771,200																				

6.6 Assets and Property:	The road network is the largest community asset for which Shetland Islands Council is responsible. It is vital and fundamental to the economic, social and environmental well being of the community. It helps to shape the character of an area, the quality of life of the local community and makes an important contribution to wider Council priorities including growth, regeneration, education, health and community safety. Roads also make a wider contribution to society, providing access to ferry terminals, ports and airports.
6.7 ICT and new technologies:	None.
6.8 Environmental:	No implications.
6.9 Risk Management:	<p>Failure to manage and maintain the road network and the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on Reserves.</p> <p>The Highways Term Maintenance Association have stated "there is a compelling commercial argument for investing early in road maintenance to arrest the decline in the condition of a road network with case studies showing benefits to cost ratios in excess of 2:1."</p>
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.3.1 of the Council's Scheme of Delegations the Environment and Transport Committee has responsibility for the Roads Service.</p> <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:	None.

Contact Details:

Neil Hutcheson, Team Leader – Asset & Network
12 May 2017

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Appendices:

Appendix 1: Carriageway Condition of Shetland's Roads: Detailed Information
Appendix 2: Roads Performance: Detailed Information
Appendix 3: Impact of Budgetary Options

Background Documents:

1. ["Carriageway Condition of Shetland's Roads" 12 April 2016 \(RD-03-16-F\)](#)

Carriageway Condition of Shetland's Roads: Detailed Information

1 SCANNER Survey Results

1.1 Road Condition Indicator

Audit Scotland's statutory performance indicator (SPI) for road carriageways is 'the percentage of the road network that should be considered for maintenance treatment'. The figure reported for the SPI is a Road Condition Indicator (RCI) produced from machine-based measurements taken during a Scotland wide survey of the road network. The parameters measured are:

- surface texture, helps to provide skidding resistance and indicates surface wear;
- cracking, indicates deterioration of the surface course or more deep seated structural defects;
- rutting, can affect vehicle handling or cause water to pond;
- longitudinal profile, the main factor controlling ride quality and hence user perception and is also a good indication of defects in the road structure.

The former two parameters are usually treated with surface dressing and the latter require a minimum of overlay resurfacing or more expensive reconstruction if the damage has reached the base layers.

1.2 Survey Frequency

The required survey coverage of the road network is detailed in the SPI. The "A Class" roads are surveyed in both directions every two years, that is one direction one year and the opposite direction the following year. The "B and C Class" roads are surveyed in both directions over a four year period, that is 50% per year in one direction. The unclassified roads have a 10% sample surveyed on an annual basis selected at random by the survey contractor.

While surveys are carried out on an annual basis, the RCI is calculated over two years to minimise the effect of sampling errors on the results.

1.3 Results

The results are categorised into Green, Amber and Red condition bands where:

Green indicates the carriageway is generally in a good state of repair;

Amber indicates the carriageway has some deterioration that should be investigated to determine the optimum time for planned maintenance treatment; and

Red indicates the carriageway has lengths in poor overall condition that are likely to require planned maintenance soon.

The RCI figure includes both the Amber and Red categories so an increase in the figure indicates deterioration in the condition of the road. Table 1 and Graph 1 show how the RCI for both Shetland's and Scotland's roads have varied since 2004. The graphs show that although there have been crests and troughs over the years the general trend, as indicated by the thick black line, is a deterioration in the condition of each of our road classifications.

Table 1: Road Condition Indicators (RCI) for Shetland and Scotland

	A Class Shetland	A Class Scotland	B Class Shetland	B Class Scotland	C Class Shetland	C Class Scotland	Unclass Shetland	Unclass Scotland	All Shetland	All Scotland
2004-06	18.3	27.4	33.1	32.2	34.5	31.0	48.3	41.3	36.9	35.9
2005-07	21.0	28.6	34.5	33.4	35.8	31.9	48.1	42.8	37.8	37.2
2006-08	19.9	29.2	33.1	34.2	35.7	33.0	54.6	42.5	40.2	37.4
2007-09	16.3	28.5	31.5	33.6	32.4	33.1	54.1	36.6	38.3	34.2
2008-10	21.8	29.6	33.9	34.9	35.9	33.2	51.2	39.4	39.3	36.1
2009-11	24.7	30.5	38.2	35.8	38.8	35.0	50.3	41.9	40.7	37.9
2010-12	26.4	30.5	41.8	36.3	40.7	36.0	53.8	38.3	43.7	36.4
2011-13	25.2	29.4	39.6	35.0	39.9	34.8	53.1	39.0	42.5	36.2
2012-14	21.1	28.7	38.0	35.2	38.2	36.6	54.0	39.4	41.4	36.7
2013-15	21.2	29.0	39.3	36.1	38.1	37.3	54.6	39.3	41.9	37.0
2014-16	20.7	29.0	34.4	34.8	35.0	34.7	51.1	40.2	38.9	36.7
2015-17	19.8	29.5	33.5	34.8	31.5	34.6	50.5	39.5	37.7	36.4

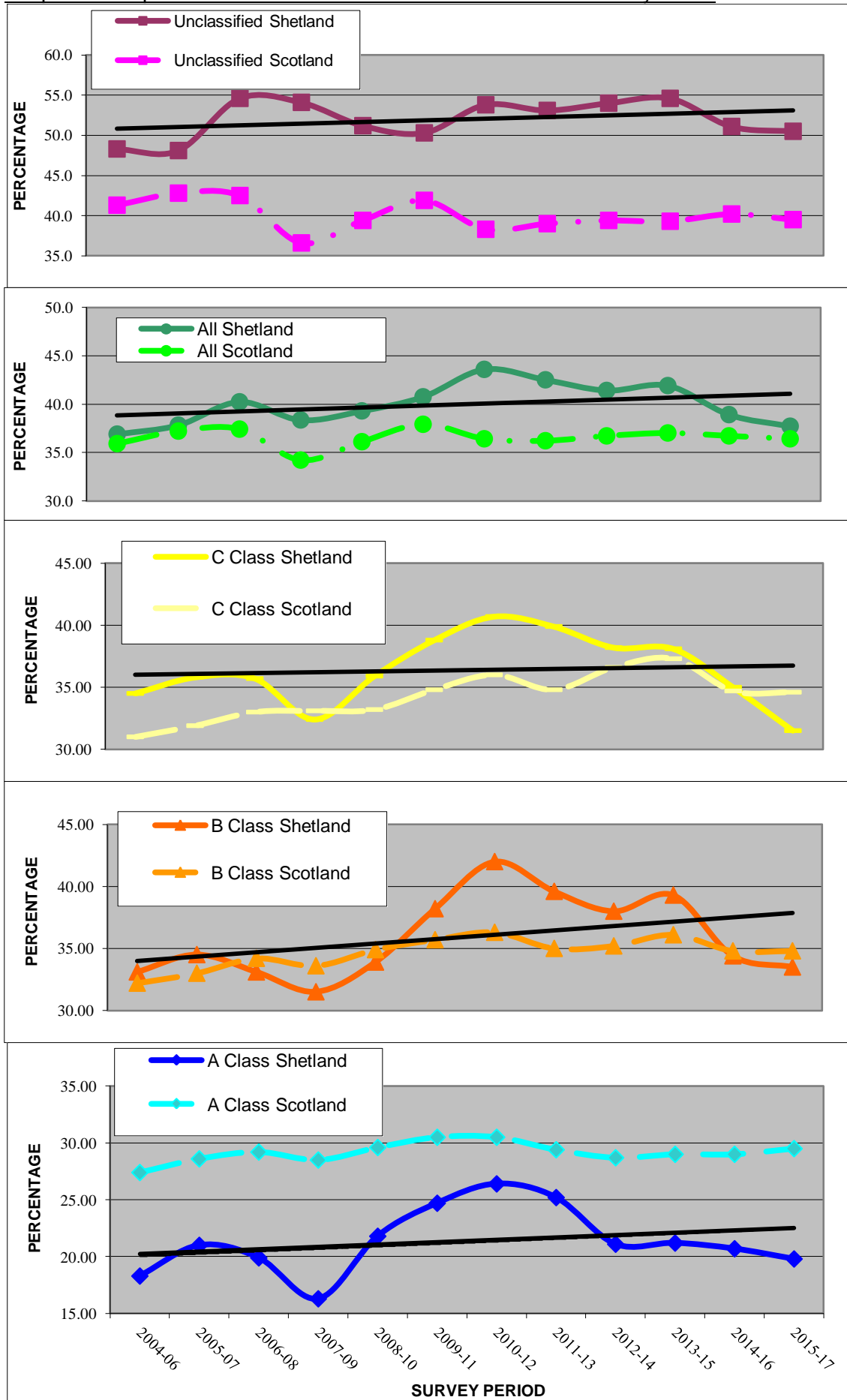
1.4 “A class” Roads

Shetland’s “A class” roads have been and still are in a better condition than the average for “A class” roads in Scotland. The gap between them had reduced from a high of 12.2% in 2007-09 to 4.1% in 2010-12. However, this closing of the figures has slowed then reversed with the latest survey showing that the difference is now 9.7%. This may have occurred because we have been targeting treatment at lengths of “A class” road that the SCANNER survey has shown to be in an amber condition. The surface dressing of these lengths is a low cost treatment that improves the carriageways surface texture and seals any cracking to prevent the ingress of water. The result is improved skid resistance, the prevention of future frost damage and an improvement in the condition indicator from amber to green. This could be considered a “whole life cost” approach as it minimises the total maintenance costs over the lifetime of a road. It is preferable to a “worst first” approach where the stretches of road in the poorest condition are repaired first. The Audit Commission in their report titled “Going the Distance: Achieving Better Value for Money in Road Maintenance” state “focusing on the worst roads first may not be the best approach to managing with less funding” and “by considering the road over its whole life cycle, it is possible to select the best time to intervene in order to preserve the road in an economically viable way.” The relatively good condition of our “A class” carriageways means that we are now able to give more priority to the treatment of our unclassified roads.

1.5 “B and C Class” Roads

While a number of these roads were improved in the 1970’s and 80’s the majority are still single track. In the region of 20% of these are founded on peat that generally has a low load bearing capacity. This can result in uneven road surfaces, differential settlement, edge deterioration, cracking and eventually disintegration of the bitmac surface. This has always been a problem but the rate of deterioration increased as the number of heavy goods vehicles accessing aquaculture sites and other developments increased. This is why Shetland’s “B and C class” roads have over the years tended to be in a poorer condition than the Scottish average. The exception was in a period between 2007 and 2009 when the condition of the “B class” roads

Graph 1: Comparison of Shetland and Scotland Road Condition by Class



improved significantly. In the two years following this period there was a deterioration of approximately 9% in the condition of the “B and C class” roads. However, this has again improved recently and these two classes of road now have a condition figure on a par or better than the national average. This improvement is again likely due to these roads having been given greater priority over our unclassified roads.

1.6 “Unclassified” Roads

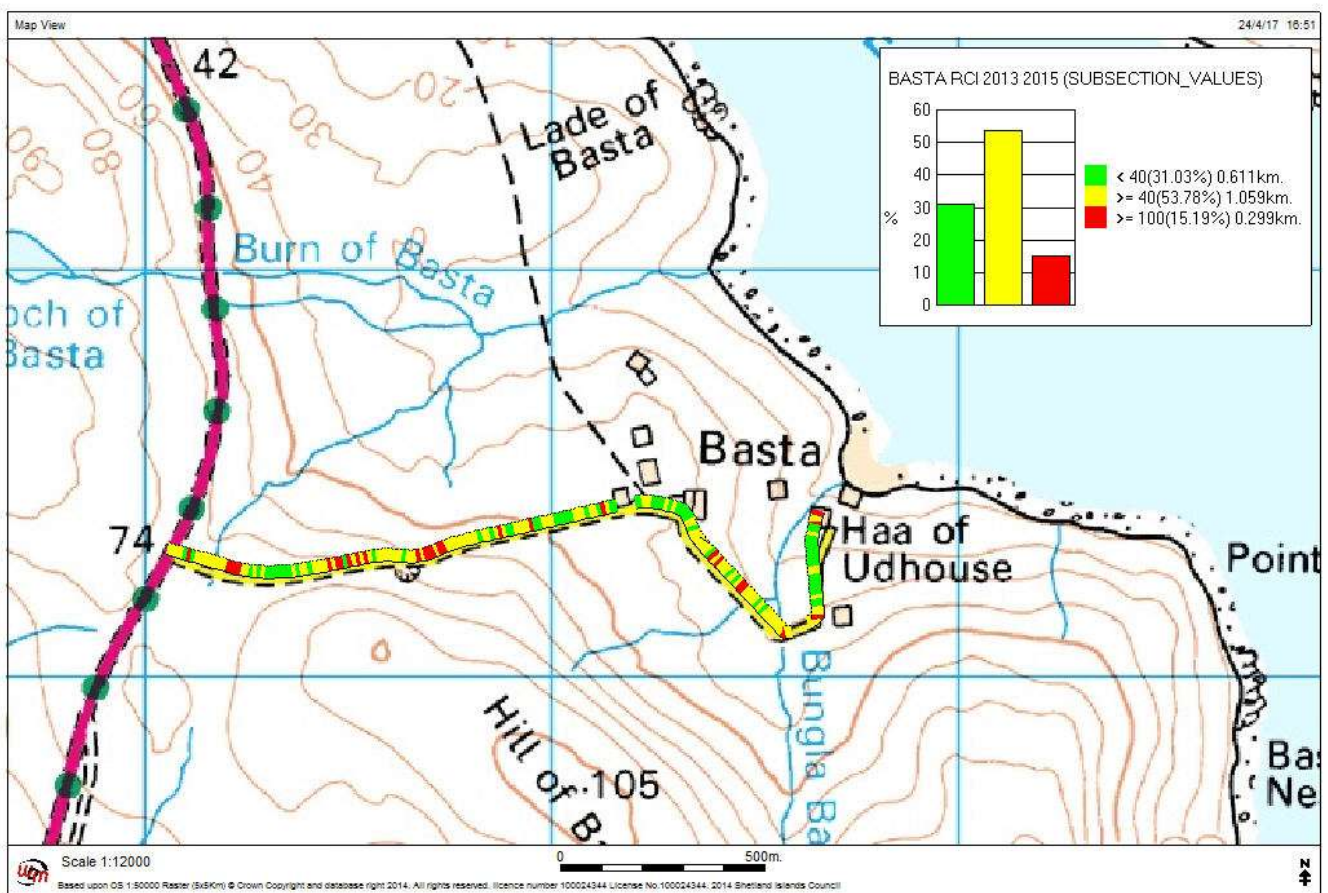
The “unclassified” roads have historically been in a worse condition than the national average. They tend to be narrower than their “classified” equivalent and so are even more susceptible to edge damage due to HGV’s or the larger agricultural vehicles now being used (see photographs in Figure 1 below). From 2011 to 2014 the condition of Shetland’s unclassified roads was approximately 15% worse than the Scottish average. This was a decline from a figure that was 12% worse in the preceding 4 years. It is likely that this continued decline was partly due to the classified roads being treated with more priority than was previously the case. However, in the past 2 years their RCI has shown a significant reduction to a figure in the region of 11% worse than the national average. However, given that only 10% of the unclassified roads are surveyed each year it is too early to make any conclusions about the success or otherwise of our relatively new practice of increasing the length of unclassified roads to be treated each year. For example, it may be that the survey’s random sample contains, for this year only, a high proportion of roads in the best condition.

1.7 Entire Network

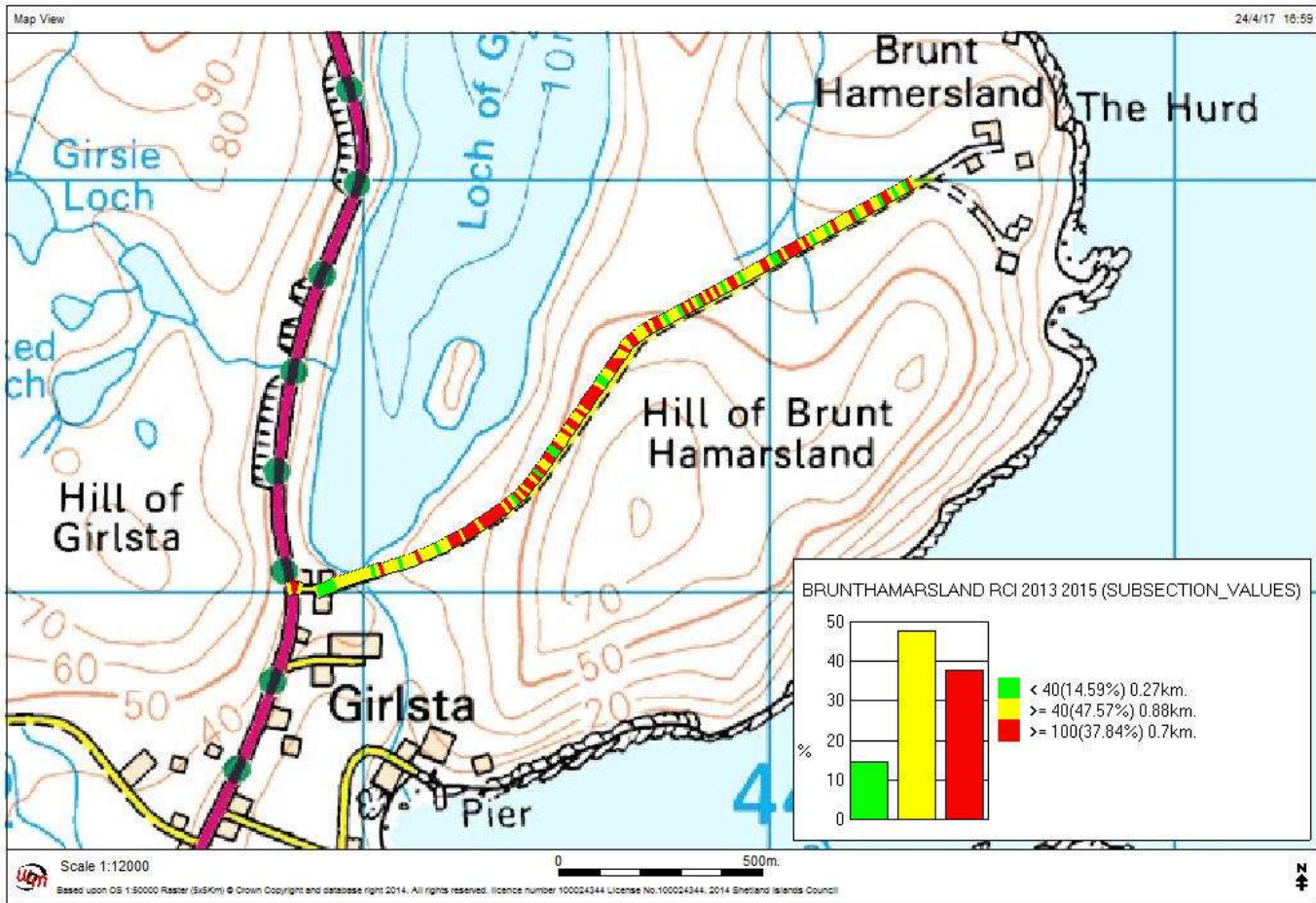
The “all” roads figure for the entire network is now 1.3% worse than the average, an improvement of 0.9% since last year. The graph shows that the Shetland figure began to diverge from the Scottish average figure in 2009-11 but is now closing again as our figure has slightly improved and the Scottish average has remained relatively steady. Prior to this the percentage of Shetland’s carriageways that should be considered for treatment was approximately 3% greater than the national average largely due to the relatively poor condition of our single track unclassified roads. The reduction in funding may have been a contributory factor in the increase from this 3% gap but, as already discussed in paragraph 2.1.3 of the report, a further reason for the long term decline since 2004 may be that the majority of Shetland’s “classified” roads were improved in a short period during the early years of the oil “boom.” Many of these have shown and continue to show signs of deterioration after 30 years of use. The surface dressing of these roads, to address poor texture (see 1.1 above), has improved the RCI of our “classified” roads. However, this will to a certain extent mask the long term decline of the “structure” of the road network, indicated by heavy cracking, rutting and poor longitudinal profile, that can only be addressed with more expensive treatments such as overlay resurfacing or reconstruction.

Figure 1: Photographs and RCI of Various Unclassified Roads

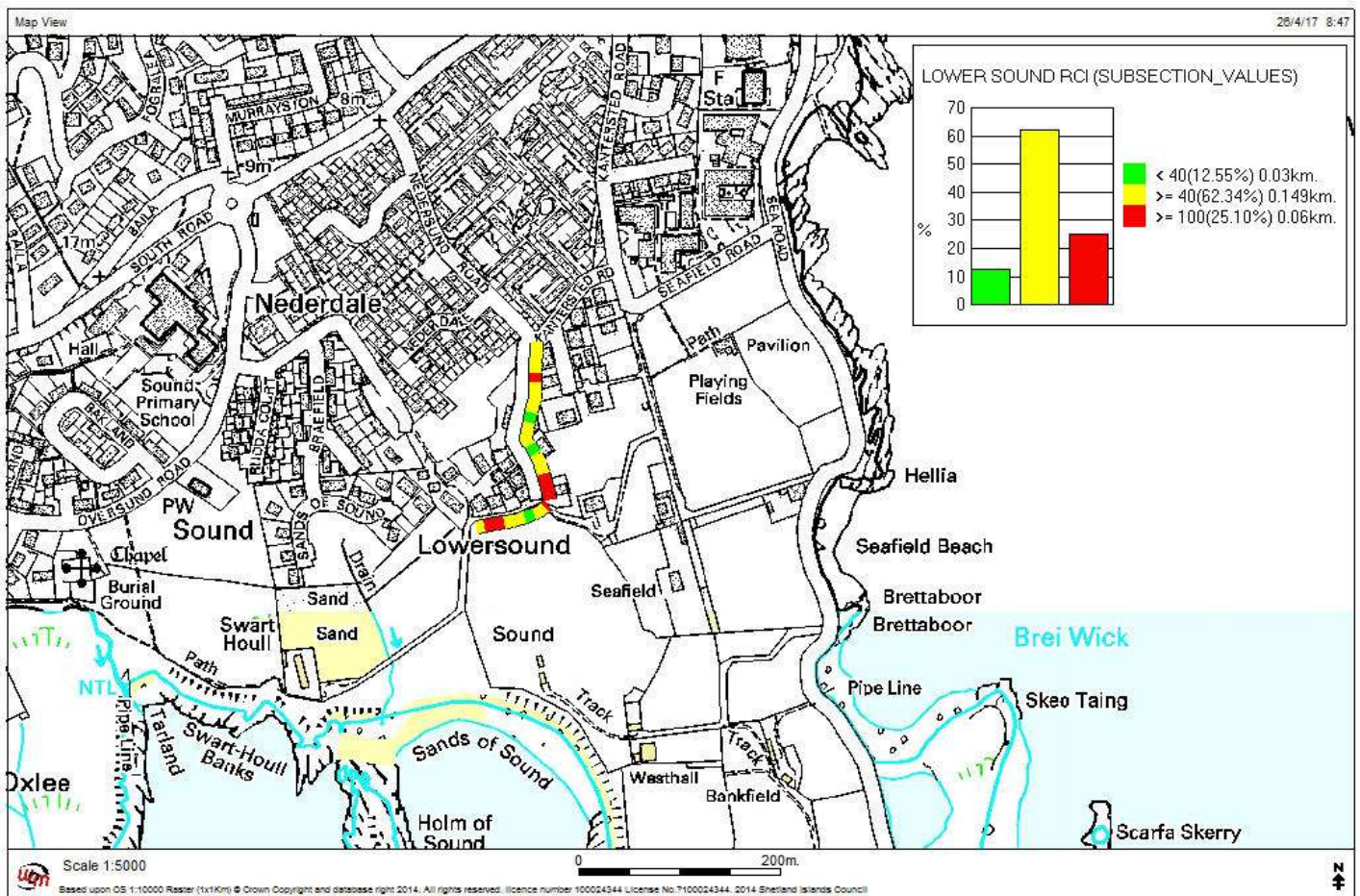
Basta, Yell: Longitudinal and Transverse Cracking



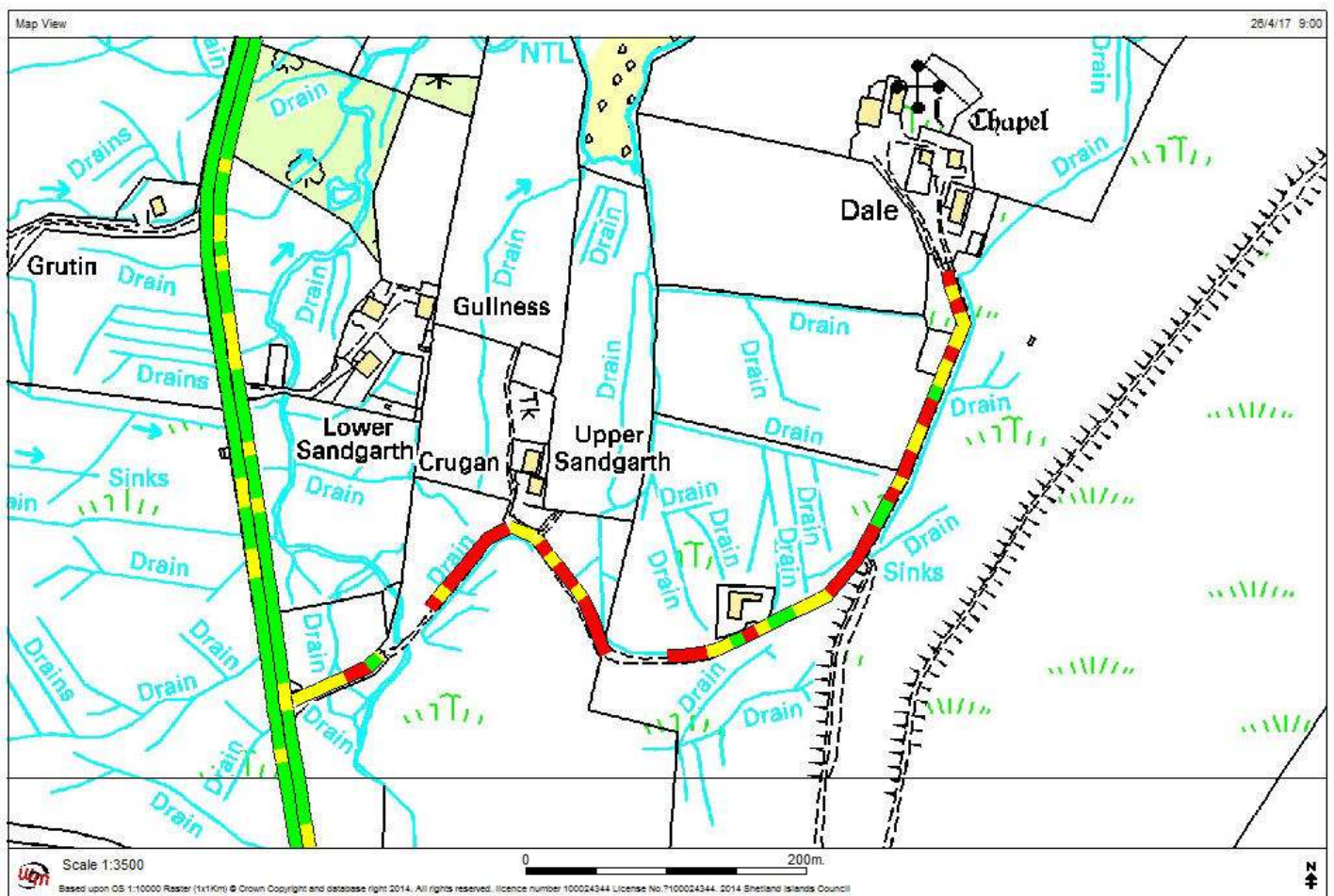
Brunthamarsland, Central Mainland: Poor Profile, Longitudinal Cracking and in Road Edge



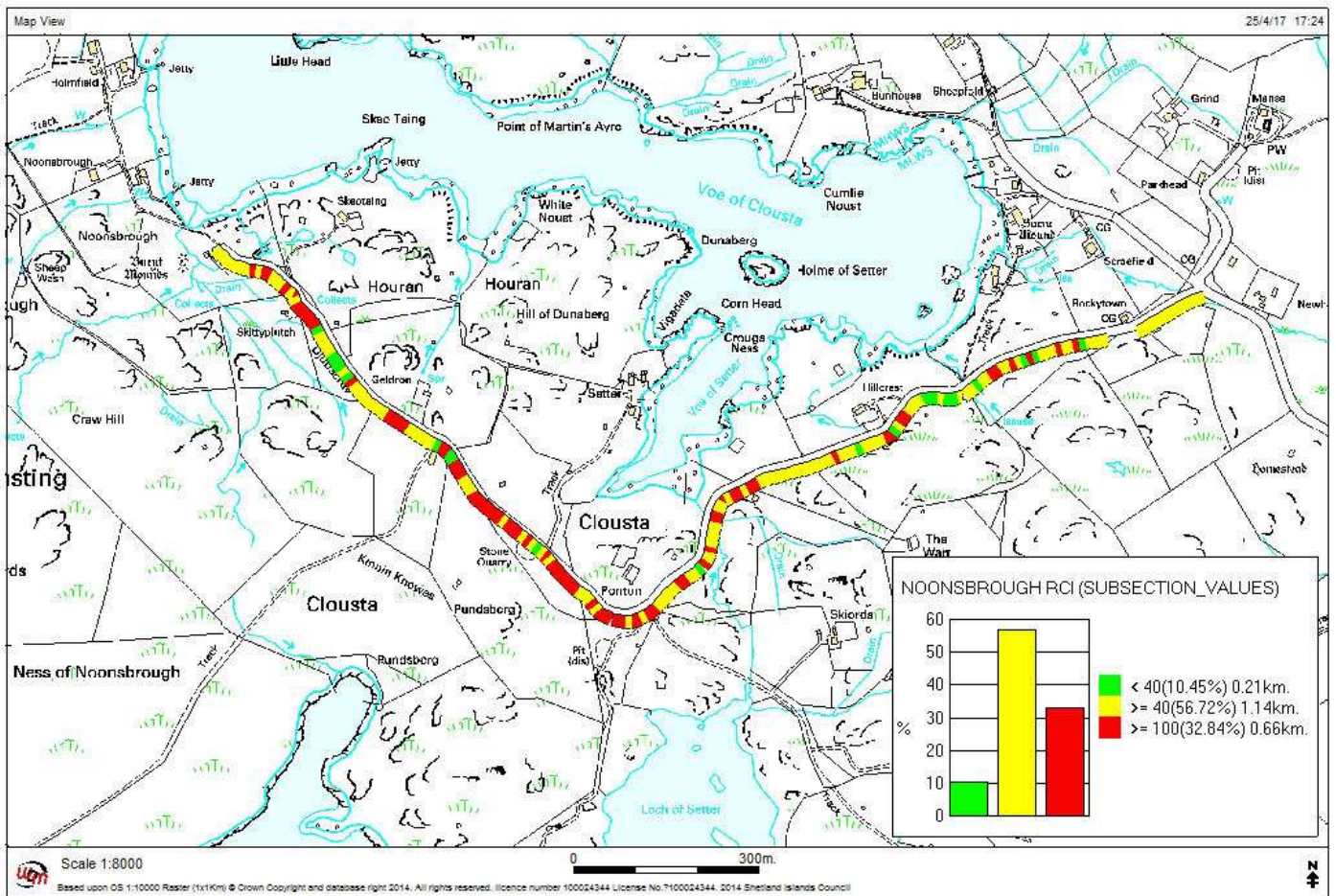
Lower Sound, Lerwick: Badly Rutted, Cracked Areas and Settled Reinstatements



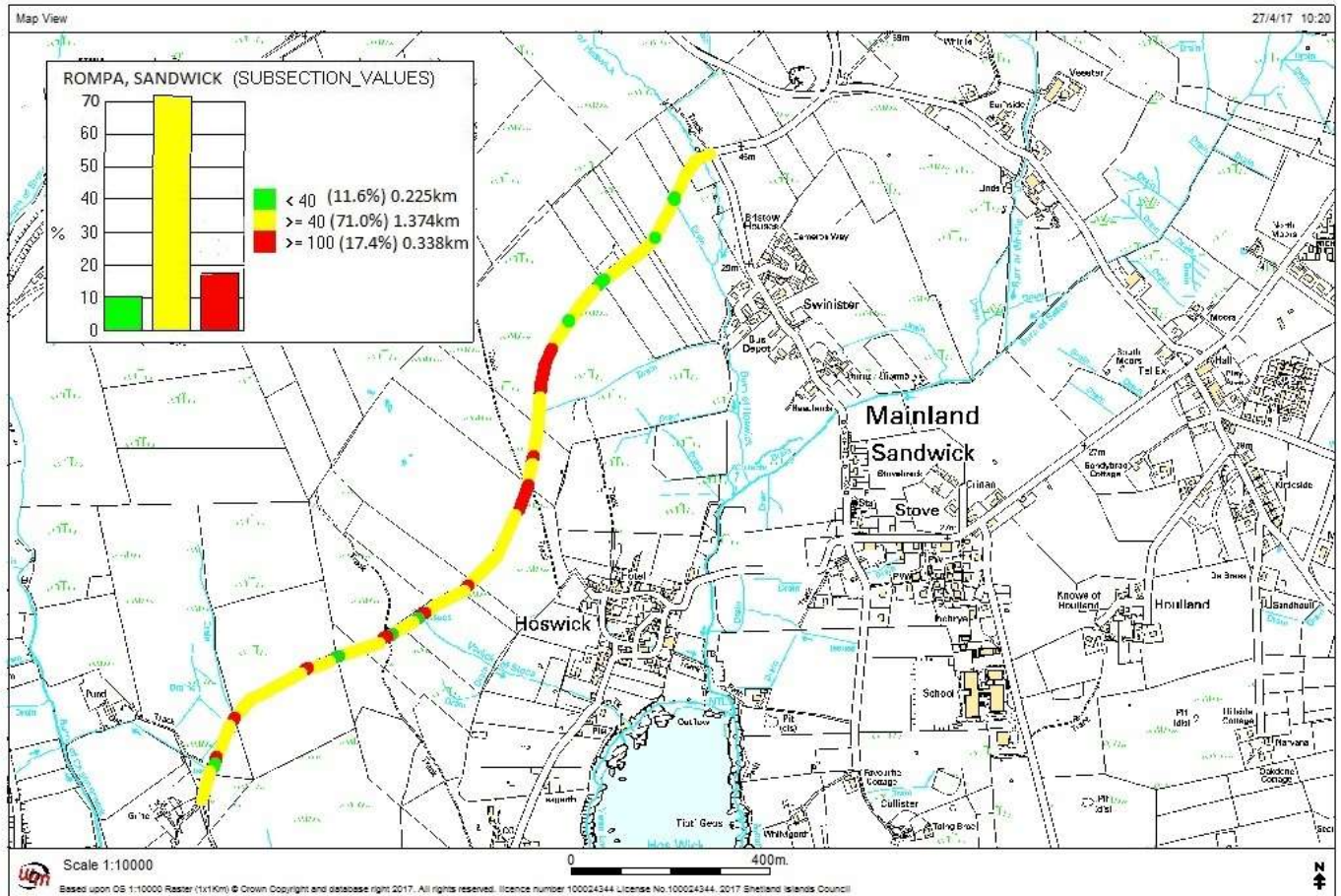
Dale Road, Dales Lees, North Mainland: Longitudinal Cracking and Crazed/Holed Areas



West Mainland: Poor Profile, Badly Cracked and Heavily Patched



Rompa, Sandwich: Heavily Patched and Cracking in Road Edge



2 Maintenance Backlog

2.1 “One Off” Repair Cost

The Society of Chief Officers of Transportation in Scotland (SCOTS) has analysed the SCANNER surveys and the carriageway maintenance budgets of local authorities to calculate a maintenance backlog figure. The inputs to the backlog calculation are:

- the survey data parameters;
- the treatment method for each defect type;
- the treatment costs supplied by each Council; and
- the carriageway lengths and widths supplied by each Council.

The resulting figure is the expenditure required to bring the entire road network of an authority to the acceptable or “Green” condition. The 2015 headline backlog figure to improve Shetland's carriageways to this acceptable condition is £53.8million. The backlog figure is generally calculated by SCOTS every two years. It was calculated last year so it will be later this year when it is next done. The figures since 2009 are shown in the following table.

Table 1: Backlog Figures (Recalculated) for Shetland 2009-15

	BACKLOG (£M)	VARIANCE (£M)	VARIANCE (%)	RCI OVERALL	RCI “A class”	RCI CLASSIFIED	RCI UNCLASSIFIED
2009	27.3			36.6	16.3	26.0	54.1
2010	35.5	8.2	30.0	39.3	21.8	29.9	51.2
2011	45.7	10.2	28.7	40.7	24.7	33.2	50.3
2013	50.5	4.8	10.5	42.5	25.2	34.2	53.1
2015	53.8	3.3	6.5	41.9	21.2	32.0	54.6

3 “Steady State” Figure

3.1 Budget Required to Maintain Current Condition

SCOTS developed the backlog concept further and arrived at a figure giving the annual budget required to maintain carriageways in a “steady state” so that they are neither improving nor deteriorating. In 2009 this figure for Shetland was £2.4 million per year. The budget allocated for carriageway treatments in 2009/10 was £2.08 million or 87% of the steady state figure. This budget was £1.78 million for 2015-16 which equates to only 74% of the “steady state” figure from 2009. However, as the condition of Shetland's carriageways has deteriorated the gap between the “steady state” and actual budgets has increased significantly. The “steady state” figure was calculated again two years ago at the request of the local authorities. The figure for Shetland now stands at £5.6 million. Therefore, last year's carriageway maintenance budgets totalled only 32% of the funding required to maintain our roads in their current condition. This substantial increase in the “steady state” figure is due to inflation and an increase in the unit cost of repairs as well as increased structural deterioration throughout the network.

3.2 Financial Model Predictions

The SCOTS financial model can be used to predict the likely change in Network RCI over the next 10 years for any Scottish Authority by calculating the difference between the “steady state” budget and the settlement expected in future years. Were the 32% figure to be retained for the long term the RCI is predicted to increase by a further 22% in the next 10 years. We would hope to reduce this percentage by careful use of surface dressing but any deterioration is significant when the road network, which is

the Council's most valuable asset, has an estimated gross replacement cost approaching £1,000M.

3.3 Future Road Condition

In the current economic climate, there was a need to realign budgets with available resources. The resulting reductions to carriageway maintenance budgets will have some detrimental impact on the future condition of the road network. They were initially a relatively small proportion of the £310,000 or 13% gap that already existed between spending and the modelled cost of maintaining the network in its current condition (see 3.1 above). These reductions have accumulated and last financial year the combined carriageway budgets were £623,000 less than the 2009/10 "steady state" figure. However, the latest "steady state" figure of £5.6 million from 2015 shows that the gap between the budget and the funding required to maintain carriageways in their current state has significantly increased. This will have an appreciable effect on Shetland's roads, and on the statutory performance indicator, if it continues in the long term. It is vital that planned and preventative maintenance measures, such as surface dressing, are adequately funded in order to avoid much costlier reactive maintenance such as the repair of potholes or deeper failures of the road foundation.

3.4 Structural Failures

It is important to recognise that preventative measures, such as surface dressing, cannot address the structural failure of our carriageways that results from poor "foundations" and heavy loading from larger vehicles. We have already stated "that the majority of Shetland's "classified" roads were improved in a short period during the early years of the oil "boom." Many of these have shown and continue to show signs of deterioration after 30 years of use." Due to the age of these roads a significant proportion of that deterioration is and will be structural. We have to bear this in mind and be prepared for an increase in the lengths of road that will have to be resurfaced or reconstructed. The "easy" gains to be made in carriageway condition by the inexpensive surface dressing of amber sections of carriageway will in time diminish. This would allow a redistribution of funding with the surface dressing budget being reduced in favour of the resurfacing budget. In turn this would, in the meantime, allow a slight increase in the structural treatment of failed sections thereby reducing the expected peak in structurally failed roads. However, given the higher unit rate of resurfacing and reconstruction this peak is likely to result in a worse RCI figure and an increased backlog.

Roads Performance: Detailed Information

1.1 SCOTS Audit

A recent informal audit of the Roads Services' reporting procedures recommended that more emphasis be given to our performance. Therefore, a section on performance indicators is now included in this annual report.

1.2 Carriageway Performance Indicators

The additional indicators are the percentage of road network treated by length, the percentage of road network surface dressed by area and carriageway maintenance cost per kilometre. The Council's performance benchmarked against the 32 Scottish local authorities is also given in each of these criteria. Figures for these indicators are shown in the following tables. It is notable that Shetland Islands Council is ranked 3rd for percentage of the carriageway surface dressed each year and that we spend the 5th least of the 32 authorities on the maintenance of our carriageways.

Table 1: Shetland's Performance Indicators and Benchmarking

<u>Financial Year</u>	% of Network Treated (by Length)	RANK	% of Surface Dressing (by Area)	RANK	Maintenance Cost per Km (£) (Lowest = 1)	RANK
2011/12	4.21	15	3.62	5	2,992	9
2012/13	3.98	*	3.38	*	3,222	*
2013/14	4.68	10	3.64	3	3,281	6
2014/15	4.60	10	3.56	3	3,096	5
2015/16	4.97	7	3.90	3	3,274	6

	A Class RCI Ranking	B Class RCI Ranking	C Class RCI Ranking	Unclassified RCI Ranking	Overall RCI Ranking
2004-06	5	18	20	23	16
2005-07	6	20	19	22	19
2006-08	4	16	20	29	21
2007-09	2	15	14	32	23
2008-10	4	19	18	29	20
2009-11	8	23	19	27	19
2010-12	14	27	21	30	25
2011-13	7	24	17	29	23
2012-14	7	21	17	29	22
2013-15	8	28	16	30	25
2014-16	8	22	19	28	21
2015-17	6	19	16	28	21

Impact of Budgetary Options

1.1 Cost Projection Tool

SCOTS identified a need to assist authorities with assessing and reporting on the predicted effects of varying levels of funding. There was a need to assist authorities to explore and understand the potential for making better use of limited budgets via their deployment in an improved manner. This resulted in the development of the “Cost Projection Tool.” It is a spreadsheet that uses the SCANNER data to predict the future condition of the asset based upon estimated rates of deterioration and the effect of maintenance treatments in improving condition. The projection of costs allows decision makers, including Councillors, to be informed if current and future funding levels are likely to result in an improvement of the network or deterioration. This data is output on graphs showing how the condition is predicted to change over a 20 year period.

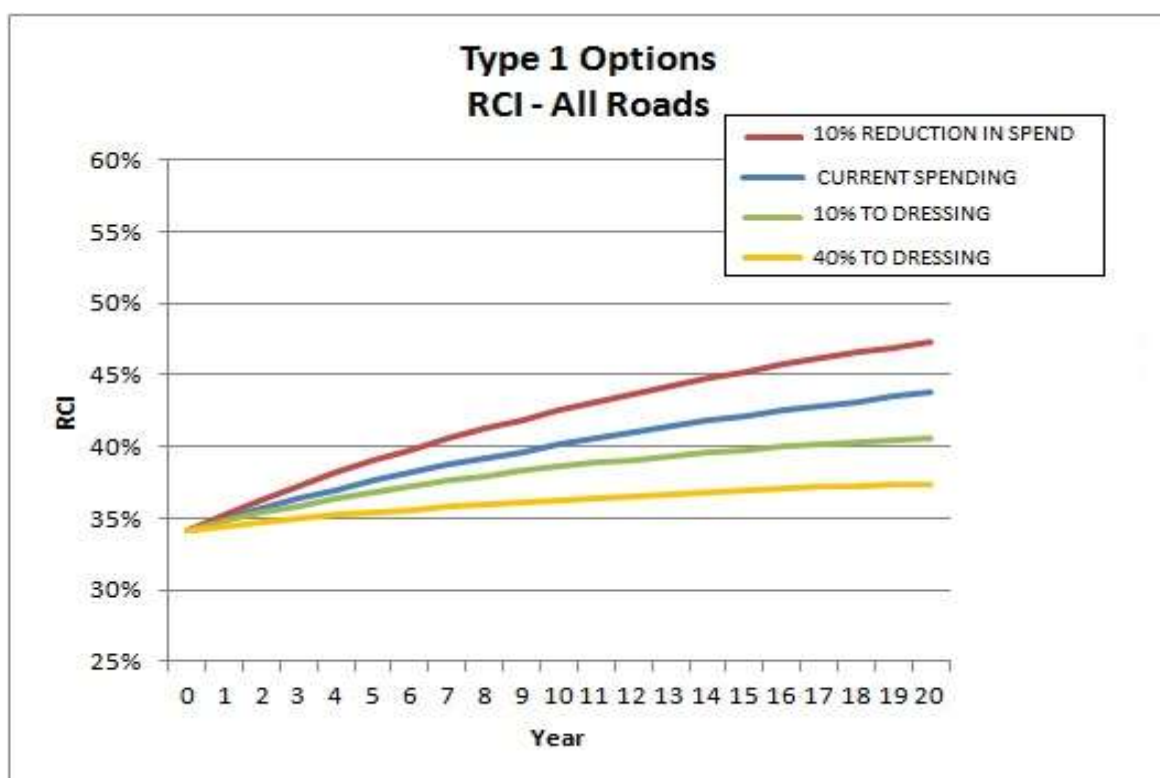
1.2 Funding Scenarios

The funding scenarios that have been modelled are as follows:

- Option 1 - the current spending regime;
- Option 2 - a 10% reduction in spending across all treatments;
- Option 3 - transferring 10% of resurfacing budget to surface dressing; and
- Option 4 - transferring 40% of resurfacing budget to surface dressing.

The predicted results over a 20 year period are as shown in graph 2 below.

Graph 2: 20 Year RCI Prediction for Different funding Scenarios



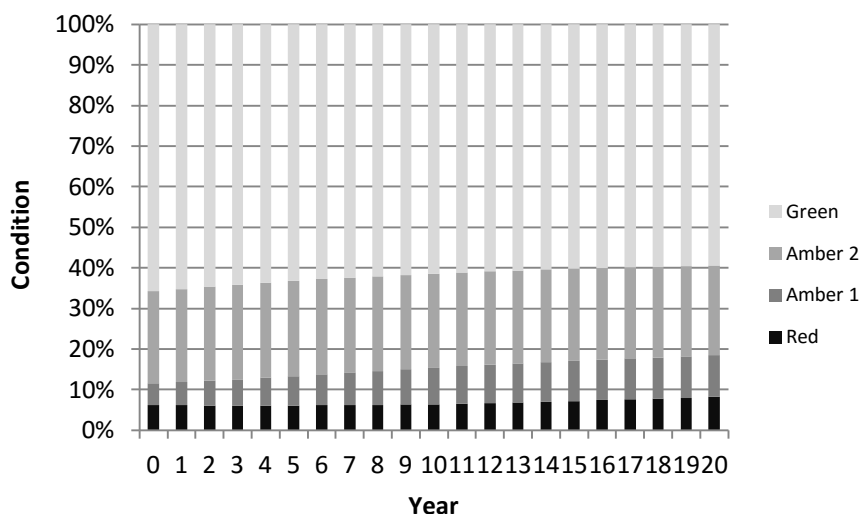
This shows that a 10% reduction in spend across all treatments would increase the RCI by approximately 4% in comparison to retaining the current spend. A 10% reallocation of the spend with more surface dressing done rather than resurfacing would give a 2.5% improvement over the 20 year period while a 40% reallocation yields a 6% improvement. This suggests that we should increase the amount of

surface dressing we do at the expense of our resurfacing programme. However, as surface dressing is weather dependent and there is a limited time when it can be done, it would not be possible to dress the additional area represented by a 40% transfer of funds. Therefore, a 10% transfer of funds would be a better regime to achieve maximum improvement in the RCI.

1.3 Option 3 Analysis

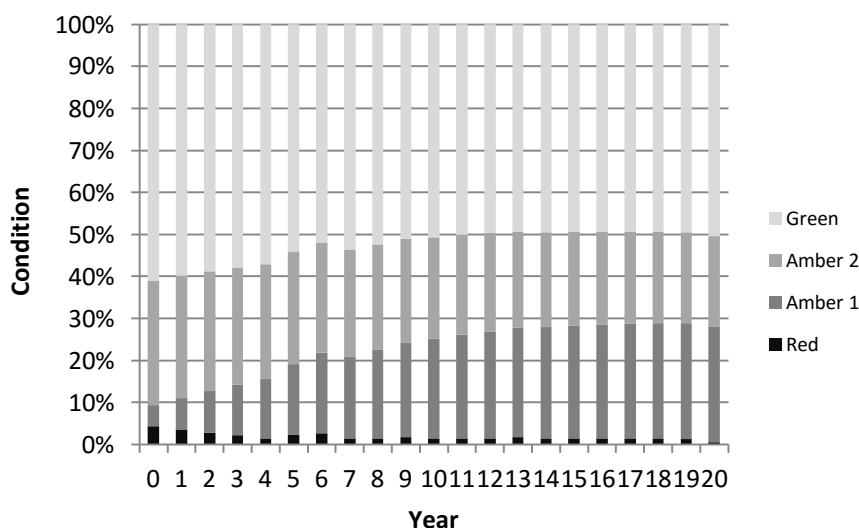
To enable consideration of the graphs we must assume that the red condition can only be treated by reconstruction, amber 1 by resurfacing and amber 2 by surface dressing. Therefore, as the condition of the carriageway improves the unit cost of the required treatment reduces. It should also be noted in the situation where the money allocated is greater than the amount of work required the model calculates the amount of 'surplus budget' which allows that surplus to be reallocated to other road classes or treatments. This allows all spending to be directed to roads where it will be needed and won't be wasted.

**Option 3: 10% Transfer to Surface Dressing
Condition Profile - All Roads**



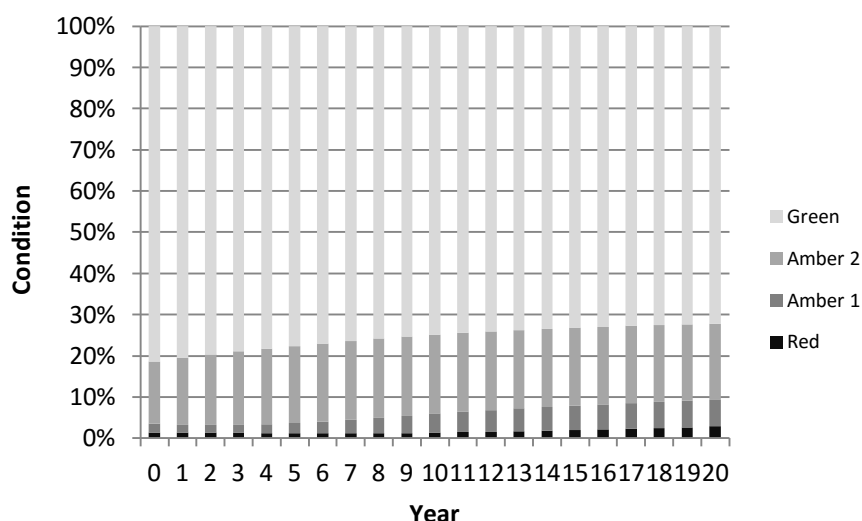
This graph shows that following a 3% improvement in the first year there would be an overall decline in Shetland's carriageways to just over 40% in need of maintenance. There is a slight increase in the red and amber 1 conditions while the amber 2 remains steady. To address this more funding will be required for reconstruction and resurfacing rather than surface dressing.

**Option 3: 10% Transfer to Surface Dressing
Condition Profile - Principal A Roads (Urban)**



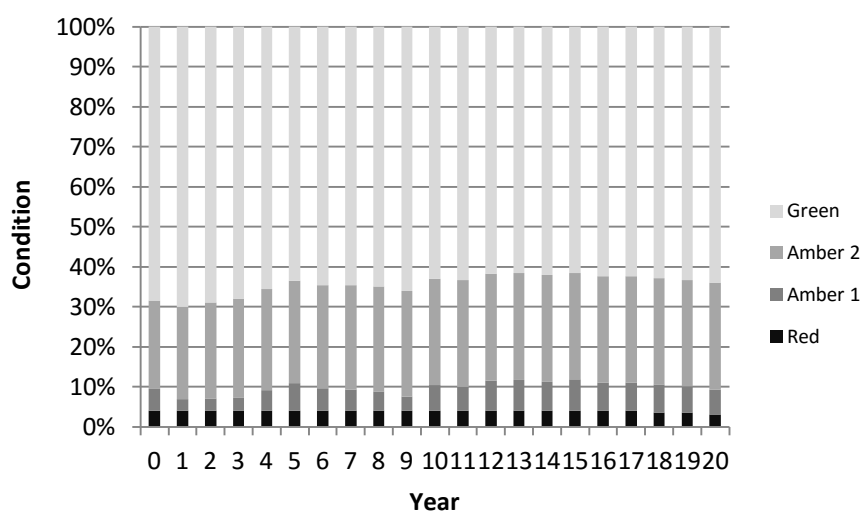
The red condition has been reduced over the 20 year period by reallocating reconstruction and resurfacing funds from rural roads where there would be a surplus if current spending levels were maintained. However, the increase in Amber 1 shows that there would still be insufficient funds for resurfacing.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Principal A Roads (Rural)



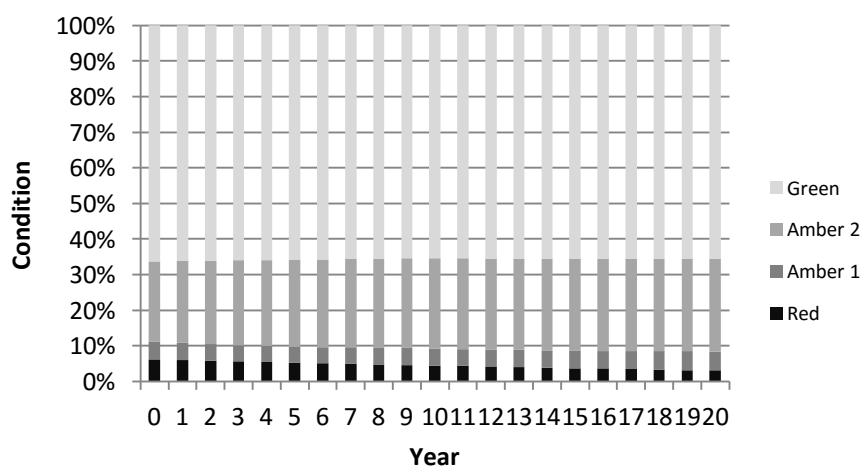
This graph shows only a slight increase in the red and amber 1 conditions despite a transfer of reconstruction and resurfacing funds. The increase in Amber 2 indicates a further reallocation to surface dressing would be preferable if it could be achieved in the limited time available.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Classified B Roads (Urban)



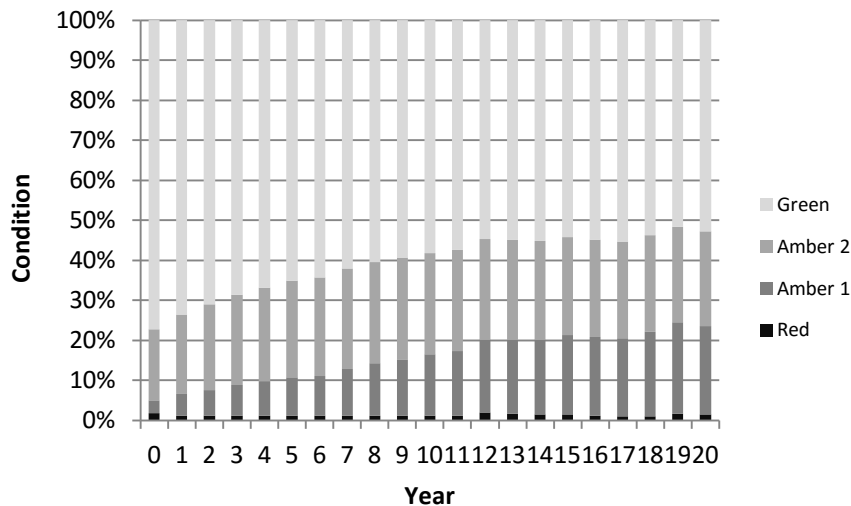
The red and amber 1 conditions are predicted to remain fairly steady over the 20 years. The amber 2 condition also remains fairly steady but is only addressed by resurfacing in urban areas as it is not possible to surface dress in these areas due to frequent junctions.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Classified B Roads (Rural)



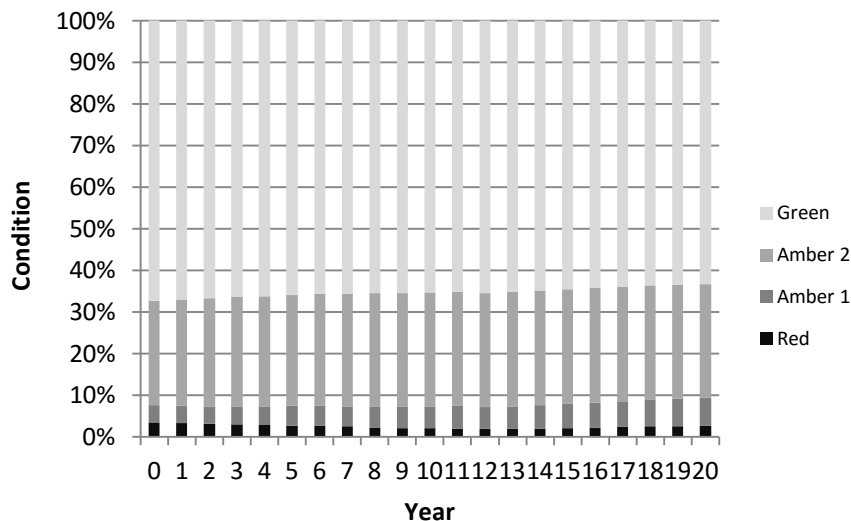
This again shows that a transfer of reconstruction and resurfacing funds to urban areas would have no negative affect and would be an overall benefit to the road network.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Classified C Roads (Urban)



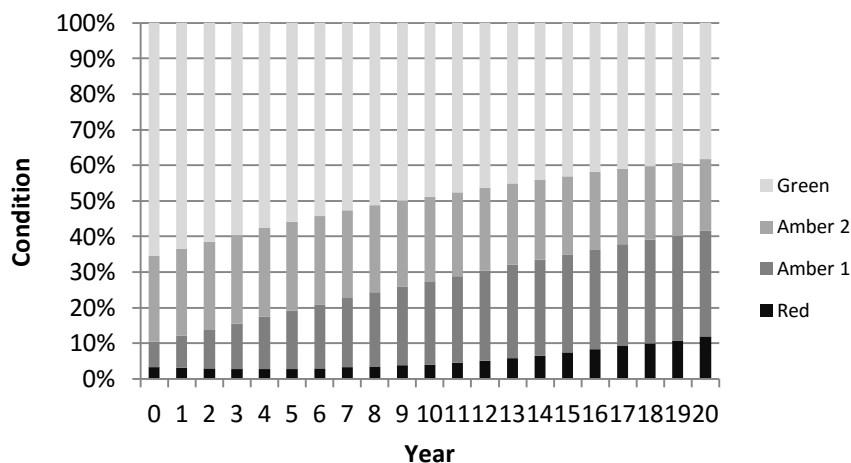
While the red condition remains constant the amber band show that additional spending on resurfacing and surface dressing would be beneficial. The resurfacing would have to be additional as the surplus funding, indicated by the model, has all been reallocated.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Classified C Roads (Rural)

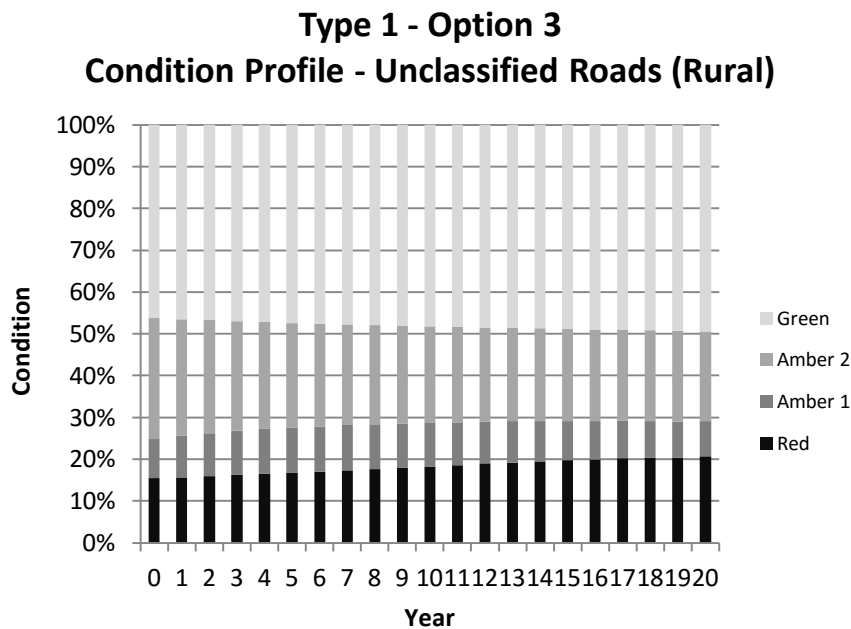


This again shows that a transfer of reconstruction and resurfacing funds to urban areas would have no significant negative affect and would be an overall benefit to the road network.

Option 3: 10% Transfer to Surface Dressing Condition Profile - Unclass Roads (Urban)



This shows a significant increase in the red and Amber 1 conditions despite reallocation of funding from other classes of urban and rural roads. However, this would have been much worse at nearly 50% in a red condition rather than the 11% this graph shows. The graph shows that further funding for reconstruction and resurfacing is needed if significant decline is to be prevented.



This again shows a significant increase in the red condition despite reallocation of funding from other classes of urban and rural roads. However, the Amber 1 and Amber 2 conditions are reduced due to increased allocation of resurfacing and surface dressing respectively. Additional reconstruction funding would be needed to address the increase in the red condition.

1.4 Carriageway Predictions Summary

In summary, the cost tool predicts that it is possible to restrict the deterioration of Shetland's carriageways to only 3% in the 20 year period by transferring 10% of the resurfacing budget to surface dressing. Since resources are limited the chosen option would not require any additional funding for carriageway maintenance above that in the current budgets. It would also appear that, if the current spending regime is retained, there would be a surplus of spending on rural roads. This would have to be reallocated to urban roads if this deterioration of only 3% is to be achieved. However, it is notable that the graphs for the unclassified roads, even though based on national data for the rate of deterioration, show increases in the red condition that would need significant increases in the level of reconstruction and resurfacing spending over and above that reallocated from other road classes. Given that a large proportion of our unclassified roads are founded on peat or other poor sub-soils it is safe to assume that the rate of deterioration in Shetland is higher than the national average.

These figures are based on the SCANNER survey that was done prior to the micro-surfacing of a significant number of Lerwick's streets in August last year. The micro-surfacing should improve our figures for urban road condition and is a treatment that will be considered in future for other "urban" roads in Scalloway and Brae as well as a number of housing estate roads such as Clach-na-Strom, Whiteness and Pundsta Place, Cunningsburgh.