



Executive Manager: Jan-Robert Riise  
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If calling please ask for  
**Louise Adamson**  
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Email: louise.adamson@shetland.gov.uk

Date: 15 May 2018

Dear Sir/Madam

You are invited to the following meeting:

**Development Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Monday 21 May 2018 at 2pm**

Apologies for absence should be notified to Louise Adamson at the above number.

Yours faithfully

Executive Manager – Governance and Law

Chair: Alastair Cooper  
Vice-Chair: Stephen Leask

## **AGENDA**

- (a) Hold circular calling 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.

## ITEM

- 1 Development Directorate Performance Report 2017/18  
*DV-17-18*
- 2 Management Accounts for Development Committee  
2017/18 – Draft Outturn at Quarter 4  
*F-036*
- 3 Shetland Space Centre – Update  
*DV-22-18*

***The following item contains Exempt Information***

- 4 Shetland Investment Fund – Investment Activity 2017/18  
*DV-20-18*



<b>Meeting(s):</b>	Development Committee Environment and Transport Committee Shetland College Board	21 May 2018 21 May 2018 23 May 2018
<b>Report Title:</b>	Development Directorate Performance Report - 2017/18	
<b>Reference Number:</b>	DV-17-18-F	
<b>Author / Job Title:</b>	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 2017/18, 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 2017/18, 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 2017/18**" 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 2017/18**

4.4 During 2017/18 the Development Directorate:

- Led the development of the draft Shetland Partnership Plan 2018-28 (LOIP), and public consultations.
- Worked with Community Planning partners in the Development Partnership to produce 10 year plan to attract people to Shetland to live, work, study, invest.
- Retendered the Promote Shetland Services Contract.
- Produced a Housing Revenue Account (HRA) Business Plan.
- Agreed a Strategic Housing Investment Plan with a target of 316 new affordable homes built during the next 5 years, and achieved commitment of £14.3m Government funding towards this.
- Accessed Scottish Government Rural and Islands housing funding to investigate community housing projects with Walls & Sandness and Northmavine communities.

- Commenced project to work with small island communities, to develop future plans.
- Worked with colleagues in Orkney and the Western Isles to develop a draft Islands Deal Proposal as part of the Our Islands Our Future project.
- Worked with Hjaltsland Housing Association, Architecture and Design Scotland (A&DS) and community representatives to finalise Staney Hill Master Plan and adopt as planning policy.
- Worked with Corporate Services, A&DS, and community representatives to develop a draft Master Plan for the Knab site.
- Commenced engagement of a Master Planning project for Scalloway (“Making Places”).
- Led project to resettle two Syrian refugee families.
- Developed and implemented a new Lending Service, Policy and Fund.
- Refreshed the Shetland Transport Strategy.
- Helped secure £5 million funding for Internal Ferries for 2018/19, with commitment from Scottish Government to work towards a management/funding arrangement for future years.
- Engagement with Scottish Government and Transport Scotland on external ferry contracts.
- Working with the Tertiary Sector and funding stakeholders to investigate effective governance structure.
- The Shetland College, NAFC Marine Centre and train Shetland have jointly exceeded the Further Education (FE) target activity.

4.5 Appendix A shows progress on the key projects and actions the Directorate set out to complete or substantially progress in 2017/18. Appendix B 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**

4.6 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 Full Business Case have been delayed, with implementation of agreed model planned for implementation by start of academic term 2019.
- 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.

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

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.	
<b>5.0 Exempt and/or Confidential Information:</b>	
5.1 None.	
<b>6.0 Implications:</b>	
<b>6.1 Service Users, Patients and Communities:</b>	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.
<b>6.2 Human Resources and Organisational Development:</b>	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.
<b>6.3 Equality, Diversity and Human Rights:</b>	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.
<b>6.4 Legal:</b>	The Directorate delivers statutory services, monitoring performance provides assurance that statutory requirements are met and the Council complies with its duties in delivering Services.
<b>6.5 Finance:</b>	The actions, measures and risk management described in this report have been delivered within existing approved budgets.
<b>6.6 Assets and Property:</b>	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.
<b>6.7 ICT and New Technologies:</b>	Limitations of the Shetland wide Broadband and Mobile networks impact on delivery of services which require remote access to digital networks and databases.
<b>6.8 Environmental:</b>	The Directorate works closely with Infrastructure and other Directorates to reduce energy usage and carbon emissions.

<b>6.9 Risk Management:</b>	<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>	
<b>6.10 Policy and Delegated Authority:</b>	<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>	
<b>6.11 Previously Considered by:</b>	None.	

**Contact Details:**

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14 May 2018

**Appendices:**

Appendix A - Progress on the Directorate Projects and Actions (Development Committee, Environment and Transport Committee, Shetland College Board)

Appendix B – Key Directorate Indicators and Council Wide Indicators (Development Committee, Environment and Transport Committee, Shetland College Board)

Appendix C – Complaints Summary (Development Committee Only)

Appendix D – Development Infographic (Development Committee, Environment and Transport Committee, Shetland College Board)

Appendix E – Risk Register (Development Committee Only)

**Background Documents:**

[Directorate Plan 2018-20](#)





# Appendix A - Projects and Actions - Development ->Development Committee



Generated on: 14 May 2018

## OUR PLAN 2016-2020

### C) ECONOMY & HOUSING


#### 1) Promote enterprise

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

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP203 Support for local businesses and entrepreneurs	Development of a skilled workforce to match industry requirements, and other direct and indirect support to businesses. Sustainable integrated delivery model for Tertiary Education and Research is in place for August 2018.	Sustainable economy with access to skilled workforce	Planned Start	01-Apr-2017		The Islands Deal project is being progressed along with Orkney and Western Isles. The deal will have a key focus on increasing Shetland's economically active population.	Development Services Directorate
			Actual Start	17-Aug-2017	<div><div></div>25%</div>		
			Original Due Date	01-Apr-2020	Expected success		
			Due Date	01-Apr-2020		Experiencing issues, risk of failure to meet target	
			Completed Date				
						A Strategic Outline Case for efficient tertiary education, research and training delivery has been prepared which identifies a preferred option for further analysis and Full Business Case to be prepared for October 2018, with estimated vesting (implementation) by start of academic term 2019.	

#### 7) Housing supply

We will have increased the number of houses in Shetland, with a range of options that are affordable and achievable for all.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP200 Increase supply of housing across all tenures	Deliver refreshed Local Housing Strategy and Local Development Plan Main Issues Report in 2017, and increase confidence and engagement of developers to build in Shetland	Housing supply is facilitating an increased population	Planned Start	01-Apr-2017		Staney Hill master plan complete and signed off as planning policy. Knab master plan progressing and will be reported to June cycle.	Development Services Directorate
			Actual Start	17-Aug-2017	<div><div>50%</div></div>		
			Original Due Date	01-Apr-2020	Expected success	Meeting with builders and agents on 20 April, issues with procurement and workforce discussed now being followed up with meeting on 20 June.	
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet target		

## D) COMMUNITY STRENGTH

### 1) Community support

Communities will be supported to find local solutions to issues they face.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP201 Support communities to reach their full potential	Work with the Shetland Partnership to develop policy and support implementation of the Community Empowerment Act, and embed new ways of working.	Communities feel engaged in local decision making	Planned Start	01-Apr-2017		The LOIP (Shetland's Partnership Plan 2018-28) has been out for extensive consultation and has now been adjusted to take account of the consultation responses	Development Services Directorate
			Actual Start	17-Aug-2017	<div><div>40%</div></div>		
			Original Due Date	01-Apr-2020	Expected success	Discussion on Governance structures, and Delivery groups has now also commenced.	
			Due Date	01-Apr-2020			
			Completed Date		Likely to meet target		

## E) CONNECTION & ACCESS

### 2) Broadband

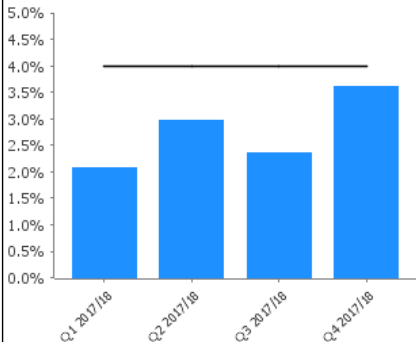
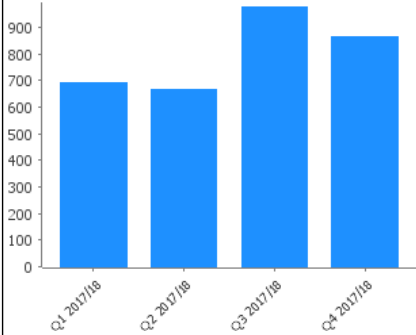
More people will have access to high-speed broadband and reliable mobile connections, helping to connect people, communities and businesses throughout Shetland.

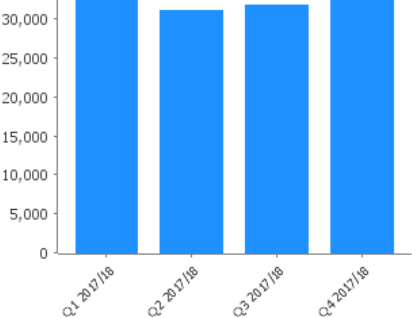
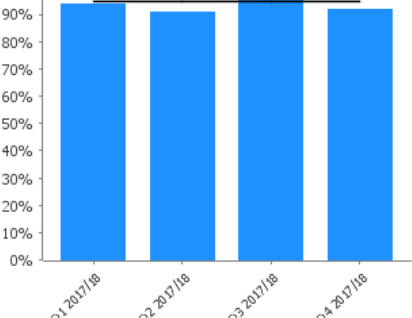
Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP204 Digital and mobile connectivity	Work with Scottish Government to influence rollout of broadband and mobile services in Shetland under the Government R100 plan, and identify where there are business cases for council engagement in provision of services and infrastructure.	Achieve 100% high speed broadband and mobile coverage throughout Shetland	Planned Start	01-Apr-2017		UK Government Fibre challenge fund bid for fibre network to Yell and Unst was unsuccessful but we are revising the bid for feedback to the next round.	Development Services Directorate
			Actual Start	17-Aug-2017	<div><div>50%</div></div>		
			Original Due Date	01-Apr-2021	Expected success		
			Due Date	01-Apr-2021			
			Completed Date		Experiencing issues, risk of failure to meet target		

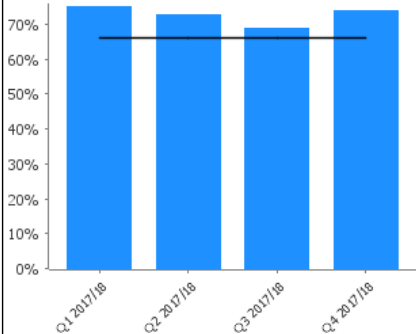


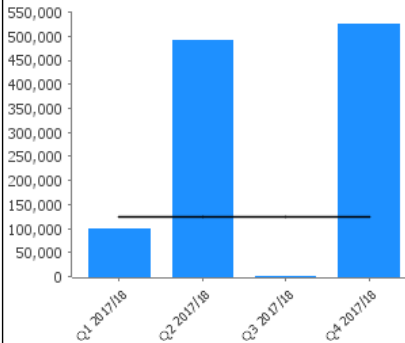
## Appendix B Performance Indicators (Quarterly)- Development Directorate -> Development Committee

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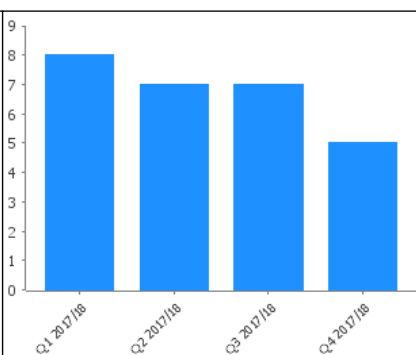
Code & Short Name	Previous Years		Quarters				Q4 2017/18 Target	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18			
	Value	Value	Value	Value	Value	Value			
OPI-4C-G Sick %age - Development Directorate	2.9%	2.8%	2.1%	3.0%	2.4%	3.6%	4.0%		The sickness level for the Development Directorate has increased for Q4 but continues to be below the target of 4.0% with the 2017/2018 sickness level at 2.8%.
OPI-4E-G Overtime Hours - Development Directorate	3,366	3,204	693	666	978	867			The Development Directorate overtime hours have decreased in Q4, and reduced overall for 2017/2018. Overtime continues to be managed on a pre-authorisation basis.

	Previous Years		Quarters						
Code & Short Name	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q4 2017/18	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
OPI-4G-G Employee Miles Claimed - Development Directorate	112,437	128,880	32,390	31,017	31,689	33,784			Miles claimed has remained quite steady.
G01 FOISA responded to within 20 day limit - Development Services	92%	93.25%	94%	91%	96%	92%	95%		Of the 49 FOISAs received in Q4, 45 were responded to within the 20 day timescale. During 2017/2018, 167 FOISAs were completed with a rate of 93% completed on time which is an improvement on 2016/2017. FOISAs continue to be monitored regularly by staff and management team.

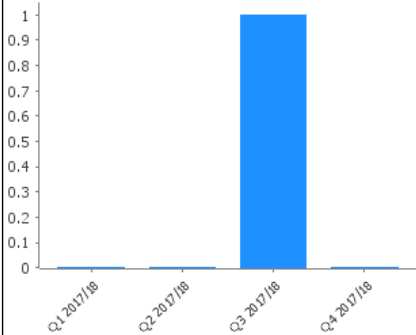
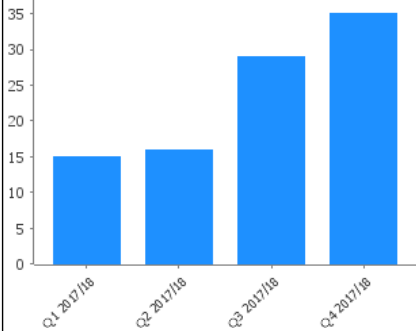
Code & Short Name	Previous Years		Quarters				Q4 2017/18 Target	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18			
	Value	Value	Value	Value	Value	Value			
GD-02 Success rate - external funding applied for by community groups (%)	65.63%	72.66%	75%	72.73%	69%	73.91%	66%	 <p>CP&amp;D staff have assisted with submitting 3 new funding bids in Q4, one of which was successful and the other two are still pending at quarter end. Overall across the whole financial year CP&amp;D officers have assisted with a total of 25 external funding applications, 17 of which were successful and 6 rejected with 2 decisions still pending giving an overall success rate of 73.91% in 2017/18. CP&amp;D has exceeded its annual target of 66% which is a positive result.</p> <p>Whilst only 3 applications were submitted in this quarter, CP&amp;D staff have been working with a number of community groups and projects seeking funding. It is anticipated there will be several applications submitted early in the new Financial year. CP&amp;D officers are developing a workshop and training session aimed at offering handy tips and advice to community councils and community groups when applying for funding. This workshop will be finalised and rolled out during 2018/19 and beyond. It will also help CP&amp;D staff to further develop their skills and knowledge at supporting groups and projects with funding applications.</p>	

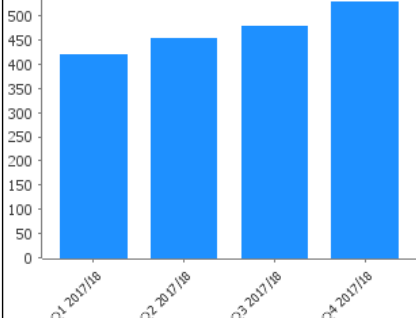
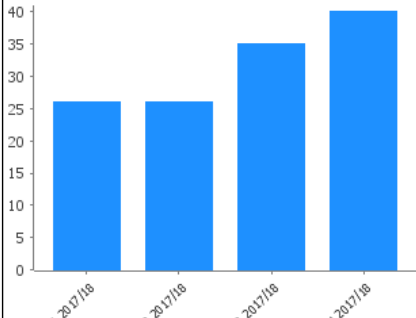
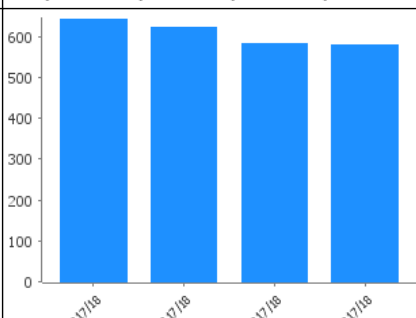
Code & Short Name	Previous Years		Quarters				Q4 2017/18 Target	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18			
	Value	Value	Value	Value	Value	Value			
GD-03 External funding secured by Community Groups	280,486	1,116,110	100,001	490,200	500	525,409	125,000	 <p>In Q4, 10 funding decisions were received of which 8 were successful and 2 were turned down. External funding totalling £525,409 was secured in Q4 by Council and community projects from external funding bodies including Big Lottery Fund, The Robertson Trust, Scottish Government and Scottish Land Fund. Community projects in Sandwick, Fair Isle and Nesting were all successful in attracting external funding, as were applications by Burra &amp; Trondra Community Council and Shetland Islands Council. Overall across the financial year CP&amp;D staff have assisted local groups and projects to secure £1,116,110 of external funding. CP&amp;D has more than doubled its annual target which is a positive result.</p> <p>The Grants Unit continues to share funding opportunities with 23 funding sources circulated in Q4, bringing the total funding bulletins issued during 2017/18 to slightly over 100. In 2017/18, Shetland projects had a 80% success rate with Awards for All (lottery) applications which is significantly higher than the scheme's current success rate of 54%. There was also 100% success with applications to Scottish Land Fund and The Robertson Trust which is well above national average.</p> <p>The External Funding Officer has begun conversations with a national funding body with a view to organising a visit to Shetland to deliver funding workshops and provided 1-2-1 appointments. If successful, an event should be held locally towards the end of 2018. The Grants Unit has also taken on a licence with SCVO for</p>	

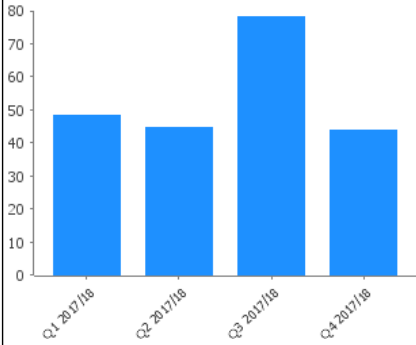
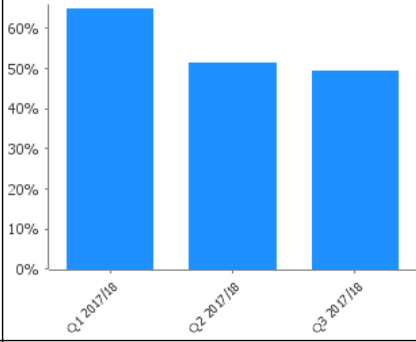
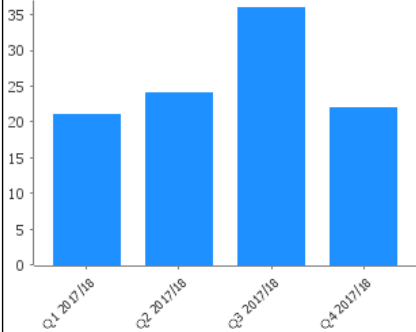
Code & Short Name	Previous Years		Quarters				Q4 2017/18	Target	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18				
	Value	Value	Value	Value	Value	Value				

GD-04 Number of people moving into employment through Employability Pathway	25	27	8	7	7	5		 <p>Q1 2017/18 Q2 2017/18 Q3 2017/18 Q4 2017/18</p>	<p>In addition to the 5 moving into employment, 12 new participants were supported within Quarter 4.</p> <p>A consultation exercise, to inform the future of services, has concluded, and a Business Case for services, from 2019 is being drafted.</p>
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	Previous Years		Quarters						
Code & Short Name	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q4 2017/18	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
GD-05 Number of Asset Transfer Requests			0	0	1	0		 <p>A valid Asset Transfer request was received in January 2017 from the Community Development Company of Nesting; relating to the Aald Skul, South Nesting. The request is currently being evaluated through the Council's decision-making process and a decision is expected in Q1 2018/19. CP&amp;D staff are supporting groups with 4 other pre-application enquiries.</p> <p>The receipt of a valid request has allowed for testing and refinement of the Council's approach to asset transfer, with the willing participation of the community body. This has led to the finalisation of several elements and several refinements to improve the process in future. The learning from the process will be captured by CP&amp;D and shared with relevant teams.</p>	
GE-05 Numbers accessing Business Gateway Start Up Services	69	95	15	16	29	35		 <p>During 2017/2018, there have been 95 enquiries dealt with by Business Gateway relating to start up services. This includes those attending Business Start Up courses, local pre-start enquiries and EFRS pre-start enquiries. This is an increase on 2016/2017.</p>	

	Previous Years		Quarters						
Code & Short Name	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q4 2017/18	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
GH-05 Average length of time in temporary or emergency accommodation (Days)	491	500	420	452	477	529			The average time in temporary accommodation has increased to 500 days in 2017/2018. This demonstrates the pressure on housing stock and demand.
GH-08 Number of Homeless Applications Made	114	127	26	26	35	40			The number of homeless applications has increased. Preventative work continues to reduce homelessness where possible.
GH-09 The number of housing applications on housing register	661	578	643	623	582	578			The number of housing applications continues to reduce but there is still a high demand for social housing.

Code & Short Name	Previous Years		Quarters				Q4 2017/18	Target	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18				
	Value	Value	Value	Value	Value	Value				
GP-01 Average days taken to obtain a building warrant	63.16	54.22	48.4	44.74	78.15	44			 <p>In Q4, 52 building warrants were issued with an average time taken of 44 days. The average time taken for domestic applications was 37 days which account for 75% of all applications received. This is an improvement from previous quarters. Non domestic applications, which are typically more complex, took on average 65 days.</p> <p>In comparison to last year there's been an increase in the number of warrants granted (219 to 229) and a decrease in the average days taken (63.16 days to 54.22 days).</p>	
GP-02 % planning applications dealt with within 2 months	46.6%		64.9%	51.4%	49.3%				 <p>Q4 information not yet available.</p>	
GP-10t Housing completions (Private & Affordable)	80	103	21	24	36	22			 <p>The number of housing completions continued to increase.</p>	

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

**NOTE:** Sickness absences are seasonal, therefore quarters are compared to the same quarters in previous years

Generated on: 14 May 2018

Short Name	Years				2 years ago	Last year	This year
	2014/15	2015/16	2016/17	2017/18	Q4 2015/16	Q4 2016/17	Q4 2017/18
	Value	Value	Value	Value	Value	Value	Value
Sickness Percentage - Whole Council	4.2%	3.7%	3.1%	4.0%	4.0%	4.1%	5.0%
Sick %age - Chief Executive's "Directorate"	2.4%	3.5%	1.2%	2.9%	7.3%	2.0%	5.9%
Sick %age - Children's Services Directorate	3.7%	2.9%	2.5%	3.5%	3.4%	3.3%	5.0%
Sick %age - Community Health & Social Care Directorate	6.0%	5.6%	5.2%	6.3%	5.6%	7.4%	6.7%
Sick %age - Corporate Services Directorate	2.4%	1.8%	1.9%	2.6%	2.4%	2.4%	2.3%
Sick %age - Development Directorate	4.2%	3.5%	2.9%	2.8%	3.4%	3.1%	3.6%
Sick %age - Infrastructure Directorate	4.0%	3.8%	2.4%	3.2%	4.1%	2.7%	4.4%

## Appendix C - Complaints - Development 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: 14 May 2018

### Failure to provide a service

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
393	Frontline	08-Feb-2018	Closed	01-Mar-2018	Housing	15	Upheld
392	Investigation	15-Jan-2018	Closed	27-Jan-2018	Housing	10	Upheld
396	Investigation	05-Mar-2018	Closed	13-Mar-2018	Housing	6	Upheld

### Standard of service received

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-17/18-734	Frontline	23-Mar-2018	Closed	03-Apr-2018	Development Services Directorate	6	Not Upheld
397	Investigation	12-Mar-2018	Closed	23-Mar-2018	Housing	9	Upheld

### Dissatisfaction with Council policy

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
395	Frontline	26-Feb-2018	Closed	28-Feb-2018	Housing	2	Not Upheld

### Failure to follow administrative process

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-17/18-725	Frontline	06-Mar-2018	Closed	15-Mar-2018	Planning	7	Upheld
COM-17/18-736	Frontline	27-Mar-2018	Alert		Planning	33	



# DEVELOPMENT SERVICES REVIEW OF THE YEAR 2017/18

**103 NEW HOUSES BUILT**  
63 PRIVATE  
40 AFFORDABLE

**NORTH MAINLAND**  
**21**

17 PRIVATE  
4 AFFORDABLE

**WEST MAINLAND**  
**1**  
PRIVATE

**NORTH ISLES**  
**6**  
PRIVATE

**LERWICK & BRESSAY**  
**48**  
16 PRIVATE  
32 AFFORDABLE

**CENTRAL MAINLAND**  
**17**  
13 PRIVATE  
4 AFFORDABLE

**SOUTH MAINLAND**  
**10**  
PRIVATE



**170 COUNCIL HOUSES**  
ALLOCATED ACROSS SHETLAND

✓ Shetland  
✓ Community  
✓ Choices

**6 LOCAL PROJECTS**  
BENEFITED  
FROM £100,000 AFTER  
MORE THAN 1,000 PEOPLE  
CAST 5730 VOTES

**TRAINSHETLAND**  
Vocational Training

**74 NEW STARTS**  
compared to 55 last year

**86%**  
our achievement rate  
over the past year



**-Who employs our apprentices?**

private sector

71%



public sector

29%



**2.2 million**

passenger and vehicle journeys on  
transport services throughout Shetland  
an overall 2% decrease from previous year



**Over £1.1 million**  
of External Funding  
secured by 9 different  
community projects and  
3 SIC projects with our help

**£1.08**  
**MILLION**

**approved** for  
**32** economic  
development  
projects



**18 active LEADER projects**  
funded by the Scottish  
Rural Development  
Programme



OUR  
PERFORMANCE  
MATTERS







## Risk Register - Development Services

Risk & Details	Current			Current and Planned Control Measures	Target			Responsible Officer
	Likelihood	Impact	Risk Profile		Probability	Impact	Risk Profile	
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 2017 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 has been adopted by the Shetland 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 Corporate plan 2016-20, "Our Plan 2016-2020" 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 - <a href="http://intranet2/Policy/Shared%20Documents/ICT%20SecurityPolicy%20v2_10.pdf">http://intranet2/Policy/Shared%20Documents/ICT%20SecurityPolicy%20v2_10.pdf</a> (Exec summary on page 5).	Unlikely	Minor	Low	Neil Grant Development Services

## Risk Register - Development Services

Risk & Details	Current			Current and Planned Control Measures	Target			Responsible Officer
	Likelihood	Impact	Risk Profile		Probability	Impact	Risk Profile	
Category	Directorate							
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. Brexit also can affect this risk. Consequences : Council cannot afford current service levels or replacement of aging infrastructure, financial risk sits with Infrastructure for ferries and Development for air contract. Risk type : Central Govt Funding Issues Reference - C0027	Possible	Minor	Medium	• *The Council has worked with the Scottish Government using Transport Methodology and Business Case planning to identifyspecification for inter island transport. *A joint statement on Fair Funding has been prepared by Shetland and Orkney Islands Councils to clarify funding amounts and timescales with Scottish Government Ministers. *Funding request for 2018/19 revenue budget and capital costs.	Possible	Extreme	High	Neil Grant Development Services
Corporate Plan	F1. Our "20 by '20" - Leadership & Management							
Council commitment to partnership working. This became a statutory requirement following implementation of the Community Empowerment Act 2015. 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 Partnership 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 *A project board has been set up to progress Community Empowerment (Part 2) workstreams of Governance, Locality Planning and Engagement. *Target date for implementation of new Partnership Plan, Locality Plan and Governance arrangements is April 2018.	Unlikely	Major	Medium	Neil Grant Development Services

## Risk Register - Development Services

Risk & Details	Current			Current and Planned Control Measures	Target			Responsible Officer
	Likelihood	Impact	Risk Profile		Probability	Impact	Risk Profile	
Category Directorate								
Failure to deliver the College merger would result in an unsustainable tertiary sector. The timeframe and responsibilities for the project have been revised with the UHI tasked with leading the business case development of a merged, single governance organisation for tertiary education, research and training. Business case to be complete by 31 October 2018 with targeted vesting date of 31 October 2019. Trigger : Project management failure, partner failure, project resources. Consequences : Failure to deliver a sustainable and affordable model for tertiary education, training and research. Risk type : Professional - Other Reference - C0031	Unlikely	Significant	Medium	• UHI has been fundedby SFC to lead the business case development of a merged, single governance organisation for tertiary education, research and training. Business case to be complete by 31 October 2018	Unlikely	Minor	Low	Neil Grant Development Services
Corporate Plan F5. Our "20 by '20" - Standards of Governance								
Development Directorate is managing a number of significant projects of strategic importance, including Community Empowerment Act, Part 2, Colleges Review; Internal and External Ferries; Outer Isles 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) 2018-2028 Trigger : Focus or priority could be wrong Consequences : Wasted resources, negative impact on wider community, Financial cost, bad publicity Risk type : Strategic priorities wrong Reference - C0019	Possible	Major	High	• Ensure projects are a priority activity in achieving the Outcomes identified in the Corporate PlanEnsure projects are a priority activity in achieving the Outcomes identified in the Corporate plan 2016-20 and ensure proper process for identifying and allocating project resource.	Unlikely	Significant	Medium	Neil Grant Development Services

## Risk Register - Development Services

Risk & Details	Current			Current and Planned Control Measures	Target			Responsible Officer
	Likelihood	Impact	Risk Profile		Probability	Impact	Risk Profile	
Category Directorate								
Development Service delivers a service with reducing resources and constraints including the MTFP. 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 Consequences : Impact on service, workload has to be managed by fewer staff, stress, impact on service users & communities Risk type : Economic / Financial - Other Reference - C0021	Likely	Significant	High	• Restructure implemented, strategic planning continuing, awareness of issues	Possible	Significant	Medium	Neil Grant Development Services
Development Service / the Council works in a number of areas and necessarily publishes information on its activities Trigger : Failure to share information, poor management of communications/ poor communication with service users/ members of the public/ media, or mis-perception by media. Consequences : Bad publicity, communities miss opportunities, finite resources spent on rectifying misunderstandings, staff morale impact, service users/ partners lose trust in services. Risk type : Communications poor Reference - C0022	Unlikely	Major	Medium	• Link to risk around corporate priorities • Adhere to corporate communications policy, Management team are aware of the issues and risks that fall to Dev MT and CMT.	Rare	Significant	Low	Neil Grant Development Services
One or more communities fail to be sustainable Trigger : Demographic and socio-economic problems on remote communities Consequences : Depopulation of remote areas, sudden impact on development services Risk type : Economic climate Reference - C0026	Possible	Significant	Medium	• Impact of connectivity from broadband and transport links, working with communities to develop sustainable plans Progressing 'Islands with small populations' project	Unlikely	Significant	Medium	Neil Grant Development Services



<b>Meeting(s):</b>	Development Committee	21 May 2018
<b>Report Title:</b>	Management Accounts for Development Committee: 2017/18 – Draft Outturn	
<b>Reference Number:</b>	F – 36 – D1	
<b>Author / Job Title:</b>	Jonathan Belford, Executive Manager - Finance	

### 1.0 Decisions / Action required:

- 1.1 The Development Committee NOTES the Management Accounts showing the draft outturn position for 2017/18; and
- 1.2 NOTES proposed budget carry-forwards, which will be included in the overall Draft Outturn report to be presented for approval at Policy & Resources Committee on 18 June 2018.

### 2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Development Committee to note the financial performance of services within its remit for the 2017/18 financial year. This report shows the financial consequence of the service performance for the year detailed in the Development Directorate performance report, and will be subject to final accounting and audit adjustments as part of the year-end accounts process.
- 2.2 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.
- 2.3 Since the approval of the 2017/18 budget, revisions to the budget have been incorporated. Therefore, this report refers to revised budgets.

### 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. In addition, 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 This report presents the draft outturn position for 2017/18 for revenue and capital.

4.2	The draft revenue outturn position for the Development Committee is an underspend of £528k (6%) against the revised budget. This includes £124k of recurring savings.
4.3	The draft capital outturn position for Development Committee is an overspend of £71k (44%) against the revised budget.
4.4	It was budgeted that there would be a draw on the Housing Revenue Account (HRA) Working Balance of £484k, however the year has generated a contribution of £1,048k instead.
4.5	In line with the Council's budget carry forward scheme, services have requested revenue budget carry-forwards of £209k on revenue, whilst no carry-forward on capital has been requested.
4.6	The detailed information on the Revenue, Capital and Housing Revenue Account draft outturn positions, recurring savings, slippage and carry-forward requests are attached as Appendices 1, 2 and 3 to this report.
<b>5.0 Exempt and/or confidential information:</b>	
5.1	None.
<b>6.0 Implications :</b>	
<b>6.1 Service Users, Patients and Communities:</b>	There are no implications.
<b>6.2 Human Resources and Organisational Development:</b>	There are no implications.
<b>6.3 Equality, Diversity and Human Rights:</b>	There are no implications.
<b>6.4 Legal:</b>	There are no implications.
<b>6.5 Finance:</b>	<p>The overall 2017/18 draft outturn for the Council 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.</p> <p>This Committee has collectively spent less than its revised budget.</p>
<b>6.6 Assets and Property:</b>	There are no implications.
<b>6.7</b>	There are no implications.

<b>ICT and new technologies:</b>	
<b>6.8 Environmental:</b>	There are no implications.
<b>6.9 Risk Management:</b>	There are no implications.
<b>6.10 Policy and Delegated Authority:</b>	<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 2017/18 financial year. This report provides information to enable the Committee to ensure that the services within its remit are operating within the approved budgets.</p> <p>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.</p>
<b>6.11 Previously considered by:</b>	<div>n/a</div> <div>n/a</div>

**Contact Details:** Ivor Johnson – Sr. Assistant Accountant. Ex.4647

**Appendices:**

Appendix 1 – Development Committee Revenue Draft Outturn Position for 2017/18  
Appendix 2 – Development Committee Capital Draft Outturn Position for 2017/18  
Appendix 3 – Housing Revenue Account Draft Outturn Position for 2017/18

**Background Documents:**

SIC Budget Book 2017/18, SIC 15 February 2017  
<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=20520>





## Development Committee

## 1. Draft Revenue Outturn Position 2017/18

Budget v Projected Outturn Variance at Quarter 3 (Adv)/ Pos £000	Service	2017/18 Revised Annual Budget £000	Draft Outturn at Quarter 4 £000	Budget v Draft Outturn Variance at Quarter 4 (Adv)/ Pos £000
(5)	Director of Development	3,194	3,406	(212)
147	Community Planning & Development	899	659	240
296	Economic Development	1,667	1,326	341
90	Housing	1,594	1,378	216
(63)	Planning	1,074	1,132	(57)
<b>464</b>	<b>Total Controllable Costs</b> - Including specific grants to be carried forward.	<b>8,428</b>	<b>7,900</b>	<b>528</b>
	<b>Specific Grants to be carried forward:</b>			
(6)	Community Choices			(6)
	<b>Other Carry-forward Request</b>			
	Planning			(15)
	Transport Planning*			(115)
	Community Planning & Development			(73)
	<b>Total Draft Outturn</b>			<b>318</b>

\*The Environment and Transport Committee approved a request to carry forward up to £115k in underspent ZetTrans grant funding, approved by Policy & Resources Committee in February 2018 (Min Ref – P&R 20/18). This underspend has not been realised, therefore the Director of Development requests a carry forward from underspends elsewhere in the Development Service to meet this requirement. The funding is required to meet one off costs in relation to Smart Ticketing and Inter-island Air Services.

Included in the above table are the projected variances as at Quarter 3. The main differences are explained as follows:

- Director of Development – (£207k) Difference: provision for stability funding to NAFC.
- Community Planning & Development - £91k Difference: additional European funding for projects dating back to April 2015, was received.
- Housing – £126k Difference: increase in underspend in Homeless Persons Service on temporary accommodation, repairs & utility costs due to less demand for homeless properties.

Explanations for the main outturn variances by service at Quarter 4 are set out below:

### **1.1 Director of Development - Draft outturn overspend (£212k) (7%)**

The main reason for the draft outturn variance is:

An amendment to the date when FE Credit payments were introduced has resulted in increased grant payments to NAFC and this is offset by savings in payments to Shetland College, finalising the position for financial year 2015/16. There is also the provision for stability funding to NAFC which was not budgeted for in 2017/18 – (£197k).

No recurring savings have been identified.

### **1.2 Community Planning & Development - Draft outturn underspend £240k (27%)**

The main reasons for the draft outturn variance are:

- The receipt of European Funding for projects dating back to 2015 was higher than anticipated contributing to a net favourable variance within Fairer Scotland Projects - £189k; offset by
- grant income from the Scottish Government for Community Justice scheme was not ringfenced and so not realised within the service – (£50k).

Community Planning has £6k committed to be spent in a grant scheme entitled “Community Choices” which will be carried forward into 2018/19.

No recurring savings have been identified.

### **1.3 Economic Development - Draft outturn underspend £341k (20%)**

The main reasons for the draft outturn variance are:

- A low uptake in grants designed to stimulate economic growth, due in part to delays in some projects that will access funding in future years - £165k;
- savings on the Promote Shetland contract - £34k (all recurring);
- lower than expected demand for Business Gateway services, due to a strong economy and low unemployment, though it is notable that business start-ups using the Gateway are trending higher than in the previous year - £30k;
- savings in operational costs for Shetland Telecom - £29k; and
- savings on employee costs due to maternity and other vacancies - £68k (£37k recurring)

#### **1.4 Housing - Draft outturn underspend 216k (14%)**

The main reasons for the draft outturn variance are:

- A reduction in employee costs due to a number of staff vacancies across the service, including a Team Leader (vacant for 2 months) and two Quantity Surveyors (vacant for 6 months) due to a staffing review - £133k; and
- underspending in Homeless Persons Service as it has been possible to provide temporary accommodation from within our own resources without the need to use higher cost private rental and B&Bs, in addition to reduced repair and utility expenditure across the service as a result of lower usage has contributed towards a saving in operational costs - £113k.

No recurring savings have been identified.

#### **1.5 Planning - Draft outturn overspend (£57k) (5%)**

The main reasons for the draft outturn variance are:

- A reduction in income from Building Warrants, Planning Applications and Marine Licences due to slippage on some large projects, and a slight slow-down in other general activity (£183k); offset by
- Savings in salary costs, largely due to recruitment difficulties (linked to a national shortage of Planning Professionals) - £125k (£53k recurring).



## Development Committee

## 1. Draft Capital Outturn Position 2017/18

Budget v Projected Outturn Variance at Quarter 3 (Adv)/ Pos £000	Service	2017/18 Revised Annual Budget £000	Draft Outturn at Quarter 4 £000	Budget v Draft Outturn Variance at Quarter 4 (Adv)/ Pos £000	Slippage required into 2018/19 £000	Overall Budget v Draft Outturn Variance at Quarter 4 (Adv)/ Pos £000
(62)	Housing	161	232	(71)	0	(71)
(62)	<b>Total Controllable Costs</b>	<b>161</b>	<b>232</b>	<b>(71)</b>	<b>0</b>	<b>(71)</b>

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

## 1.1 Housing – draft outturn overspend £71k (44%)

The projected overspend relates to the 24/25 Leaside project. Additional soundproofing was required to meet building standards.



## Housing Revenue Account

## 1.0 - Draft Revenue Outturn Position 2017/18

Budget v Projected Outturn Variance at Quarter 3 (Adv)/ Pos £000	Description	2017/18 Revised Annual Budget £000	Draft Outturn at Quarter 4 £000	Budget v Draft Outturn Variance at Quarter 4 (Adv)/ Pos £000
	<b>Expenditure:</b>			
59	Supervision & Management	817	721	96
(123)	Repair & Maintenance	1,884	2,306	(422)
36	Void Rents & Charges	165	150	15
(2)	Garages	30	27	3
1,367	Capital Funded from Current Revenue	2,692	1,260	1,432
0	Capital Charges - Dwellings	1,711	1,324	387
<b>1,337</b>	<b>Total: Expenditure</b>	<b>7,299</b>	<b>5,788</b>	<b>1,511</b>
	<b>Income:</b>			
0	Interest on Revenue Balances	(2)	(1)	(1)
0	Rents - Dwellings	(6,622)	(6,577)	(45)
19	Rents - Other ie garages/sites etc	(191)	(258)	67
	Contribution to/(from) HRA Working			
(1,356)	Balance	(484)	1,048	(1,532)
<b>(1,337)</b>	<b>Total: Income</b>	<b>(7,299)</b>	<b>(5,788)</b>	<b>(1,511)</b>
<b>0</b>	<b>Overall Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Included in the above table are the projected variances presented as at Quarter 3. The main differences are explained as follows:

- Repairs and Maintenance - £299k difference: increase in underachievement of Internal Income combined with overspending on material and stores costs in the Repairs service.
- Capital Charges – Dwelling - £387k difference: cost of HRA borrowing now allocated and is less than budgeted for the year;
- Contribution to/(from) the HRA Working Balance - £176k difference: projecting an increased contribution to the HRA Working Balance, due the reduced requirement of Capital Funded from Current Revenue (CFCR) as a result of Council House sales.

Explanations for the main outturn variances in the HRA at quarter 4 are set out below:

### 1.1 Supervision & Management – Draft outturn underspend £96k (12%)

The projected underspend relates mainly to vacant posts of Senior Housing Officer and Quality Standards Officer during the year, £44k.

## **1.2 Repairs & Maintenance- Draft outturn overspend (£422k) (22%)**

The main reasons for the projected variance are:

- A projected underachievement of Internal Income in the Housing Repairs Service as a result of vacant posts within the service leading to less cost being recharged than budgeted, (£301k);
- Underspending projected in employee costs due to vacant posts, which are to be reviewed by the new Asset Management Team Leader, £103k.
- Projected overspend due to increased reliance on contracted and hired services due to vacancies in the Housing Repair Service (£62k);
- Projected overspend in materials and stores expenditure as a result of increased cost of acquiring building materials, (£85k);
- Projected overspend in Social Adaptation costs due to timing of expenditure in this rolling programme of work, (£69k).

## **1.3 Capital Funded from Current Revenue (CFCR) – Draft outturn underspend £1,532k (53%)**

The main reason for the projected variance is:

- Funding the Capital Programme from additional Capital Receipts from housing sales income instead of CFCR.

## **1.4 Capital Charges – Dwelling – Draft outturn underspend £387k (23%)**

The main reason for this projected variance is:

- HRA borrowing costs for the year were less than budgeted due to better than expected interest rate.

## **1.5 Rents – Other ie garages/sites, etc – Draft outturn underspend £67k (35%)**

The main reason for this projected variance is:

- Garage and site rental charges were increased in the year and level of usage can vary.

## **1.6 Contribution to HRA Working Balance – Draft outturn underspend £1,592k (317%)**

The projected reduction in contribution from the HRA Working Balance is due to the reduction in requirement of CFCR, as a result of higher than expected capital receipts from housing sales being utilised to fund the Capital Programme. We are now projecting to make a contribution to the HRA Working Balance of £1,048k, rather than drawing on it.



## Draft Capital Outturn Position 2017/18

Budget v Projected Outturn Variance at Quarter 3 (Adv)/ Pos £000	Service	2017/18 Revised Annual Budget £000	Draft Outturn for 2017/18 £000	Budget v Draft Outturn Variance for 2017/18 (Adv)/ Pos £000
0	Heating Replacement Program	660	601	59
0	Housing Quality Standard	2,153	2,091	62
39	Vehicle Replacement Programme	100	63	37
0	Land/Property Acquisition	0	279	(279)
39	<b>Total Controllable Costs</b>	<b>2,913</b>	<b>3,034</b>	<b>(122)</b>

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

### 2.1 Heating Replacement Program – projected outturn underspend - £59k (9%)

The projected underspend is due to the timing of expenditure as this is a rolling programme of work.

### 2.2 Housing Quality Standard – projected outturn underspend - £62k (3%)

The projected underspend is due to the timing of expenditure as this is a rolling programme of work.

### 2.3 Vehicle Replacement Programme – projected outturn underspend - £37k (37%)

The projected underspend is due to fewer new vans being required than budgeted for.

### 2.4 Land/Property Acquisition – projected outturn overspend - £279k (279%)

The projected overspend is due to the purchase of two houses to accommodate Syrian refugees. This was not budgeted for but was agreed by the Council in November 2017 as part of a wider Council project to provide resettlement for refugees.





<b>Meeting(s):</b>	Development Committee	21 May 2018
<b>Report Title:</b>	Shetland Space Centre - Update	
<b>Reference Number:</b>	DV-22-18-F	
<b>Author / Job Title:</b>	Neil Grant - Director of Development Services	

## 1.0 Decisions / Action Required:

- 1.1 The Development Committee are asked to note the contents of this report and instruct the Director of Development Services (or his nominee) to provide a report to a future Committee which details how the Council should engage with the Shetland Space Centre (SSC) in its planned delivery of satellite launch and satellite tracking facilities in Unst.

## 2.0 High Level Summary:

- 2.1 This report provides an update on the activity and progress of the Shetland Space Centre project.

## 3.0 Corporate Priorities and Joint Working:

- 3.1 'We will have an economy that promotes enterprise and is based on making full use of local resources, skills and a desire to investigate new commercial ideas' is a priority of "Our Plan", the Council's Corporate Plan 2016-2020.

## 4.0 Key Issues:

- 4.1 The Shetland Space Centre (SSC), have developed a detailed business case for a Satellite launch project based in Saxa Vord, Unst. A link to the Shetland Space Centre's website can be found at <https://shetlandspacecentre.com/>
- 4.2 The UK Government has mandated that the UK must have its own Sovereign Capability to launch by 2020
- 4.3 Shetland Islands Council and Highlands and Islands Enterprise (HIE) have supported SSC to develop the business case.
- 4.4 The Council are aware of a further two Scottish sites interested in developing satellite launch facilities, these are in Caithness, and the Western Isles.
- 4.5 UK Space Agency commissioned 'SCEPTRE' report 17 February 2017, concluded that "The site offering the maximum payload mass to orbit is Saxa Vord in the Shetlands, from where direct launch is possible to both Sun Synchronous and Polar orbits" and that "Commercial launch is driven by two questions: which orbits are accessible, and what payload mass can be delivered to those orbits at an attractive

price”	
4.6	The Shetland Space Centre team are in discussions with the RAF about the MoD’s requirements for small satellite launch and the possibility of the RAF supporting launch activities from Saxa Vord, including satellite launch tracking.
4.7	The geographical position of Shetland Space Centre means that almost every satellite that passes over the Pole can be seen. This makes it a very attractive location to place ground stations for communication, data download, command and control and Space Situational Awareness. Shetland Space Centre have been approached by a number of interested companies.
4.8	The Council understands that UK Government secondary legislation relating to satellite launch is due in early 2020, and the SSC Satellite Launch project is working towards this date with consents, studies, and business planning.
4.9	High capacity, diverse Broadband links are important infrastructure for this project.
4.10	SSC, supported by the Council and HIE, are hosting a Shetland Space event which will take place on 28-30 May 2018, in Shetland, to showcase Shetland supply chain as well as the proposed launch site and support infrastructure to space industry representatives including major operating companies in the industry and the UK Space Agency.
<b>5.0 Exempt and/or Confidential Information:</b>	
5.1	None.
<b>6.0 Implications:</b>	
<b>6.1 Service Users, Patients and Communities:</b>	This project has potential to provide very significant economic and social benefits to Unst and the wider Shetland community. The Unst Community Council is being kept informed of progress.
<b>6.2 Human Resources and Organisational Development:</b>	None.
<b>6.3 Equality, Diversity and Human Rights:</b>	None.
<b>6.4 Legal:</b>	None.
<b>6.5 Finance:</b>	This report is for information only. Therefore, there are no financial implications.
<b>6.6 Assets and Property:</b>	None.

<b>6.7 ICT and New Technologies:</b>	Limitations of the Shetland wide Broadband and Mobile networks impact on delivery of services which require remote access to digital networks and databases.	
<b>6.8 Environmental:</b>	Any environmental issues such as noise and emissions will be assessed when applying for the various permissions and permits. There is already a bird study underway.	
<b>6.9 Risk Management:</b>	<p>A risk register has been prepared for the SSC Satellite Launch project.</p> <p>Licence to operate will be required, under new UK Government legislation governing satellite and space vehicle launch. This licence is likely to require very strict operating parameters, and demonstration of risk management.</p>	
<b>6.10 Policy and Delegated Authority:</b>	The Development Committee has authority to consider the contents of this report, as set out in Section 2.3 of the Council's Scheme of Administration and Delegation.	
<b>6.11 Previously Considered by:</b>	None.	

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14 May 2018

**Appendices:**

None