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If calling please ask for  
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Date: 4 December 2018

Dear Sir/Madam

You are invited to the following meeting:

**Environment and Transport Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Tuesday 11 December 2018 at 3.30pm**

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

Yours faithfully

Executive Manager – Governance and Law

Chair: R Thomson  
Vice Chair: 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 the minutes of the meeting held on 2 October 2018 (enclosed).
- 1. Infrastructure Services Directorate Performance Report - 6 Month/2<sup>nd</sup> Quarter 2018/19  
*ISD-11*
- 2. Development Services Directorate Performance Report - 6 Month/2<sup>nd</sup> Quarter 2018/19  
*DV-39*
- 3. Management Accounts for Environment & Transport Committee: 2018/19 - Projected Outturn at Quarter 2  
*F-081*



# Shetland Islands Council

## MINUTE

## A&B - PUBLIC

**Environment and Transport Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Tuesday 2 October 2018 at 10.00am**

**Present:**

P Campbell	S Coutts
S Leask	A Manson
R McGregor	A Priest
D Sandison	C Smith
G Smith	R Thomson

**Apologies:**

C Hughson

**In Attendance (Officers):**

J Smith, Director of Infrastructure Services  
M Craigie, Executive Manager – Transport Planning  
S Thompson, Executive Manager - Schools  
N Hutcheson, Team Leader – Asset and Network  
B Robb, Management Accountant  
P Wishart, Solicitor  
B Kerr, Communications Officer  
L Malcolmson, Committee Officer

**Chair:**

Mr Thomson, Chair of the Committee, presided.

**Circular:**

The circular calling the meeting was held as read.

**Petition:**

The Chair of the Environment and Transport Committee read out the following statement:

*“A petition has been received formally by the Director of Infrastructure Services, with 494 signatories asking that the Council reinstates a two vessel service to Whalsay for the “Summer Season”.*

*The terms of the petition is attached to this agenda and a copy of the Petition is available for viewing by Members.*

*Obviously the reduction in the service was directly linked to the financial cutbacks made back in 2013. Given the Whalsay ferry service falls below the Governments own routes and services methodology, and the level of service constraints, particularly at peak times the Whalsay community suffers on a regular basis, the*

*petition for an additional vessel at weekends during the Summer months is not an extravagant ask, nor is it something I feel shouldn't be considered.*

*As you are aware the Fair Funding Sounding Group meets on a regular basis, and I was in the fortunate position to be able to discuss Fair Funding of our internal ferries with the Deputy First Minister during his visit last week. There was no confirmation that this funding was in the budget, but a meeting will be scheduled with Finance Minister Derek McKay in due course, and of course will keep the Committee and Members up to date on any development. Indeed the Leader along with the Chief Executive will be meeting the Minister for Energy, Connectivity and the Islands, Paul Wheelhouse, on Wednesday and I understand this topic will be the main area of discussion.*

*The Council have acted in good faith during discussions with Transport Scotland and the Scottish Government, it is our sincere expectation that full funding of our internal ferry service will be in the draft budget proposals for 2019/20, and we are not expecting nor anticipating any alternative outcome on this issue.*

*These issues are intertwined. In order to deliver a ferry service which falls in line with the Governments routes and services methodology, we first must seek that guarantee that our ferries will be funded fairly.*

*On specifically the Whalsay ferry service – this will be considered as part of the Revenue Outline Business Case for inter-island ferry services which is ongoing and currently underway, and that the Outline Revenue Business Case will be reported to Council early in the new financial year.”*

### **Declarations of Interests**

None

### **Minutes**

The Committee approved the minutes of the meeting held on 27 August 2018 on the motion of Mr Campbell, seconded by Mr Sandison.

#### **25/18      Addendum to School Transport Policy 2018**

The Committee considered a report by the Executive Manager - Schools (CS-33-18-F) that presented an addendum to the recently approved School Transport Policy 2018

The Executive Manager - Schools introduced the report and advised that the addendum had been omitted from the original Policy approved by the Council in June 2018.

During questions, the Executive Manager – Schools confirmed that the cost of £1k related to one charter flight ie. Tingwall to Foula excluding VAT.

Following a brief discussion, the Committee approved the recommendations contained in the report on the motion of Mr G Smith, seconded by Mr Coutts.

### **Decision:**

The Environment and Transport Committee RECOMMENDED that the Policy and Resources Committee RECOMMENDS that the Council approve the proposed addendum to the School Transport Policy 2018.

26/18

**Winter Service Review 2018/19: Interim Measures**

The Committee considered a report by the Team Leader – Asset and Network (RD-05-18-F) which presented the Winter Service Review 2018/19 and proposals for interim measures for the winter season 2018/19.

The Team Leader – Asset and Network introduced the report and explained the interim measures set out in the report.

Members spoke in support of the interim measures, and in answering questions the Team Leader – Asset and Network confirmed that the National Winter Service Research Group had taken over responsibility for winter maintenance guidance from the UK Liaison Group but this Council did not have a seat on that group.

Mr Thomson stated that the measures addressed the concerns of the public until the review is undertaken and he moved that the Committee approve the recommendation contained in the report. Mr McGregor seconded.

**Decision:**

The Environment and Transport Committee APPROVED the interim measures detailed in sections 4.6.3, 4.7.3 and 4.8.2 for the winter season 2018/19.

27/18

**Carriageway Condition of Shetland Roads**

The Committee considered a report by the Team Leader – Asset and Network (RD-06-18-F) that presented an overview of carriageway conditions of Shetland roads and options for the future maintenance of the road network.

The Team Leader – Asset and Network introduced the report.

The Chair advised that he had attended a recent meeting of the Regional Transport Chairs in Shetland and commented that a number of those who had attended from south had been surprised by the good condition of Shetland's roads. The Chair gave credit to the Team Leader – Asset and Network and his team.

Members spoke in support of the rural housing estates receiving micro surfacing and comparisons were made between the roads in Shetland and other areas in Scotland such as Edinburgh. A word of caution was however expressed in terms of the problems that were being stored up for the future and that more is needed to prevent the deterioration of the network. It was suggested that a report should be presented on a long-term strategy for the roads network.

The Director of Infrastructure Services advised that there were a number of areas across the Council seeking long term budgets and there will be a series of reports on infrastructure to be presented that will go into the detail. He said that that by doing little and often will create bigger problems in the long term. The Chair agreed stating that a long term strategy is required.

Comment was made that the report presented mixed messages as the roads conditions in Shetland were better than many other areas, but that problems would arise in the future. The Leader said that nationally and locally authorities are being asked to do more and more with less funding. He said that the message was that services involved were doing well in terms of the challenges faced and budget available. He said that being able to maintain standards was a credit to all involved but it was clear that what can be seen on the surface is masking what is happening underneath. That said, he commented that at a local level the Council was meeting the needs of the community efficiently.

**Decision:**

The Environment & Transport Committee NOTED the contents of the report.

28/18

**Road Safety Inspection & Defect Categorisation Policy**

The Committee considered a report by the Team Leader – Asset and Network (RD-04-18-F), which presented a proposal to revise the Road Safety Inspection and Defect Categorisation Policy.

The Team Leader – Asset and Network introduced the report and advised that the Policy took a risk based approach for categorising defects, however it was being proposed that the Council approve the Policy with a revision set out in section 2.3 of the report to retain the assessment levels currently adhered to.

During discussion, the Team Leader – Asset and Network explained that the proposed new Policy was more onerous than the recommendations in the report and having consulted with the Insurance Section the view was held that the Council continue with intervention rather than investigation levels.

In response to a question on the number of claims for chipped windscreens, the Director of Infrastructure Services advised that the information would be held by the Council's Insurance Service and he would inform Members.

There being no debate Mr Thomson moved that the Committee approve the recommendation contained in the report, seconded by Mr Leask.

**Decision:**

The Environment & Transport Committee NOTED the contents of the report and RECOMMENDED to the Policy and Resources Committee that

it approves the proposal to revise the Road Safety Inspection and Defect Categorisation Policy.

The meeting concluded at 10.30 pm.

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Chair







<b>Meeting(s):</b>	<b>Environment &amp; Transport Committee</b>	<b>11 December 2018</b>
<b>Report Title:</b>	<b>Infrastructure Directorate Performance Report Quarter 2 – 2018/19</b>	
<b>Reference Number:</b>	<b>ISD-11-18-F</b>	
<b>Author / Job Title:</b>	<b>John R Smith / Director of Infrastructure Services</b>	

## 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 the second quarter of 2018/19, note progress against priorities, and contribute to the service planning process for the Infrastructure Directorate for future years.

## 2.0 High Level Summary:

- 2.1 This report summarises the activity and performance of the Infrastructure Directorate in 2018/19 Quarter 2, up to the 30 September, enabling members to analyse its performance against service objectives and Corporate Plan and Shetland Partnership 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 addressed, and good service performance will be highlighted and shared.
- 3.2 Performance is also now being reported against the headings developed as part of Shetland Partnership Plan 2018-2028, see Appendix A

## 4.0 Key Issues:

### Progress on Corporate Plan Outcomes

- 4.1 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.

- 4.2 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 2018/19

- 4.3 Appendix A shows progress on the key projects and actions the Directorate has set out to complete or substantially progress in 2018/19.
- 4.4 Appendix B shows the Council wide indicators and the Key Directorate Indicators to enable the Committee to monitor service delivery against our performance targets.

### Risk and Service Challenges

- 4.5 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:
- 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 is being rolled out.
  - There is an increasing risk of operating ferry services with aging vessels, which has resulted in increased significant remedial works, required to maintain vessels in service, which has driven up drydocking costs. The additional work requires increased time in drydock, resulting in service disruptions and creates an ongoing budget pressure on the service and directorate budgets. **Corrective Action** - the Council is pursuing capital funding for a vessel replacement programme from Scottish Government.
  - Skills Shortage- the Directorate has identified a number of areas where there is a turnover of staff with critical skills where there is a challenge to recruit to vacant posts- Marine posts, HGV Drivers, Engineers, Electricians. **Corrective Action** - Services are developing Apprenticeships and Career Grades to respond to the skills gap, which is anticipated due to the demographic profile of the workforce. Work has been tendered to external contractors to address skills gaps however there is also a capacity issue within the private sector so some programmes of planned maintenance work are delayed due to staff vacancies combined with the lack of capacity of contractors to complete planned maintenance programmes on time. Outsourcing work, which has previously been delivered in house, can create additional budget pressures although this is offset against the saving in staffing costs due to the vacancy.
- 4.6 The Directorate Risk Register in Appendix C sets out the strategic risks which might prevent the Directorate from achieving its objectives. 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.
<b>6.3 Equality, Diversity and Human Rights:</b>	The Directorate uses Equalities Impact assessment to ensure its services are supporting those most in need and not making inequalities worse;
<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 financial implications of the actions, measures and risk management described in this report are fully described in the Management Accounts for Environment and Transport Committee 2018/19: Projected Outturn at Quarter 2 report which is also being presented to this meeting.
<b>6.6 Assets and Property:</b>	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. The aging infrastructure, skills shortage and pressure on capacity in the private sector are creating challenges to maintain service delivery within budget.
<b>6.7 ICT and new technologies:</b>	The Ferry Service is continuing to develop and implement electronic ticketing and customer communications technology to make booking ferries quicker and easier and keep users up to date with any service issues.

<b>6.8 Environmental:</b>	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.	
<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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26 November 2018

**Appendices:**

Appendix A – Progress on Projects and Actions  
Appendix B - Key Indicators  
Appendix C – Complaints  
Appendix D – Risk Register





**Background Documents:**

[Infrastructure Directorate - Service Plans 2018/19](#)

# Appendix A - Projects and Actions for PPMF reports - Infrastructure Directorate

Generated on: 26 November 2018

## Shetland Partnership Plan 2018-2028

. Participation						
People participate and influence decisions on services and use of resources						
Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP215 Financial Restrictions	Develop 18-19 Business Case sustainable budget to assist in meeting £21m by 2020 target	Long-term financial stability.	Planned Start	01-Apr-2018		
			Actual Start	13-Feb-2018	<div><div>50%</div></div>	
			Original Due Date	01-Jul-2018	Expected success	
			Due Date	30-Nov-2018		
			Completed Date		Likely to meet target	
Lead						
Infrastructure Services Directorate						
Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP179 Fleet Review	Following the successful implementation of vehicle telematics a fleet review will be carried out which looks into the distribution, operation and utilisation of the Council's entire vehicle fleet.	A flexible, fit for purpose and appropriately sized Council vehicle fleet.	Planned Start	01-Oct-2018		Telematics Policy drafted and pending review. Fleet analytics in place with the aim of seeking feedback from service users on utilisation rates. Data templates to be issued in December. Trials ongoing at Isleshavn and Annesbrae (all electric operation) to investigate the use of Council owned vehicles for Care @ Home services.
			Actual Start	15-Aug-2018	<div><div>40%</div></div>	
			Original Due Date	31-Mar-2019	Expected success	
			Due Date	31-Mar-2019		
			Completed Date		Likely to meet target	
Lead						
Estate Operations						
. People						
Individuals and families thrive and reach their full potential						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
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-Jan-2017		Completion target now March 2019
			Actual Start	01-Jan-2017	<div><div>65%</div></div>	
			Original Due Date	31-Dec-2017	Expected success	
			Due Date	30-Jun-2018		
Lead			Completed Date		Experiencing issues, risk of failure to meet target	
Infrastructure Services Directorate						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP137 Promote Apprenticeships through Procurement	Review Infrastructure procurement contracts to promote modern apprenticeships	Support the Shetland Learning Partnership to provide opportunities - young people need to get jobs.	Planned Start	01-Apr-2017		New Contracts which are issued with Apprentice conditions. Work ongoing with several initiatives currently being reviewed.
			Actual Start	03-Aug-2017	<div><div>75%</div></div>	
			Original Due Date	31-Dec-2019	Expected success	
			Due Date	31-Dec-2019		
Lead			Completed Date		Likely to meet target	
Infrastructure Services Directorate						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP211 Promote apprenticeships through employment	Provide apprenticeships, vocational training and work experience placements to support the Shetland Learning Partnership in providing opportunities for young people to get jobs	Younger workforce, reduced problems with succession planning, retaining more local talent	Planned Start	01-Apr-2017		A new apprentice technician for both the Carbon Management and Building Services Teams is being investigated.
			Actual Start	01-Apr-2017	<div><div>75%</div></div>	
			Original Due Date	31-Mar-2020	Expected success	
			Due Date	31-Mar-2020		
Lead			Completed Date		Likely to meet target	
Infrastructure Services Directorate						

.	Place	Shetland is an attractive place to live, work, study and invest
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Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP089 Ferry Replacement	Develop a Ferry Replacement Programme	Appropriate and sustainable ferry services.	Planned Start	10-Jan-2016		Transport Planning will have OBC ready by end March 2019 for decision by Scottish Government by end July 2019 allowing realistic programme of work to be put in place. Ferries Section contributing to OBC as required in meantime.
			Actual Start	31-Dec-2017		
			Original Due Date	30-Jun-2016	Expected success	
			Due Date	31-Dec-2018		
Lead			Completed Date		Experiencing issues, risk of failure to meet target	
Infrastructure Services Directorate						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
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. SEEP2 rollout ongoing. Both SEEP1 and SEEP2 outputs will substantially inform this project. Update Feb 2018: SEEP1 is now complete with SEEP2 entering the site roll out phase.
			Actual Start	15-Aug-2016		
			Original Due Date	31-Mar-2018	Expected success	
			Due Date	31-Mar-2019		
Lead			Completed Date		Experiencing issues, risk of failure to meet target	
Infrastructure Services Directorate						




Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP111 Waste Strategy & Recycling Collection	Implement recycling collection across Shetland and redesign the waste service to prepare for further legislative changes	Establishment of affordable long-term waste solutions, maximising recycling and minimising waste.	Planned Start	01-Apr-2015		Domestic recycling in place across Shetland with good take up. The collapse of world markets created a blip in plastics recycling but this has now been overcome. The forthcoming recycling shed project will further improve recycling operations and maximise waste streams. Work ongoing to refine routes and collection points.
			Actual Start	14-Nov-2016		
			Original Due Date	31-Mar-2016	Expected success	
			Due Date	31-Mar-2019		
Lead			Completed Date		Likely to meet target	
Infrastructure Services Directorate						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP212 Expand Safe Cycle Routes	Secure external funding to expand safe cycle routes and walking routes to schools to encourage children to take part in healthy lifestyles to help them play a full and active part in Shetland community life.	Increased activity throughout life, lower carbon emissions.	Planned Start	01-Apr-2017		A group has been formed from interested parties to action schemes via Participatory Budgeting. Initial meetings held and currently collating ideas of potential schemes. Likely that due to time constraints that a full PB exercise will not be undertaken until 2018/19 but schemes will be actioned by the group this year to make best use of the Cycling, Walking Safer Streets grant.
			Actual Start	17-Apr-2017	<div><div>25%</div></div>	
			Original Due Date	31-Mar-2020	Expected success	
			Due Date	31-Mar-2020		
			Completed Date		Likely to meet target	
Infrastructure Services Directorate						List has been formed to go out to a PB exercise during 2018/19


Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP175 Stonganness Bridge Replacement - Capital Programme	Replace life expired structure to maintain access to the area.	To replace the life expired structure at Stonganness. 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-Aug-2018		Land acquisition being progressed by Legal Services.
			Actual Start	02-Aug-2018	<div><div>5%</div></div>	
			Original Due Date	31-Mar-2019	Expected success	
			Due Date	31-Mar-2020		
			Completed Date		Experiencing issues, risk of failure to meet target	
Roads						

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP176 Winter Service Review	Review of the Winter Service in light of experiences and lessons learned with the current policy and investigate any further saving potential.	This review follows experience of the review undertaken in 2012 to assess the current policies ability to deliver the expected level of service and to explore any further saving potential. This will support the Council's Aim of "Living within our means" and "The transport services we need most" "including roads which are maintained properly"	Planned Start	01-May-2018		Interim report presented to Environment and Transport in October 2018 to address issues from winter 2017/18. Proposed measures presented in this report were approved and have been implemented for winter of 2018/19 only.
			Actual Start	20-Nov-2018	<div><div>10%</div></div>	
			Original Due Date	31-Mar-2019	Expected success	
			Due Date	31-Oct-2019		
			Completed Date		Likely to meet target	
Roads						



Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP177 Implementation of "Well-Managed Highway Infrastructure" Guidance  Lead  Roads	A new code of practice published by the Department of Transport designed to promote the adoption of an integrated asset management approach to road infrastructure in accordance with local needs, priorities and affordability.	This is the new code of practice published by the Department of Transport. It is designed to promote the adoption of an integrated asset management approach to road infrastructure in accordance with local needs, priorities and affordability. This will support the Council's Aim of "The transport services we need most" "including roads which are maintained properly	Planned Start	02-Apr-2018		New policy on "Road Safety Inspections and Defect Categorisation" approved by the Policy and Resources Committee on 8th October. The Environment and Transport Committee also noted the progress made with the 36 recommendations listed in the new code of practice.
			Actual Start	02-Aug-2018		
			Original Due Date	30-Sep-2018	Expected success	
			Due Date	31-Oct-2018		
			Completed Date	18-Oct-2018	Likely to meet target	

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP180 Year of Young People Mural at Viking Bus Station  Lead  Estate Operations	Working in collaboration with Youth Services this project supports the Year of Young People 2018. We hope to help celebrate the amazing young personalities, talents, and achievers that make up Scotland.	Completed artwork in place.	Planned Start	24-Sep-2018		New mural installed.
			Actual Start	20-Nov-2018		
			Original Due Date	31-Mar-2019	Expected success	
			Due Date	31-Mar-2019		
			Completed Date	20-Nov-2018	Likely to meet target	


Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP217 Carbon Management Plan – Implementation  Lead  Estate Operations	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 CMP update and emissions reports are appended to this action for information.
			Actual Start	04-May-2015		
			Original Due Date	31-Mar-2016	Expected success	
			Due Date	31-Mar-2020		
			Completed Date		Likely to meet target	

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP654 Replacement of conventional lantern with LED lanterns for our entire streetlighting network.  Lead  Roads	Best value for the Council and improved streetlighting network for drivers and the general public.	Reduced energy use and reduced annual revenue costs as a result.	Planned Start	01-Apr-2017		Contract awarded and works to commence shortly.
			Actual Start	19-Oct-2017	<div><div>20%</div></div>	
			Original Due Date	31-Mar-2018	Expected success	
			Due Date	31-Dec-2021		
			Completed Date		Likely to meet target	

Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP662 Promote New 20mph Limits  Lead  Roads	Promote the new 20mph speed limits at the new AHS and Lerwick's north crescents.	Safer routes to school for pupils and improved environment for residents and other members of the public.	Planned Start	01-Apr-2016		Awaiting Private Members Bill.
			Actual Start	26-May-2017	<div><div>90%</div></div>	
			Original Due Date	31-Mar-2018	Expected success	
			Due Date	31-Mar-2020		
			Completed Date		Likely to meet target	

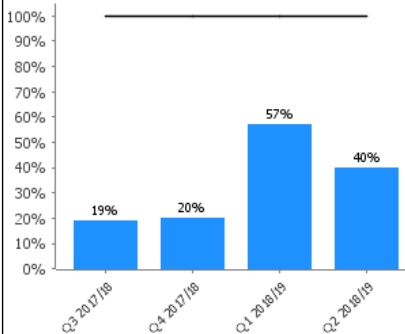
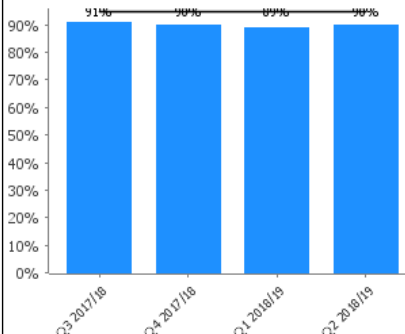
## Money All households can afford to have a good standard of living

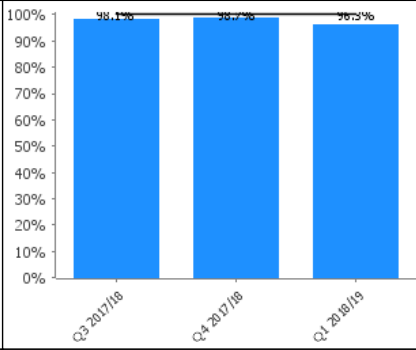
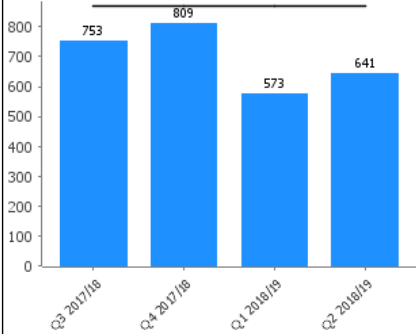
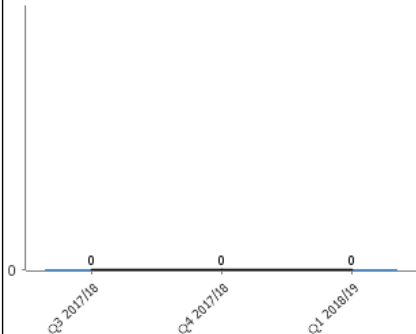
Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP138 Increase Contactor's Energy Efficiency capacity  Lead  Estate Operations	Increase capacity of certified contractors able to deliver energy efficiency works	Maximise draw down of grant schemes and retrofit works to address poverty.	Planned Start	01-May-2017		Training course being developed to increase skill base within Shetland. A meeting of small contractors revealed that the inherent bureaucracy of the grant funding system was the single greatest barrier to certification. Additionally, changes to Scottish Government funding and their decision to make HES:ABS and Warm Works funding mutually exclusive are compounding this issue. It is envisioned that some form of overarching ALEO who can manage the bureaucracy is the preferred local delivery model. A report was submitted to the Risk Management Board outlining the potential for lost funding. A locally agreed scheme was put into place to increase the capacity of contractors available using a combination of PAS2030 accredited installers as the main contractor. Arrangements for a "Management Contractor" arrangement are in place.
			Actual Start	03-Aug-2017	<div><div>75%</div></div>	
			Original Due Date	31-Dec-2019	Expected success	
			Due Date	31-Dec-2019		
			Completed Date		Likely to meet target	

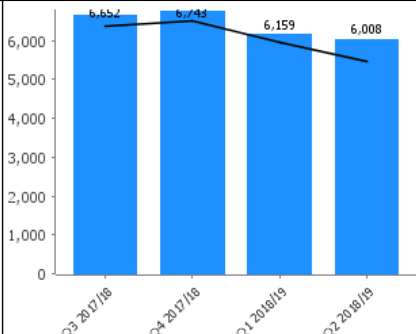
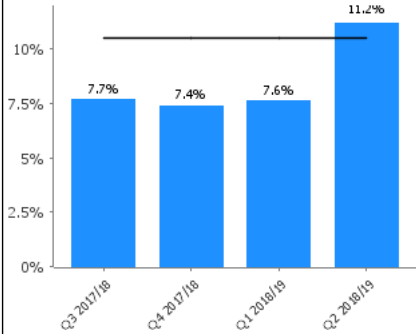
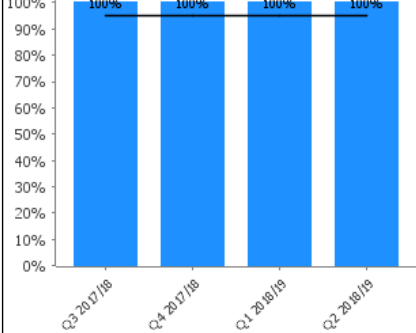
Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
SP219 FM Review - Phase 1	Phase 1 will analyse current Facilities Management operations and option appraise choices for the future. The primary aim is to avoid duplication of both effort and resources (management & supervision) while identifying both financial and operational efficiency savings. Phase 2 would see the implementation of the recommended option.	Revised Facilities Management arrangements that meet Best Value objectives and the needs of both customers and employees.	Planned Start	03-Apr-2017		Budget now in place following successful Business Justification Case bid and Council report. Moving to implementation in January 2018. Scope as appended to this action item. Update Feb 2018: APSE were appointed to deliver the project with the first series of meetings held late January to gauge scope, scale and membership. Workshops are due to be held mid Feb with an output report on track for delivery in March. Feedback from Consultants to Project Board will take place on 16 May 2018 and a Members Seminar will be held to discuss the next steps.
			Actual Start	12-Jan-2018	<div><div>100%</div></div>	
Original Due Date			31-Mar-2018	Expected success		
Lead			Due Date	31-Mar-2021	  Cancelled	
Estate Operations			Completed Date	14-Aug-2018		

## Appendix B Performance Indicators (Non-seasonal - Quarterly)- Infrastructure Services Directorate

Generated on: 26 November 2018

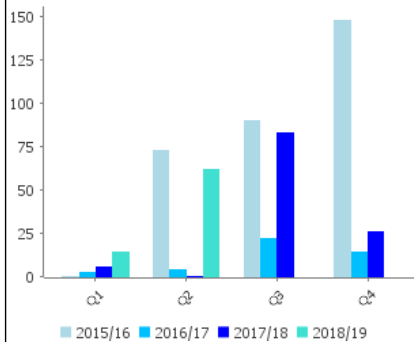
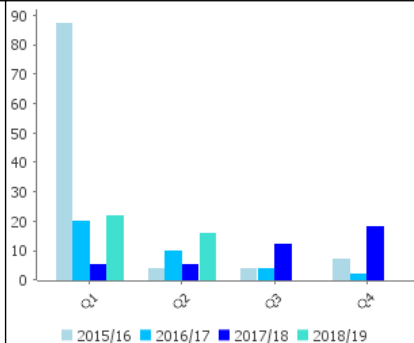
Code & Short Name	Previous Years		Quarters				Q2 2018/19	Graphs	Past performance & future improvement Statements
	2016/17	2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19			
	Value	Value	Value	Value	Value	Value	Target		
HN02 Food Hygiene Inspection Programme completed	90%	53%	19%	20%	57%	40%	100%		<p><b>Performance:</b> The figures show that we have not achieved our target, which was anticipated due to the increase in demand for the service, increase in statutory functions and staff illness.</p> <p><b>Improvement:</b> The increase in demand for other areas of the service mean that improvement will be a challenge. Two staff are now in different stages of study towards an MSc in Environmental Health via distance learning to qualify as EHO's. The overall process takes approximately four years each not including professional examinations. This adds a further load to our small team in terms of study time and appropriate training.</p>
HN03 Premises achieving PASS standard in Food Hygiene Information Scheme	88%	90%	91%	90%	89%	90%	95%		<p><b>Performance:</b> The figures show that we have not achieved our target, which was anticipated due to the increase in demand for the service, increase in statutory functions and staff illness.</p> <p><b>Improvement:</b> The increase in demand for other areas of the service mean that improvement will be a challenge. Two staff are now in different stages of study towards an MSc in Environmental Health via distance learning to qualify as EHO's. The overall process takes approximately four years each not including professional examinations. This adds a further load to our small team in terms of study time and appropriate training.</p>

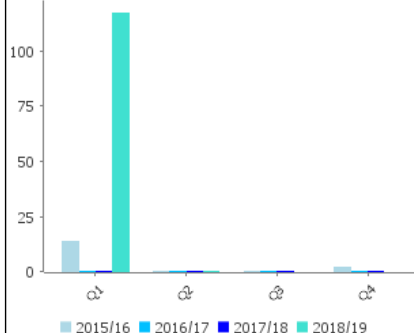
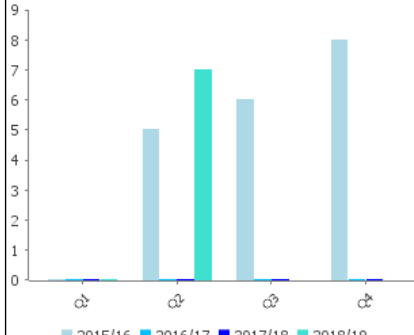
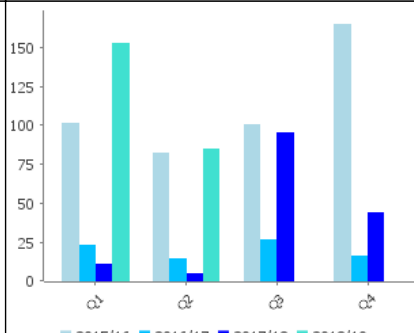
	Previous Years		Quarters						
Code & Short Name	2016/17	2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q2 2018/19	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
HF11 Overall Ferry Availability	99.72%		98.1%	98.7%	96.3%				Continue to work with crews & suppliers to identify and rectify any issues that may have an impact on availability
HS01 Reactive jobs completed by Building Services	3,327	2,760	753	809	573	641	870		<b>Performance:</b> The number of reactive jobs is following the normal trend and shows an increase over the inclement winter months due to failure of the existing worn infrastructure. <b>Improvement:</b> The service is operating with less staff, an ageing infrastructure and reduced budgets so minimising reactive jobs and disruption is an ongoing challenge.
HH04 Non-compliance ("Serious" audit comments) with Audit regimes - CAA, FSA, MCA	0	0	0	0	0				<b>Performance:</b> Achieving no major non-conformities at audit demonstrates good management practice and systems <b>Improvement:</b> Management systems are in place to ensure our service meet the compliance standards for our external auditors

	Previous Years		Quarters						
Code & Short Name	2016/17	2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q2 2018/19	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
SP-HS-022 Tonnes of CO2 from council operations	27,000	25,805	6,652	6,743	6,159	6,008	5,479		<b>Performance:</b> The Council has a statutory duty to reduce CO2 (Quarterly) <b>Improvement:</b> Action plan to reduce CO2 is being developed and implemented
HN05 Percentage of household Waste recycled	10.22%	7.88%	7.7%	7.4%	7.6%	11.2%	10.5%		The percentage of household waste recycled is increasing because of the roll out of the kerbside collections throughout Shetland.
H01 FOISA responded to within 20 day limit - Infrastructure Services	98%	100%	100%	100%	100%	100%	95%		81 out of 81

## Appendix B Performance Indicators (Seasonal - Quarterly)- Infrastructure Services Directorate

Generated on: 26 November 2018

	Previous Years			2 years ago	1 year ago	This Year			
Code & Short Name	2015/16	2016/17	2017/18	Q1 2016/17	Q1 2017/18	Q1 2018/19		Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
HF10a Lost sailings by cause - Adverse Weather	311	43	115	3	6	14	5		<b>Performance:</b> Weather effected cancellation are continuing to reduce <b>Improvement:</b> Continue dialogue in relation to contingency planning
HF10b Lost sailings by cause - Breakdown	102	36	40	20	5	22	5		<b>Performance:</b> Reduce the number of service related breakdowns <b>Improvement:</b> 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

	Previous Years			2 years ago	1 year ago	This Year			
Code & Short Name	2015/16	2016/17	2017/18	Q1 2016/17	Q1 2017/18	Q1 2018/19		Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
HF10c Lost sailings by cause - Crew	16	0	0	0	0	117	5		<b>Performance:</b> It would be difficult to achieve 100% compliance <b>Improvement:</b> 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		<b>Improvement :</b> We will continue work closely with our crews, contractors and suppliers
HF10T Lost sailings - TOTAL	453	79	155	23	11	153	15		<b>Improvement</b> 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



	Previous Years			2 years ago	1 year ago	This Year													
Code & Short Name	2015/16	2016/17	2017/18	Q1 2016/17	Q1 2017/18	Q1 2018/19		Graphs	Past performance & future improvement Statements										
	Value	Value	Value	Value	Value	Value	Target												
HF21a Tingwall Airport Landings - Islanders	688	694	624	217	182	196		<table border="1"><caption>HF21a Landings - Islanders</caption><thead><tr><th>Year</th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th>2018/19</th></tr></thead><tbody><tr><td>Landings</td><td>250</td><td>220</td><td>185</td><td>200</td></tr></tbody></table>	Year	2015/16	2016/17	2017/18	2018/19	Landings	250	220	185	200	<p><b>Performance:</b> Scheduled delivery of service unless weather disruption. Data only no target.</p> <p><b>Improvement:</b> Continued dialogue with operators to keep them appraised of the airport's services and availability.</p>
Year	2015/16	2016/17	2017/18	2018/19															
Landings	250	220	185	200															
HF21b Tingwall Airport Landings - Air Ambulance	72	86	45	30	26	12		<table border="1"><caption>HF21b Landings - Air Ambulance</caption><thead><tr><th>Year</th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th>2018/19</th></tr></thead><tbody><tr><td>Landings</td><td>21</td><td>30</td><td>26</td><td>12</td></tr></tbody></table>	Year	2015/16	2016/17	2017/18	2018/19	Landings	21	30	26	12	<p><b>Performance:</b> 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</p> <p><b>Improvement:</b> Continued dialogue with operators to keep them appraised of the airport's services and availability.</p>
Year	2015/16	2016/17	2017/18	2018/19															
Landings	21	30	26	12															
HF21c Tingwall Airport Landings - Other	136	163	183	31	49	27		<table border="1"><caption>HF21c Landings - Other</caption><thead><tr><th>Year</th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th>2018/19</th></tr></thead><tbody><tr><td>Landings</td><td>30</td><td>32</td><td>50</td><td>28</td></tr></tbody></table>	Year	2015/16	2016/17	2017/18	2018/19	Landings	30	32	50	28	<p><b>Performance:</b> 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.</p> <p><b>Improvement:</b> Continue to improve the dialogue with all parties and keep them appraised of the airport's services and availability.</p>
Year	2015/16	2016/17	2017/18	2018/19															
Landings	30	32	50	28															

	Previous Years			2 years ago	1 year ago	This Year			
Code & Short Name	2015/16	2016/17	2017/18	Q1 2016/17	Q1 2017/18	Q1 2018/19		Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
HF21T Tingwall Airport Landings - TOTAL	896	943	852	278	257	235		<p>2015/16 2016/17 2017/18 2018/19</p>	<p><b>Performance:</b> A number of factors outwith the control of the airport, i.e. weather conditions - impacts on landings overall. Data only no target</p> <p><b>Improvement:</b> The airport will use new and established means to promote the services available to increase landings.</p>
HH02 Council Energy Consumption (MWh)	100,242	93,340	94,086	21,937	23,123	23,359	19,528	<p>2015/16 2016/17 2017/18 2018/19</p>	<p><b>Performance:</b> Reducing energy usage saves Council budgets and reduces CO2 (Quarterly). Cold winter impact compared to mild winter.</p> <p><b>Improvement:</b> Action plan to reduce energy usage is being implemented using spend to save funding and green loans.</p>
HN04 Amount of household waste collected (tonnes)	10,326	10,378	9,591	2,760	2,700	2,733	2,700	<p>2015/16 2016/17 2017/18 2018/19</p>	<p>This is a seasonal increase mainly due to an increase in the waste collected at the Civic Amenity Site. Tonnage in this quarter is comparable to the same quarter last year.</p>

	Previous Years			2 years ago	1 year ago	This Year			
Code & Short Name	2015/16	2016/17	2017/18	Q1 2016/17	Q1 2017/18	Q1 2018/19		Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value	Target		
OPI-4C-H Sick %age - Infrastructure Directorate	3.8%	2.4%	3.3%	2.5%	2.8%	3.9%	4.0%	 2015/16 2016/17 2017/18 2018/19	<p><b>Performance:</b> Some specific areas have shown a recent increase in sickness rates, these have all been investigated as legitimate absences</p> <p><b>Improvement:</b> The department continues to apply the Council's "Promoting Attendance" policy and procedures to ensure that absences are minimised.</p>
OPI-4E-H Overtime Hours - Infrastructure Directorate	77,950	74,814	82,640	18,599	22,446	19,880		 2015/16 2016/17 2017/18 2018/19	<p><b>Performance:</b> Overtime remains within budget but recruitment problems in some areas have resulted in reliance on overtime to deliver core services</p> <p><b>Improvement:</b> 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. due to the nature of work in the department, where sickness increases there can be an associated rise in overtime to maintain service delivery.</p>
OPI-4G-H Employee Miles Claimed - Infrastructure Directorate	180,162	184,812	191,766	49,258	45,011	45,864		 2015/16 2016/17 2017/18 2018/19	<p><b>Performance:</b>As work can be seasonal and responsive variation in miles claimed is to be expected.</p> <p><b>Improvement:</b> 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>

## 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: 26 November 2018

Short Name	Years				2 years ago	Last year	This year
	2014/15	2015/16	2016/17	2017/18	Q2 2016/17	Q2 2017/18	Q2 2018/19
	Value	Value	Value	Value	Value	Value	Value
Sickness Percentage - Whole Council	4.2%	3.7%	3.1%	4.0%	2.6%	3.4%	3.5%
Sick %age - Chief Executive's "Directorate"	2.4%	3.5%	1.2%	2.9%	1.5%	2.2%	3.0%
Sick %age - Children's Services Directorate	3.7%	2.9%	2.5%	3.5%	1.8%	2.3%	2.3%
Sick %age - Community Health & Social Care Directorate	6.0%	5.6%	5.2%	6.3%	4.1%	5.6%	5.4%
Sick %age - Corporate Services Directorate	2.4%	1.8%	1.9%	2.6%	1.8%	3.4%	1.2%
Sick %age - Development Directorate	4.2%	3.5%	2.9%	2.8%	3.0%	3.1%	4.5%
Sick %age - Infrastructure Directorate	4.0%	3.8%	2.4%	3.3%	2.2%	2.9%	3.8%

## Appendix C - 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: 26 November 2018

### Failure to provide a service

ID	Stage Title	Received Date	Status	Closed Date	Service /Directorate	Days Elapsed	Complaint Upheld?
COM-18/19-792	Investigation	11-Jun-2018	Closed	09-Jul-2018	Ferry Operations	20	Not Upheld

### Standard of service received

ID	Stage Title	Received Date	Status	Closed Date	Service /Directorate	Days Elapsed	Complaint Upheld?
COM-18/19-824	Investigation	06-Sep-2018	Closed	24-Sep-2018	Environmental Services	19	Not Upheld
COM-18/19-840	Frontline	27-Sep-2018	Closed	04-Oct-2018	Ferry Operations	5	Not Upheld

### Dissatisfaction with Council policy

ID	Stage Title	Received Date	Status	Closed Date	Service /Directorate	Days Elapsed	Complaint Upheld?
COM-18/19-810	Frontline	23-Jul-2018	Closed	25-Jul-2018	Environmental Services	2	Not Upheld



## Risk Register - Infrastructure Services

Risk & Details	Likelihood	Current	Risk Profile	Current and Planned Control Measures	Probability	Target	Risk Profile	Responsible Officer
		Impact				Impact		
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 andf 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	John Smith 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	John Smith Infrastructure Services
Failure to deliver a statutory duty or comply with legislation Trigger : Poor training, unqualified staff, poor supervision, shortage of staff Consequences : Prosecution, contracts faile due to failure to follow EU legislation, Legal action, Financial costs, failure to meet requirements for external auditors, reputational damage, political embarassment, Risk type : Breach of Legislation - Data Protection, Human Rights, Employment Practice, Health and Safety etc Reference - F0023	Possible	Significant	Medium	• Policies and procedures applied to ensure compliance. Effective risk assessments with suitable control measures. Staff trainedand suitably experience and competent to fulfill duties.	Unlikely	Significant	Medium	John Smith Infrastructure Services

<p>Loss of key staff, failure to recruit to key roles (Airport/Harbour/Ferries/Roads/Estates/Env Health) means service cannot continue or fails to deliver statutory duties.</p> <p>Trigger : Recruitment by other industries age profile of staffno workforce planningrecruitment and retention issuesConsequences : Services stopfinancial loss at portimpact on community reputational damage failure to meet statutory duties</p> <p>Risk type : Key staff - loss of</p> <p>Reference - F0024</p>	Likely	Significant	High	<p>• Workforce planning undertaken, key roles identified and training plans to build resilience. Career grades developed.</p>	Likely	Significant	High	John Smith 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> <p>Reference - F0025</p>	Possible	Significant	Medium	<p>• Contingency Budget built into budget setting for extraordinary, regular budget monitoring to establish and respond to trends.Management trained and regular communications to finance staff.</p>	Possible	Significant	Medium	John Smith Infrastructure Services
<p>Failure to plan for the future investment required in infrastructure replacement, repairs or maintenance</p> <p>Trigger : Poor financial planning 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 programe, long term financial plan, Asset/Investment Plan - contingency budgets for breakdowns.</p>	Possible	Significant	Medium	John Smith Infrastructure Services
<b>Corporate Plan</b>								
<b>F3. Our "20 By '20" - Shetlands "Voice"</b>								
<p>Changes in legislation for Fuel, waste, Carbon, emissions levels.</p> <p>Trigger : Government legislation or Significant technological change which alters the best practicable means of managing a risk</p> <p>Consequences : Additional costs, services must be changed to comply, new technology or equipment required. If action isn't taken there is a risk of enforcement action or fines for non-compliance with new legislation.</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 FUTURE, effective lobbying via COSLA and professional groups</p>	Possible	Significant	Medium	John Smith Infrastructure Services



Corporate Plan

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

<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	John Smith Infrastructure 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 professional groups and agencies. Communication plans in place for emergencies.</p>	Rare	Significant	Low	John Smith Infrastructure Services





<b>Meeting(s):</b>	<b>Development Committee Environment and Transport Committee Shetland College Board</b>	<b>11 December 2018 11 December 2018 17 December 2018</b>
<b>Report Title:</b>	<b>Development Services Directorate Performance Report – 6 Month/2nd Quarter 2018/19</b>	
<b>Reference Number:</b>	<b>DV-39-18-F</b>	
<b>Author / Job Title:</b>	<b>Neil Grant - Director of Development Services</b>	

## 1.0 Decisions / Action Required:

- 1.1 The Committee/Board should discuss the contents of this report and make any relevant comments on the achievements of the Directorate during the second quarter of 2018/19, 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 the second quarter 2018/19, enabling Members to analyse its performance against the Directorate's Service objectives, the Corporate Plan outcomes, and the Shetland Partnership Plan 2018-28.

## 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 over the next 3 years to deliver on the priorities within the Council's Corporate Plan and Shetland's Partnership Plan. We said "**what we must do in 2018 - 21**" was:

### PARTICIPATION

- Support implementation of all parts of the Community Empowerment Act. In relation to Part 2 – Shetland's Partnership Plan, Governance, and Delivery Plans.
- Enable a 10 year plan to attract people to Shetland to live, work, study and invest in Shetland
- Develop a shared policy approach and arrangements in relation to resilient rural communities.

- Continue to develop the Council's approach to Community Choices/Participatory Budgeting

## PLACE

- Enable development to happen
  - Consider policy implications in response to the National Review of Planning
  - Develop a new Local Development Plan (LDP2)
  - Develop a Master Plan for the Knab site
- Increase the supply of housing across all tenures
  - Develop refreshed Local Housing Strategy
  - Deliver supply target of affordable housing through the Strategic Housing Investment Plan (SHIP)
  - Investigate incentives and initiatives to increase supply of affordable homes
  - Assist communities to develop bespoke housing solutions
  - Encourage appropriate private development
  - Work in partnership with developers, builders and allied trades, and utilities to deliver new build housing targets
- Support for local businesses and entrepreneurs
  - Work with partners to achieve a strong Islands Deal
  - Proactively research Brexit opportunities, risks and scenarios
  - Provide commercial lending and grant support funding to local businesses
- Develop Shetland's Skilled Workforce
  - Deliver a sustainable model for Tertiary Education Training and Research
  - Establish Shetland's unique selling points for attracting students to study in Shetland
  - Provision of Student and Key Worker Accommodation
  - Increase the level of school pupil interest in STEM subjects, and entrepreneurship, to influence career choices and gender balance of Shetland's young workforce.
  - Further increase the number of Modern Apprentices.
  - Access funding programmes and opportunities brought about by the Modern Apprenticeship Levy.
- Achieve High Speed Broadband and mobile coverage throughout Shetland.
  - Influence Scottish Government R100 programme, reaching 100% by 2021.
  - Progress opportunities to extend local networks, using external funding, and where there is a business case justification.
- Achieve sustainable and affordable internal and external transport links
  - Inter-Island transport service provision, including fair funding of Ferries and internal air services.
  - Influence External Transport provision, new North Isles Ferry Contracts, fares and charging structures
  - Develop and promote internal transport networks including new public bus services
  - Work with stakeholders to develop a system of fares within internal transport services which help to address inequalities

At the same time we will continue to:

- 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 Directorate Plan Outcomes

4.2 A summary of progress on the Directorate Plan key outcomes at Q2 is as follows:

- **Shetland's Partnership Plan 2018-28**, has been adopted by all Schedule 1 community planning partners and the Plan was launched in August. Work on Governance Structures and Delivery Plans for each of the four priorities has also commenced.
- **Community Asset Transfer**: South Nesting, transfer of the old school, is an exemplar project from both a community and Council perspective.
- **'Building for the future in Shetland'**: structured engagement with housing developers, building companies and agents to enable new build housing is progressing, with workshops on agreed priorities, Procurement, Skilled Workforce and Business Development and Support having taken place. The Developing Young Workforce group are helping to connect the building sector with schools and the future young workforce. However, a shortage of Planning Officers is creating backlogs in Planning. Special effort is being applied to recruit and backfill Planning posts.
- **Local Development Plan** – Call for sites and adverts for submission of interest have been published and will run for a period of 6 months. Further promotion will be done during this period.
- **Knab Site Masterplan**: Work is progressing with 7N Architects and Architecture and Design Scotland, to develop the masterplan for the site which will be presented to Committee in February 2019.
- **Scalloway Making Places Project** is achieving very good community engagement and will help to establish the community priorities and how they can be achieved in future place and service plans.
- **Syrian Family Resettlement**: arrangements are now well advanced to receive two families and final details are being worked through with the Home Office.
- **Economic Development Strategy 2018-22** and action plan was adopted in August 2018.
- **Islands Deal** proposal is being developed, based on attracting young people to the islands to live, work, study. Timescales for delivery of the plan are tight and require all workstreams to be complete in December 2018.
- **Shetland Space Centre Project**: Development services are currently engaging with Shetland Space Centre Ltd, HIE, UK Space Agency and other key private sector stakeholders to identify how this very significant opportunity can best be supported and facilitated by the Council.
- **Colleges Merger**: The Full Business Case is planned to be reported during the December cycle of meetings.
- **Employability Services**: service redesign is being progressed with

implementation planned for 31 December 2018

- **Fair Funding of internal ferry services:** Outline Business Cases are being progressed in partnership with Transport Scotland to properly identify appropriate specifications for the inter-island transport network. In the meantime, Shetland's £7.9m revenue ask for 2019/20 is with Transport Scotland and Scottish Government for their consideration. Work continues on the case for funding to meet the full revenue deficit in providing ferry services in 2019/20. Council officers have agreed the financial details with Transport Scotland and they have confirmed that these details will be the basis for their budget projections to be considered by Scottish Ministers. The financial details include capital funding requirements as well as revenue. Peter Brett Associates have been contracted and are currently working on the Outline Business Cases (OBCs) for Fair Isle, Whalsay and the revenue options of inter-island ferry services, to be complete by 31 March 2019.
- **Public bus network:** Specification of the school and public bus network is being worked on with the intention to contract in specialist support. It is likely that an extension of existing contracts beyond the planned August 2019 start will be required.
- **Northern Isles Ferry Services:** ZetTrans officers have been facilitating consultation with Transport Scotland and local stakeholders on the specification of the new contracts which are planned to start in October 2019.

4.3 Appendix A shows progress on the key projects and actions the Directorate set out to complete or substantially progress in 2018/19. 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**

4.4 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:

- Internal ferries – Fair Funding by Scottish Government – the implications of not achieving Fair Funding from the Scottish Government would likely result in a significant reduction in service.
- Colleges Integration - plans to present the Full Business Case this cycle, for agreement with implementation (vesting) of agreed single entity model planned for start of academic term 2020. The current distributed operating model is not sustainable. The Council and the stakeholder organisations are applying significant resources to this project to present a robust business case which can be supported by all parties.
- 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. New build housing is a Council, Community and Government priority.
- 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. The shortage of planning staff is now having serious knock on effects in the local economy and a short term project team is working through recruitment, workforce development and backfill actions to resolve the situation as quickly as possible.

4.5	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</b>	<b>Exempt and/or Confidential Information:</b>
5.1	None.
<b>6.0</b>	<b>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 particularly acute in Planning 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.
<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>	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.  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.	
<b>6.10 Policy and Delegated Authority:</b>	The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;  “Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –  (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.  (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”	
<b>6.11 Previously Considered by:</b>	None.	

**Contact Details:**

Neil Grant, Director of Development Services,  
[nrj.grant@shetland.gov.uk](mailto:nrj.grant@shetland.gov.uk)  
 3 December 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 – Risk Register (Development Committee Only)
- Appendix E – Financial Investment Fund (Development Committee Only)

**Background Documents:**



[Directorate Plan 2018-2021](#)



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

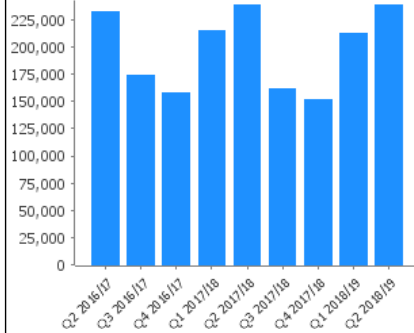
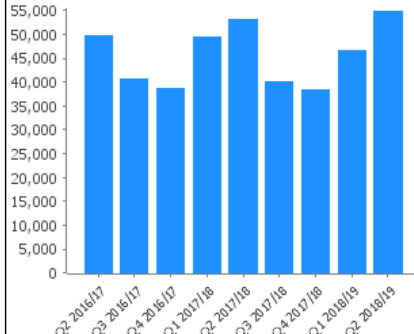
Generated on: 03 December 2018

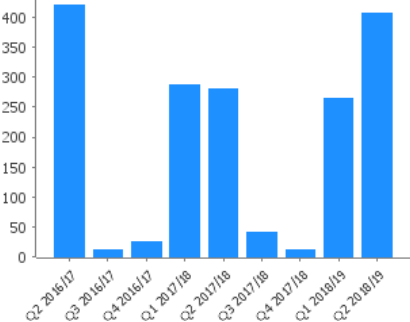
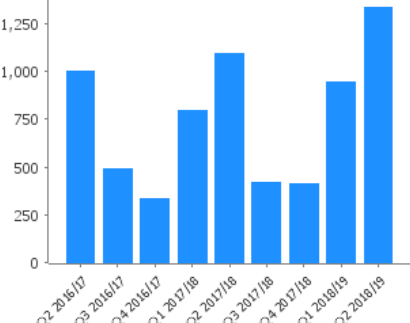
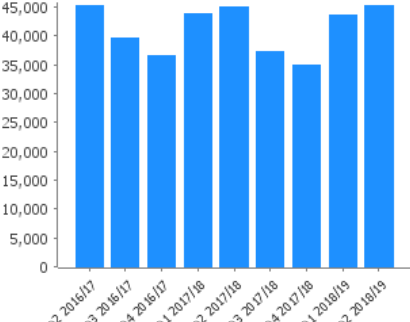
## Shetland Partnership Plan 2018-2028

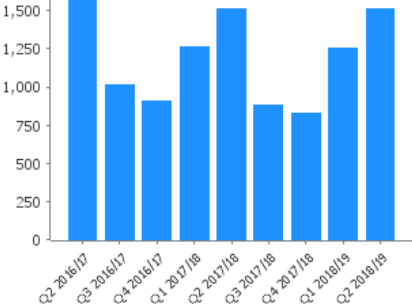
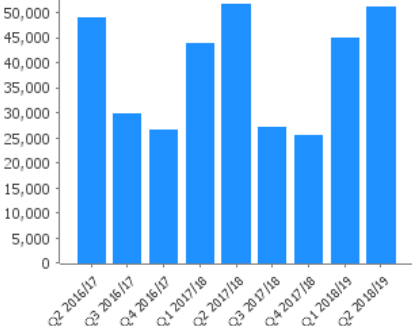
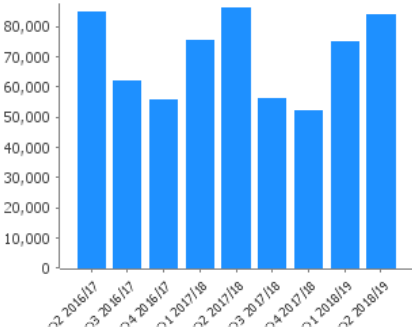
. Place Shetland is an attractive place to live, work, study and invest						
Code & Title	Description	Long-term Outcome	Dates		Progress	Progress Statement
DP205 Achieve sustainable and affordable internal and external transport links		A fit for purpose , sustainable and affordable internal transport network that supports and enables our community priorities. • Resolve with Scot Gov Revenue and Capital fair funding for internal Ferries.  • Review scope of internal air service, and tender air service contract  • Review scope of Public and School bus network and tender service.  • Work with Transport Scotland to influence scope of next external ferry contract	Planned Start	01-Apr-2017	 <div>50%</div>	• Revenue funding position for internal ferries for 2019/20 has been established with Transport Scotland, and requiring an additional £7.9m revenue funding. The ask is now with the Cabinet Secretary for Finance for inclusion in the Scottish Government Budget. • The socio economic case of the inter island air service outline business case has been completed and due to be present in December 2018 cycle.
			Actual Start	17-Aug-2017		
			Original Due Date	01-Apr-2020		
			Due Date	01-Apr-2020	 Experiencing issues, risk of failure to meet target	• The Outline Business case for Public and school bus network is currently being worked on. • ZetTrans are currently engaging with Scottish Government on Northern Isles Ferry Services Contracts which are currently being retendered with new contracts starting in October 2019. • The Shetland Transport Strategy is now complete and adopted, and officers are working on the detail of the Delivery Plan.
			Completed Date			
Lead						
Development Services Directorate	Work with Scottish Government and Transport Scotland to achieve appropriate level of internal and external transport, and achieve fair funding for inter-island transport services.					

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

Generated on: 03 December 2018

	Previous Year	Quarters						
Code & Short Name	2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value		
HF-TOT-P All Ferries Total - Passengers	767,315	238,441	162,044	152,015	212,208	238,212		Council successfully secured £5 million of funding for 2018/19 and work continues to secure a further £7.9m for 2019/20. A collection of businesses cases are being prepared to support the Council's case.
HF-BRE-P Bressay Service Total - Passengers	180,812	53,041	40,018	38,301	46,463	54,708		

	Previous Year	Quarters																										
Code & Short Name	2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Graphs	Past performance & future improvement Statements																				
	Value	Value	Value	Value	Value	Value																						
HF-FRI-P Fair Isle Service Total - Passengers	619	280	41	11	265	407	 <table><caption>HF-FRI-P Fair Isle Service Total - Passengers (Quarterly Data)</caption><thead><tr><th>Quarter</th><th>Passengers</th></tr></thead><tbody><tr><td>Q2 2016/17</td><td>407</td></tr><tr><td>Q3 2016/17</td><td>11</td></tr><tr><td>Q4 2016/17</td><td>41</td></tr><tr><td>Q1 2017/18</td><td>280</td></tr><tr><td>Q2 2017/18</td><td>265</td></tr><tr><td>Q3 2017/18</td><td>40</td></tr><tr><td>Q4 2017/18</td><td>10</td></tr><tr><td>Q1 2018/19</td><td>265</td></tr><tr><td>Q2 2018/19</td><td>407</td></tr></tbody></table>	Quarter	Passengers	Q2 2016/17	407	Q3 2016/17	11	Q4 2016/17	41	Q1 2017/18	280	Q2 2017/18	265	Q3 2017/18	40	Q4 2017/18	10	Q1 2018/19	265	Q2 2018/19	407	
Quarter	Passengers																											
Q2 2016/17	407																											
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Q4 2017/18	10																											
Q1 2018/19	265																											
Q2 2018/19	407																											
HF-PAP-P Papa Stour Service Total - Passengers	2,731	1,097	423	412	947	1,337	 <table><caption>HF-PAP-P Papa Stour Service Total - Passengers (Quarterly Data)</caption><thead><tr><th>Quarter</th><th>Passengers</th></tr></thead><tbody><tr><td>Q2 2016/17</td><td>1,000</td></tr><tr><td>Q3 2016/17</td><td>500</td></tr><tr><td>Q4 2016/17</td><td>350</td></tr><tr><td>Q1 2017/18</td><td>800</td></tr><tr><td>Q2 2017/18</td><td>1,100</td></tr><tr><td>Q3 2017/18</td><td>450</td></tr><tr><td>Q4 2017/18</td><td>450</td></tr><tr><td>Q1 2018/19</td><td>950</td></tr><tr><td>Q2 2018/19</td><td>1,337</td></tr></tbody></table>	Quarter	Passengers	Q2 2016/17	1,000	Q3 2016/17	500	Q4 2016/17	350	Q1 2017/18	800	Q2 2017/18	1,100	Q3 2017/18	450	Q4 2017/18	450	Q1 2018/19	950	Q2 2018/19	1,337	
Quarter	Passengers																											
Q2 2016/17	1,000																											
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Q1 2017/18	800																											
Q2 2017/18	1,100																											
Q3 2017/18	450																											
Q4 2017/18	450																											
Q1 2018/19	950																											
Q2 2018/19	1,337																											
HF-WHA-P Whalsay Service Total - Passengers	161,012	44,984	37,349	34,868	43,692	45,295	 <table><caption>HF-WHA-P Whalsay Service Total - Passengers (Quarterly Data)</caption><thead><tr><th>Quarter</th><th>Passengers</th></tr></thead><tbody><tr><td>Q2 2016/17</td><td>45,295</td></tr><tr><td>Q3 2016/17</td><td>40,000</td></tr><tr><td>Q4 2016/17</td><td>37,000</td></tr><tr><td>Q1 2017/18</td><td>44,000</td></tr><tr><td>Q2 2017/18</td><td>45,000</td></tr><tr><td>Q3 2017/18</td><td>38,000</td></tr><tr><td>Q4 2017/18</td><td>35,000</td></tr><tr><td>Q1 2018/19</td><td>44,000</td></tr><tr><td>Q2 2018/19</td><td>45,295</td></tr></tbody></table>	Quarter	Passengers	Q2 2016/17	45,295	Q3 2016/17	40,000	Q4 2016/17	37,000	Q1 2017/18	44,000	Q2 2017/18	45,000	Q3 2017/18	38,000	Q4 2017/18	35,000	Q1 2018/19	44,000	Q2 2018/19	45,295	
Quarter	Passengers																											
Q2 2016/17	45,295																											
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Q1 2018/19	44,000																											
Q2 2018/19	45,295																											

	Previous Year	Quarters						
Code & Short Name	2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Graphs	Past performance & future improvement Statements
	Value	Value	Value	Value	Value	Value		
HF-SWM-P Skerries/Whalsay Skerries/Mainland total - Passengers	4,478	1,513	879	824	1,257	1,508		
HF-UYF-P Unst/Yell/Fetlar triangle Total - Passengers	147,815	51,562	27,102	25,446	44,772	51,171		
HF-YEL-P Yell/Mainland Service Total - Passengers	269,848	85,964	56,232	52,153	74,812	83,786		



<b>Meeting(s):</b>	Environment & Transport Committee Policy & Resources Committee Shetland Islands Council	11 December 2018 19 December 2018 19 December 2018
<b>Report Title:</b>	Management Accounts for Environment & Transport Committee: 2018/19 – Projected Outturn at Quarter 2	
<b>Reference Number:</b>	F-081-F	
<b>Author / Job Title:</b>	Jamie Manson, Executive Manager - Finance	

### 1.0 Decisions / Action required:

- 1.1 The Environment & Transport Committee **RESOLVES** to review the Management Accounts showing the projected outturn position at Quarter 2.
- 1.2 The Environment & Transport Committee and Policy and Resources Committee **RECOMMENDS** to Council that it approve the proposed new waste disposal charges set out in detail in Appendix 3, with effect from 20 December 2018.

### 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 to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget. This report shows the projected financial consequence of the service performance detailed in the Infrastructure and Development Directorates' performance reports, and allows the Committee the opportunity to provide instruction to officers to address any forecast overspends in order that the budget is delivered by year-end.
- 2.2 On 14 February 2018 (SIC Min Ref: 5/18) the Council approved the 2018/19 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 £11.734m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.
- 2.3 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.

2.4	Since the approval of the 2018/19 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.
2.5	A review of the waste disposal charges at the Energy Recovery Plant has been undertaken in light of new waste enquiries and in line with the Council's Charging Policy. The findings from the review are that new charges should be introduced to cover the additional costs, with effect from 20 December 2018.
<b>3.0 Corporate Priorities and Joint Working:</b>	
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.
<b>4.0 Key Issues:</b>	
4.1	This report presents the projected outturn position for 2018/19 as at the end of the first quarter for revenue and capital. The forecasts have been determined by Finance Services after consultation with the relevant budget responsible officers.
4.2	The revenue outturn position for the Environment & Transport Committee is a projected overspend of £620k, which means the services in this Committee area are collectively projected to spend more than their approved revenue budget.
4.3	<p>The Director of Infrastructure Services will address the projected overspend by taking the following steps:</p> <ul style="list-style-type: none"> <li>• Additional income from the proposed new waste disposal income charges</li> <li>• Actions to contain and where possible reduce overtime costs, particularly on Ferries</li> <li>• Actions to manage recruitment in any cases where immediately filling posts is not essential</li> <li>• Pursuit of all options to maximise recycling income</li> <li>• Consideration of options to reprofile road surfacing activity during remainder of the winter</li> </ul>
4.4	<p>The Director of Development Services will address the projected overspend in the Transport Planning Service by:</p> <ul style="list-style-type: none"> <li>• Management of the Colleges Merger project and project funding from the Scottish Funding Council</li> <li>• Planning Service Recruitment</li> <li>• Implementation of the Review of Economic Development Services</li> <li>• Finding further efficiencies across all services</li> <li>• Sharing of project costs with Community Planning partners</li> <li>• Pursuing commercial opportunities relating to telecoms infrastructure</li> </ul>

4.5	Included in the budget is the Waste Recycling Service Redesign savings proposal of £150k, this saving is not anticipated to be realised during 2018/19 due to delays in the construction of the household waste recycling sorting shed.
4.6	The projected capital outturn position for the Environment & Transport Committee is an underspend of £3.26m in 2018/19, with a slippage requirement for 2019/20 of £3.232m, resulting in an overall underspend of £29k. This means the services in this Committee area are collectively projected to spend less than their Council approved capital budget.
4.7	The projected revenue outturn position of the collective Council budgets for energy, metered water, building maintenance, grasscutting and fleet maintenance are highlighted in this report for review by the Environment & Transport Committee. Although these budgets are dispersed throughout all service areas of the Council, including the Harbour Account and HRA, they are budgeted, monitored, and the outturn projected by the Estate Operations Service.
4.8	See appendices 1 and 2 attached for detailed information on the revenue and capital outturn positions.
4.9	Provision was made in the Council's 2018/19 Budget for cost pressures and contingencies. It is held centrally by the Executive Manager - Finance.
4.10	Cost pressures are recurring in nature and increase the base cost of the service being delivered, eg apprenticeship levy, whereas contingency items are deemed non-recurring and likely to vary year on year, eg ferry breakdown costs.
4.11	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.
4.12	A budget allocation of £302k has been applied to Ferry Operations to meet projected ferry vessel fuel costs from the cost pressure & contingency budget.
4.13	See appendix 3 attached for detailed information on the proposed new waste income charges at the Energy Recovery Plant.
<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>	<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> <p>There will be a cost to service users for the proposed new waste disposal income charges.</p>

<b>6.2 Human Resources and Organisational Development:</b>	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.
<b>6.3 Equality, Diversity and Human Rights:</b>	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.
<b>6.4 Legal:</b>	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.
<b>6.5 Finance:</b>	<p>The 2018/19 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.</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. It is therefore vital that the Council delivers its 2018/19 budget.</p> <p>This report demonstrates that the services under the remit of the Environment &amp; Transport Committee are projecting to spend more than their Council approved budget.</p> <p>The Director of Infrastructure and the Director of Development have provided a plan of actions to mitigate the projected overspend position as referred to at paragraphs 4.3 and 4.4 above.</p> <p>The estimated additional income from the proposed new waste disposal income charges for 2018/19 is £100k, which will contribute to the reduction of the projected overspend position.</p>
<b>6.6 Assets and Property:</b>	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.
<b>6.7 ICT and new technologies:</b>	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.



<b>6.8 Environmental:</b>	<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>
<b>6.9 Risk Management:</b>	<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 most significant financial risk for services reporting to this Committee are ferry vessel and other major plant breakdown, mainly due to ageing infrastructure, resulting in substantial additional costs for remedial works.</p> <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures and contingencies 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>
<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 2018/19 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,</p>

	timescale, frequency and receiving committee(s) required for monitoring statements and the Executive Manager - Finance will be responsible for ensuring compliance with this.	
<b>6.11 Previously considered by:</b>	<i>n/a</i>	<i>n/a</i>

**Contact Details:**

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**Appendices:**

Appendix 1 – Environment & Transport Committee Projected Revenue Outturn Position 2018/19

Appendix 2 – Environment & Transport Committee Projected Capital Outturn Position 2018/19

Appendix 3 - Energy Recovery Plant - Proposed New Income Charges

**Background Documents:**

SIC Budget Book 2018/19, SIC 14 February 2018

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=22032>

## Environment &amp; Transport Committee

## 1. Projected Revenue Outturn Position 2018/19

Budget v Projected Outturn Variance at Q1 (Adv)/Pos £000	Service	Revised Annual Budget at Quarter 2 £000	Projected Outturn at Quarter 2 £000	Budget v Projected Outturn Variance at Quarter 2 (Adv)/Pos £000
1	Director of Infrastructure Services	567	561	5
(129)	Environmental Services	2,104	2,230	(126)
(5)	Estate Operations	907	922	(15)
(149)	Ferry Operations	7,448	7,625	(177)
(30)	Roads Service	3,528	3,603	(75)
(12)	Transport Planning	6,243	6,443	(200)
	<b>Collective Council Budgets:</b>			
0	Energy	3,004	3,049	(45)
0	Water	371	371	0
0	Building Maintenance	2,492	2,480	11
0	Grasscutting	171	171	0
0	Fleet Maintenance	714	696	18
	<b>Less: Collective Council Budgets</b>			
0	recharged to Harbour Account, HRA, Capital & VJB	(680)	(663)	(17)
<b>(324)</b>	<b>Total Controllable Costs</b>	<b>26,867</b>	<b>27,487</b>	<b>(620)</b>

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

### 1.1 Environmental Services – projected outturn overspend of (£126k) (6%)

The projected overspend mainly relates to

- the underachievement of the Waste Recycling Service Redesign savings due to delays in construction of sorting shed (£150k); offset by
- increased income for waste metal due to high market price £50k.

### 1.2 Ferry Operations – projected outturn overspend of (£177k) (2%)

The projected overspend mainly relates to

- increased terminal berthing charge for additional shuttle runs and vessel hires (£103k);

- additional employee costs on Yell Service to cover sickness absences and vacant posts (£80k).

The outturn position includes a contingency allocation of £302k, which has been added to Ferry Operations' budgets for the increased cost of ferry fuel.

### **1.3 Roads Services – projected outturn overspend of (£75k) (2%)**

The projected overspend relates to increased explosives, fuel and plant hire costs (£98k)

### **1.4 Transport Planning – projected outturn overspend of (£200k) (3%)**

The projected overspend is due to the increased costs of ZetTrans for providing public transport services which are funded by the Council. The additional costs are due to:

- Additional contract costs for the Inter-Island Air Service for an aircraft engine overhaul. (£75k);
- Higher annual inflationary increases for Public Bus Service contracts than expected and a budgeting error on the Westside Mainline service (£61k); and
- Reduction in fare income across the Public Bus Service based on current usage data (60k).

## Environment &amp; Transport Committee

## 2. Projected Capital Outturn Position 2018/19

Overall Budget v Projected Outturn Variance at Q1 (Adv)/Pos £000	Service	Revised Annual Budget at Quarter 2 £000	Projected Outturn at Quarter 2 £000	Budget v Projected Outturn Variance at Quarter 2 (Adv)/ Pos £000	Projected Slippage required in 2019/20 £000	Overall Budget v Projected Outturn Variance at Quarter 2 (Adv)/Pos £000
0	Environmental Services	1,254	1,106	147	(147)	0
8	Estate Operations	3,810	3,805	5	0	5
26	Ferry Operations	4,802	2,091	2,711	(2,700)	11
3	Roads Service	2,822	2,426	397	(384)	13
<b>36</b>	<b>Total Controllable Costs</b>	<b>12,688</b>	<b>9,428</b>	<b>3,260</b>	<b>(3,232)</b>	<b>29</b>

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

### 2.1 Environmental Services - projected outturn underspend £147k (15%)

This variance relates to the Landfill Capping Project which will slip to 2019/20 as less waste is required to go to landfill than anticipated resulting in slower fill rate.

### 2.2 Ferry Operations – projected outturn underspend £2.7m (56%)

This underspend relates to the Ferry Replacement Programme which is not anticipated to start until further detailed work has been done on the requirements.

### 2.3 Roads Service – projected outturn underspend £397k (14%)

The variance is for the Stonganess Bridge Replacement project which will slip to 2019/20 to allow time for project redesign relating to land difficulties £370k.



## Energy Recovery Plant Proposed New Income Charges:

Item	Unit	Existing Charge £	New Charge £
Difficult Waste	per tonne	N/A	143.95
	minimum charge up to 200kg	N/A	28.79
Waste Requiring Extra Handling	per tonne	N/A	116.00
	minimum charge up to 200kg	N/A	23.20
Fish Waste	per tonne	56.50	205.00
	minimum charge up to 200kg	11.30	41.00
Unacceptable Waste	per load	N/A	28.79
Weighbridge Cards	per card	N/A	20.00
Occasional Customers	minimum charge up to 400kg	N/A	22.60
	minimum charge up to 200kg no longer applies	11.30	N/A

### Details of Requirement for Changes and New Charges:

#### Difficult Waste

An enquiry has been made from the local NFU about the most suitable disposal route for silage bale wrap and from the NHS for disposal of clinical waste. This type of waste is difficult to incinerate because it has a high calorific value. It could be accepted at the Energy Recovery Plant in small quantities if it was mixed well with other waste prior to incineration. It is proposed to set the charge at £143.95/tonne (minimum charge of £28.79 for loads up to 200 kg). This is the same charge as standard waste being landfilled. If the Plant was unable to accept this waste for operational reasons then the customers could be re-directed to Gremista Waste Management Facility and would be charged the same rate. In future, there may be other waste that can only be accepted at the Plant in controlled quantities and this charge would be applied.

#### Waste Requiring Extra Handling

An enquiry has been made about disposing of waste at the Energy Recovery Plant. The waste normally goes to the sorting shed at Gremista Waste Management Facility in skips where it is mixed with other waste and then transported to the Plant. This waste is not suitable for recycling. The company has proposed using compactor units and taking the waste directly to the Plant. Accepting this waste in compactor units will require assistance from Plant staff when offloading and also extra mixing of waste prior to incineration. It will also involve installing equipment to deal with the compactor units which is estimated to cost £500 and payback would be approximately 2 months. It is proposed to set the same charge as waste going to the sorting shed - £116.00/tonne (minimum charge of £23.20 for loads up to 200 kg). In future, there may be other waste that can be diverted from the sorting shed and this charge would apply.

**Fish Waste**

The Energy Recovery Plant currently limits the quantities of fish waste (mainly salmon) that it accepts. Fish waste has a low calorific value and has to be mixed well with other waste prior to incineration. The calorific value of incoming waste is changing due to factors such as the introduction of kerbside recycling in Shetland. The Plant may accept waste with a higher calorific value in future so the amount of fish waste being incinerated could also be increased. It is proposed to increase the charge from £56.50/tonne to £205.00/tonne (minimum charge £41.00 for loads up to 200 kg). This will increase the income for the Plant but is considerably less than other disposal routes available to local salmon companies.

**Unacceptable Waste**

There are occasions when waste that is unsuitable for incineration is tipped into the bunker. The waste has to be removed by Energy Recovery Plant staff and then disposed of at the Gremista Waste Management Facility. Currently there is no charge applied for unacceptable waste and it is proposed to charge customers £28.79 per load.

**Weighbridge Cards**

Regular users of the Energy Recovery Plant are issued with cards for operating the unmanned weighbridge. Currently there is no charge for the cards and it is proposed to charge £20 per card to cover costs and administration.

**Occasional Customers**

There are businesses and organisations that occasionally dispose of waste at the Plant. This involves administrative time for completing Duty of Care Waste Transfer Notes and operator time for assisting with the weighbridge and offloading waste. It is proposed to increase the minimum charge to £22.60 for loads up to 400 kg (the current minimum charge is £11.30 for loads up to 200 kg). The charge for weights over 400 kg would remain at £56.60/tonne.