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Date: 27 June 2019

Dear Sir/Madam

You are invited to the following meeting:

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 3 July 2019 at 10 a.m.**

Apologies for absence should be notified to Anne Cogle at the above number.

Yours faithfully

Executive Manager – Governance and Law

Convener: Malcolm Bell
Depute Convener: Beatrice Wishart

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: (1) 26 February 2019 *[to follow]*; (2) 17 April 2019; and (3) 15 May 2019, enclosed.

Items

- 1 Performance Management Framework
CC-24—recommendation from Policy and Resources Committee 2 July 2019
- 2 ICT Strategy 2019-2024
ICT-02—recommendation from Policy and Resources Committee 2 July 2019
- 3 Public, School and Adult Social Care Bus Transport – Strategic Outline Case
DV-21
- 4 Notice of Motion submitted by Councillor A Duncan: re. Free TV Licences for over-75s – Motion that “SIC writes to the UK Government to intervene with the BBC in this matter as a matter of urgency.”
NoM-SIC 3 July



MINUTES

A&B - PUBLIC

**Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 17 April 2019 at 11.30 am**

Present:

M Bell	M Burgess
A Cooper	S Coutts
J Fraser	C Hughson
S Leask	E Macdonald
A Manson	R McGregor
A Priest	I Scott
D Simpson	C Smith
G Smith	T Smith
R Thomson	A Westlake
B Wishart	

Apologies:

P Campbell
A Duncan
D Sandison

In Attendance (Officers):

M Sandison, Chief Executive
J Smith, Director of Infrastructure Services
R Sinclair, Executive Manager – Assets, Commissioning and Procurement
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
T Coutts, Team Leader – Business Development
A Inkster, Team Leader – Port Engineering
P Wishart, Solicitor
C Anderson, Senior Communications Officer
L Malcolmson, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor Mark Burgess and Councillor Amanda Hawick during the proceedings would be permitted by telephone link.

Declarations of Interest

None.

Asset Investment Plan – Business Case – Toft Pier

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-01-19-F) that provided information on a Business Case for Toft Pier.

In introducing the report, Executive Manager – Assets, Commissioning and Procurement advised that the EMFF Funding process required the output from the tendering process when considering the project bid. In order therefore to meet the terms of the external funding the Council had approved an exception to its usual policy to proceed to tender, which resulted in the project being awarded £1m external funding.

The Executive Manager – Asset, Commissioning and Procurement highlighted that paragraph 5.1 of the report stated the need to move into private to discuss any detail relating to the tendering process. He advised the Council on a typographical error in Paragraph 6.9 where the figure of £500k should read £600k. The Executive Manager – Asset, Commissioning and Procurement also informed that since writing the report planning consent had been secured.

During questions Members were advised on the dialogue with Marine Scotland regarding the possibility of further funding support, more targeted towards fisheries. The Director of Infrastructure Services explained that Marine Scotland had hoped to announce at the end of March but other matters such as Brexit had taken their focus and delayed any announcement. He advised that he would check on progress.

In responding to a question regarding damage caused at Toft Pier some time ago, the Chief Executive advised that no action had been taken as the Council had, at that time, considered the pier as a redundant asset having chosen not to maintain the pier when it was still in use.

Reference was made to the late presentation of this report in relation to the decision required for the tenders to be awarded. In acknowledging this, the Chief Executive explained that this was not customary but the Council had agreed to suspend standing orders to allow tenders to be prepared in order to comply with the requirements of the external funding to process. She further advised on the increased cost to the Council as a result of the temporary mooring provided to facilitate industry following a decision taken to restrict vehicular access. Should a decision be taken to proceed with the reconstruction of the pier the increased costs would be taken from the operating budget. The Chief Executive added that there had been significant engagement with industry which has been built into the business case. She gave Walls Pier as an example of where an asset had been built and its usage had exceeded expectation with a less robust business case.

In addressing questions on whether the pier could have been restored privately, the Director of Infrastructure Services advised from discussion with the aquaculture industry in terms of formal shared ownership however none of the fishermen that had the ability to own the infrastructure and there was no single company willing to take it on. There would also have been state aid implications in some of the options considered. The Director of Infrastructure Services advised that the Council has the unique position to make long term investments for many users that other individual owners could not provide.

In addressing concern around the additional Marine Scotland funding the Director of Infrastructure Services advised that the funding available was complementary to the project and although there had been positive dialogue with Ministers, an announcement was yet to be made.

Concern was expressed around the previous decisions taken not to continue maintaining the pier and it was acknowledged that in transferring between ferries and ports the budget for the asset had not been built into the Port Maintenance Programme. It was also suggested that there was a lack of information regarding the landings at other piers, and how much of an increase and value that would return once the Toft Pier was rebuilt. The Director of Infrastructure Services advised that marine management checks had been carried out with full analysis that could be extracted and provided to Members. It was suggested however the information this may be too late for the decision to be made. Members were also assured that the draught and depth at the new Toft Pier would cater for longer vessels with a larger landing face. Some information was provided on the variations in harvesting and that the new Toft Pier would provide an opportunity to be flexible with the type of landings which would be of interest to the industry.

Reference was made to the proposed Net Service Station, and the Convener advised that application had no relevance to the decision being made by the Council. The Director of Infrastructure Services responded to a question regarding services required by the Industry such as shore power and CCTV. In terms of fuel supply he advised that there could be commercial partner involvement if that were required. In terms of leisure use at the port it was noted that this was limited but there were discussion with the community through Community Councils. He said that consideration had been given to a breakwater and marina at Toft but that could not be accommodated in these proposals as there was a clear interest was in providing better facilities for industry. He suggested however there could potentially be an increase in leisure use.

In terms of ongoing revenue costs the Chief Executive explained that harbour charges are determined by operational costs and the rate of return split across the amount of traffic at all piers. She said that given the increase in traffic anticipated at the new Toft Pier it was likely that an increase in operating costs would be met through the increase in use.

During debate, it was acknowledged that there was potential for an increase in traffic particularly when the current pontoon was still being used. It was noted that some boat owners had gone elsewhere due to the difficulty in landing under the current provision but the intention for some were to come back if the facilities are in place. It was recognised that fish landings fluctuate but confidence was expressed that if the correct draft was provided there would be a return to Toft Pier. Comment was made that the Toft Pier would provide income within the Sullom Voe Harbour area and the maintenance of a safe pier would be met by ship owners and it was hoped that further Marine Scotland funding would be available as well as other sources.

Mr Cooper moved that the Council approve the recommendations contained in the report. Ms Manson seconded.

Some Members spoke in support of the motion, and commented on the extreme difficulty some users had faced with in the current provision of the pontoon and that there was a real need for landings still to be made at the Toft Pier.

There was however some concern that the business case still contained a degree of “could” and “might” around this project and it was suggested that the decision put forward potentially opened the question of how the gateway process is being used.

The Leader reminded Members that unless an amendment was put forward the decision would appear as unanimous. He made comment on the £1m external funding awarded and that he was confident that the industry would prove how important the Toft Pier reconstruction has been to them. He said that there had been a commitment when the Council set its budget a few months ago in terms of wider implication on other assets and that Members had to show leadership on priorities going forward. The reminder on priorities was welcomed by Members.

Comment was made on the monitoring of piers being important and part of a culture change by the Harbour Authority having identified a weakness in information available. It was however confirmed that with the implementation of the new pier there would be adequate monitoring in the future. It was noted that this project was the reason for the ZCC Act was created in the first place, in terms of looking after property as well as the reserves for the benefit to Shetland.

As a final comment reference was made to other projects that have given rise to concern on the cost of projects and whether there had been justification to spend, examples of projects were given that were strategically and geographically in the right position to attract activity and income. In this instance, Toft Pier had been put forward as a project in the right place to keep traffic out of Sullom Voe, and that there was a lot of evidence from the industry to support the project.

Decision:

The Council RESOLVED to:

- adopt the preferred option, namely to rebuild and extend Toft Pier, as set out in Appendix A; and
- approve the budget in the Council’s 5 year Asset Investment Plan

The meeting concluded at 12.25pm.

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Convener



MINUTES

B – PUBLIC

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 15 May 2019 at 10.00am**

Present:

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	A Hawick
C Hughson	S Leask
R McGregor	A Manson
I Scott	C Smith
G Smith	T Smith
R Thomson	B Wishart

Apologies:

M Burgess	Ms Macdonald
Mr Priest	Mr Sandison

In Attendance (Officers):

M Sandison, Chief Executive
M Craigie, Executive Manager – Transport Planning
J Robinson, Interim Joint Director – Community Health and Social Care
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
H Sutherland, Head of Planning and Modernisation (NHS Shetland)
C Anderson, Senior Communications Officer
L Adamson, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Thomson declared an interest in Item 5, “Taxi Tariff Review”, as an owner of a Taxi License. Mr Thomson advised that he would take no part in that discussion, and would leave the Chamber.

Minutes

The minutes of the meeting held on 20 February 2019 were approved on the motion of Mr Campbell, seconded by Ms Wishart.

The minutes of the meeting held on 6 March 2019 were approved on the motion of Mr T Smith, seconded by Mr Thomson.

The minutes of the meeting held on 27 March 2019 were approved on the motion of Mr Leask, seconded by Mr Campbell.

19/19 **Notice of Motion - State Pension Arrangements for Women**

The Council considered a Notice of Motion, in the following terms, “Shetland Islands Council calls upon the UK Government to make fair transitional state pension arrangements for all women born in the 1950s, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification. This translates into “bridging” pension to provide an income until State Pension Age – not means tested – and with recompense for losses for those who have already reached their SPA. There are no specific age groups within the period mentioned above that are favoured above others”.

Mr G Smith outlined the terms of his motion, advising on the injustice to women who were born in the 1950s, and on the importance for the Council to support the campaign both locally and nationally. Mr G Smith moved that the Council adopt the motion. In seconding, Ms Wishart declared an interest as a member of Women Against State Pension Inequality (WASPI) but said that while there was no doubt that women in Shetland have been severely affected, the issue was the wider unfair equalisation that has been implemented.

During a brief discussion, Members advised on their support for the motion. In referring to the unanimous support from the Council, the Leader advised that the Council would write directly to the UK Government to express concern in the terms set out in the motion.

20/19 **Management Accounts for Community Health and Social Care 2018-19 - Projected Outturn at Quarter 4**

The Council considered a report by the Executive Manager – Finance (F-033-19-F) outlining the projected outturn position at Quarter 4, and which sought approval for an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £56k.

In introducing the report, the Executive Manager – Finance outlined the decision required by the Council, as set out at 1.2.

In response to a question, the Executive Manager – Finance said that as the projections are progressed and refined through the financial year, he would anticipate services to be on budget come the year end.

There was no debate. Mr Coutts moved that the Council approve the recommendation in the report, and Mr Duncan seconded.

Decision:

The Council RESOLVED to approve an increase in the payment for 2018/19 to the Community Health and Social Care Partnership Integration Joint Board of £56k, recognising the transfer of Cost Pressure and Contingency

budget held by the Council and other budget changes, as detailed in Section 4.3 of the report. This will increase the payment for 2018/19 to £21.131m.

21/19

SIC Overall Management Accounts 2018/19 Projected Outturn at Quarter 4

The Council considered a report by the Executive Manager – Finance (F-031-19-F) setting out the overall Council projected financial position as at Quarter 4. (Appendices 5 and 6 were tabled at the meeting).

In introducing the report, the Executive Manager – Finance advised on the projected underspends in both revenue and capital totalling £11.6m, which would result in a draw on reserves of £12.7m, rather than the earlier projection of £20.3m. He reported on a number of key variances between Quarter 3 and Quarter 4, and referred to the retrospective approval of capital expenditure being sought on the 2018/19 Ferry Life Extension Budget as referred to in Section 1.1.2, and in Appendix 5. The Executive Manager – Finance also highlighted the revised schedule of charges at Appendix 6.

In response to questions, the Executive Manager – Finance commented that the projected overspend on services of £1.9m was a concern, however he said that with focus on the Service Redesign Programme and the Business Transformation Programme he hoped the figure would be much reduced in the subsequent report.

During debate, the Leader advised from the discussion at Policy and Resources Committee on the challenges to continue to fund ferry services, and for the Council to continue to push the case for fair funding. Mr Coutts moved that the Council approve the recommendation in the report. Mr G Smith seconded.

Decision:

The Council RESOLVED to:

- NOTE the Management Accounts showing the overall projected outturn position at Quarter 4.
- RETROSPECTIVELY APPROVE the capital expenditure on the 2018/19 Ferry Life Extension Budget as set out in Appendix 5.
- APPROVE the changes to the 2019/20 Council Schedule of Charges as set out in Appendix 6.

22/19

Fund Management Annual Investment Report 2018/19

The Council considered a report by the Executive Manager – Finance (F-035-19-F) that informed Members on the position and performance of the Council's external investments with fund managers for the financial year 2018/19.

The Executive Manager – Finance summarised the main terms of the report. He advised on the under-performance of the three Fund Managers during 2018/19, being a year of particular volatility in the markets where the

value of investments had dipped significantly. He confirmed however that since that time there has been recovery in the markets. The Executive Manager – Finance reported on the withdrawals and additions to the Fund during 2018/19, and Members were advised that the value of the Fund at the end of April 2019 was approximately £353m.

In referring to the implementation of the Council's new Investment Strategy, the Executive Manager – Finance advised that Insight's bond mandate would come to an end, and their holdings would transfer to two new investment mandates, in direct lending and diversified alternatives, approved by the Council in January 2019.

There were no questions or debate. Mr Coutts moved that the Council approve the recommendations in the report. Mr Leask seconded.

Decision:

The Council RESOLVED to:

- APPROVE the Annual Investment Report for 2018/19 for the purposes of the consent issued by the Scottish Ministers by virtue of section 40 of the Local Government in Scotland Act 2003;
- NOTE the underperformance of the benchmark and target by Baillie Gifford in 2018/19;
- NOTE the performance of BlackRock which was close to the benchmark in 2018/19;
- NOTE the underperformance of the benchmark and target by Insight in 2018/19.

(Mr Thomson left the Chamber)

23/19

Taxi Tariff Review

The Council considered a report by the Transport Policy and Projects Officer (DV-12-19-F), which set out the revised table of tariffs proposed, subsequent to consultation with the Shetland Taxi Owners Association.

In introducing the report, the Executive Manager – Transport Planning outlined the two notable additions to the tariffs, and he confirmed that there had been no feedback during the statutory consultation. The Executive Manager – Transport Planning explained that the Council's decision on the revised taxi tariffs would be relayed to all Taxi Trade consultees, and should no appeals be forthcoming, the approved Taxi Tariffs would come into effect in June 2019.

In response to a question, the Executive Manager – Transport Planning explained that the introduction of excursion rates for taxi operators/drivers did not apply at all to tour guides, which he confirmed provide a separate service to tourists.

There was no debate. On the motion of Mr Coutts, seconded by Mr McGregor, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the taxi tariffs changes, as set out in Appendix 1 of the report.

(Mr Thomson returned to the meeting)

24/19

Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan

The Council considered a report by the Head of Planning and Modernisation, NHS Shetland, on behalf of the Chief Officer – IJB, (CC-14-19-F) presenting the Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan 2019/2022.

The Head of Planning and Modernisation summarised the main terms of the report. She advised that while the refresh of the Plan is generally undertaken each year, this update had been delayed in order to make sure the Plan aligns with the outcomes in the Shetland Partnership Plan. She advised on the three additional sections covering children's health, mental health and health improvements, and reported that the Plan had been approved by the IJB, NHS Board and Policy and Resources Committee.

During the discussion, reference was made to page 41 of the Plan, where an update was sought on progress being made to fulfil the ambition for an enhanced care at home service. The Interim Joint Director – Community Health and Social Care reported that a number of areas had already been achieved, including an extended approach to falls prevention, maximising the use of anticipatory care plans and post diagnostic support for people recently diagnosed with dementia. She confirmed that progress was being made on a number of other areas, and advised that the Executive Manager – Community Care Resources had submitted save to spend projects and change fund requests to support the move to the new models of care.

In response to a question, the Interim Joint Director – Community Health and Social Care explained that the two employees seconded from Mental Health have been relocated to other service areas, where their posts complement the work of mental health and support people to return to their home.

During the discussion, reference was made to the proposal for increased use of IT, through "Attend Anywhere" technology, and it was questioned what training would be offered to the patient in the use of the system. In responding, the Interim Joint Director – Community Health and Social Care reported on the successful bid to the Scottish Government to roll out the software, which includes the recruitment of a facilitator post to work within the community to support patients to use the technology. She added that health centre staff have already been trained to support patients to connect through "Attend Anywhere".

During debate, Members congratulated Ms Robinson on her recent appointment as Interim Joint Director – Community Health and Social Care. The Head of Planning and Modernisation, NHS Shetland, was commended on the work undertaken to progress the Strategic Plan. In referring to the recommendation at 1.2 of the report, Mr Duncan moved that the Council was not minded to consult with the other Party with a view to requiring the IJB to rewrite the Strategic Plan. Mr Coutts seconded.

Reference was made to the discussion at yesterday's IJB meeting, on the areas of focus and instances of spend to save to sustain a better health system for Shetland, and comment was made that the Strategic Plan was an excellent piece of work for the IJB. The Leader commented on consideration of the report at Policy and Resources Committee, advising that the Strategic Plan provides a strong vision to continue to provide services with focus on the needs of individuals within their community.

In referring to the situation of reduced resources in both financial and human terms, comment was made on the importance for packages of care to be reviewed to ensure individuals are being supported and cared for as had been planned.

Reference was made to the discussion at yesterday's IJB on the increased use of technology being an important area where savings can be achieved. In that regard, comment was made on the need to utilise technology to capacity going forward. Caution was however expressed that there were vast areas of Shetland which has extremely poor internet connectivity, and therefore the use of technology may not be the solution for all of Shetland.

Decision:

The Council considered the Strategic Plan, and agreed they were not minded to consult with the other Party with a view to requiring the IJB to rewrite the Strategic Plan

25/19

Local Government Boundary Review - Local Government Boundary Commission Initial Proposals

The Council considered a report by the Executive Manager – Governance and Law (GL-06-19-F) that provided information on the Local Government Boundary Review and sought approval of the response to the Local Government Boundary Commission for Scotland.

The Executive Manager – Governance and Law introduced the report. He provided background to the review, and outlined the proposal put forward by the Commission in March 2019, as set out in Section 4.5 of the report, and at Map 'B'. He referred to the Seminar held on 17 April 2019 where representatives of the Boundary Commission had been invited to address Members on the proposals. The Seminar also gave the Commission the opportunity to recognise the difficulties that the geography of Shetland creates. He outlined a number of the concerns and issues raised during the Seminar, and some of the suggestions put forward by Members. The Executive Manager – Governance and Law then summarised the amended proposal distilled from the engagement with Members, as set out in Section

4.8 of the report. He advised that the draft response at Appendix B, was to be submitted to the Commission by 20 May 2019, subject to any modifications Members may now wish to make.

In response to a question regarding parity with the proposals as set out in Section 4.8 of the report, the Executive Manager – Governance and Law reported that most area groupings would be under 10% parity, which he said would appear acceptable to the Boundary Commission. There was however one area that had a slightly higher deviation from 10% parity, being that of Sandwick, Cunningsburgh and Quarff, and that Levenwick, Dunrossness and Fair Isle would be short by quite a number of electorate. He said that these areas could require further consultation, however he outlined the resistance likely to be encountered with any suggestion of sorting that by dividing Sandwick. He referred to the legal requirement to get parity, and confirmed the willingness to work around constraints to find a solution for Shetland.

During the discussion, some Members posed questions relating to the proposed amended boundary areas set out at Section 4.8. In responding, it was confirmed that these would be explored further with the Boundary Commission in developing the proposals for Shetland.

In responding to a question regarding the proposal for two Member wards and Councillor representation on the functional Committees, the Executive Manager – Governance and Law advised that while geographic representation from each Ward would be advantageous with functional Committees, and of lesser significance to the regulatory Committees, he reported that this representation was not routine in most other Scottish Councils. The Executive Manager – Governance and Law acknowledged that the Commission's proposal for a single ward would put significant pressure on the one member to represent all areas of functional needs, and therefore the two member ward would be closer to a balance, and not beyond resolution when it came to amending the Council's Constitution.

During the discussion, reference was made to the Shetland South Ward being uncontested for the 2017 election, and it was questioned whether dividing the Shetland South Ward into 2 x two Member wards might generate more interest for future elections. After hearing the Executive Manager – Governance and Law outline his opinion in that regard, the Chief Executive advised on proposals to promote a role in politics and to encourage people to stand for election to the Council, which she confirmed would be brought to Members in due course. Members acknowledged that could also have benefit in addressing the current gender and age profile within the Council Chamber.

Comment was made that there could be justification for rural boundary areas with islands to have fewer voters due to the time it would take for the Members to visit all areas within their ward.

A typographical error was highlighted in the draft response, where the "Islands Act 1918" should read "Islands Act 2018".

During debate, the Convener referred to the amended proposal being a unique model which he said would make full use of the Islands Act. Members advised on their support for the response as drafted, and in particular for the Boundary Commission to consider the 8 x two Member wards, which would give rural areas better representation. Members advised on their full support for the draft response, and for the short delay in order to reach the right solution for Shetland.

Mr T Smith moved that the Council approve the recommendation in the report, for the response attached at Appendix 2 to be submitted to the Boundary Commission on or before 20 May 2019. The only change to be the minor amendment as highlighted during the discussion, for '1918' to read '2018'. In seconding, the Leader advised that the engagement with the Boundary Commission was a real positive and he referred to the good attendance at the Seminar to inform the proposal going forward. In that regard he advised that the amended proposal by the Executive Manager – Governance and Law encapsulates that discussion, and that he fully supported the short delay to get to the right solution for Shetland.

The Convener thanked the Executive Manager – Governance and Law for the excellent report, and shared the Leader's praise of the Boundary Commission for their valuable efforts during consultation with the Council.

Decision:

The Council RESOLVED to:

- APPROVE the response attached at Appendix 2, subject to the minor amendment, for '1918' to read '2018'. This response is to be submitted on or before 20 May 2019.

26/19

Appointments to the Audit Committee and the Harbour Board

The Council considered a report by the Executive Manager – Governance and Law (GL-04-19-F) that sought to appoint two Members to the Audit Committee and one Member to the Harbour Board.

In introducing the report, the Executive Manager – Governance and Law referred to the ongoing vacancy on Audit Committee, which he advised had been an area of concern highlighted by the External Auditors. The Convener said that he was disappointed there were now two vacancies on Audit Committee, referring to the vital role for Councillors to be involved in scrutiny.

Nominations were sought for two Members to the Audit Committee.

Ms Hawick, Mr Campbell, Ms Wishart and Mr G Smith were nominated, however nominations were declined.

During the discussion, disappointment was expressed that none of the Members nominated had accepted the appointment to Audit Committee, being a crucial role in terms of scrutiny to the Council. In responding to a question on provision to make external appointments to Audit Committee,

the Executive Manager – Governance and Law referred to the Constitution where he reported on the Membership of Audit Committee namely, “9 Councillors, including two Councillors to be chair and vice chair, plus two independent assessor members who are non-Councillors co-opted by the Council, in the selection of whom the Council will have regard to skills and expertise”. He added however that while the provision exists within the Constitution for the appointment of external members to Audit Committee, that proposal has never been fulfilled. The Executive Manager – Governance and Law suggested however that he could action a report to a future Council meeting on that basis.

Mr Duncan then nominated Mr C Smith to Audit Committee. Ms Manson seconded. Mr C Smith accepted the nomination, and was duly appointed to Audit Committee.

No other nominations were made, and therefore there remained one vacancy on Audit Committee. During a brief discussion, the Council agreed for a report to be prepared to a future meeting of the Council, to address the remaining vacancy on Audit Committee, including proposals for the co-option of independent Members.

Nominations were sought for one Member to the Harbour Board.

Mr McGregor was appointed on the motion of Mr Thomson, seconded by Mr G Smith. Mr McGregor accepted the nomination.

Mr C Smith was nominated, however he declined the appointment.

Ms Hawick was nominated on the motion of Mr Coutts. However Ms Hawick declined the nomination, advising on her support for Mr McGregor to be appointed to Harbour Board. Mr McGregor advised however that he would withdraw, in support of Ms Hawick’s nomination. Ms Manson seconded Mr Coutts’ motion, nominating Ms Hawick to the Harbour Board. Ms Hawick accepted the nomination, and was duly appointed to the Harbour Board.

There were no further nominations.

Decision:

The Council RESOLVED to:

- Appoint Mr C Smith to the Audit Committee; and for a report to be presented to a future meeting of the Council to address the remaining vacancy on Audit Committee, including proposals for the co-option of independent Members.
- Appoint Ms A Hawick to the Harbour Board.

27/19

Corporate Risk Register

The Council considered a report by the Director of Corporate Services (CRP-10-19-F) presenting the current Corporate Risk Register.

In introducing the report, the Executive Manager – Finance highlighted the revised financial impact ratings, as set out in Section 4.4, and the main changes to the Risk Register at Section 4.5. He also reported from the discussion at Policy and Resources Committee on Risk ORG035, advising on the anticipated completion of the master-planning exercise for the Old AHS campus in June 2019. He confirmed there would be a separate Risk Register for the new project going forward.

During the discussion, an update was provided on Risk ORG022. In responding, the Chief Executive advised that the Risk Register was a living document, and in that regard she confirmed that the next Risk Register would inform on the appointment of the Project Manager, and that the appointment of the Principal Designate would be key to the project moving forward.

In response to a question relating to Risk ORG037, the Chief Executive advised Members on the resilience and planning for Brexit at both a local and national level.

Comment was made on Risk ORG025, in terms of the reassurance the risk had been reduced from a 'high' to 'medium' risk. The Chief Executive referred to the recent campaign to promote fostering in Shetland, however she acknowledged that fostering can be dependent on individual's circumstances. The Chief Executive confirmed that Child Protection will always be a priority for the Council.

In responding to comments relating to Risk ORG018, on workforce planning to recruit and retain staff, the Chief Executive reported that Directors are working with HR colleagues to establish pinch points, and whether these are national issues or unique to Shetland. The Chief Executive confirmed that she was reassured on the work in progress.

There were no further questions, or debate.

Decision:

The Council:

- ADVISED the Chief Executive and Corporate Management Team of any changes or actions required to manage the risks identified in the Council's Corporate Risk Register attached at Appendix1; and
- NOTED that the risks had been assessed using revised financial parameters, which are included in the revised Risk Management Matrix attached at Appendix 2.

28/19

Shetland Islands Council Business Programme

The Council considered a report by the Director of Corporate Services (CRP-09-19-F) that presented the business planned for the remaining quarters of the current financial year 1 April 2019 to 31 March 2020.

In introducing the report, the Chief Executive advised that while a standing item on the agenda, the business programme would always be subject to change. In that regard, she informed on an additional special meeting of the Council on 5 June 2019.

On the motion of Mr C Smith, seconded by Mr Cooper, the Council approved the recommendation in the report.

Decision:

The Council considered the business planned for the remaining quarters of the current financial year (1 April 2019 to 31 March 2020), and RESOLVED to approve the Business Programme, as amended.

In order to avoid the disclosure of exempt information, Mr Bell moved, Ms Wishart seconded, and the Council RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.

29/19 **Confidential Corporate Risk Register**

The Council considered a report by the Director of Corporate Services that presented the current Confidential Corporate Risk Register.

The Executive Manager – Finance introduced the report and Officer's responded to questions.

There was no debate, and Members otherwise noted the report.

Decision:

The Council NOTED the content of the report.

The meeting concluded at 11.50am.

.....
Convener

 Shetland NHS Board	 Shetland Islands Council
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Meeting(s):	NHS Board Integration Joint Board (IJB) Policy and Resources Committee Shetland Islands Council	21 June 2019 27 June 2019 2 July 2019 3 July 2019
Report Title:	Performance Management Framework 2019-2024	
Reference Number:	CC-24-19-F	
Author / Job Title:	Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland on behalf of Simon Bokor-Ingram, Chief Executive NHS Shetland, Christine Ferguson, SIC Director of Corporate Services and Jo Robinson, Chief Officer of the IJB	

1.0 Decisions / Action required:

- 1.1 That the NHS Board and Integration Joint Board RESOLVE to APPROVE the Performance Management Framework 2019-2024, at Appendix 1, for implementation; and
- 1.2 That the SIC Policy and Resources Committee RECOMMENDS that the Council also APPROVES the Performance Management Framework 2019-2024 for implementation, and that it replaces the Commissioning and Procurement Framework 2016-2020 in the Council's Policy Framework contained in Part A of the Constitution, to be managed by the Policy and Resources Committee.

2.0 High Level Summary:

- 2.1 The Performance Management Framework has been developed jointly with the NHS Board, Shetland Islands Council and the IJB. It is part of the 'commissioning cycle' which seeks to provide good evidence to ensure that services are prioritised, designed and delivered to meet need. The overall purpose of recording and reporting on performance is to use that evidence to deliver good quality services, and to improve how we do things.
- 2.2 This work forms part of the Business Transformation Programme which aims, "to implement a range of measures that will revolutionise how we work with and for our community, responding to and anticipating a digital cultural paradigm". This policy is part of one of the workstreams, the objectives of which are to:

- a) develop and implement a new Planning and Performance Management Framework (PPMF) for the Council in partnership with NHS Shetland (this Report);
- b) review Public Performance Reporting (PPR) arrangements; developing a comprehensive system for publishing information making it accessible to everyone in our community;
- c) review SIC complaints handling; making sure that the Council's system can work collaboratively with those of partner agencies, ensuring a seamless approach to any complaints involving more than one agency; and
- d) develop a system for ensuring lessons learned are shared as part of a wider systematic approach to using all available data, information and practice based evidence to inform decision making and to support our strategic aims and our development as learning organisations in the wider Shetland Partnership.

2.3 To be able to describe in a clear, concise and cohesive way to all our stakeholders how services are performing is part of the 'contract' we have with our community - to describe the outcomes for public services from the investment in taxation at a local level. It is an integral part of working a 'best value' management system. The benefits from adopting the framework will include:

- improved outcomes for customers through better informed planning and decision making;
- continuous service improvement, learning from experience and from our mistakes so ensuring Best Value;
- open, transparent approach to our accountability to the public, building confidence in public services; and
- better, more timely production of information required for public scrutiny of performance.

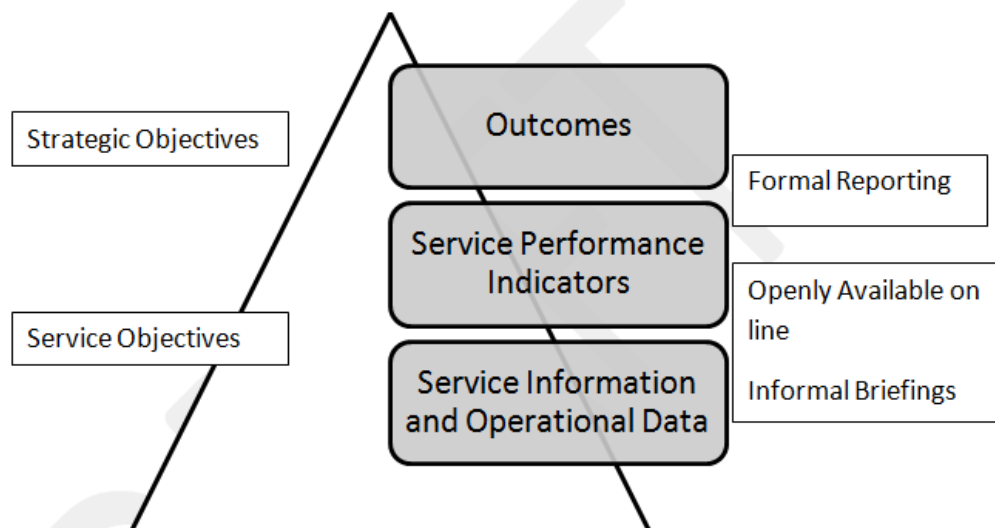
2.4 Monitoring performance is much broader than checking a suite of performance indicators on a regular basis. In essence, it is part of the culture of any organisation where: employees feel empowered; there is widespread management by fact; our plans reflect our organisational capability; and continuous improvement is achieved (and able to be demonstrated). This organisational wide approach to performance will rely on good information from a range of sources, such as: the views of our service users; the views of our staff; external audits and inspections; management accounts; action / improvement plan progress reports; case studies; peer group review and comparisons with 'best practice' leaders in each field of operation, as well as the normal suite of performance indicators on activity, achievement and outcomes.

2.5 By doing it on a 'Once for Shetland' basis, there is an opportunity to provide consistency in approach and provide a clear focus on improving outcomes, which is in line with the principles of the Shetland Partnership Plan. The approach helps to ensure that decisions are evidence based and it will support a culture of continuous improvement.

2.6 The draft framework is built on:

- a focus on reporting on delivering outcomes and strategic objectives;

	<ul style="list-style-type: none"> - the large set of performance indicators being readily and openly available to all; and - performance data encompassing a wide range of information, beyond performance indicators, in support of strategic objectives.
2.7	<p>In line with the principles of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004, where possible the indicators will be made readily available for interrogation by anyone who wishes to use the data. Where possible, links will be provided directly from source to avoid duplication of input and analysis.</p>
2.8	<p>The Performance Management Framework builds on and will replace the Commissioning and Procurement Framework 2016-2020.</p>
3.0	Corporate Priorities and Joint Working:
3.1	<p>In November 2014, the Council and the Health Board agreed that:</p> <p><i>“..the committees, sub-committees and governance groups that are needed for the Body Corporate should all be joint, looking at all the business of the Council and the (Health) Board unless there is a specific reason why this cannot be done e.g. legal impediment”.</i></p> <p><i>“.....we should seek to learn from the practices across the organisations involved in the partnership with a view to developing models of best practice that wherever possible, would apply to all activities across the Council and the Health Board.”</i></p>
3.2	<p>This policy framework has therefore been developed under the principles of ‘Once for Shetland’ and will support the delivery of the key strategic partnership documents, including the Shetland Partnership Plan.</p>
3.2	<p>The framework will help with taking an ‘outcomes’ based approach, focusing on key areas of improvement as well as providing a mechanism for assurance that ongoing service delivery is performing as expected.</p>
4.0	Key Issues:
4.1	<p>The Draft Performance Framework sets out an opportunity to move towards a more outcomes focused approach. The current performance reporting arrangements are inconsistent in approach and can support discussions on inputs, rather than achievement.</p>
4.2	<p>By making all the performance indicators readily accessible, as they become available, any stakeholder can get that information whenever they require it.</p>
4.3	<p>From a governance perspective, it allows a degree of separation from those who oversee performance from those who are responsible for delivery.</p>
4.4	<p>Measuring outcomes and the performance indicators that support delivery are both important. The Draft Framework describes a situation whereby, over time, the focus of formal reporting will move towards an outcomes based approach, as shown diagrammatically below.</p>



- 4.4 If the policy framework is approved, the next stage will be to move to the implementation stage, supported by the formal project management arrangements already in place through the Business Transformation Programme Board.

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:	The purpose of effective performance management is to deliver better quality services for the people of Shetland. This framework sets out how NHS Shetland, Shetland Islands Council and the IJB will demonstrate that they are achieving that.
6.2 Human Resources and Organisational Development:	Human behaviour and reaction to performance information is a key element of the successful implementation of the framework. It is considered that, 'good performance management motivates people' and the framework describe how this requires strong leadership to create the right environment for teams to excel and where success is celebrated and challenges are tackled in a positive way. If approved, the next stage of the work will be for the Project Team to work with individual services to explore how best to implement the framework.
6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	Best Value provides a common framework for continuous improvement in public services in Scotland, and is a key foundation of the Scottish Government's Public Service Reform agenda. 'Accountable Officers' have a specific responsibility to

	<p>ensure that arrangements have been made to secure Best Value. The duty of Best Value in Public Services is as follows:</p> <ul style="list-style-type: none"> - to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance; and - to have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.
6.5 Finance:	<p>All Best Value Accountable Officers are required to comply with the duty of Best Value placed upon them and for promoting the efficient and effective use of staff and other resources. There is also a requirement to have a sound evidence base for decision making. The data on outcomes, outputs and performance supports an evidence based approach to service models and option appraisal, on an ongoing service delivery and project specific basis.</p> <p>There is an opportunity to save significant staff time from avoiding duplication of effort in inputting and analysing numerous indicators. Any time released can be utilised in support of developing an outcomes based approach and supporting specific projects.</p> <p>It may, in time, be possible to save the cost of maintaining a specific performance management system by moving towards common products (eg word and excel). This will be explored more fully in the implementation stage.</p>
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	Shetland Islands Council operates the key system for performance monitoring and reporting, called Pentana. There is a shared contractual arrangement with NHS Shetland to use that common platform. There is scope for the new arrangements to be supported by using commonly available systems (eg word and excel) which may, in time, negate the need for a specific system to be maintained.
6.8 Environmental:	None.
6.9 Risk Management:	The risk of not progressing with the Performance Management Framework is mainly around not being able to continue to embed best value principles into public sector bodies' day to day business practices. The alignment of staff motivation and positive performance management is acknowledged and approval of this approach will support staff to focus on continuous improvement and to deliver a needs based approach to service delivery.

6.10 Policy and Delegated Authority:	<p>The Integration Joint Board (IJB) assumed responsibility for the functions delegated to it by the Council and the Health Board and has an ongoing assurance remit around outcomes and improvement projects.</p> <p>The NHS Board's remit includes ensuring performance against strategic objectives and to drive a culture of performance.</p> <p>In accordance with Section 2.2 of the Council's Scheme of Administration and Delegations, the Policy and Resources Committee has reserved authority to ensure the effectiveness of the Council's planning and performance management framework. The Committee has referred authority for developing and recommending the overall framework of strategies contained in the Policy Framework. Therefore this report is presented to Policy and Resources Committee for approval. However, the Council has reserved authority for the adoption of any plan which is part of the Policy Framework.</p>
6.11 Previously considered by:	<p>None</p>

Contact Details:

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hazelsutherland1@nhs.net
27 May 2019

Appendices:

Appendix A: Draft Performance Management Framework 2019-2024

Background Documents:

Shetland Islands Council Commissioning and Procurement Strategy
<https://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19165>

NHS Shetland Performance Management Strategy 2009-2014
<https://www.shb.scot.nhs.uk/board/policies/PerformanceManagementStrategy.pdf>



DRAFT Performance Management Framework

2019- 2024

Review Date:2024

Document Control

Date	Version	Contents	Author
30/01/2019	1.0	Amended NHS Performance Management Policy (Draft) to be joint Performance Management Framework with Shetland Islands Council. Created as a higher level strategic framework, from which detail for each organisation can be added.	Hazel Sutherland
19/03/2019	1.1	Inclusion of new section on Stakeholders	Hazel Sutherland

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References:

Shetland's partners delivering for outcomes Commissioning and Procurement Framework, 2016 – 2020

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19165>

National Performance Framework

<https://nationalperformance.gov.scot/>

Shetland Partnership Plan 2018- 2028

<https://www.shetland.gov.uk/communityplanning/documents/180801SPPforWebFINAL.pdf>

Kings Fund: Measuring the performance of local health systems: A review for the Department of Health

<https://www.kingsfund.org.uk/publications/measuring-performance-local-health-systems>

Canterbury (New Zealand) Health System Outcomes Framework

<http://ccn.health.nz/Resources/OutcomesFramework.aspx>

Developing a Performance Management Framework

This Framework has been developed jointly by Shetland Islands Council and NHS Shetland, under the principle of developing policies on a 'Once for Shetland' basis.

Setting out clearly how services are performing is an integral part of our contract with the population that we serve. We need to communicate clearly what we are aiming to achieve, and why.

This policy document builds on the "Shetland's partners delivering for outcomes Commissioning and Procurement Framework, 2016 – 2020"¹ which was approved in April 2016.

The Commissioning Cycle

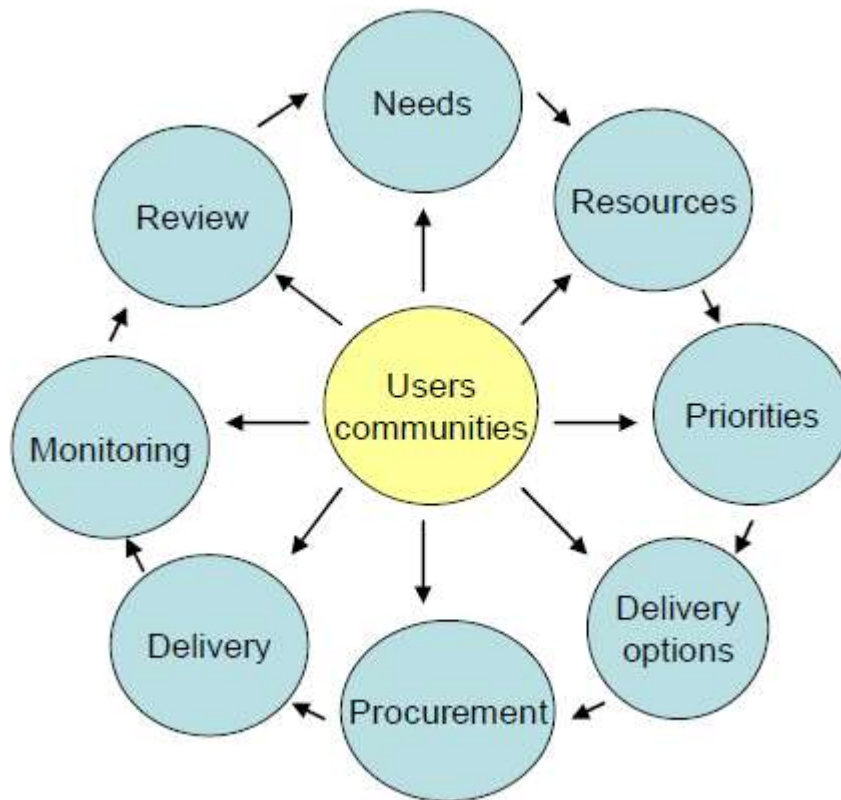
The Performance Management Framework is part of the Procurement and Commissioning process.

An essential part of commissioning and procurement is the requirement to continually monitor results and assess local needs. This ensures that services are prioritised, designed and delivered to meet those most in need, and in line with local and national strategies.

The commissioning cycle ensures that services are needs based, address local priorities and that change is implemented as and when required. Outcomes must be closely monitored and evaluated, and information gained from service users, stakeholders and the local community on an ongoing basis.

The following diagram illustrates the commissioning cycle:

¹ <http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19165>

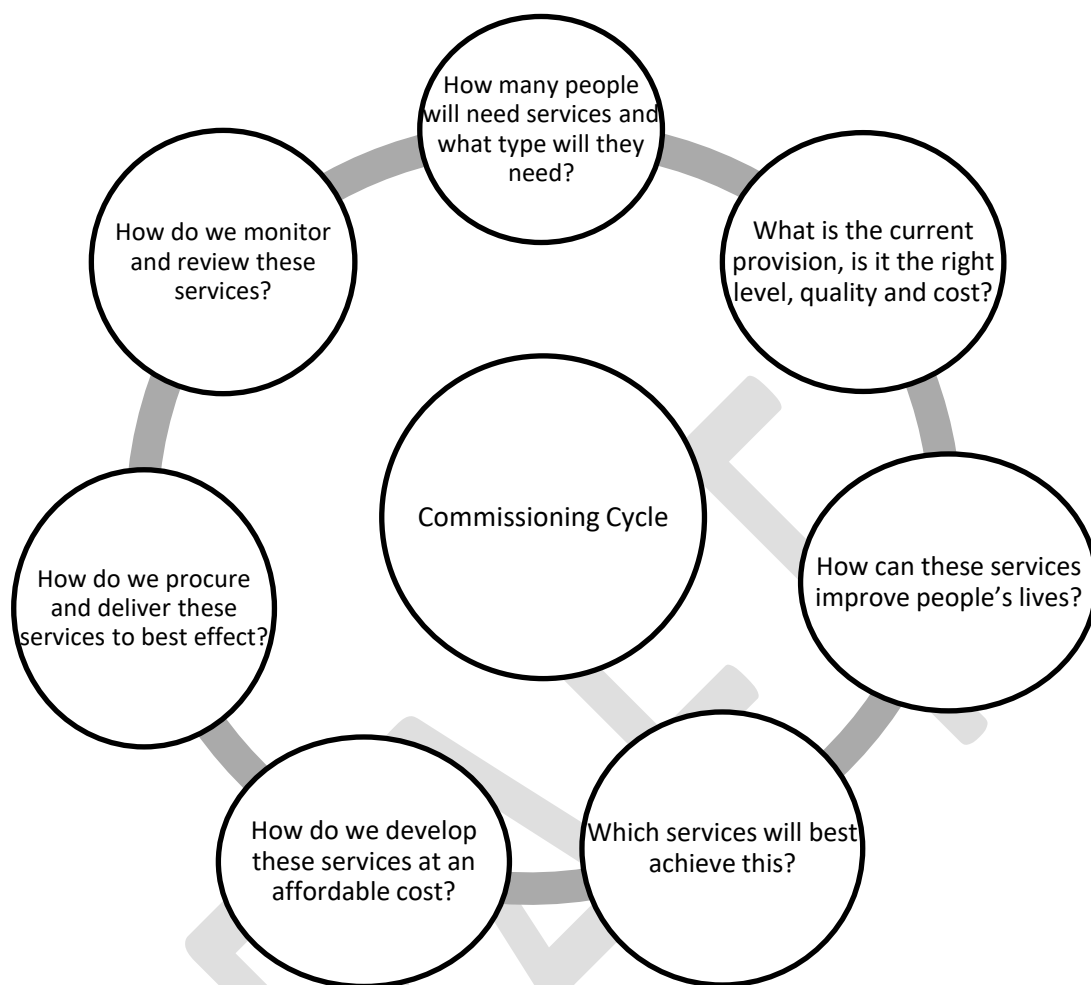


The commissioning process seeks to ensure that we use all the resources at our disposal (staff, assets, information, etc) to best meet people's outcomes.

The process has five key stages:

- assessing and forecasting needs
- linking investment to agreed outcomes
- considering options
- planning the nature, range and quality of future services
- working in partnership to put these in place

as shown in the diagram below.



The Planning and Performance Framework puts in place the management information to answer the questions posed by the commissioning cycle. It helps decisions to be evidence based, and supports a culture of continuous improvement.

The overall objective is to commission services to meet outcomes so it is essential that performance data is available to demonstrate that those outcomes are being achieved.

A detailed diagram of the Commissioning Process for Health and Care Services is included at Appendix 1.

Purpose

The purpose of Performance Management is to deliver better quality services for the people of Shetland. The Performance Management Framework sets out how NHS Shetland and Shetland Islands Council will achieve that.

The performance management arrangements will demonstrate how each organisation is:

- meeting its corporate objectives;
- meeting, or working towards meeting, government targets;
- achieving planned outcomes;
- making sure services are performing as expected;
- able to identify areas for improvement;
- helping staff to see how they contribute to strategic objectives;
- managing corporate risks, within a controlled environment;
- listening to feedback from service users, stakeholders and partners; and
- achieving value for money.

The focus will be on two key dimensions:

- assurance and scrutiny; and
- identifying and managing continuous improvement.

Performance management is not restricted to only considering performance indicators but it will also include, for example, action plans, surveys, management accounts, internal audit recommendations and quality reports, all of which help to assess progress against a particular organisational objective.

In order to have effective performance management, each organisation will:

- prioritise and set clear objectives;
- communicate those objectives to staff and the wider community;
- track and communicate whether or not these objectives are being achieved; and
- take action to ensure that the objectives are being met.

Effective performance management requires good management processes and an organisational culture that integrates performance into the day to day work of front line staff and managers to support a culture of continuous service improvement.

Context

There are significant challenges ahead for public sector organisations as the drive for continual productivity and efficiency continues. Shetland's public sector has high aspirations for delivering sustainable, quality services. The Performance Management Framework will set out how we will go about achieving that, and the performance reporting structure will measure it.

Being held in high esteem as an organisation is motivating for staff, and highly motivated staff deliver excellent services. Strong organisations are able to make a difference within communities and to work positively with other statutory and

voluntary agencies. Strong organisations can focus on developing services rather than having to be defensive and reacting to internal deficiencies.

Terminology

In order to provide a common understanding of what is meant by the terms used, the following definitions are provided.

Objective	<u>What</u> we want to happen
Outcomes	<u>What tangible difference</u> will be made to people and the community
Baseline	<u>Where</u> we are starting from
Target	<u>By how much or how quickly</u> we expect to achieve the objective
Performance Measure / Indicator	A measure which tells us <u>whether we are improving and/or have reached the target</u>

Overview

The measurement of performance is an important part of the management of all public services. Counting activity is relatively easy but measuring outcomes for the well being of society or for the quality of people's lives is more difficult. Nevertheless, there is a need to seek ways of demonstrating that public money has been put to good use and that services are improving.

Performance management is defined as taking action in response to actual performance to make outcomes for users and the public better than they would otherwise be. Performance management is therefore an integral part of service delivery as it helps to plan, monitor and seek improvements.

Individual members of staff need to know what is expected of them, and what part they play in the overall success of the organisation they work for. Effective performance management is about being positive and helping individuals to really excel at what they do best.

There is a need to demonstrate that organisations are delivering services that meet needs. Performance management information give organisations a way of making decisions about where to focus resources to best meet need. Over time, performance management allows relative measurement to be made so that improvements can be evidenced. It can also identify areas where extra effort is needed to achieve agreed improvements.

Services are funded by tax payers so there is a need to show that every pound counts towards delivering services. Each organisation should operate as efficiently

and productively as possible and apply as much resource as possible to front line services.

At government and at local level, working in partnership is seen as a way of achieving better and more joined-up services. As partnership working develops, ways of measuring success across organisational boundaries becomes ever more important.

The community planning arrangements, through the Shetland Partnership, has in place a Plan to address issues which require a shared approach. All these arrangements require us to manage performance across organisational boundaries and we do that by focusing on outcomes, and how we are contributing to improving people's lives. There is a particular focus on tackling inequality and taking measures to ensure that everyone who lives here is able to have the same opportunity of access to services and facilities.

In summary, performance management is important because:

- If we do not measure results, we cannot tell success from failure.
- If we cannot see success, we cannot reward it.
- If we cannot reward success, we are probably rewarding failure.
- If we cannot see success, we cannot learn from it.
- If we cannot recognise failure, we cannot correct it.
- If we can demonstrate results, we can win public support.
- What gets measured gets done.

The Performance Management Framework is built on the following underpinning principles:

- Focus: on an organisation's aims and objectives.
- Outcome driven: that is what is important to the end user.
- Appropriate: to, and useful for, the stakeholders who are likely to use it.
- Balanced: giving a picture of the main areas of the organisation's work.
- Robust: in order to withstand organisational changes or individuals leaving.
- Integrated: into the organisation's business planning and management processes.
- Cost effective: balancing the benefits of the information against the costs.
- Evidence Based: based on good quality data and interpretation.
- Support a culture of continuous improvement: learning from good practice elsewhere.
- Transparent: objective and readily accessible to user and the public.
- Comprehensive: able to cover the whole organisation.
- Owned: everyone must accept a role in managing performance and take action to ensure improvement.
- Data Normalisation: a systematic approach minimise the steps in data handling to eliminate unnecessary steps and maintain data integrity.

The system needs robust performance indicators with the following general characteristics:

- Relevant: capturing success in one of the organisation's objectives.
- Avoids perverse incentives: discourages unwanted behaviour.
- Attributable: clear where accountability for the measure lies.
- Well-defined: unambiguously defined and easy to understand.
- Timely: data is produced quickly and regularly enough to be useful.
- Reliable: accurate enough for its intended use and responsive to change.
- Comparable: allows comparisons with others, and over time.
- Verifiable: the processes producing the data can be validated.

Strategic Framework

Organisations are required to report performance against national targets set by the Scottish Government and through local planning arrangements such as the Shetland Partnership Plan and service specific strategies.

The key plans against which performance will be measured are:

- the National Performance Framework
- the Shetland Partnership Plan
- Shetland Islands Council Corporate Plan
- Shetland Islands Health and Social Care Partnership Joint Strategic Commissioning Plan

The National Performance Framework² is based on 11 Outcomes and 81 Indicators, as shown in the 'daisy wheel' diagram below. These national outcomes describe a situation where people:

- grow up loved, safe and respected so that they realise their full potential
- live in communities that are inclusive, empowered, resilient and safe
- are creative and their vibrant and diverse cultures are expressed and enjoyed widely
- have a globally competitive, entrepreneurial, inclusive and sustainable economy
- are well educated, skilled and able to contribute to society
- value, enjoy, protect and enhance their environment
- have thriving and innovative businesses, with quality jobs and fair work for everyone
- are healthy and active
- respect, protect and fulfil human rights and live free from discrimination
- are open, connected and make a positive contribution internationally
- tackle poverty by sharing opportunities, wealth and power more equally

² <https://nationalperformance.gov.scot/>



The Shetland Partnership Plan for 2018- 2028³ has recently been approved. The shared vision of the Shetland Partnership is,

“Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges.”

³ <https://www.shetland.gov.uk/communityplanning/documents/180801SPPforWebFINAL.pdf>

The shared priorities are:

People	Individuals and families thrive and reach their full potential
Participation	People participate and influence decisions on services and use of resources
Place	Shetland is an attractive place to live, work, study and invest
Money	All households can afford to have a good standard of living

The agreed outcomes are:

- The Shetland Partnership will be a successful partnership – between public agencies and with communities – helping to deliver improved outcomes for people across the Isles
- Communities will feel empowered and the majority of people in Shetland will feel more able to influence the decisions that affect them and have a strong understanding of how and why decisions are taken
- Staff from across the Shetland Partnership will be actively seeking to involve communities in decision making and service delivery, including identifying and involving those who do not often have their voices heard
- The number of disadvantaged people and households in Shetland will be considerably reduced as a result of people being enabled and empowered to address the issues they face and helping others to thrive in the same way
- The Shetland Partnership will be prioritising prevention and working with households and communities to provide innovative solutions to the issues they face
- Shetland will continue to be a safe and happy place, with more people feeling connected to their communities and benefitting from living in good places and keeping active
- People will be accessing employment, education, training and services in innovative ways designed to minimise the barriers to involvement for all
- Shetland will be attracting and retaining the people needed to sustain our economy, communities and services
- Communities will be actively involved in shaping their own future resilience, creating positive places that are economically, socially and environmentally sustainable
- Everyone will be able to access the support they need to maximise their income potential; including innovative, flexible and entrepreneurial employment opportunities throughout Shetland
- Everyone will be able to access the support they need to minimise their outgoings with low income households benefitting from reduced bills

- National governments will understand the additional costs for essential items for householders in Shetland reflecting this in welfare payments and other relevant schemes
- Communities will be empowered to provide innovative solutions and support to help people maximise their incomes and minimise their outgoings from the support available

A broad range of indicators have been developed to measure progress against these outcomes.

Stakeholders

Each stakeholder will have a different need in terms of the performance information they require.

A 'Best Value' approach supports public sector organisations to use performance data as a tool for staff to continuously improve the services they provide to users and communities. The system also supports organisations to use public performance reporting to ensure that its communities, citizens, customers and other stakeholder are aware of what services are in place, what standards can be expected and what plans there are for improvement.

The main principle behind freedom of information legislation is that people have a right to know about the activities of public authorities, unless there is a good reason for them not to. This is sometimes described as a presumption or assumption in favour of disclosure.

By holding performance information on web-sites, or other accessible mechanisms, in an open and transparent way, we will allow direct access to data from any stakeholder, without presumption of our need to understand why they are interested in the data. This approach may reduce the investment required in responding to routine Freedom of Information requests. However, we will ensure that other mechanisms are available in order not to discriminate those within our community who do not have access to, or use, digital technology.

Stakeholders who have a governance and assurance role will tend to assess performance data from an outcomes, risk, resources and timescale perspective. As decision makers, they will require robust evidence in option appraisals to support effective decision making and wise use of resources.

Stakeholders who have direct managerial responsibility to deliver projects or service improvement will need detailed information to make sure that they can oversee the actual delivery of the project or improved performance.

The wider community will be supported with access to a wide range of performance data to help to hold public services to account.

The Scottish Government and Audit Bodies will need to see that we are meeting the requirements of the Best Value legislation and reporting on national performance data.

Unless there is a reason to withhold, the data will be made publically available for access by all stakeholders. There will no presumption as to the level of detail which stakeholders will be interested in. The framework will build a 'hierarchy' of performance information, from summary data to links to detailed reports and other information on specific services or topics. This will include links to formal decision making reports, if required.

A list of some of the stakeholders which the framework will support is included below.

- Councillors and Non-Executive Board Members;
- Chief Executives;
- Senior Managers / Directors;
- Communities, of place and of interest;
- Community groups
- Citizens, taxpayers
- Service Users, patients – actual and potential;
- Staff;
- Staff representative groups;
- Managers;
- Auditors;
- Inspectors;
- Scottish Government;
- Professional Advisory Bodies;
- National Agencies;
- Peer organisations;
- Etc.

Information which is of interest to our stakeholders will be made available on an ongoing basis and need not be restricted to decision making points. Managers will work closely with communications teams to get messages well framed to be easily understood. A variety of tools and techniques will be used, including briefings, video clips, info-graphics, presentations, frequently asked questions, etc.

Projects can be supported by detailed communications and engagement plans, with clear stakeholder analysis and methods identified.

Accountability and Roles and Responsibilities

Whilst it is everyone's job to manage performance, it is the role of each organisation to drive a culture of performance by providing a clear vision and corporate objectives, holding the responsible officers to account for delivery of priorities and objectives.

The broad remit and responsibility of the decision making entities - the Council, Board(s) and Committees - is set out below. Holding staff to account through an outcomes based approach is a key element of the continuous cycle of improvement.

Entity	Responsibilities
Shetland Islands Council / NHS Board	<ul style="list-style-type: none"> - Agreement on Strategic Plan and objectives - Drive a culture of performance - Ensure performance against strategic objectives - Review performance; challenge and problem solve actions being proposed to address problems - Address cross-functional issues - Adjust resource inputs to meet priority targets / measures
Integration Joint Board and Service Committees	<ul style="list-style-type: none"> - Agreement on Strategic Plans and Objectives - Drive a culture of performance - Ensure performance against Strategic Objectives
Audit Committees	<ul style="list-style-type: none"> - Ensure that arrangements in place to provide assurance to the Accountable Officer in relation to Best Value (of which performance management arrangements are one component)

Staff are key to creating a performance culture and the responsibilities are set out below.

Staff	Responsibilities
Chief Executives	<ul style="list-style-type: none"> – Overall statutory responsibility for safety, governance and performance management – Lead the cultural approach to performance
Directors	<ul style="list-style-type: none"> – Responsibility for driving forward the development of and embedding performance management arrangements in their area of service. – Ensuring compliance with the Performance Management Framework – Reporting on performance and being held to account by respective Committees / Boards.
Relevant Support Services	<ul style="list-style-type: none"> – Responsibility for the maintenance of systems and collection and presentation of performance data.
Managers	<p>Managers will:</p> <ul style="list-style-type: none"> - provide clear support for continuous improvement - Provide clear direction for change management projects and expected outcomes - encourage a culture where staff feel comfortable in challenging current practice - encourage staff to share knowledge and learn from others - identify good practice, where the sharing of information is not left to chance but is proactively managed
All staff	<ul style="list-style-type: none"> – All staff contribute towards performance improvement and management by being encouraged and supported to identify improvement opportunities and to take the required action.

Creating a Performance Management Culture

Each organisation will promote a performance management culture and will:

- actively support continuous improvement; and
- monitor and control its overall performance.

Where services:

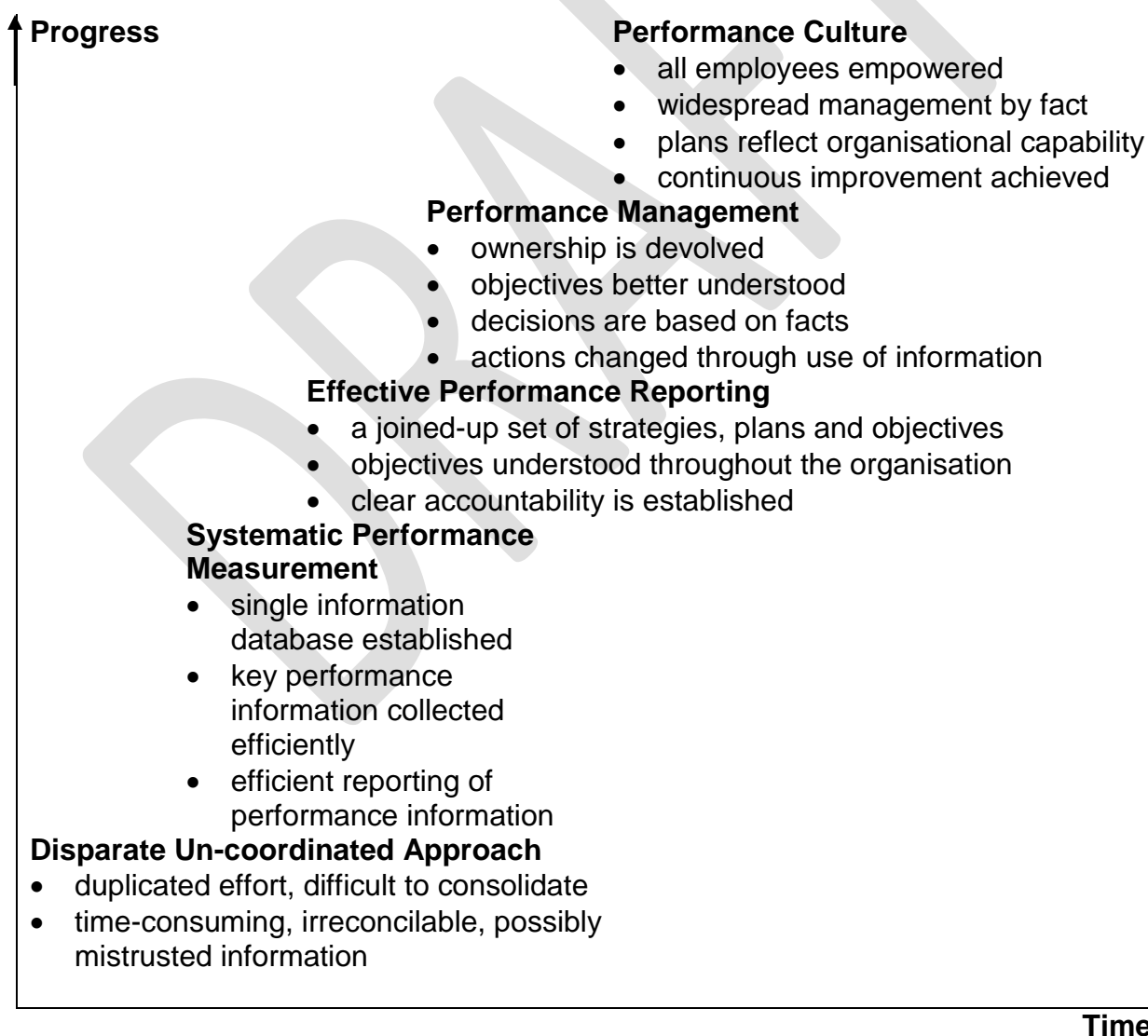
- have a broad range of performance measures in place that covers all key services
- actively develop measures to support continuous improvement

- learns from others
- uses trend information to help assess how the services are changing
- make sure that staff have the time and opportunity to review their performance and take part in improvement activities
- uses evidence from performance measures to change resourcing decisions

Good performance management motivates people. This requires strong and inspirational leadership to create the right environment to allow innovation, for teams to excel and where success is celebrated and challenges are tackled in a positive way.

The diagram below shows how an organisation can develop its approach to a performance culture.

Diagram: Towards a Performance Culture



A key step towards achieving a culture of performance management is to establish an integrated way of communicating and implementing agreed objectives. All of the plans must contain clear objectives, and the plans need to be joined up.

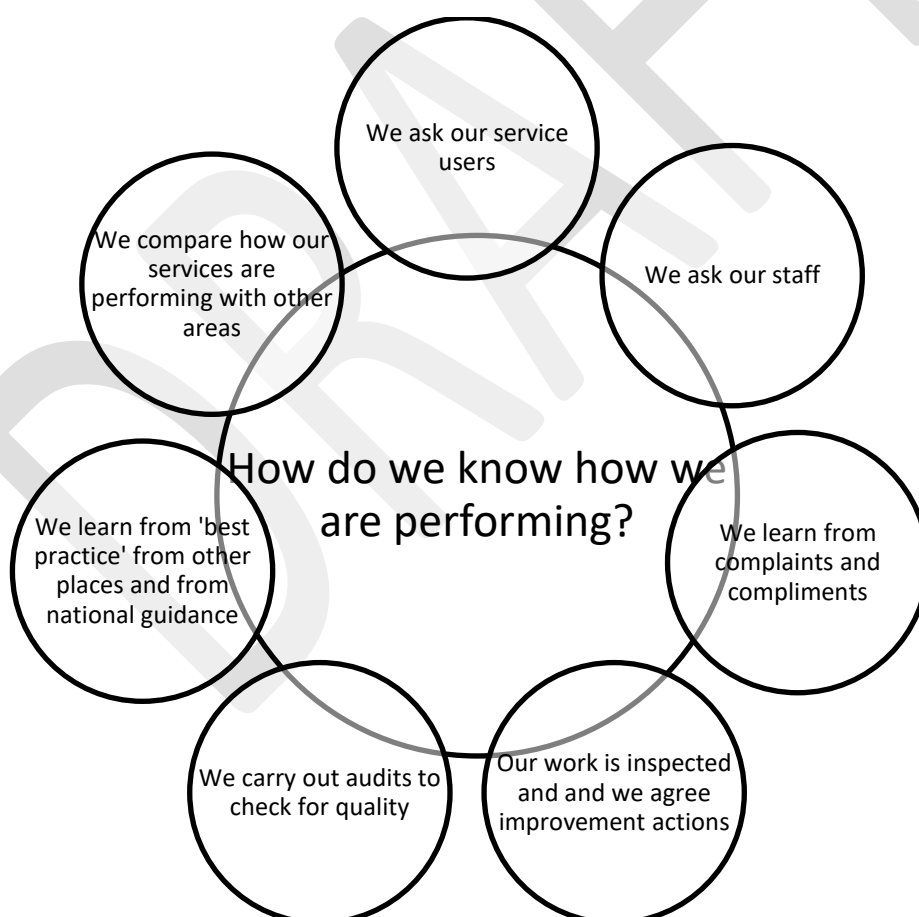
A shared understanding and ownership of the Vision, Values and Objectives by all staff and stakeholders is the key to making sure that what organisations say they will do – through our planning processes – actually gets delivered by staff.

What organisations think, what they say and what they do all need to be in alignment.

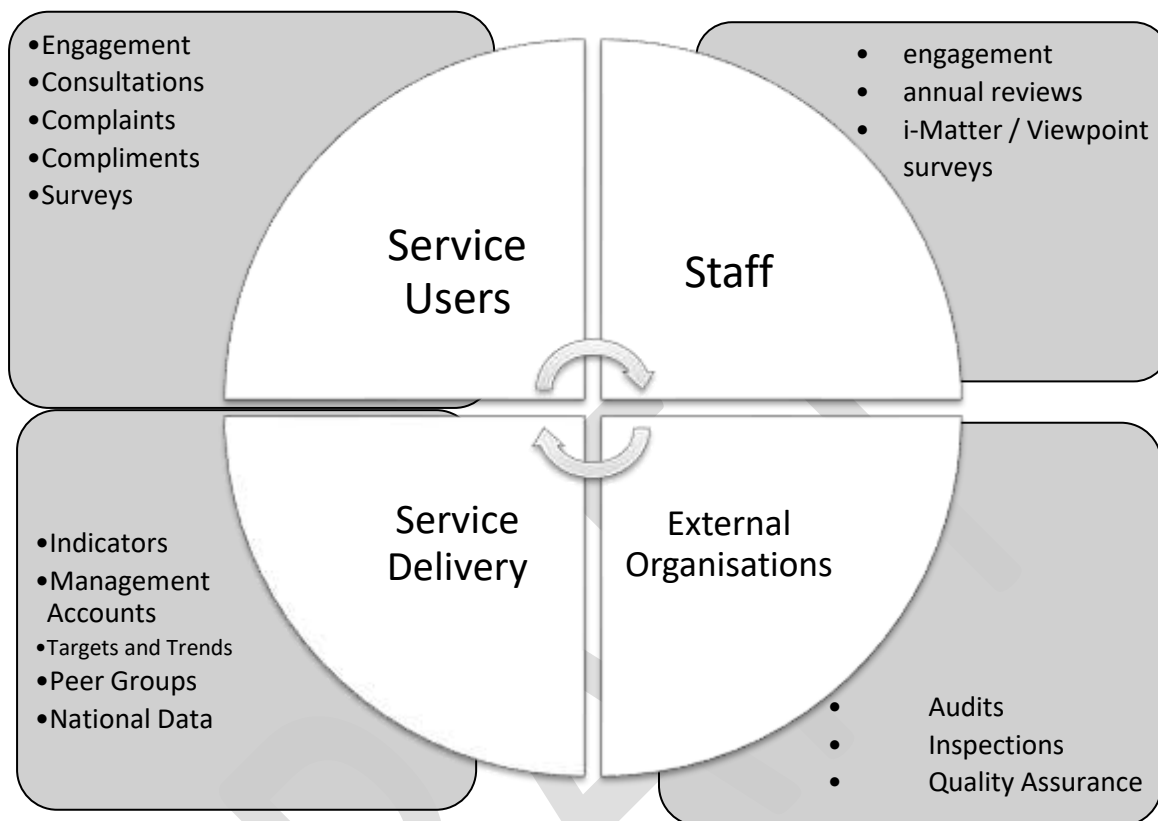
Performance management is important to ensure that organisations are delivering what they set out to achieve.

Creating a Range of Performance Indicators

There is in place a wide range of information, evidence and knowledge upon which the Board can make a judgement as to how it is performing. The information is grouped by category of 'stakeholder' below.



The following diagram describes the types of reports and data that make up the performance framework.



Delivering the Performance Management Framework

In June 2015, The King's Fund⁴ was commissioned by the Department of Health (in England) to review how the performance of local health systems could be assessed. They recommended that there be:

- a radical simplification and alignment of existing NHS performance frameworks;
- consolidation into a single framework; and
- a small set of headline indicators ... to present key performance information to the public.

The Kings Fund, in that Report, also stated that, "a larger set of indicators should be available to enable patients and the public to drill down into population groups and

⁴ Measuring the performance of local health systems: A review for the Department of Health
<https://www.kingsfund.org.uk/publications/measuring-performance-local-health-systems>

medical conditions of particular interest to them and to support commissioners and providers in quality improvement.”

Building on these principles, the Performance Management Framework is built around

- a focus on reporting on delivering outcomes and strategic objectives;
- the large set of performance indicators being readily and openly available to all; and
- performance data encompassing a wide range of information, beyond performance indicators, in support of strategic objectives.

Each Director is responsible for reporting on performance within their sphere of responsibility and being held to account for delivery.

The small number of high level outcomes will be built around the strategic objectives of each organisation. This will include reporting on progress on key strategic projects – capital projects, or transformational change projects or significant service redesign projects. This will enable decision makers to fulfil their responsibilities within the Procurement and Commissioning Framework – to demonstrate that services are meeting needs and that agreed improvements are being progressed.

A template for reporting on outcomes, using health and care as an example, is included at Appendix 2. This is based on the Canterbury (New Zealand) Health System Outcomes Framework⁵. The example used is for services for people affected by Alcohol and Drug Misuse and is considered from a community planning perspective (ie, that only a joint inter-agency approach will address the issues).

A template for reporting on Strategic Projects is included at Appendix 3. This provides an overview of the key stages of the project and highlights any issues or barriers to delivery. The Knab Masterplan project is used as an example.

All relevant service performance data will be made available for interrogation directly from source, in order the stakeholders can access the data in a dynamic and timely way. This assists with openness and transparency, and avoids duplication of effort. The data will be made available through clear links on each organisations web-sites. Service Performance Indicators will only be formally reported where there is a clear link to delivery of the agreed strategic outcomes.

⁵ <http://ccn.health.nz/Resources/OutcomesFramework.aspx>

Some examples of web-links where data which is already openly available are included below:

Scottish Government Statistics:

<https://www2.gov.scot/Topics/Statistics>

for example:

Housing and Regeneration

https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration?utm_source=website&utm_medium=navigation&utm_campaign=statistics-topics

Health and Community Care

https://www2.gov.scot/Topics/Statistics/Browse/Health?utm_source=website&utm_medium=navigation&utm_campaign=statistics-topics

Information Services Division (part of NHS National Shared Services Scotland)

<https://www.isdscotland.org/>

Service performance information is a broad term used to describe anything of interest that will help with reporting on how each service is performing. It might be to celebrate staff achievement, how a specific incident is being dealt with, the outcome of an inspection visit, etc. These are items which can be addressed in a dynamic and timely way through briefings, emails, or by other means, and need not form part of the formal performance reporting arrangements. They are however an important element in adding richness to the information relating to each service and it is worthwhile investing in effective communication systems within Directorates to maintain a good flow of information.

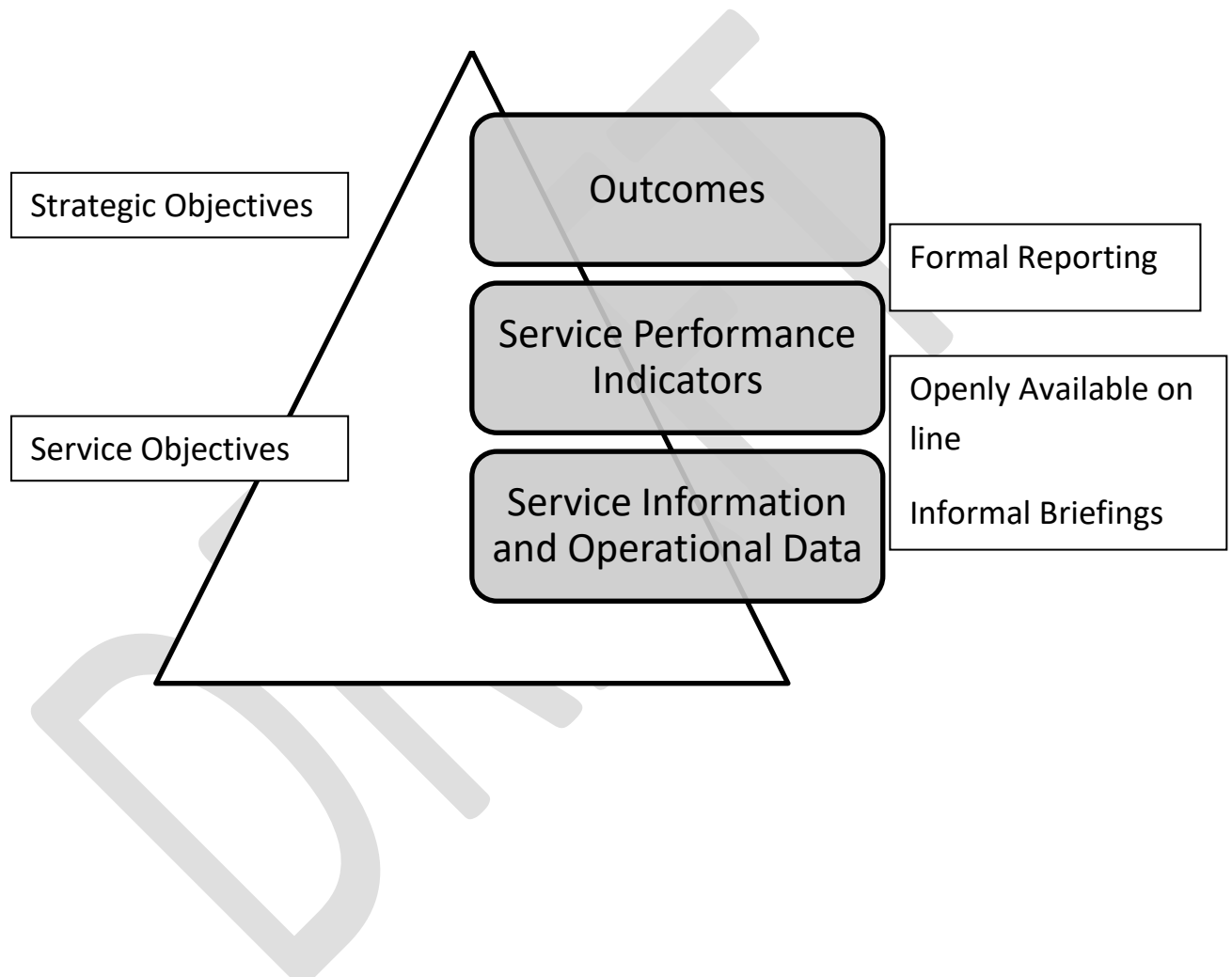
Operational performance indicators will also be made available on line. This will include, for example, data on overtime hours worked by staff. This allows decision makers to raise issues with Directors where there are matters of interest or concern.

Presentation of data is key to make sure that the performance data is clear and cannot be misinterpreted.

A range of tools and techniques should be used and reliance not placed wholly on written documents. Appropriate use of visual and oral mechanisms is encouraged. Use of trend data is often useful to understand trends and spikes in activity. Video

clips to explain a complex issue is useful to support any written presentations and information.

The approach can be described as a tiered system, as set out below.



The Performance Management Framework is part of the annual planning and performance cycle, set out at Appendix 4, an overview of which is set out below.

Quarter 1 May – June	Quarter 2 August – September	Quarter 3 October – December	Quarter 4 February - March
Looking back on what's actually been done and learning from that.	Planning for the year ahead, what do we want to achieve and why.	Resourcing the plans through budgets, workforce plans, asset plans, etc.	Approval of the Plans and Resources for the year ahead.
Final Accounts (Draft)	Final Accounts		Approval of Budgets
Annual Performance Report			Approval of Strategic Plans
Quarterly Performance	Quarterly Performance	Quarterly Performance	Quarterly Performance
Quarterly Management Accounts	Quarterly Management Accounts	Quarterly Management Accounts	Quarterly Management Accounts

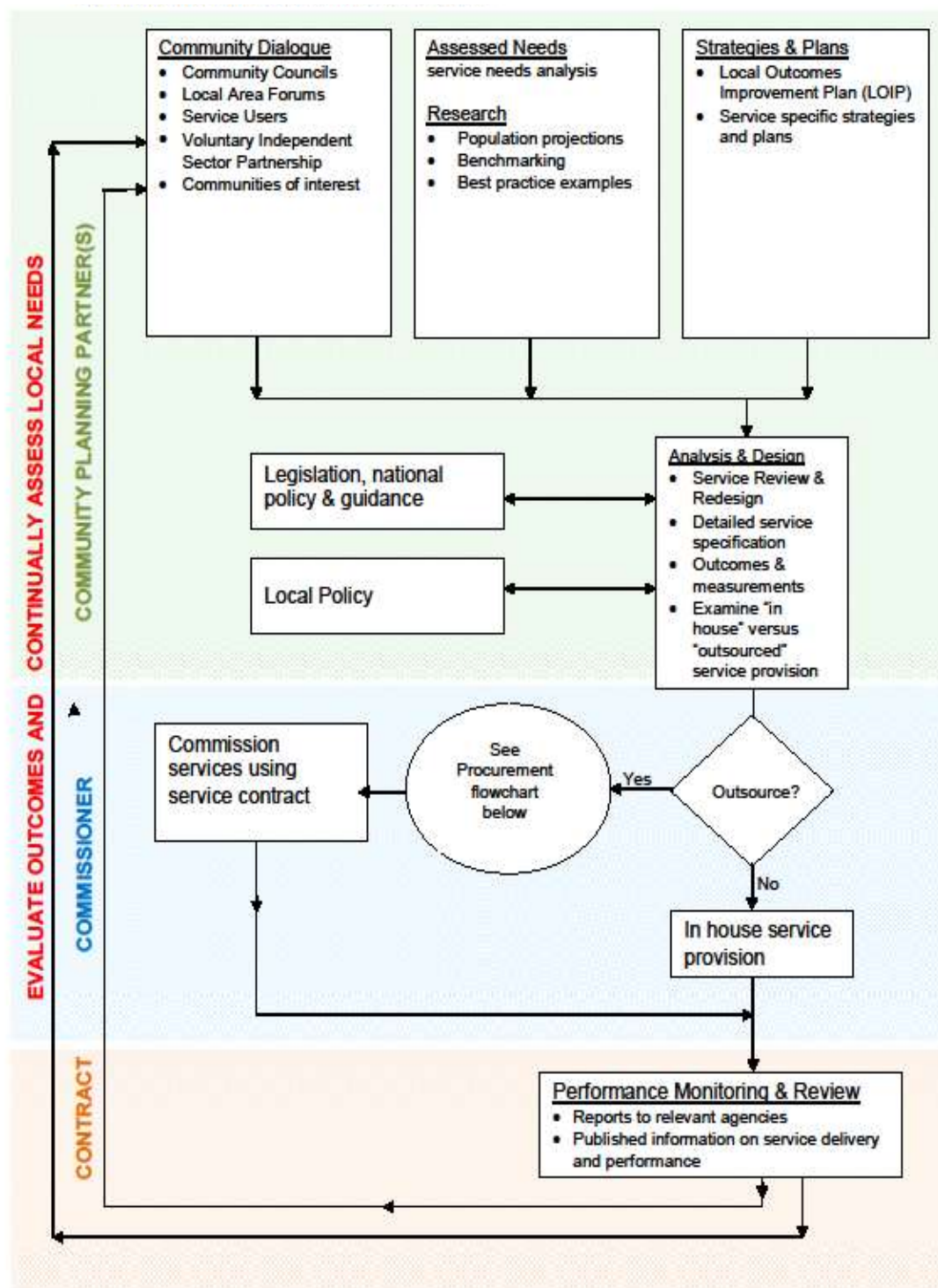
NHS Shetland's performance reporting arrangements are included at Appendix 5. This sets out the specific assurance roles and remits which require to be fulfilled.

An Impact Assessment has been done and is included at Appendix 6.

Appendix 1

Extract from Shetland's partners delivering for outcomes Commissioning and Procurement Framework, 2016 – 2020

Diagram to Describe the Commissioning Process



Appendix 2

Template for Reporting on Key Strategic Projects

(Capital, Transformational, Service Redesign, etc)

Example Only: Knab Masterplan

Directorate:	Development	
Project Title:	Knab Masterplan	
Strategic Links:	Shetland Partnership Plan	Part of 10 year plan to make Shetland attractive place to live work study and invest
	Corporate Plan	Links to all five theme areas of Corporate Plan
	Directorate Plan	Enable the delivery of the 10 year plan
	Other relevant strategic docs	Local Housing Strategy; Transport Strategy; Community Empowerment/Asset Transfer; Islands Deal
Key objectives:	To deliver a masterplan to shape the future development of the Knab (former Anderson High school site)	Consultants appointed - 7 N Architects to carry out the masterplan process. Overseen by multi-agency project team. Community consultation carried out.
Timescales:		Anticipate final report to March/April committee cycle
Deliverables:		Final approved masterplan document

Linked Projects:	Future projects to flow from masterplan, include provision of new affordable housing of mixed tenure, community and commercial use of existing buildings
Progress update:	There has been a delay to the original timescale. Additional round of community consultation was carried out.
Concerns:	Concern of impact of any further slippage in the timetable
Decisions required:	
Next update due:	Committee report Xx/XX/19 Future updates ??

Appendix 3

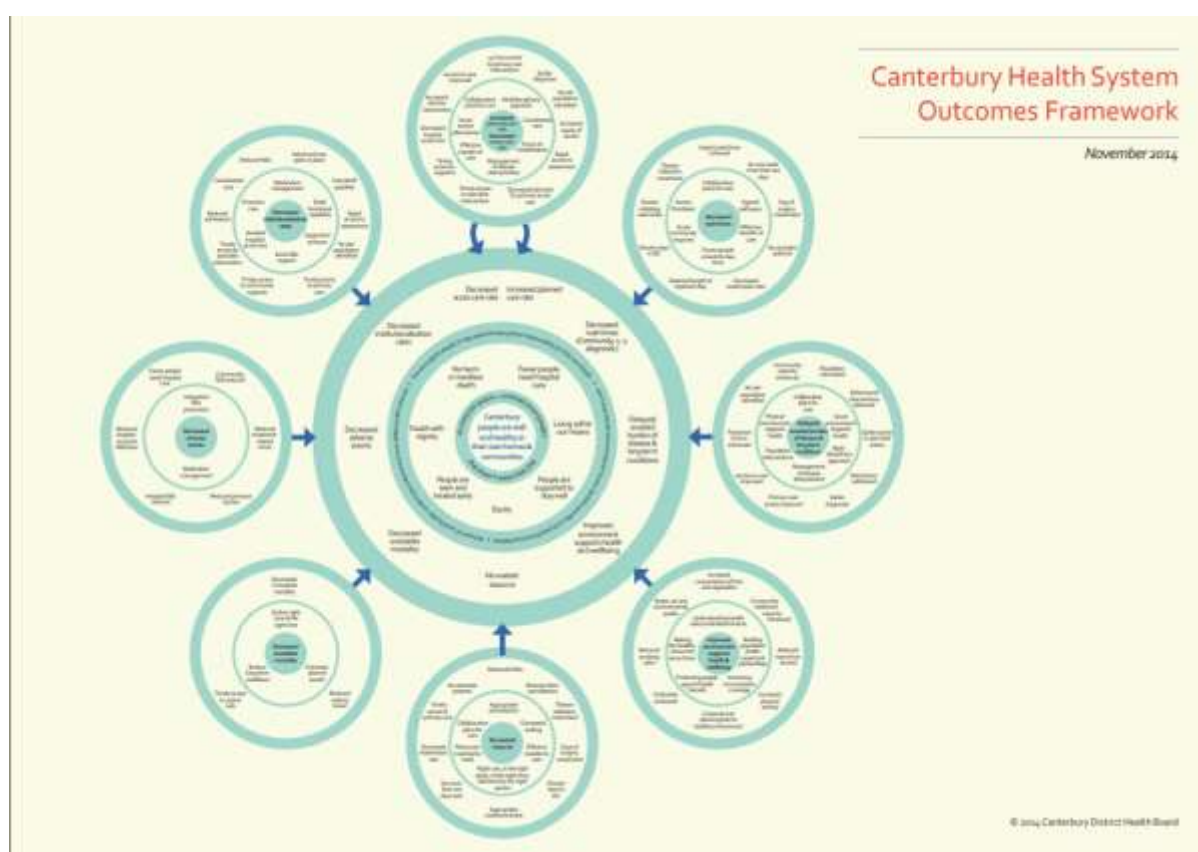
Template for Reporting on Strategic Outcomes

Example Only: Services, Pathways and Approaches in Support of Alcohol and Drug Misuse

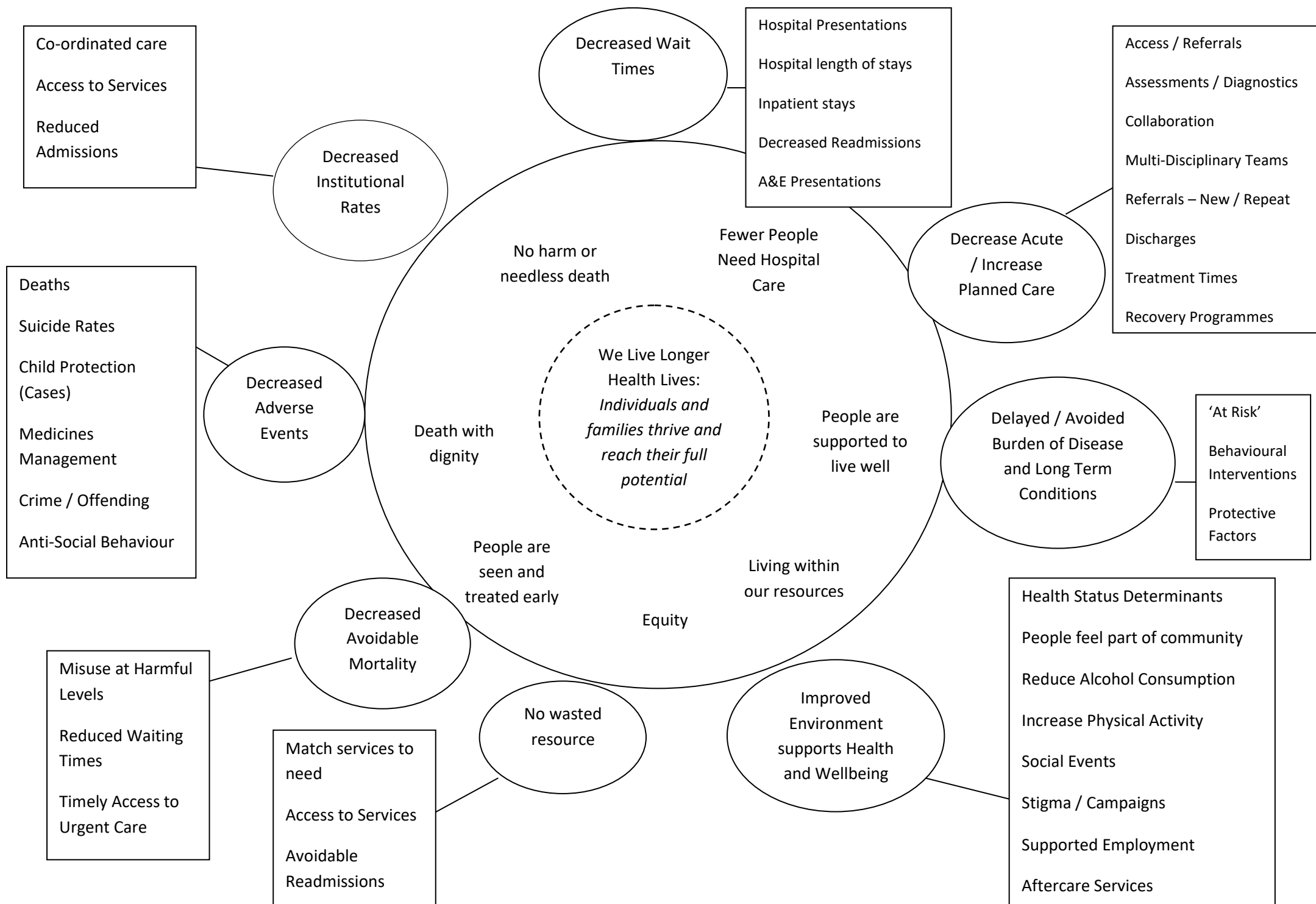
This diagram is based on the Canterbury, New Zealand Health System Outcomes Framework (<http://ccn.health.nz/Resources/OutcomesFramework.aspx>)

The concept diagram is included below (please use web-site link to see the actual text).

It builds outwards from an overall objective that, “people are well and healthy and in their own homes and communities”. The concept builds outwards through a number of related outcomes to the outermost circles which show how the Performance Indicators can help demonstrate progress towards outcomes.



The diagram below uses the concept but the “central” objectives is built around the Scottish Government objective – that we live longer, healthier lives – together with the Shetland Partnership Plan’s aim that “Individuals and Families can thrive and reach their full potential”.



Appendix 4

Annual Planning and Performance Cycle

Topic	Report	Frequency	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Strategic Planning	Strategic / Corporate Plans	3 Year, annual refresh											Approval	
	Operational / Service Plans	Annual											Approval	
Performance	Key Performance Indicators	Quarterly ¹			Jan-March Q4		April – June Q1				July-Sept Q2		Oct-Dec Q3	
	Progress Reports on Action Plans	Quarterly			Jan-March Q4		April – June Q1				July-Sept Q2		Oct-Dec Q3	
	Annual Reports	Annual					Review							

¹The indicators which are available annually will be reported at the first opportunity following publication

NHS Shetland's Performance Management Arrangements

Background

NHS Shetland is proud of the services it delivers, and of the staff who work within those services. Whilst performance in most areas continues to be good, NHS Shetland aspires to providing the best services and being one of the top performing health boards in Scotland.

The Board seeks to develop an 'open, just and non punitive' culture where all staff feel able to report adverse incidents, near misses and hazards in the knowledge that incidents / errors are not normally investigated through the disciplinary procedure.

NHS Shetland's performance is measured against that of other health boards. This not only informs an elected government of how we are delivering services, but also demonstrates our success relative to others. This is important because where others may be doing better than we are in particular areas, we can learn from them to improve our performance.

NHS Shetland is required to report performance against national targets set by the Scottish Government and through local planning arrangements such as the Shetland Partnership Plan.

The key plans against which NHS Shetland needs to demonstrate performance are:

- the National Performance Framework
- the Local Delivery Plan (LDP) national targets and standards (which is evolving into an Operational Delivery Plan for 2018-19)
- the National Health and Wellbeing Outcomes and Integration Principles
- NHS Scotland's Quality Ambitions
- The Shetland Partnership Plan
- Shetland Islands Health and Social Care Partnership Strategic Commissioning Plan's strategic objectives
- NHS Shetland locally determined performance indicators

The National Health and Wellbeing Outcomes are high-level statements of what health and social care partners are attempting to achieve through integration and ultimately through the pursuit of quality improvement across health and social care. By working with individuals and local communities, NHS Shetland will support people to achieve the following outcomes:

Outcome 1: People are able to look after and improve their own health and wellbeing and live in good health for longer

Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community

Outcome 3. People who use health and social care services have positive experiences of those services, and have their dignity respected

Outcome 4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services

Outcome 5. Health and social care services contribute to reducing health inequalities

Outcome 6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being

Outcome 7. People using health and social care services are safe from harm

Outcome 8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide

Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services

NHS Scotland's Quality Ambitions are:

- Safe - There will be no avoidable injury or harm to people from healthcare, and an appropriate, clean and safe environment will be provided for the delivery of healthcare services at all time
- Person-Centred - Mutually beneficial partnerships between patients, their families and those delivering healthcare services which respect individual needs and values and which demonstrates compassion, continuity, clear communication and shared decision-making
- Effective - The most appropriate treatments, interventions, support and services will be provided at the right time to everyone who will benefit, and wasteful or harmful variation will be eradicated

Services will be delivered in line with Scotland's Care Inspectorate standards as the national regulator for care services in Scotland. Care Inspectorate inspect the social work (and social care) services provided by local authorities and carry out joint inspections with partner organisations.

The Care Inspectorate exists to:

- provide assurance and protection for people who use services, their families and carers and the wider public
- play a key part in improving services for adults and children across Scotland
- act as a catalyst for change and innovation
- promote good practice.

People have the right to expect the highest quality of care and their rights promoted and protected. It is the Care Inspectorate's job to drive up standards of care and social work services through regulation and inspection.

The Shetland Islands Health and Social Care Partnership Strategic Commissioning Plan's strategic objectives are refreshed annually and currently include:

- people will be supported to look after and improve their own health and well-being, helping them to live in good health for longer
- older people and people who are living with long-term conditions will be getting the services they need to help them live as independently as possible
- increased use of technology is helping us provide care for the most vulnerable and elderly in our community
- healthcare is provided by multi-professional teams, with reliance on single handed practitioners kept to a minimum
- attendance at hospital for diagnostic tests and investigations, outpatient consultations and minor procedures is kept to a minimum
- patients are only sent outwith Shetland for healthcare if it cannot be provided safely and effectively locally
- care is only provided in a hospital setting if it cannot be provided safely and effectively in the community
- emergency care is maintained in Shetland, including medicine, surgery and maternity services

The strategic framework is shown diagrammatically below.

Performance Framework						
Values / Quality Ambitions Triple Aim: Person Centred Safe Effective Efficient Equitable Timely Sustainable Ambitious	NHS Scotland 2020 Vision The Scottish Government's 2020 Vision for health and social care is that by 2020 everyone is able to live longer healthier lives at home, or in a homely setting and, that we will have a healthcare system where: <ul style="list-style-type: none">- whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions;- we have integrated health and social care;- there is a focus on prevention, anticipation and supported self-management;- where hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm; There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate, with minimal risk or re-admission.				In partnership with Patients Service Users Unpaid Carers Families Staff Professionals Partners Communities Public Shetland Community Planning Partnership Local Outcome Improvement Plan	
	Delivering Health and Wellbeing Outcomes, National and Local Targets (using the Integration Principles)					
Strategic Plan:	Shetland Islands Health and Social Care Partnership Strategic Commissioning Plan				Delivered Through these plans: Service Plans Budgets Workforce Training Property and Asset Management E'Health	
Measured By:	Performance Measures	Annual Reports	Internal and External Audits	Quality Reports	For: Assurance Reassurance Improvement	

The Scottish Government have developed ten principles for Performance Management. These are listed below and this Policy has been developed to align with these principles.

<p>NHSScotland's Performance Management Framework Supports delivery of the Scottish Government's outcomes and Health and Social Care Directorates strategic objectives.</p> <p>Local Delivery Plans [now Operational Plans] set out some of the key improvements NHS Boards will deliver to contribute towards the delivery of the Scottish Government's outcomes.</p>
<p>Performance measures demonstrate the progress towards delivering our strategy for improving the quality of patient care.</p> <p>Delivery of standards and performance measures give Ministers, staff and the public the confidence that we are making progress in implementing our key strategies for NHSScotland and improving the quality of patient care</p>
<p>Performance measures help deliver a wider system aim, and the impact on the whole system must be considered</p> <p>Performance measures are not an end in themselves but are a proxy measure for a wider system change.</p>
<p>Design the system, deliver the performance.</p> <p>The delivery of standards should be the consequence of well-designed systems of care which take account best evidence and local needs. Well-designed systems of care ensure that individual patients are not disadvantaged to ensure compliance with standards.</p>
<p>Clinical decision making in the interest of the patient is always more important than unequivocal delivery of performance measures.</p> <p>Patients are always diagnosed and treated according to their clinical need.</p>
<p>Local flexibility in delivery.</p> <p>Through the Local Delivery [now Operational] Planning process, Scottish Government and NHS Boards will consider local circumstances (such as Community Planning Partnership priorities, baseline performance, service models, workforce, risk, governance, the needs of local people) in defining performance measures, performance management, improvement support and delivery.</p>
<p>Performance measures should support diversity and reduce inequalities.</p> <p>The Scottish Government and NHS Boards in defining, performance managing, and delivering standards always ensure that performance measures do not result in inequity in the quality of service provided for any patient.</p>
<p>Staff should be engaged in performance measurement setting and delivery.</p> <p>Performance measures can help staff realise improvements in care and contribute to system wide priorities. Staff should be involved in local delivery planning and review of performance, including lessons learned and encouraged to actively identify and implement improvements.</p>
<p>Best practice in Performance Management and Delivery is shared.</p> <p>NHS Boards have their own individual performance management systems, building on national requirements. There is scope to share best practice in performance management and delivery and to share best practice in Board's contributions to Local Outcome Improvement Plans with their planning partners.</p>
<p>Data and measurement are key aspects of Performance Management.</p> <p>Performance measures are specific, measureable, achievable, realistic and timebound [SMART]. Performance measures are short to medium term outcomes, clearly identifying key contributions that NHS Boards make. We always work to recognise any data quality issues that may arise with performance measures and will ensure a wider understanding of the nature and uses of data and information within delivery.</p>

Accountability and Roles and Responsibilities

Whilst it is everyone's job to manage performance, it is the Board's role to drive a culture of performance by providing a clear vision and corporate objectives, to determine what it is NHS Shetland is aiming to achieve, and by holding the Chief Executive and Directors to account for delivery of relevant national and local priorities and objectives. The remit and responsibility of the Board(s) and Committees is set out below.

Entity	Responsibilities
NHS Shetland Board	<ul style="list-style-type: none"> - Agreement on Strategic Plan and Objectives - Drive a culture of performance - Ensure performance against Strategic Objectives - Review performance; challenge and problem solve actions being proposed to address problems - Address cross-functional issues - Adjust resource inputs to meet priority targets / measures
Integration Joint Board	<ul style="list-style-type: none"> - Agreement on Strategic Plan and Objectives - Drive a culture of performance - Ensure performance against Strategic Objectives
Clinical, Care and Professional Governance Committee	<ul style="list-style-type: none"> - Ensure that systems are in place to monitor standards and provide safe, effective person centred services. - Review performance against Performance standards / targets and recommend corrective action, as required.
Staff Governance Committee	<ul style="list-style-type: none"> - Ensure systems are in place for effective staff engagement - Review performance against performance standards / targets relating specifically to staffing and recommend corrective action, as required.
Audit Committee	<ul style="list-style-type: none"> - Ensure that arrangements in place to provide assurance to the Accountable Officer in relation to Best Value (of which performance management arrangements are one component)
Remuneration Committee	<ul style="list-style-type: none"> - Ensure that Performance system for Executive Directors is managed appropriately
Area Partnership Forum	<ul style="list-style-type: none"> - Ensure that consistent good quality people management and employment practice is in place within Shetland NHS Board - Review performance against staffing based performance standards / targets and recommend corrective action, as required.
Operational Groups	<ul style="list-style-type: none"> - Eg Executive Management Team, Hospital Management Team, Operational Waiting Times Meetings, Senior Charge nurse Meetings, Infection Control Team, AHP Meetings, Health Care Scientists Meetings, etc - All of the communication and management structure above

	will receive reports on performance, appropriate to the type of meeting/ structure in place. In many cases this will be a standard report (such as the risk register, quarterly summary of progress, corporate scorecard, or specific service improvement programme such as 18 week RTT, Scottish Patient Safety Programme, Long Term Conditions Collaborative, Mental Health Collaborative, Clinical Quality Indicators programme etc)
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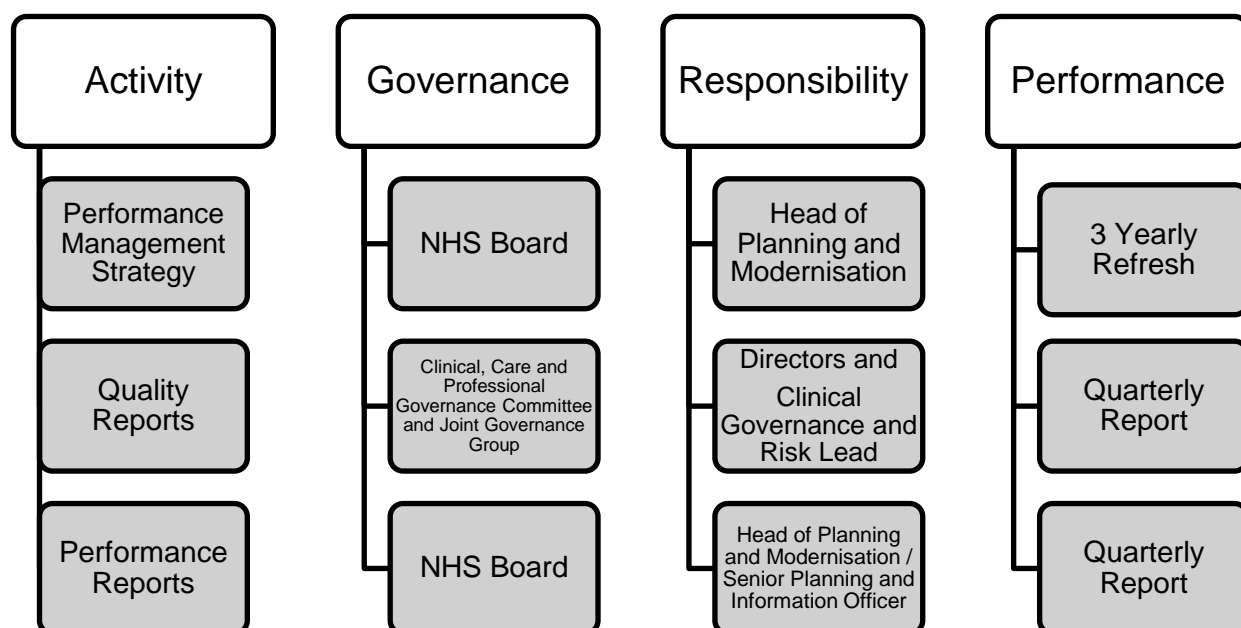
There is no specific performance review committee. The reason is that NHS Shetland is a small organisation and good functional arrangements and management structures already exist. In addition, it is noted that in order to embed the principles of excellence and performance into all aspects of the organisation, this is best achieved by mainstreaming the monitoring of performance into existing structures. This means including the review of performance and outcomes in all clinical and management fora.

Effective performance management requires defined roles and responsibilities and clear ownership of measures. A summary of the roles and responsibilities is set out below.

Chief Executive	Overall statutory responsibility for patient safety, governance and performance management Accountable to the NHS Shetland Board Lead the cultural approach to performance
Directors (Executive Management Team)	Responsibility for driving forward the development of and embedding performance management arrangements in their area of service, ensuring compliance with the Performance Management Policy and regularly contributing to and scrutinising the performance reports.
Director of Nursing and Acute Services / Director of Community Health and Social Care and the Medical Director	The Medical Director and Directors of Nursing and Acute Services and Community Health and Social Care leads the development and implementation of the clinical, care and professional governance arrangements, which provides assurance over the national Quality Standards of person-centred, safe and effective services.
Director of Human Resources and Support Services	The Chief Executive has delegated responsibility for the maintenance and collection of performance systems and data to the Director of Human Resources and Support Services. This responsibility is discharged through the Head of Information Management and Technology, the Senior Planning and Information Officer and the Clinical Governance and Risk Lead. The activities include:

	<ul style="list-style-type: none"> - ensuring that robust systems are in place for the performance management of national and local targets and measures; - providing accurate and timing analysis and interpretation of performance data for performance review and reporting; and - preparing the core data for reporting to committees and Boards, highlighting trends and co-ordinating commentary on variances against expected performance. <p>The Director of Human Resources and Support Services leads the development and implementation of the staff governance arrangements, which aligns the contribution made by individual staff and specific line managers to the Board's strategic objectives.</p>
Head of Planning and Modernisation	The Chief Executive has delegated to the Head of Planning and Modernisation responsibility for ensuring that the Board has effective planning and performance systems and process that meet best practice guidance.
Managers	<p>Managers will:</p> <ul style="list-style-type: none"> - provide clear support for continuous improvement - Provide clear direction for change management projects and expected outcomes - encourage a culture where staff feel comfortable in challenging current practice - encourage staff to share knowledge and learn from others - identify good practice, where the sharing of information is not left to chance but is proactively managed
All staff	<p>All staff contribute towards performance improvement and management by being encouraged and supported to identify improvement opportunities and to take the required action. It is important that staff own the data of their activity, and understand how that translates to the corporate performance of NHS Shetland.</p> <p>All staff :</p> <ul style="list-style-type: none"> • Are encouraged to raise issues relating to performance management arrangements and performance with their line manager and/or through existing management structures • Will be able to view minutes and reports on the Intranet (e.g. board performance scorecard, annual reports and action plans from service improvement programmes etc) • Receive information at formal updates such as team meetings, via Team Brief and mandatory refresher days in respect of changes/revisions to the performance management arrangements.

Bringing this analysis together provides a diagram of performance management arrangements.



Delivering the Performance Policy

There is a regular cycle of periodic performance management, based around a quarterly reporting cycle. We plan to report performance on a quarterly basis but will ensure that performance reports are presented at least 3 times a year.

The Board has a dedicated performance system, called Pentana.

Each of the Board's performance indicator and outcome data is loaded onto that system. Each indicator is assigned to specific responsibilities as follows:

Data Owner - Administered By

Accountable Officer - Managed By

Data Administrator - Assigned To

Each indicator is assigned a 'target' and a timeline for achieving the objective.

Data is loaded onto the system by the Data Owners on a regular basis, in line with the reporting timescales. Ideally, arrangements should be developed to automate the transfer of data to avoid manual input and double-handling of data.

We will work towards having a single set of data, feeding performance and management information on a consistent and reliable basis.

Reporting timescales are determined by the availability of data. Data for indicators is usually available either monthly, quarterly, annually or biennial (for some survey data).

The Performance Indicators are rated as Red, Amber or Green, to determine progress towards achieving the targets and overall objectives. The variation from target to create a Red, Amber or Green categorisation is determined by each Accountable Officer and will take account of the relative risk of non-performance as well as low number factors.

Historical trend data is available and included in the standard reports for comparative purposes.

The standard reports include a text box which allows each Accountable Officer to provide a commentary on performance, explain reasons for variation on performance and propose solutions to resolve any non-performance issues.

Each Accountable Officer has a 'dashboard' to see at a glance the performance across the range of indicators for which they are responsible.

Departmental dashboards are made available to individual departments on request, to allow them to track their performance more easily.

Formal performance reports are planned to be submitted quarterly to:

- The NHS Board
- The Integrated Joint Board
- The Clinical Care and Professional Governance Committee
- The Joint Governance Group
- The Area Partnership Forum

to enable those committees and groups to fulfil their remit. As a minimum, we will ensure that performance reports are presented for consideration at least 3 times a year.

Performance reports are provided regularly, usually monthly, to operational teams.

The Board recognises the importance of ensuring staff are fully appraised of current performance arrangements and outcomes.

We will work towards making the performance data:

- as user friendly and dynamic as possible, with appropriate use of visual and spoken and inter-active material; and
- available electronically and able to be interrogated at summary and detailed level.

An Equality and Diversity Impact Assessment

Which groups of the population do you think will be affected by this proposal?		All staff and residents, and visitors to Shetland
Other groups: <ul style="list-style-type: none"> • Minority ethnic people (incl. Gypsy/travellers, refugees & asylum seekers) • Women and men • People with mental health problems • People in religious/faith groups • Older people, children and young people • People of low income • Homeless people • Disabled people • People involved in criminal justice system • Staff • Lesbian, gay, bisexual and transgender people 		
N.B The word proposal is used below as shorthand for any policy, procedure, strategy or proposal that might be assessed		What positive and negative impacts do you think there may be? No specific impacts; it is important that all information, including performance data, is readily understood by all stakeholders so use of various methods will be used (written, visual, voice, etc)
		Which groups will be affected by these impacts? All stakeholders / partners / staff / community
What impact will the proposal have on lifestyles? For example, will the changes affect: <ul style="list-style-type: none"> • Diet and nutrition 		This is a support services policy and will therefore have no direct impact on people's lifestyles.

<ul style="list-style-type: none"> • Exercise and physical activity • Substance use: tobacco, alcohol and drugs? • Risk taking behaviour? • Education and learning or skills? 	
<p>Will the proposal have any impact on the social environment?</p> <p>Things that might be affected include:</p> <ul style="list-style-type: none"> • Social status • Employment (paid or unpaid) • Social/Family support • Stress • Income 	<p>This is a support services policy and will therefore have no direct impact on the social environment.</p>
<p>Will the proposal have any impact on the following?</p> <ul style="list-style-type: none"> • Discrimination? • Equality of opportunity? • Relations between groups? 	<p>None expected.</p>
<p>Will the proposal have an impact on the physical environment?</p> <p>For example, will there be impacts on:</p> <ul style="list-style-type: none"> • Living conditions? • Working conditions? • Pollution or climate change? • Accidental injuries or public safety? • Transmission of infectious disease? 	<p>This is a support services policy and will therefore have no direct impact on the physical environment.</p>
<p>Will the proposal affect access to and experience of services?</p> <p>For example,</p> <ul style="list-style-type: none"> • Health care • Transport • Social services • Housing services • Education 	<p>None expected.</p>

Rapid Impact Checklist: Summary Sheet

Positive Impacts (Note the groups affected)

None expected.

Negative Impacts (Note the groups affected)

None expected.

Additional Information and Evidence Required

Recommendations

From the outcome of the RIC, have negative impacts been identified for race or other equality groups? Has a full EQIA process been recommended? If not, why not?

No expected impact for race or other equality groups therefore full EQIA is not proposed.



Meeting(s):	Policy & Resources Committee Shetland Islands Council	2 nd July 2019 3 rd July 2019
Report Title:	ICT Strategy 2019 - 2024	
Reference Number:	ICT 02-19-F	
Author / Job Title:	Executive Manager – ICT	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee RECOMMEND that the Council RESOLVE to approve the ICT Strategy 2019 - 2024.

2.0 High Level Summary:

- 2.1 This report presents the Council's ICT Strategy for the 5 years from 2019 – 2024 (appendix 1), outlining plans and costs for four main strands of work:

- PC/LAN
- Schools ICT
- SPSNet (Shetland Public Service Network)
- Photocopiers

- 2.2 The funding for the ICT Strategy has already been approved as part of the Asset Investment Plan.

3.0 Corporate Priorities and Joint Working:

- 3.1 Our Plan 2016 – 2020 states “Modern IT equipment and systems will be supporting new ways of working, helping services run efficiently and effectively.”

4.0 Key Issues:

- 4.1 The report presents the ICT Strategy for the Council for the next 5 years. This includes four main strands of work, Corporate ICT, Schools ICT, Shetland Public Sector Network (SPSNet), and Reprographics, along with support for the Service Redesign Programme and the Business Transformation Programme. In addition, the strategy describes the main ICT initiatives planned, details of which can be found in the Appendix

5.0 Exempt and/or confidential information:

- 5.1 None

6.0 Implications :	
6.1 Service Users, Patients and Communities:	There is a clear expectation from the Community and our stakeholders that the Council will plan to maintain and replace its ICT assets to ensure the security of the information the Council holds, and the ability of staff to deliver frontline services effectively and efficiently.
6.2 Human Resources and Organisational Development:	As ICT systems change and the Council moves towards Digital First, employees will be supported to develop their digital skills and confidence through appropriate training and development.
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	The Council has a statutory duty to ensure the security of its computer systems and the data held therein.
6.5 Finance:	<p>There is no additional capital funding required to implement the ICT Strategy 2019 - 24. The existing 2019/20 budgets for the four main streams have been approved as part of the Council's Asset Investment Plan:</p> <p style="text-align: center;">Corporate ICT – £134,000 Schools Computing - £276,500 Printing/Reprographics - £81,000 SPSnet £195,800</p> <p>The strategy assumes similar funding over the period 2019 – 2024 as is included in the approved five year Asset Investment Plan. Additional funding may be required for ICT projects not identified in this strategy, or if circumstances change significantly. Any additional funding will need to be approved through the Gateway process and prioritised against other capital priorities.</p>
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	The ICT Strategy will allow us to make the most of the ICT assets we have, and to explore how we can use technology in the future for further efficiencies and savings, while maintaining the security and integrity of the Council's information assets.
6.8 Environmental:	There are no implications for the local environment and a Strategic Environmental Impact Assessment is not required.
6.9 Risk Management:	Failure to agree and implement an ICT strategy may jeopardise ICT's ability to enable and support the Council's aims and objectives, and its effective and efficient use of existing systems and infrastructure.
6.10 Policy and Delegated Authority:	Determination of the Council's Goals, Values and Strategy Framework documents or variation of existing policy or strategy is reserved to the Council [Scheme of Administration and Delegations – Section 2.1.3(2). Adopting, approving or amending any plan within the Council's Policy Framework, as set out in the Council's Constitution (Part A 3-2), is reserved to the Council (Part A 3-1).

6.11 Previously considered by:	None	
---	------	--

Contact Details:

Susan Msalila, Executive Manager, ICT susan.msalila@shetland.gov.uk 01595744763

Appendices:

Appendix 1 – ICT Strategy 2019 - 2024

Background Documents: *None*



Shetland Islands Council

ICT Strategy 2019-2024 Version 1

Prepared By

ICT Executive Manager
Corporate Services
June 2019

1. ICT Services - Strategic Vision and Direction

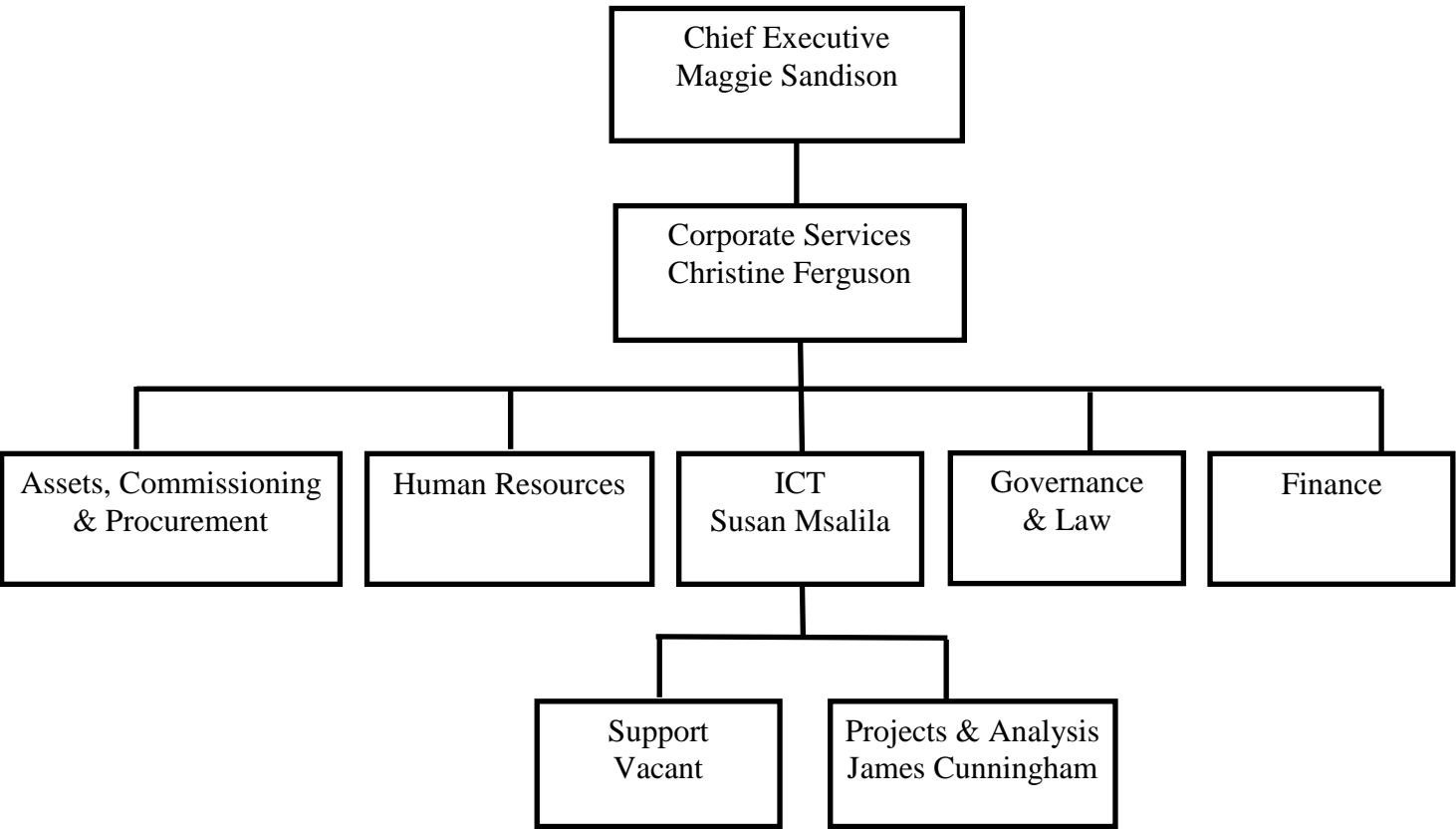
- Work with partners in the communications industry and government to improve high-speed broadband and mobile connections throughout Shetland.
- ICT Systems will support the Council and its partners in delivering the desired outcomes to the people of Shetland.
- ICT Systems will be secure, and ensure the Council meets its legislative obligations.
- Modern IT equipment and systems will be supporting business transformation, helping services run efficiently and effectively, and ensuring that digital becomes the first choice for delivery.

2. ICT Governance and management

The ICT Management Board is responsible for the development and implementation of the Council's ICT Strategy. The ICT Management Board will provide information and report progress to the Corporate Management Team and Directorates where relevant.

The Schools ICT Strategy Group provides more detailed strategic direction for Schools ICT, ensuring that investment in ICT delivers benefits to Learning and Teaching.

ICT Organisation (Chart)



3. Summary of Strategic Projects

19/20	20/21	21/22	22/23	23/24
Corporate Computing				
School Computing				
SPSnet				
Printers/Photocopiers				
Virtual Infrastructure Replacement Project				Review of original fibre links in Lerwick.
North Isles Fibre Network Rollout		Review of VDI technology.	Phase out remaining Windows 8 OS	Phase out remaining Windows Server 2012 OS
Public Facing Website Development including Forms		Evaluate developments for server in the cloud provision.	Review IP telephony system	Review MS Office 2016 Software
Intranet Replacement Project		Review WAN connections.	Public Wi-Fi review	Review Exchange Server email system.
Phase out remaining Windows 7 OS.	Investigate data archiving solution, first for email, then for data.			
Phase out remaining Windows Server 2008 OS.	Review technology and infrastructure for remote sites to ensure best possible solution is in place for modern communication.			
Review of Microsoft Licencing options.	Review mobile device provider and device management solution.			
Replacement of the Health & Social Care System (Swift)				

2019/20

We will start work on replacing the Council's virtual infrastructure, to ensure stable, available, and cost effective provision for systems going forwards.

The new Council website will be developed, with input from Services, but, as importantly, from the public. The website is key in making digital the channel of choice for transacting with the Council.

We will work with Economic Development to deliver the fibre link to public buildings in Yell and Unst.

Microsoft licencing will be reviewed, and software which is reaching end of support will be replaced.

Replacing the current Health & Social Care system, Swift, with a modern, fit for purpose system will need a commitment of resources from both Community Health & Social Care and Children's Services, but the implementation will support service redesign and efficient service delivery going forwards.

2020/21

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Work on the virtual infrastructure will continue, as will the connection of sites in the north isles.

We will review the support technology and provider for mobile devices.

Once the roll out of the new website is complete, we will look to review the Intranet.

2021/22

We will review VDI technology, and in particular, the terminal services solution we provide.

We will evaluate new developments in cloud computing, particularly server in the cloud provision.

We will review our Wide Area Network connections, to make sure they are fit for purpose and offer the best value for money.

2022/23

Review of telephony across the Council.

Review the continuing relevance of public WiFi, particularly in light of better mobile connectivity.

2023/24

Review the fibre links in Lerwick, which will have been installed for 30 years by this time.

Review main desktop software, evaluating Microsoft Office alongside other possibilities.

Review our email system.

4. Financial Implications

There are no specific financial implications in this strategy as all projects are justified on their own merits and budgets for the four streams – Corporate Computing, SPSNet, Schools Computing and Printing/Reprographics – are approved as part of the Capital Programme.

GCX43001200 – Corporate Computing – £134,000

GCX43121200 – Schools Computing - £276,500

GCX43191200 – Printing/Reprographics - £81,000

GCX43231200 – SPSnet - £195,800

The strategy assumes similar funding over the period 2019 – 2024. Additional funding may be required for ICT projects not included in the above, or if circumstances change significantly. The Swift replacement is an example of this, being funded separately in the Asset Investment Plan.

All ICT equipment must be procured in conjunction with ICT Services. Services should not purchase equipment directly, without consultation, in order to ensure both ICT and Financial requirements and regulations are complied with.

Area	Current Strategy	Changes or additions for 2019 - 2024
1. Corporate Computers	<ul style="list-style-type: none"> a. All corporate laptops are encrypted. b. Replace computers when no longer fit for purpose. 	<ul style="list-style-type: none"> c. Encrypt all corporate computers by 2020.
2. Desktop Software	<ul style="list-style-type: none"> a. We will install the latest stable, usable version of Microsoft Windows. b. Microsoft Office Standard 2016. c. Microsoft Office Professional installed where there is a business case. 	<ul style="list-style-type: none"> d. Phase out Windows 7 by 2020. e. Phase out Windows 8 by 2023 f. Review Microsoft Office 2016 in 2024, unless it has been already superseded.
3. Mobiles and Tablet Devices	<ul style="list-style-type: none"> a. Tablets and mobile phones are provided subject to BRO approval. b. Voice and data contracts through Crown Commercial Services framework with Vodafone and EE. c. Mobile Device Management (MDM) for management, and dual factor authentication for Microsoft, Apple and Android devices. d. All corporate mobile and tablet devices are encrypted. 	<ul style="list-style-type: none"> e. Review b) and c)
4. Bring your own Device (BYOD)	<ul style="list-style-type: none"> a. Email access is permitted to BYODs with basic security restrictions enforced. 	
5. Server Infrastructure and Operating System	<ul style="list-style-type: none"> a. A mix of virtual and physical servers in the Computer Centre, Lystina and Schools. b. Servers will be built as virtual, unless there is a technical reason why this cannot be so. c. The latest stable version of Microsoft Windows Server is installed as standard. d. Maintain the virtualised infrastructure to be fit for purpose, with sufficient storage space and processing power to meet business needs. e. Mirrored disaster recovery for the business critical virtual server environment. 	<ul style="list-style-type: none"> f. Phase out Windows Server 2008 by 2020 g. Phase out Windows Server 2012 by 2023. h. Virtual Infrastructure Replacement Project by 2023 i. Evaluate developments for server in the cloud provision. j. Investigate data archiving solution for email and other data in 20/22
6. Printers and MFD's	<ul style="list-style-type: none"> a. Printers and MFDs are purchased rather than leased. b. ICT Print Strategy in place. c. Replace printers/MFDs when no longer fit for purpose, in line with Print Strategy. 	
7. Schools computing devices	<ul style="list-style-type: none"> a. Equality of ICT provision in schools is ensured by the designated numbers formula. b. All staff laptops which are removed from the school are encrypted; pupil machines are not encrypted. c. Interactive white boards or large format touch screens are provided in teaching areas where there is a justification and replaced when no longer fit for purpose. d. Replace computers that are more than 6 years old, and any other machines which are not fit for purpose. 	

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Area	Current Strategy	Changes or additions for 2019 - 2024
8. Virtual Desktop Infrastructure (VDI)	a. 2X Terminal Services used for system access when appropriate.	b. Review of VDI technology including the continued use of 2X in 2021/22.
9. Network	a. Network infrastructure is Cisco equipment. b. Main corporate sites are linked via private fibre in Lerwick. c. Various broadband solutions for a number of small sites. d. Two interconnects - Education Scotland (SWAN) and SHEFA-2 fibre connection. e. Participate in all projects relating to Digital Connectivity, along with Economic Development and partners in the private sector. f. Continue to review all site connections to ensure they are fit for purpose. g. Provide provision of commercial connections via the Council owned network where possible.	h. Implement fibre to public buildings in Yell and Unst in 2019/20 i. Review of original fibre links in Lerwick in 23/24
10. Public Service Partners	a. ICT provide services for other public service organisations through SLAs. Currently ICT provide services for: (i) Shetland Recreational Trust (ii) Shetland Arts (iii) Shetland Charitable Trust (iv) Shetland Amenity Trust (v) SHEAP (vi) Assessors (vii) Voluntary Action Shetland (viii) NHS Shetland (Service Desk) (ix) Viking Energy b. Continue to share ICT infrastructure and systems with public service partners in Shetland.	
11. Public Wi-Fi	a. A public wireless network, SICGUEST, is available across most of the network. b. Access is filtered to block inappropriate content. c. SICGUEST2, which blocks social networking, is available as an alternative. d. Public Access is provided on free gratis/no guarantee of service basis. e. There are no Terms and Conditions of use. f. Continue to provide the service, dependant on future interconnect capacity, terms and conditions on use and continuing minimal cost to the Council.	

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Area	Current Strategy	Changes or additions for 2019 - 2024
12. Telephony	<ul style="list-style-type: none"> a. IP telephony and voicemail provided throughout the Council, Schools and public sector partner sites b. SIP Trunk provided over the internet for external calls. 	<ul style="list-style-type: none"> c. Review IP telephony system in 22/23
13. Data Centre Infrastructure	<ul style="list-style-type: none"> a. In-house data centre in ICT Garthspool providing services for Council systems and public sector partners in Shetland. b. Secondary site at Lystina House for business continuity purposes. c. Provide DR data centre facilities for NHS Shetland 	
14. Backup and Disaster Recovery	<ul style="list-style-type: none"> a. Corporate backup using disk and tape technology. b. All data held on servers is backed up. c. All sites connected by fibre are backed up using the corporate backup solution. d. Servers are backed up locally on sites which cannot be backed up centrally. 	<ul style="list-style-type: none"> e. Backups will be reviewed as part of the Virtual Infrastructure Replacement Project by 2023
15. Corporate Email	<ul style="list-style-type: none"> a. Email is available for all Council staff and Service Partners. b. Webmail is available and secured by dual factor authentication. c. MDM is used for email security on managed mobile devices. d. All email to and from council email addresses is secured and encrypted. 	<ul style="list-style-type: none"> e. Review Exchange Server email system in 23/24
16. Public Sector Network (PSN)	<ul style="list-style-type: none"> a. Retain PSN code of compliance while there is a requirement. 	
17. Video Conferencing and multi media communications	<ul style="list-style-type: none"> a. Video Conferencing facilities are available in various Council locations including schools. b. VC connection is provided through the Shetland College. c. Webex for collaborative and remote working. d. Skype is available for use throughout the Council. e. Support School Service with VScene to support blended learning. 	
18. Internet and Intranet	<ul style="list-style-type: none"> a. Current website provided on outdated Content Management System (CMS) b. Intranet provided on Sharepoint 	<ul style="list-style-type: none"> c. Implement new Website and new CMS platform in 2019/20 including digital forms. d. Implement new Intranet for Team Sharing purposes.
19. Digital First	<ul style="list-style-type: none"> a. Supporting Business Transformation and Services Redesign Programmes to deliver 21st Century digital Services. 	



Meeting(s):	Shetland Islands Council	3 July 2019
Report Title:	Public, School and Adult Social Care Bus Transport - Strategic Outline Case	
Reference Number:	DV-21-19-F	
Author / Job Title:	Robina Barton – Transport Policy and Projects Officer	

1.0 Decisions / Action Required:

1.1 That the Council **RESOLVES** to: -

1.1.1 **NOTE** that the Public and School Bus Transport Business Case (Min Ref 47/18) has been revised to incorporate Adult Social Care Transport, with Peter Brett Associates appointed to provide the additional resources required to support the Business Case Development.

1.1.2 **NOTE** that the preferred way forward for public, school and adult social care transport in Shetland detailed in the Strategic Outline Case (SOC) in Appendix 1 comprises three components; namely: -

- (a) For Public Bus Transport – a network of services based on the current network grounded in a hierarchy of travel needs factors established through public engagement, with refinements to take advantage of opportunities for efficiency, and a framework to support any decisions to modify the network to meet financial constraints.
- (b) For School Bus Transport – a network of dedicated services and public transport based services that provides transport to entitled pupils in compliance with the Council's prevailing policy criteria described in the Council's School Transport Policy.
- (c) For Adult Social Care Transport – a range of services to meet entitlement for client travel requirements based on an assessment of need grounded in social care legislation.

1.1.3 **DELEGATE AUTHORITY** to the Director of Development Services, working with the Lead Officer of ZetTrans, to take any decisions and action required on behalf of the Council to develop the Outline Business Case for the preferred way forward described in paragraph 1.1.2 above for each of the Public, School and Adult Social Care Bus Transport Networks for consideration at the Council in October 2019.

2.0 High Level Summary:

2.1 This report presents a Strategic Outline Case for the provision of a network of public, school and adult social care road transport services throughout Shetland.

2.2	It describes a preferred way forward that addresses the Investment Objectives, Business Needs and Critical Success Factors established in relation to local and national strategy and policy, in consultation with key stakeholders.
2.3	The preferred way forward is the provision of a network of services broadly similar to the current network.
3.0 Corporate Priorities and Joint Working:	
3.1	The Council's Corporate Plan states as one of its five top political priorities, "Provide quality transport services within Shetland, and push for improvements in services to and from Shetland" (Our Plan – 2016 – 2020).
3.2	The Council works closely with ZetTrans, as the main partner, to deliver its transport priorities along with NHS Shetland and Highlands and Islands Enterprise.
4.0 Key Issues:	
4.1	The current contracts for the network of School and Public Bus Services expire on 16 August 2020. In order to ensure continuity of services it is necessary to have in place new contracts from 17 August 2020.
4.2	Transport is referred to in a range of community planning policy and strategy contexts in Shetland, which collectively describe what is required of Shetland's public transport network. These are described in detail in the SOC (Appendix 1).
4.3	The Council's School Transport Policy defines the policy on entitlement to School Transport – allowing for greater entitlement than National statutory minimum levels.
4.4	Adult Social Care Transport entitlement is based on an assessment of individual need grounded in social care legislation and local policy.
4.5	Using the Treasury '5-Case Model' and supplementary guidance, which the Council has adopted, the SOC builds this legislation and policy along with a range of other parameters, into a process to: - <ul style="list-style-type: none"> • Establish the strategic context for the project • Make the case for change • Identify and agree Business Needs, Investment Objectives and Critical Success Factors against which a range of service options can be appraised. • Identify and agree a long list of service options • Review the long list of options to establish a short list of options to be taken forward to the Outline Business Case • Agree the preferred way forward
4.6	The Investment Objectives reflect the Business Needs identified. As recommended by the Treasury guidance they are based on the following key goals for investment and expenditure – Compliance, Replacement, Effectiveness, Efficiency and Economy.
4.7	Critical Success Factors (CSFs) are conditions that must be met if the project is

to be considered a success. The CSFs for this project pertain to strategic fit, value for money, supply-side capacity, affordability and achievability. They were derived from corporate and community planning policies and strategies, in particular Shetland Islands Council Service Redesign Programme, Shetland's Partnership Plan 2018-28 and Shetland Transport Strategy 2008 (refreshed in 2018). They were verified with a Project Team of key stakeholders at a workshop held on 11 June 2019 and will be reviewed and refined over the course of the Business Case process which will include ongoing input from stakeholders and community engagement.

- 4.8 A longlist of 21 possible service options was generated in relation to the following categories:
- service scope
 - service solution
 - service delivery
 - service implementation
- 4.9 Each longlist option was assessed against the Investment Objectives, Business Needs and CSFs, resulting in a list of preferred, possible and discounted options for each category.
- 4.10 The preferred options from each category were combined to provide a preferred way forward or 'reference case'. Other preferred and possible options were combined to provide alternative more ambitious and less ambitious ways forward. The resulting 4 possible ways forward, found on p.41 of Appendix 1, and a 'do minimum' alternative will be carried forward for further appraisal within the Outline Business Case.
- 4.11 This SOC has established the preferred way forward is a network of services broadly similar to the current circumstances. This provides a confidence that the current transport network, which was designed through public consultation, with packaging of contracts to create efficiencies, is providing a generally reasonable level of service (although there known gaps in services geographically and in terms of days of the week and times of the day for some).
- 4.12 Enhancements to this level of service could generate significant community benefits through addressing the known gaps (and any further issues that arise from engagement/ consultation). Conversely, a reduction from this level of service could result in negative social and economic impacts. The Outline Business Case will involve a detailed examination of the risks and benefits associated with each of the possible ways forward and a clear explanation of how different options have been evaluated and recommendations reached.
- 4.13 Benefits and risks will be identified through consultation and considered in relation to the Public Sector and the wider community. Benefits will be weighted and classed as cash releasing, financial non-cash releasing, quantitative and qualitative. Again the OBC will include clear explanations of how appraisal is carried out, what is taken into account and the rationale behind conclusions reached.
- 4.14 A delivery plan to achieve the Full Business Case is given on pages 48 and 49 of Appendix 1. From this it can be seen that the intention is to present the Outline Business Case to Council and ZetTrans for approval in October 2019 and the Final Business Case by mid-January 2020.

5.0 Exempt and/or Confidential Information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	Through various means service users, communities and stakeholders have been involved in establishing the needs to be addressed by the public, school and adult social care bus transport networks. As the Business Case process continues there will be further engagement with the Shetland community and a wide range of key stakeholders to inform the refinement of the investment objectives and critical success factors, and identification of the benefits and risks associated with options taken forward from the SOC for further exploration.
6.2 Human Resources and Organisational Development:	There are no human resources or organisational development issues arising immediately out of this report.
6.3 Equality, Diversity and Human Rights:	An Integrated Equalities Impact Assessment will be carried out as part of the Business Case process.
6.4 Legal:	A legally compliant European Union procurement exercise was carried out and a Framework Agreement entered into with a number of successful service providers. Contracts for specific services shall be concluded in accordance with the procedures specified in the Framework Agreement.
6.5 Finance:	There are no financial implications arising from this report, however costs associated with preparing the OBC to be reported later this year will be met from within current Development Services resources. This project will contribute to savings within the Service Redesign Programme, in line with the requirements of the Medium Term Financial Plan.
6.6 Assets and Property:	There are no Assets and Property issues arising immediately out of this report.
6.7 ICT and New Technologies:	There are no ICT or New Technologies arising immediately out of this report.
6.8 Environmental:	There are no environmental issues arising immediately from this report.

6.9 Risk Management:	<p>Shetland's public, school and adult social care bus transport networks are important to the social and economic wellbeing of Shetland. Failure to conduct a thorough Business Case approach to the making decisions on the future network of services would undermine the capacity of the Council and ZetTrans to make informed investment decisions that can be shown to be based on policy aims and objectives. This could lead to unintended or unexpected consequences in terms of effective delivery of community planning objectives and outcomes. Furthermore, the Business Case approach will mitigate risk of unsustainable financial consequences that may arise out of inadequate account being taken of Shetland Islands Council's financial position and priorities.</p>	
6.10 Policy and Delegated Authority:	<p>ZetTrans has functional responsibility to secure transport services in Shetland under the Transfer of Functions to the Shetland Transport Partnership Order 2006.</p> <p>The Council has reserved authority for the determination of matters of new, or variation to, strategic policy.</p>	
6.11 Previously Considered by:	<p>None.</p>	

Contact Details:

Robina Barton, Transport Policy and Projects Officer

Robina.Barton@shetland.gov.uk

Date Cleared: 27 June 2019

Appendices:

Appendix 1 – Public Bus School and Social Care Transport Business Case Strategic Outline Case 190625 Final

Background Documents: None.



now part of



Public Bus, School and Adult Social Care Transport Business Case

Strategic Outline Case

On behalf of **Shetland Islands Council**



Project Ref: 45602/5503 | Rev: AA | Date: June 2019

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


Project Name: Public Bus, School and Adult Social Care Transport Business Case

Project Ref: 45602/5503

Report Title: Strategic Outline Case

Doc Ref: 001

Date: 27/06/2019

	Name	Position	Signature	Date
Prepared by:	Alastair Mackie	Associate		27/06/2019
Reviewed by:	Bob Pinkett	Director		27/06/2019
Approved by:	Bob Pinkett	Director		27/06/2019
For and on behalf of Peter Brett Associates LLP				

Revision	Date	Description	Prepared	Reviewed	Approved
1	21/06/19	Changes arising from Project Board and internal stakeholders review	AM	BP	BP

This report has been prepared by Peter Brett Associates LLP ('PBA') on behalf of its client to whom this report is addressed ('Client') in connection with the project described in this report and takes into account the Client's particular instructions and requirements. This report was prepared in accordance with the professional services appointment under which PBA was appointed by its Client. This report is not intended for and should not be relied on by any third party (i.e. parties other than the Client). PBA accepts no duty or responsibility (including in negligence) to any party other than the Client and disclaims all liability of any nature whatsoever to any such party in respect of this report.

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1 Introduction

1.1 Purpose of the Business Case

- 1.1.1 This Strategic Outline Case (SOC) is a key element in the development of Shetland Islands Council's (SIC) 'Public Bus, School and Adult Social Care Transport Business Case'. By developing and testing strategic options ZetTrans and the Council can procure the next generation of public, school and social care transport networks more effectively, to operate after the current contracts expire in August 2020. Secondly through this review the Council will establish strategic options and financial models for managing better the long-term costs of providing transport services in Shetland.
- 1.1.2 This SOC has been prepared using the HM Treasury Five Case Model¹, which is the standard adopted by Shetland Islands Council for the preparation of Business Cases. The SOC will address each of the 'Five Cases', covering the strategic case, the economic case, the commercial case, the financial case and the management case.

1.2 Scope

- 1.2.1 The service scope includes:
- Public local bus services
 - School transport services (excluding air and ferry service for pupils which are covered in related business plans) – buses and taxis
 - Social care transport services – buses and taxis
- 1.2.2 Transport services which are excluded from this review include:
- Air and ferry services (as they are part of separate reviews)
 - Tourist coach services and charters
 - National Health Service non-emergency patient transport and ambulance services
- 1.2.3 Opportunities for synergies and integration with transport systems not in scope will however be considered at a strategic level.
- 1.2.4 The geographical scope is all of the 16 inhabited Shetland islands:
- Mainland, Yell, Unst, Fetlar, Whalsay, Housay, Bruray, Bressay, Fair Isle, Foula, West Burra, East Burra, Trondra, Muckle Roe, Papa Stour, Vaila

1.3 Context

- 1.3.1 Research undertaken by Shetland Islands Council (SIC) and ZetTrans staff to date has established a number of current and future operational and funding issues to be addressed. The Council is currently engaged in a wider Service Redesign Programme across a range of directorates and service areas, and this business case is therefore part of the ongoing Council review programme.

¹ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

- 1.3.2 A SIC Project Board and Project Team structure for the transport business case has been established and details of its remit and composition is set out in section 11.
- 1.3.3 Peter Brett Associates, now part of Stantec, has been appointed to provide independent technical support, analysis and critical review to the Project Team.

1.4 Structure and Content

- 1.4.1 This SOC has been prepared using the agreed standards and format for business cases.
- 1.4.2 The approved format is the HM Treasury Five Case Model, which comprises the following key components:
- The **strategic case**. This sets out the strategic context and the case for change, together with the supporting investment objectives for the scheme
 - The **economic case**. This demonstrates that the organisation has selected a preferred way forward, which best meets the existing and future needs of the service and is likely to optimise value for money (VFM)
 - The **commercial case**. This outlines what any potential deal might look like
 - The **financial case**. This highlights likely funding and affordability issues and the potential balance sheet treatment of the scheme
 - The **management case**. This demonstrates that the scheme is achievable and can be delivered successfully in accordance with accepted best practice.
- 1.4.3 The HM Treasury Guide to Developing the Project Business Case (2018)² has been used as template for the contents of this Strategic Outline Case.

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf

2 The Strategic Context

2.1 Organisation Overview

- 2.1.1 The Development Service of Shetland Islands Council is one of the five Council Directorates and the Transport Planning Service, which holds the budget for the funding of the public bus network and school transport services, sits within this area. Other transport services are procured on behalf of the Children's Service and Health and Social Care directorates.
- 2.1.2 The functional responsibility for public bus services lies with ZetTrans, Shetland's Transport Partnership. The Transport (Scotland) Act 2005 established the need for Regional Transport Partnerships and ZetTrans was established in December 2005, as an independent statutory body.
- 2.1.3 Under Sections 63 and 64 of the Transport Act 1985 there is a duty placed upon local authorities "to secure the provision of such public transport services as the council considers it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose". This duty was transferred from Shetland Islands Council to ZetTrans when the Regional Transport Partnership was established.
- 2.1.4 School transport services are the responsibility of Shetland Islands Council as the local Education Authority and must comply with Section 51 of the Education (Scotland) Act 1980, as amended, which requires the Council to make such arrangements as they consider necessary for the provision of school transport and transport facilities on such terms and conditions as may be arranged, and to pay all or part of reasonable travelling expenses for school pupils residing in their area and attending designated schools. Section 42(4) of the 1980 Act defines the statutory walking distance for school pupils as being 2 miles for any pupil under the age of 8 years of age and 3 miles for any other pupil.
- 2.1.5 Some children require specialist travel support to enable them to access their education, where they have been assessed to have Additional Support Needs (ASN). In these circumstances while the statutory distance limits for mainstream pupils in theory apply the assessment of the complete package of education and care for the pupils is undertaken by Education officers, who then may request transport to be provided by the Transport Planning Service.
- 2.1.6 Meeting the travel needs of adult social care clients is also the responsibility of the Transport Planning Service, who hold the client travel budget, but who act on instructions arising from a social worker's assessment of personal needs (and how that translates into travel requests to enable the client to access a range of social care services and activities).
- 2.1.7 The overarching rationale for this business case is the need to re-procure public, school and social care transport contracts so that services are in place after the current contracts expire in August 2020.
- 2.1.8 The current annual cost of the bus network is £5.352m, made up of: Public Service £2.302m; Education Transport £2.342m; ASN & Social Care Transport £0.708m (from February Environment & Transport Committee 2019 budget report).
- 2.1.9 These figures all relate to contract costs and are revenue budgets. There are currently no capital budgets related to local bus services, education or social care transport in Shetland.

2.2 Alignment to Existing Policies and Strategies

- 2.2.1 The Council collectively works to achieve a number overarching corporate objectives and each Directorate has service specific strategies and policies to work to. These strategies and

policies are considered in detailed in the following section, drawing specific attention to links to this transport review and meeting the future travel needs of users and clients.

Shetland Islands Council Policies and Strategies

Our Plan - 2016 to 2020

- 2.2.2 “Our Plan” is the core corporate plan for the Shetland Islands Council and it is regularly reviewed to provide a strategic direction for all Council services. It provides information on the issues facing Shetland, including its population and the growth of its economy.
- 2.2.3 On transport and access to services Our Plan 2016 to 20 states:
- *“There will be transport arrangements in place that meet people’s needs and that we can afford to maintain in the medium term”*
 - *“Our communities will feel better connected using new community transport solutions developed by communities themselves”*
 - *“We will have a clearer understanding of the options and investments needed to create a sustainable internal transport system over the next 50 years”.*
- 2.2.4 These objectives form the main strategic drivers in relation to the need to provide school and public bus services beyond the end of the current contract period (i.e. from August 2020 onwards). They must be viewed in the context of other organisational strategies to which the Council and ZetTrans are committed as community planning partners.
- 2.2.5 Meeting the needs of the communities is at the heart of the plan and therefore it identifies the ethos for delivering services. The Council’s values are confirmed as ‘excellent services, working well together and taking personal responsibility’.
- 2.2.6 The Shetland Islands Council Customer Charter states that:
- We will:*
- *Respond promptly when you contact us*
 - *Resolve issues as quickly as possible*
 - *Be polite, helpful and professional at all times*
 - *Treat everyone with equity and fairness*
 - *Communicate clearly, avoiding jargon*
 - *Maintain confidentiality, ensuring only those who need to see your information do so*
 - *Take responsibility and rectify any mistakes we make*
 - *Use your views to help us improve the way we do things*
- 2.2.7 These values are recognised and adhered to in the delivery of transport for users, pupils and clients by the Transport Planning Service and ZetTrans.

Shetland’s Partnership Plan (2018-2028)

- 2.2.8 The Shetland Partnership brings together representatives from the public, private and voluntary sectors, community councils and Shetland Charitable Trust. It is the main statutory

Local Outcomes Improvement Plan, developed to take a long term view of how Shetland will realise it's ambitions for growth and sustainability.

2.2.9 The Community Empowerment (Scotland) Act 2015 requires all Community Planning Partnerships to produce a Local Outcomes Improvement Plan (LOIP) and the Shetland Partnership meets that statutory requirement.

2.2.10 The Plan seeks to deliver on key ambitions and objectives, including:

- *Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges*
- *Partner agencies work to align existing plans, strategies and partnerships with priorities to reduce inequality of outcome in Shetland*
- *Priorities and ambitions assessed to identify any potential social, economic, environmental, equality and rural proofing impacts and adapted accordingly*
- *Focuses on where partners' collective efforts can add most value for their local communities, with particular emphasis on reducing inequalities, improving outcomes for most vulnerable and moderating future demand for crisis services.*

2.2.11 With the Partnership Plan the Shetland Islands Council Shared Priorities are identified:

- *People – individuals and families can thrive and reach their full potential*
 - *The number of vulnerable people and households in Shetland will be considerably reduced as a result of people being enabled and empowered to address the issues they face.*
- *Participation – people can participate and influence decisions on services and use of resources*
 - *Staff from across the Shetland partnership will be actively seeking to involve communities in decision making and service delivery.*
- *Place – Shetland is an attractive place to live, work, study and invest*
 - *Public Transport is the top priority identified by Shetland Communities*
- *Money – all households can afford to have a good standard of living*
 - *Households will be supported to minimise their outgoings with low-income households benefitting from reduced bills including food, energy and travel*

2.2.12 There are specific targets, which often can only be delivered through the support for and the further development of an effective transport network:

- *98% of school leavers will be participating in learning, training or work in 2021, rising to 100% in 2028 (currently 97.4%)*
- *90% of people will feel that they are part of their community in 2021, rising to 95% by 2028*
- *65% of people are satisfied with local services (health care, schools and public transport in 2021, rising to 75% in 2028 (currently 59%)*

- *The Place Standard Average Score for Public Transport improves from the 3.6 baseline to 5 (NB 7 = less improvement needed, 1 = more improvement needed)*
- *Carbon emissions are reducing faster than the Scottish average by 2021 and within 20% of the Scottish average by 2028 (carbon emissions currently 73% higher than Scottish average).*
- *The percentage of households in Shetland who do not earn enough to have an acceptable standard of living will have fallen to 35% in 2021 and 25% in 2028 (currently 49%)*
- *Locality Planning will be delivering improved outcomes in at least one community by 2021, and inequality of outcome between areas will have reduced by 2028*

2.2.13 The Partnership Plan therefore provides a strategic framework for delivering transport in the Shetland Islands for the next 10 years and by setting specific targets for transport outcome improvements it forms strong basis for developing both this strategic case and the detailed assessment of options.

10 Year Plan to Attract People to Live and Work in Shetland (2017)

2.2.14 As part of the Partnership Plan specific work was undertaken to understand and address key demographic issues which, if successful in delivering population growth, will have specific transport impacts. In particular the growth in access to school, jobs and new homes will require existing transport networks to be reviewed and strengthened to meet emerging new demands.

2.2.15 The report identifies its targets and how they will be measured:

In 2028 Shetland will:

- *Be an island of opportunity for young people, businesses and investors;*
- *Be a vibrant and positive student destination;*
- *Have a more balanced demographic profile and a growing population underpinned with more private sector jobs.*

How will we measure success?

- *Creation of 700 new private sector jobs based in Shetland by 2028. Interim target of 300 by 2022.*
- *Grow the FTE student population by 20% by 2028 (currently 178 FE and HE students)*
- *A more balanced demographic profile (in line with the Scottish average) with 20% of the population aged 16-29 years by 2028 (currently at 16%).*
- *Annual apprenticeship registrations rising to 175 by 2028 (currently at 127)*

2.2.16 The plan states that “working in partnership is vital in order to realise the ambitions in this plan, an ambitious growth plan such as this requires support from all community planning partners, the community itself as well as Scottish and UK Governments. Housing and transport are key components of any talent attraction strategy, particularly in an island community such as Shetland. However, refreshed strategies and plans for Transport and Housing...have been refreshed to align themselves to the ambitions in this plan.”

- 2.2.17 It is acknowledged that the plan for population growth requires Community Partner buy-in, noting that “Constituent partner agencies to take a project based approach to this action plan, prioritising and committing resources as required.”
- 2.2.18 “Lack of housing to accommodate incoming workers and families” was identified as a key risk. It also stated that “accommodation is a key concern for young people wishing to return or stay in Shetland.” Any housing development would have knock-on effects on the demand for internal transport links.
- 2.2.19 Targeted support for industry growth sectors should include “infrastructure to support business growth” and a “Tourism Strategy which will aim to increase the number of non-cruise ship tourists to Shetland.” Both of these ambitions are closely related to enhancing internal transport links.
- 2.2.20 Surveys undertaken among the general community, the business community and young people in 2014, were utilised in developing the Plan. The following key points came out of the consultation in relation to internal transport:
- *Community - Transport cost and availability (both internally and externally) ... if you don't have a car, commuting can be challenging*
 - *Business Community - (There are) good internal transport infrastructure – short commuting times... (need to ensure) that internal transport costs were affordable for young people and people on low incomes.*
 - *Young People - There should be better transport links at the weekend, but knowing some services are better used than others there could be a pre-booking ticketing scheme either online or by phone. The services should be more consistent based on need across all rural areas. It would also be to have Wi-Fi on the service, particularly on longer routes. A survey should be conducted with young people to find out when and where they require public transport, providing a report to demonstrate the demand. This includes gathering requests from young people including, “second bus time in Yell/Unst at weekend nights” and emergency options if you miss the last bus.*
 - *Young people articulated a vision for the future in which: “Improvements have been made to transport, with a new rail link between Unst and Sumburgh. The demand for buses has been recognised and the timetable reflects the needs to the community requirements. Access to technology on transport has also increased particularly on the longer journeys. The faster internet expansion has helped support better communication between communities, however there is awareness that this could further isolate young people.”*

Shetland – Our Place - Place Standard Final Report (2017)

- 2.2.21 The Place Standard consultation and reporting methodology is identified as the best way of achieving an understanding of attitudes by inviting people to rank the place they live against 14 different themes. This approach to joint consultation in developing strategies and agreeing priorities ensures consistency in engagement, as well as saving resources and avoiding duplication.
- 2.2.22 It has influenced the development of the following key strategies:
- Shetland Islands Health and Social Care Partnership’s Joint Commissioning Plan
 - The 2008 Shetland Transport Strategy as refreshed for 2018-2020
 - Local Outcomes Improvement Plan
 - Shetland Local Housing Strategy

- Shetland Strategy for Physical Activity and Sport
 - Local Development Plan
 - Community Profiles and Plan
- 2.2.23 At the core of the final report are the results of an extensive public consultation. 939 people provided valid responses and made 4,840 individual comments. Of those who completed the survey, 605 were female (64%) and 334 were male (36%). Key findings relevant to this review include:
- *Overall the Shetland community has rated Public Transport as their No.1 priority (14.5%).*
 - *Overall the Shetland community has given Public Transport an average rank of 3.6/6.4.*
- 2.2.24 The highest percentage response was in Lerwick & Bressay (26%). Lowest in Whalsay & Skerries (6%). Between areas the following priorities were identified:
- *Central, North, South, West, Whalsay and Skerries placed public transport as their No.1 priority.*
 - *North Isles ranked Public Transport their No. 2 priority (behind Work & Local Economy).*
 - *Lerwick and Bressay ranked Public Transport their No. 3 priority (behind Housing & Community, and Work & Local Economy).*
- 2.2.25 The highest percentage response was in 45-54 age group (26.2%), and the lowest in the 75+ age group (3%):
- *For the 25 to 74 age group, Public Transport was chosen as where most improvement is needed,*
 - *For those aged 16 to 24, Public Transport is ranked 2 as the area where most improvement is required*
 - *Those over 75 chose Public Transport as where most improvement is needed*
- 2.2.26 Through the consultation the following matters were raised as 'public transport key issues':
- *Frequency of bus and ferry services*
 - *Affordability of transport*
 - *Distance to bus stops and quality of bus shelters.*
 - *Timetables and service information are not easy to understand*
 - *Integration between services – including between bus and ferry and air*
 - *Need for improved access to health facilities*
- 2.2.27 In summary the Place Standard consultation has been invaluable in informing and shaping the development of a business case for delivering efficient and effective public buses, school and social care transport.

On Da Level (Shetland's Commission on Tackling Inequalities) (2016)

- 2.2.28 The Shetland Partnership Board identified inequalities as key issue to address in its community planning initiatives and therefore established Shetland's Commission on Tackling Inequalities. "On Da Level" is the main report of the findings of the commission and transport inequalities are identified to be addressed in further work.
- 2.2.29 The cost, quality and the lack of transport is noted in the review, through comments from individuals and communities addressing inequality. A key aspiration is to address the cost of travel, as part of a general review of income inequalities:
- *Low income households are supported to reduce their household bills, such as food, energy and travel*
- 2.2.30 It is acknowledged that, even with no public funding constraints, the public transport network will never be comprehensive enough to offer the same level of access and convenience as a private vehicle. In other words, in most areas of Shetland, including the peripheral areas of Lerwick, a car is necessary to ensure access and choice to employment and opportunities. Evidence highlights specific constraints:
- *The cost of public transport is high for individuals, if not entitled to concessions: this is preventing people accessing volunteering and work placements that could support them to move into employment*
 - *For those who are unwell and living in remote areas, the challenge (and cost) of public transport can be prohibitive, e.g. accessing Work Capability Assessments (WCA);*
 - *Multi-journey fares ironically means that those more able to afford to buy a book of tickets at a time can get cheaper fares*
 - *Not all households have a driving licence, or the resources to obtain one*
 - *An issue for young people in Shetland is the cost of car insurance, as well as the cost of obtaining a driving licence*
 - *The network and timings remain a challenge for young people, e.g. the lack of a bus from the college to Lerwick at 3.30pm*
- 2.2.31 To date, it had been assumed that the barrier to vulnerable people accessing opportunities was a lack of availability of buses; evidence gathered for the Commission exposed the lack of affordability as a bigger issue for those on benefits and wishing to move into employment.
- 2.2.32 The cost and availability of transport influence individuals' ability to gain access to employment, services and social opportunities. Travel concessions are available for external and internal travel; some are provided at a national level and others are local. At the individual and household level, travel is prohibitive for those on lower incomes, particularly those not entitled to concessions. This can lead to debt to meet costs if people are forced to travel (e.g. family bereavement, hospital visits and family crisis).
- 2.2.33 Previous research highlighted that, in most areas of Shetland, including the peripheral areas of Lerwick, a car is necessary to ensure access to and choice of employment and opportunities. It had been assumed that the barrier to vulnerable people accessing opportunities was a lack of availability of buses; however, evidence has demonstrated that inability to afford fares, for example for those on benefits who wish to move into employment, is also an issue. Those groups that benefit from discounted or free travel are not necessarily those that, financially, need it most.

Transport Strategies

- 2.2.34 The framework for transport delivery on Shetland was established through the Shetland Transport Strategy (2008), which is the statutory Transport Plan for the Shetland Transport Partnership, ZetTrans. This plan has been updated more recently to reflect current issues, operations and future plans, through the Shetland Transport Strategy Refresh (2018-2028).

Shetland Transport Strategy Refresh (2018-2028)

- 2.2.35 The Shetland Transport Strategy Refresh (STSR) contains a specific intervention to review the public bus network in line with ZetTrans' 3 strategic objectives:

- **Strategic Objective 1** - *To underpin Shetland's economy by enabling individuals to access employment and training and businesses to access labour markets, customers and suppliers.*

This strategic objective broadly aligns with the Money priority of Shetland's Partnership Plan – "All households can afford to have a good standard of living"

- **Strategic Objective 2** - *To support Shetland's communities by enabling individuals, families and localities to thrive socially, physically and economically.*

This strategic objective broadly aligns with the People priority of Shetland's Partnership Plan – "Individuals and families can thrive and reach their full potential"

- **Strategic Objective 3** - *To conserve Shetland's environment by enabling the reduction of detrimental transport impacts on Shetland's unique natural resources.*

This strategic objective broadly aligns with the Place priority of Shetland's Partnership Plan – "Shetland is an attractive place to live, work, study and invest"

- 2.2.36 The review identifies the need that the STSR Delivery Plan should be fully aligned with these Strategic Objectives and wider Council strategic objectives. The development of a business case review of the transport contracts will be consistent with the strategic objectives of ZetTrans.

Financial Strategies

- 2.2.37 The development of a business case to achieve change in a service such as transport will invariably be set in the context of current and future budgets and expenditure. At a time of public sector austerity paying close attention to the financial impacts of a range of options becomes even more important. The current financial conditions are considered in the overall annual budget setting and medium term financial planning.

Shetland Islands Council Medium Term Financial Plan (2018/19 – 2023/24)

- 2.2.38 The Council's Medium Term Financial Plan (MTFP) outlines the Council's financial position and notes that there is a projected shortfall in funding from 2019/20 and onwards. Officers were instructed to develop a set of options that deliver £15.6m of cost reduction over the next five years:

"The MTFP emphasises that action needs to be taken now to achieve future savings and that changes that are proposed and implemented have to move the Council towards the achievement of the Corporate Plan and contribute to the Shetland Partnership Plan outcomes."

- 2.2.39 It was agreed by the Council in August 2018 and has subsequently informed the Budget set in February 2019 (see below)

- 2.2.40 On local bus service provision the MTFP notes:

- 2.2.41 *Other transport costs, the buses, are also funded to a different level in Shetland because of they are on a scale and with a volume of customers that makes many, if not all, routes uneconomical to operate and therefore only exist due to Council subsidy. Other Councils do not have to provide significant levels of funding for the Services because the private sector fills that gap.*
- 2.2.42 Therefore the unique operating circumstances of public transport are recognised, but the service is not immune from the requirement to deliver revenue budget savings where possible.
- 2.2.43 The wider Service Redesign Programme is identified as part of the review in the MTFP and while not explicit in the MTFP the current development of a business case for public bus, school and social transport is part of the overall SRD:

Service Redesign Programme: a wide range of projects being developed by the Corporate Management Team, specifically targeted to review and consider options for future service delivery with a focus on outcomes and financial constraints. Also included are appropriate projects that address early intervention and prevention opportunities that have been identified. All the projects have a major contribution to achieving the change required and to balance future budgets and the Building Better Business Case approach will be used to ensure that decisions are made with the appropriate work having been carried out and information presented.

- 2.2.44 The Council's Policy and Resources Committee in 2018 approved the Service Redesign Programme. There is commitment by senior officers to reduce the costs of the bus contracts by £500k per annum.

The Council Budget Book (2019/20)

- 2.2.45 The 2019/20 Council Budget Book is a detailed financial plan that works with the more strategic Medium-Term Financial Plan to meet Council strategic financial objectives on a yearly basis. The most recent Budget was agreed in February, 2019 and it echoes the review of financial pressures and options facing Shetland set out in the MTFP. While there is no explicit reference to local bus or other service transport provision it notes the objectives set for the Service Redesign Programme (and therefore the value of undertaking the current business case development for transport).

National Policies and Strategies

National Transport Strategy (2006)

- 2.2.46 The National Transport Strategy, published in 2006, set a framework for transport in Scotland for a twenty year period. It proposed a single transport vision, set five high level objectives and targeted achieving three key strategic outcomes.
- 2.2.47 High Level Objectives:
- *Promote economic growth by building, enhancing, managing and maintaining transport services, infrastructure and networks to maximise their efficiency;*
 - *Promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;*
 - *Protect our environment and improve health by building and investing in public transport and other types of efficient and sustainable transport which minimise emissions and consumption of resources and energy;*
 - *Improve safety of journeys by reducing accidents and enhancing the personal safety of pedestrians, drivers, passengers and staff; and*

- *Improve integration by making journey planning and ticketing easier and working to ensure smooth connection between different forms of transport.*

2.2.48 Key Strategic Outcomes

- *Improved journey times and connections, to tackle congestion and lack of integration and connections in transport*
- *Reduced emissions, to tackle climate change, air quality, health improvement*
- *Improved quality, accessibility and affordability, to give choice of public transport, better quality services and value for money, or alternative to car.*

2.2.49 Clearly the NTS provides the framework for ZetTrans and all of the work of the Transport Planning Service in Shetland, and it has proved to be highly relevant in setting transport policies and strategies for the Shetland Islands since 2006.

2.2.50 In 2016 the Government published National Transport Strategy Refresh, which has updated the text of the NTS where required but generally restates the National Transport Strategy framework as set out in 2006. A full review of the NTS commenced in 2016 and undertook consultation on the principles of the new NTS in 2017.

The Climate Change (Scotland) Act 2009

2.2.51 There will need to be continuing work on reducing carbon emissions to support the Council's duty under the Climate Change Act. Ensuring that an efficient sustainable travel network is available to residents and visitors to the Shetland Islands will play an important role in meeting these statutory duties.

Education legislation and policies

2.2.52 Education is provided at pre-school, primary and secondary levels in the Shetland Islands, at 15 primary schools, 5 junior high schools, 2 high schools and 2 colleges. In accordance with the Education (Scotland) Act 1980, the provision of education is the responsibility of local authorities who perform the function of education authority. Education has to be flexible to fit individual needs, be tailored to 'age, ability and aptitude' (Education (Scotland) Act 1980) and aims to develop the 'personality, talents and mental and physical abilities of children and young persons to their fullest potential' (Standards in Scotland's Schools etc. Act 2000). Support for pupils to travel sustainably and to encourage active travel to schools is required under the Schools (Health Promotion and Nutrition) (Scotland) Act 2007.

2.2.53 Ensuring that children can attend school is a prime objective of the Education (Scotland) Act 1980 legislation and is the framework for the current policies and levels of school transport provision in the Shetland Islands.

The Education (Scotland) Act (1980)

2.2.54 The Act makes specific reference to the provision of education by Education Authorities and the rights and duties of parents, as well as setting out the functions of Education Authorities in relation to individual learners.

2.2.55 Entitlement to assistance with home to school travel is primarily secured through the provisions of The Education (Scotland) Act (1980), sections 51, 60 and 61. Pupil support is determined by maximum walking distances for mainstream school pupils, with further assessments on personal needs undertaken for pupils with Additional Support Needs.

2.2.56 The statutory maximum walking distances are 2 miles for pupils who have not reached their eighth birthday and 3 miles for pupils aged eight years and over. In the winter period (October

half term to Easter) the Shetland Islands Council also provides discretionary home to school transport for all pupils who live more than 1.5 miles from their school.

- 2.2.57 The legislation also enables Councils to offer vacant seats on school transport to pupils who are not otherwise entitled to statutory support through maximum distances. Where parents decide to use a placing request to send their child to an alternative school (i.e. not their designated school) they will be responsible for their child's transport, utilising their own transport or vacant places if available.
- 2.2.58 Advice to parents on school transport entitlement is provided in the Shetland Island Council's School Transport Policy, last updated in 2018. This also include information on how walking distances are measured and audited as required.

Social care legislation and policies

- 2.2.59 There has been considerable change in social care and health provision over the last decade with drives towards greater integration and self directed support having impacts on how clients can access the services they need (and the transport that is required to achieve that objective).
- 2.2.60 The Public Bodies (Joint Working) (Scotland) Act 2014 set the framework for the integration of adult health and social care, with a goal of consistent provision of quality, sustainable care services for people in Scotland who need fully joined-up support and care. This is particularly important for the growing number of people with multiple, complex, long-term conditions.
- 2.2.61 For the Scottish Government the PB(JW) Act established a set of nationally agreed outcomes, which are applied across health and social care, and for which NHS boards and local authorities will be held jointly accountable. While the Act does not specifically refer to travel and transport there is an expectation that access to services would be enabled by the appropriate body and that responsibility can now be shared to achieve more effective provision.
- 2.2.62 The focus for the close working of health and social care in Shetland, as across the whole of Scotland, is the Integration Joint Board formed in 2015. Its duties and responsibilities are established through the Act and are emerging as the new body develops new ways of working. In the Act there is considerable emphasis on 'strategic commissioning', to establish the arrangements for delivery of integrated functions and this clearly offers opportunities for integrated transport provision in Shetland.
- 2.2.63 The other major change in social care policy that will impact on travel and transport is the Social Care (Self-directed Support) (Scotland) Act 2013 (SDS). Again the focus is on more effective and equitable access to services rather than specifically establishing requirements for transport. The application of SDS takes a number of forms and ensuring that the cost of transport is included to avoid it being a barrier to access is important.
- 2.2.64 Although direct payments have been available for many years, councils now have a legal duty to offer 4 options to people who have been assessed as needing a community care service:
- option 1 - a direct payment, which is a payment to a person or third party to purchase their own support
 - option 2 - the person directs the available support
 - option 3 - the local council arranges the support
 - option 4 - a mix of the above

- 2.2.65 Within this framework there are opportunities in the assessment of needs to review travel and transport requirements, to establish the most effective package for the individual but also manage resources more efficiently for collective travel.

3 The Case for Change - Spending Objectives, Current Services and Business Needs

3.1 Introduction

- 3.1.1 The main purpose of this section is to set out why change is required and the context in which that change could be delivered. This is achieved by developing investment objectives, considering the existing service arrangements that would be affected by any change and assessing the business needs that can be advanced by service change.

3.2 Investment Objectives

- 3.2.1 Making a case for new or changed priorities in expenditure in the public sector will always need a sound objectives based approach. The Treasury Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals suggests that any changes to a service should be focussed on some or all of the following key objectives for intervention and expenditure:

- To improve the quality of the outcomes - effectiveness
- To improve the delivery of outputs - efficiency
- To reduce the cost of inputs - economy
- To ensure statutory or regulatory compliance
- The procurement of services to ensure continuity - replacement

- 3.2.2 The Investment Objectives for this business case were developed and agreed at a workshop in October 2018 by Shetland Islands Council officers representing Community Planning, Economic Development, Education and Training, Health and Social Care, Housing and Transport. The Investment Objectives initially agreed for the strategic case have been reviewed and updated, including further review at a Project Team workshop on June 11th, 2019.

- 3.2.3 The Five Investment Objectives are:

- Investment Objective 1: Ensuring that ZetTrans meets its statutory duty to secure a fit for purpose network of public bus transport services (that takes account of local and national strategic aspirations) and that Shetland Islands Council meets its statutory duty to provide school and social care transport to enable access to services
- Investment Objective 2: Ensuring the continuity of public, school and social care transport services from 20th August 2020
- Investment Objective 3: Ensuring that the public, school and social care transport networks contribute to delivering the outcomes of the Shetland Partnership Plan
- Investment Objective 4: Reducing annual expenditure through the 2019/2020 procurement process
- Investment Objective 5: Meeting Investment Objective 1 in line with the financial objectives of Shetland Islands Council established by the Service Redesign Programme

- 3.2.4 Advice from HM Treasury is that Investment Objectives should be SMART – Specific, Measurable, Achievable, Relevant and Time-constrained. We have sought to meet this requirement in the objectives identified above.

3.3 Existing Arrangements

- 3.3.1 The current public bus services network is made up of mainline and feeder services, with dial-a-ride services providing additional demand responsive provision. School Transport is provided by a mix of dedicated services, taxis and use of public services where compatible. Social care transport is provided by the in house bus fleet and taxis.
- 3.3.2 Lerwick is the main service centre in Shetland and it is possible to commute to Lerwick by bus for a 9-5 work-day, and at lunch times, 6 days a week from most parts of Shetland, including the Northern Isles. Outwith Lerwick, the main service centres are Brae, Scalloway and Sandwick and it is possible to commute locally to these centres by bus for a 9-5 work-day, and at lunch times, 6 days a week. Most outlying rural areas have a local, sometimes demand-responsive, shopping service 1 or 2 days a week. In addition, there is a regular bus service linking Lerwick to the airport at Sumburgh.
- 3.3.3 This network of public and school transport services comprises 174 contracts covering 63 public services and 111 dedicated school services.
- 3.3.4 The Council has a revenue budget for services but no capital budget for public transport.
- 3.3.5 All current contracts covering public bus services and school transport services expire in August 2020. Contracts are generally procured for 5 years or less, dependent on service and user requirements. Table 3-1 Contract Costs 2019

Existing costs (£m)	Public Transport (£m)	School Transport (£m)	ASN and Social Care (£m)	Total (£m)
Current	2.302	2.342	0.708	5.352

- 3.3.6 The public bus network covers a range of travel needs related to the following Hierarchy of Travel Needs Factors, which were established from engagement with users and communities in advance of the 2014 bus contracts review.
1. Journey to work
 2. Access to training and further/higher education
 3. Access to Healthcare
 4. Access to shops (rural and Lerwick)
 5. Access to social and leisure opportunities
 6. Access to external transport link
 7. Access to tourist attractions/destinations
- 3.3.7 This hierarchy continues to be applied in strategic planning for services and is considered to be successful in matching wider council objectives. However there has been discussion at officer level whether the Hierarchy of Travel Needs Factors should be more localised as there

may be regional variations - the case being made that this change would support better, less 'Lerwick-centred' decision making. A previous review of the hierarchy at an October 2018 workshop also proposed to combine 'journey to work' and 'education/training' as priority 1:

1. Access to work, training and education
2. Access to Healthcare
3. Access to shops (rural and Lerwick)
4. Access to social and leisure opportunities
5. Access to external transport link
6. Access to tourist attractions/destinations

It may be worth revisiting this established prioritisation of services in the public engagement exercises at a later stage of this business case development, including whether a regional approach would result in different prioritisation across the Islands.

3.4 Business Needs

- 3.4.1 The development of a business case is dependent on understanding the current situation and how the investment objectives will impact on the identified issues and concerns (the business needs) – specifically what is the current service gap that undertaking the project will resolve.
- 3.4.2 For an infrastructure project the expenditure on new capital equipment or facilities, for example, can be assessed in terms of how the new investment improves effectiveness, efficiency and/or economy (see section 3.2.1 above). For a service improvement where business processes are the prime focus, such as transport contracts, there will be an imperative to achieve the objectives that increase effectiveness, efficiency, economy, but also meet statutory duties (compliance) and aids procurement (replacement).
- 3.4.3 The starting point for any review of local authority transport services will invariably be meeting the statutory duties to transport the general public, school children or social care clients, safely and securely. The fundamental requirement to provide these services arises from these statutory duties.
- 3.4.4 **Therefore, the prime business need is to continue to fulfil the Shetland Islands Council and ZetTrans transport duties and responsibilities - compliance.**
- 3.4.5 The current transport network was derived from an extensive engagement exercise with the users of services, public of Shetland, service providers and a range of agencies, in advance of the last procurement exercise. The network was carefully configured from this information to optimise routes and services as well as integrating public and school services. Contracts were designed to be effective and efficient, and this will be required in the next contract review.
- 3.4.6 **The secondary business need is to procure efficient and effective contracts for operation from 2020, to ensure continued service and therefore no challenges to the Council or ZetTrans on their statutory duties - replacement.**
- 3.4.7 Research and engagement has established that there are some areas that communities feel should be addressed. Examples are frequency, network coverage, the length of day and days of the week, coverage outwith the conventional working day, and the fact that some areas feel poorly served.
- 3.4.8 With reference to all of this it is clear that from a service perspective the current network is the minimum requirement on the basis that it meets many of the travel needs of the Shetland

public and should form the basis for the next generation of public and school bus services. With a growth in user, student and client populations, if not in the overall population of the Shetland Islands, the transport provision will need to reflect new and potentially more complex demands not currently in place.

3.4.9 A clear third business need is designing an improved network that meets identified unmet demands while maintaining services at a similar quality standard for existing users - effectiveness.

3.4.10 Resources, competition and costs of operation will be an issue as the transport operational context continues to change, whether for private bus and taxi operators or for the Council's in-house fleet. For example, the provision of public transport services is reliant on having access to enough qualified drivers. There are not currently enough young drivers coming through to replace those who have retired, or are coming up for retirement. It is clear that action will need to be taken to address this specific issue within the lifespan of the next set of contracts, bearing in mind that Shetland has very low levels of unemployment and potential drivers can find more lucrative work.

3.4.11 Although it is an important business need to reduce the unit costs of operation to secure 'more for less' the industry trends may impact on this drive to manage and use resources better, needing intervention to address these countervailing movements in costs and delivery – efficiency.

3.4.12 An overarching business need is to deliver services within a sustainable financial model. This will be defined further within the Financial Case, but with the Service Redesign Programme there is a corporate and strategic imperative to reduce costs of operation and delivery. While meeting statutory requirements sets the parameters of the service, the ability to achieve a range of savings across non-statutory provision becomes increasingly difficult as the overall balance of spending shifts away from discretionary expenditure.

3.4.13 The fifth and final business need is to address the financial pressures facing the Council in the funding of transport services and look for innovation or new contracting models to reduce input costs – economy.

4 Business Scope and Services

4.1 Potential Business Scope and Key Service Requirements

- 4.1.1 This section is important in clarifying the scope of the services that must, should or could be developed. It is a precursor to the review of a long list of options and is an essential exercise to avoid 'mission creep' where optional services are added to the business case review. This is particularly important to fix in advance of workshops or stakeholder engagement, to avoid the scope of a review being expanded (or constrained).

Table 4-1 Business Scope and Key Service Requirements

	Minimum	Intermediate	Maximum
Potential business scope	<p>Operate minimal local bus services only where the statutory role of the local authority under the Transport Act 1985 applies – where local bus services would otherwise not be provided.</p> <p>For school transport services provide transport to all entitled pupils as per Education Act 1980 statutory distances.</p> <p>For social care clients provide transport support to a minimal level to offer access to centres, employment or training.</p>	<p>Operate the current network of integrated public and school services and dedicated school transport services, including higher frequencies and level of provision than required by law.</p> <p>For school transport services provide transport to all entitled pupils as per current discretionary Council reduced walking distance limits and winter entitlement policies.</p> <p>For social care meet all current demands for client travel to centres, employment or training</p> <p>Fill any further gaps or unmet demand in service provision over the medium term approach by developing complementary measures with communities, community agencies and third sector.</p>	<p>Provide a fully integrated and dedicated public transport network alongside a dedicated school and social care transport network, meeting all statutory duties and offering wide choice through discretionary provision to an agreed level across the Shetland Islands. This will be provided through a 'mixed economy' model, with in house fleet, private contractors and a fully developed community transport sector.</p>

	Minimum	Intermediate	Maximum
Key service requirements	<p>Journey to work across Shetland</p> <p>Access to training and further/higher education from across Shetland</p> <p>Access to Healthcare across Shetland</p> <p>Access to shops (rural and Lerwick)</p> <p>Access to social and leisure opportunities across Shetland</p> <p>Access to external transport links</p> <p>Access to tourist attractions/destinations</p> <p>Access to social care facilities</p>	<p>Journey to work across Shetland</p> <p>Access to training and further/higher education from across Shetland</p> <p>Access to Healthcare across Shetland</p> <p>Access to shops (rural and Lerwick)</p> <p>Access to social and leisure opportunities</p> <p>Access to external transport links</p> <p>Access to tourist attractions/destinations</p> <p>Access to social care facilities</p>	<p>Journey to work across Shetland</p> <p>Access to training and further/higher education from across Shetland</p> <p>Access to Healthcare across Shetland</p> <p>Access to shops (rural and Lerwick)</p> <p>Access to social and leisure opportunities</p> <p>Access to external transport link</p> <p>Access to tourist attractions/destinations</p> <p>Access to social care facilities</p> <p>Higher levels of intra and inter community transport</p> <p>Lower or free fares</p> <p>Long operating days</p> <p>Highest standards of environmental performance of vehicles</p>

5 Benefits, Risks, Constraints and Dependencies

5.1 Main Benefits Criteria

- 5.1.1 The potential benefits that will be realised in relation to the Investment Objectives will be identified through stakeholder consultation before the completion of the Outline Business Case. This exercise will highlight the benefits delivered through implementation of the minimum, intermediate and maximum scope that have been defined to meet the business needs.
- 5.1.2 It is recognised that identifying the benefits and establishing appropriate measures at the strategic outline case stage can be problematic, as the project scope is being determined and refined, and service options are potentially only understood at high level at this point. Therefore, at this stage we will identify benefit categories by type, the key beneficiaries and the benefit class (which is how the benefit can be measured).
- 5.1.3 Our initial analysis suggest that the benefits will be identified in relation to the following beneficiaries:
- A. Direct Public Sector - Shetland Islands Council, ZetTrans
 - B. Indirect Public Sector - Integration Joint Board, NHS, Other Public Sector Agencies
 - C. Wider - Service Users, Non-Users, Businesses, Voluntary Sector, Wider Community
- 5.1.4 In the preliminary benefits register below we suggest that the benefits are defined under the following headings, consistent with HM Treasury guidance:
- Cash Releasing Benefits (CRB)
 - Financial but non-Cash Releasing Benefits
 - Quantifiable (or quantitative) benefits
 - Non-quantifiable (or qualitative) benefits

Table 5-1 Preliminary Benefits Register

Benefit Class	A: Direct Public Sector Benefits – to SIC/ZetTrans	B: Indirect Public Sector Benefits – to other organisations	C: Wider benefits – to individuals, household, businesses
Cash Releasing Benefits (CRB)	Reduced overall contract costs	Increase in market competition, reducing transport costs generally	n/a
Financial but non-Cash Releasing Benefits	More efficient contracts through greater integration, reducing unit contract costs More effective use of in house fleet	Transport market capacity released to be available to other sectors	Potential for reduced fares through market competition allowing council savings to be passed on

Quantifiable (or quantitative) benefits	Customer satisfaction	Increased participation in activities Client/user satisfaction	Greater access to services improving life chances for users
Non-quantifiable (or qualitative) benefits	Improved public image of services	Improved public image of services	Economic, social, cultural, health and wellbeing benefits

5.2 Main Risks

- 5.2.1 An initial review of business and service risks associated with the design of this project is shown below, together with their possible mitigation. Further risks related to development of the project options will be identified through workshops and stakeholder engagement before completion of the Outline Business Case.
- 5.2.2 Key to risk assessment is a proportionate, prudent and evidence based approach to understanding negative events or impacts affecting a project. Table 5-2 Risk Overview

Main Risk	Mitigation
Business Risks	100% within business
Lack of stakeholder engagement	Ensure adequate time to engage stakeholders in setting and/or validating: Investment Objectives Business Scope and Key Service Requirements Benefits criteria Development risks Critical Success Factors Extend current contracts to accommodate this if required
Clarity on political view on service reductions if necessary	Provide Members with a menu of costed options along with their implications in relation to organisational finance, and in relation to meeting the aspirations of related strategies and plans
Lack of organisational experience in business case development	Identify knowledge gaps and agree how they will be addressed
Availability and commitment of internal resources: Project Team: Transport Planning, Children's Services, Health and Social Care Legal and Procurement Project Board: Senior management time to be involved	Ensure project is carefully planned and engage with senior managers to agree and secure the necessary resources
Service Risks	Shared with other organisations

Suppliers – Are suppliers in a position to be more competitive through efficiency?	To be identified through stakeholder engagement
Specification – there is a tension between the expressed needs from users, policy, other agencies and financial constraints	Ensure clarity in service specification on requirements and brief all groups on potential compromises that may be required well in advance
Timescale – sufficient lead in time is required to allow operators to secure the required vehicles	Liaise with operators and manufacturers if necessary with regard to supply chain for new vehicles – could Council advance procurement assist?
Change management and project management - Community Planning and Locality Planning in transition and not yet mature	Commence early engagement with directorates and teams that may be considered needing additional support in any service transition
External Risks	Non-systemic risks – whole society
Wider risks may arise through political uncertainty, consequent economic pressures, impact on oil and gas industry, climate change	Recognise limited ability to mitigate wider societal risks but ensure awareness and consideration of the project in wider context

5.3 Constraints

- 5.3.1 Constraints are external conditions or factors that the project team cannot change or reduce significantly. They can be financial, legislative or delivery deadlines, where third parties may have imposed specific conditions or controls.
- 5.3.2 The two main constraints for this project are the commitment to an investment objective of reducing costs by £500,000 per annum and the timescale for the completion of the preferred option in order to ensure continuity of services from August 2020.
- 5.3.3 There may also be a wider constraints, for example on resources in the bus industry in Shetland, where there is a recognised shortage of drivers and concerns over industry management continuity, which even with concerted effort from stakeholders may not change significantly in the short or medium term.

5.4 Dependencies

- 5.4.1 Dependencies are the key relationships between the project with other programmes or projects, as well as external dependencies. Resourcing this project within a relatively small council team who will have other projects and pressures is a clear area where interdependencies could have an impact.
- 5.4.2 This project is dependent on securing the appropriate levels of staffing and resources within Transport Planning, Children's Services, Health and Social Care, Finance Services, Procurement Services and Legal Services (and these being available at key stages of the project). These dependencies will be carefully monitored and managed by the Project Board and Project Team through the lifespan of the project.

5.5 Review of Strategic Case

- 5.5.1 Officers and the Councils technical advisors developed the draft strategic case as set out in the sections above. The need to assess the strategic case through an internal stakeholder and

project team workshop was identified early in the Strategic Assessment (Gateway Review 0) and a workshop was organised for 11th June, 2019.

- 5.5.2 The outcomes of the workshop have been used to update and revise the strategic case in preparation for the next stage of the development and appraisal of a long list of options, in advance of short listing using the HM Treasury methodology.

6 The Preferred Way Forward

6.1 Introduction

- 6.1.1 In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the SOC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.
- 6.1.2 The process is driven by a clear and structured appraisal approach from a 'long list' and a 'preferred way forward' to a 'short list' and a 'preferred option'.

6.2 Critical Success Factors (CSFs)

- 6.2.1 Before considering a long list of options business case promoters should consider what are the prime attributes for the successful delivery of the project, and the identification of Critical Success Factors is a key step to the next stage of appraisal. CSFs are crucial indicators that the project can be achieved and therefore if the attribute is only 'desirable' it cannot be said to be a CSF.
- 6.2.2 CSFs are utilised throughout the business case stages to assess whether a project is still on track, but are particularly useful in post implementation review. It is therefore desirable that the CSFs agreed at the start of business case development are achievable, clear and focussed on the success outcomes, recognising they may need minor adjustment through the process (but not significant rewriting or removal).
- 6.2.3 Following review by officers at the June 2019 workshop the proposed Critical Success Factors for this project are as follows:

Table 6-1 Critical Success Factors

CSF Classification	Critical Success Factors
Strategic fit and business needs	CSF1: The school, social care and public transport service meets Shetland Transport Strategy Objectives 1 and 2, and contributes to Objective 3.
	CSF2: The school, social care and public transport service fits with a stakeholder approved hierarchy of transport need and contributes to raising the Place Standard Score for transport and achieving Shetland Partnership Plan outcomes.
	CSF3: The project aligns with the requirements of the SIC Service Redesign Programme

Potential value for money	CSF4: A new fit for purpose public, school and social care transport service can be operational by August 2020.
	CSF5: The school, social care and public transport network provides the best value for money while meeting Council revenue budget objectives.
Supplier capacity and capability	CSF6: The levels of transport service proposed are deliverable within the scale/capabilities of local service providers, particularly in relation to driver availability and business capacity, bearing in mind the limited ability of Shetland Islands Council to operate significantly more services in-house.
	CSF7: The project stimulates competition in the market to achieve cost reductions through the procurement process.
Potential affordability	CSF8: The project creates the ability to generate a choice of costed network options to ensure decision makers can make informed choices in relation to available funding.
	CSF9: The project reflects and responds to the pressures of continued public sector funding constraints.
Potential achievability	CSF10: The project can be delivered by existing Shetland Islands staff and resources within Transport Planning, Children's Services, Health and Social Care, Financial, Procurement and Legal services.

7 Options - Long List and Analysis

7.1 Introduction

- 7.1.1 A long list of options has been identified to achieve the project's business needs and these have been assessed against the investment objectives and critical success factors set out previously. The verification of this long list will form part of the stakeholder engagement exercise which will be undertaken to inform the Outline Business Case for report to Shetland Islands Council and ZetTrans in October 2019.
- 7.1.2 The initial evaluation was undertaken by SIC officers and has been subsequently independently reviewed and tested by the PBA review team. An options framework has been used to identify and filter options in accordance with HM Treasury Green Book guidance, creating options in a series of sequenced choices, as shown in Table 7.1.

Table 7-1 Long List Options Framework

Key dimensions	Description
Scope	The ' what ', in terms of the potential coverage of the project. Scope options are driven by business needs, service requirements and the scale of organisational change required. Examples include coverage in terms of: business functions, levels of service, geography, population and user base.
Service solution	The ' how ' in terms of delivering the 'preferred' scope for the project. Potential service solutions are driven by available technologies, recognised best practice and what the market place can deliver. These solutions provide the potential 'products' to be delivered.
Service delivery	The ' who ' in terms of delivering the 'preferred' scope and service solution for the project. Potential options for service delivery are driven by resources, competencies and capabilities – both internal and external to the organisation. Examples include: in-house provision, outsourcing, alliances and strategic partners.
Service implementation	The ' when ' in terms of delivering the 'preferred' scope, solution and service delivery arrangements for the project. Potential implementation options are driven by deadlines, milestones, dependencies (between outputs), economies of scale, benefit realisation and risk management. Options for implementation include: piloting, modular delivery, big bang and phasing (tranches).
Funding	The ' funding ' required for delivering the 'preferred' scope, solution, service delivery and implementation path for the project. Potential funding options are driven by the availability and opportunity cost of public funding, Value for Money and the characteristics of the project.

7.2 Scope options

- 7.2.1 This range of options considers coverage of the Shetland public and school transport network. In accordance with HM Treasury Green Book and Capital Investment Manual, the scope options include Business as Usual (BAU), which we have called Status Quo, Do Less to Do-Maximum. An almost infinite number of options and permutations are possible; however,

within the broad scope outlined in the strategic case, the scope options that have been considered are shown in Table 7.2.

Table 7-2 Scope Options

Option	Description
1.0 Status Quo	Provide the current public bus network and school transport service provision and meet all current demands for social care client travel to centres, employment or training
1.1 Do Less	Do not procure public services when current contracts expire – leave the market to fill the service gap – while providing legal minimums of school and social care transport
1.2 Do Minimum	Provide the current public bus network, the legal minimum of school transport service provision, and provide social care transport support to a minimal level to offer access to centres, employment or training.
1.3 Intermediate Enhanced	Provide the current public bus network and school transport service provision, and meet all current demands for social care client travel to centres, employment or training with gaps filled in the longer term.
1.4 Do Maximum	Immediately address gaps in current service provision and run separate dedicated public, school and social care transport networks.

- 7.2.2 The scope options have been assessed against the investment objectives, business needs and critical success factors, using a yes/no score for compliance against each factor. This analysis is shown in Table 7.3 with ✓ indicating compliance and ✗ indicating non-compliance. Where insufficient information is available the option is given a ?, recognising it cannot at this stage be assessed as either compliant or non-compliant and therefore is not included in the scoring. The positive scores are then totalled for each scope option.

Table 7-3 Scope Option Assessment

Option		Status Quo	Do Less	Do Minimum	Intermediate	Do Maximum
		1.0	1.1	1.2	1.3	1.4
Investment Objectives	1	✓	✗	✓	✓	✓
	2	✓	✗	✓	✓	✓
	3	✓	✗	?	✓	✓
	4	✓	✓	✓	?	✗
	5	✓	✗	✓	?	✗
Business Needs	1	✓	✗	✓	✓	✓
	2	✓	✗	?	✓	✓
	3	?	✗	?	✓	✓
	4	✓	✗	✓	✓	✗
	5	?	✗	?	?	✗
Critical Success Factors	1	✓	✗	?	✓	✓
	2	✓	✗	?	✓	✓
	3	✓	✗	✓	?	✗
	4	✓	✗	✓	✓	✗
	5	✓	✗	✓	✓	✗
	6	✓	✓	✓	✓	✗
	7	✓	✗	✓	?	✓
	8	✓	✗	✓	✓	✓
	9	✓	✓	✓	✓	✗
	10	✓	✓	✓	✓	✓
Score (✓/20)		18	4	14	15	11
Conclusion		Preferred way forward	Discounted	Carried forward	Carried forward	Discounted

7.2.3 The Preferred Way Forward is option 1.2, Status Quo (Business as Usual). This scores 18 out of 20 for delivery against investment objectives, business needs and critical success factors. The option meets all investment objectives, most business needs and all critical success factors and minimises change for users and suppliers, but may not reduce contract costs in line with objectives of Service Redesign Programme.

7.2.4 Two options are carried forward for further consideration: option 1.1, Do Minimum and option 1.3, Intermediate.

7.2.5 Option 1.1 delivers some cost saving and meets most investment objectives, business needs and critical success factors, but is inconsistent with the Shetland Transport Strategy and Shetland Partnership Plan and involves loss of service to some users.

- 7.2.6 Option 1.3 meets most investment objectives, business needs and critical success factors but is likely to increase costs due to additional services and inefficient procurement due to piecemeal tendering of additional services.
- 7.2.7 Two options are discounted following this analysis: option 1.0, Do Less and option 1.4, Do Maximum.
- 7.2.8 Option 1.0 delivers a significant cost saving but fails to meet almost all investment objectives, business needs and critical success factors, and is not compliant with ZetTrans statutory duties.
- 7.2.9 Option 1.4 addresses all business needs comprehensively and meets most investment objectives and critical success factors but would lead to increased costs requiring additional funding and may be beyond the capacity of suppliers to deliver.

7.3 Service solution options

- 7.3.1 This range of options considers potential solutions in relation to the preferred scope. The options considered are shown in Table 7.4.

Table 7-4 Service Solution Options

Option	Description
2.0 Local Bus	Passenger transport provided by local buses operating on a mix of timetabled and demand responsive services
2.1 Flexible Bus	Passenger transport provided by local buses operating on a fully demand responsive basis, in respect of places served and timetable
2.2 Taxi	Passenger transport provided by taxis and private hire vehicles
2.3 Car Club	Passenger transport provided by a privately-operated pool of cars available to community members that opt in
2.4 Personal Travel Budget	Every individual in Shetland is given an annual budget to arrange their own travel

- 7.3.2 The service solution options have also been assessed against the investment objectives, business needs and critical success factors, applying the same yes/no scoring used for the scope options.

Table 7-5 Service Solution Option Assessment

Option		Local bus	Flexible bus	Taxi	Car Club	Personal budget
		2.0	2.1	2.2	2.3	2.4
Investment Objectives	1	✓	✓	✓	✗	✗
	2	✓	✓	✓	✗	✗
	3	✓	✓	✓	✗	✗
	4	✓	✓	✗	✓	✓
	5	✓	✓	✗	✗	✗
Business Needs	1	✓	✓	✓	✗	✗
	2	✓	✓	✓	✗	✗
	3	?	?	✗	✗	✗
	4	✓	✓	✗	✗	✗
	5	?	?	✗	✓	✓
Critical Success Factors	1	✓	✓	✓	✗	✗
	2	✓	✓	✓	✗	✗
	3	✓	✓	✗	✗	✗
	4	✓	✓	✓	✗	✗
	5	✓	✓	✗	✓	✓
	6	✓	?	✗	✓	✓
	7	✓	?	✗	✗	✗
	8	✓	✓	✓	✗	✗
	9	✓	✓	✗	✓	✓
	10	✓	?	✗	✓	✓
Score (✓/20)		18	15	9	6	6
Conclusion		Preferred way forward	Carried forward	Discounted	Discounted	Discounted

- 7.3.3 The Preferred Way Forward is option 2.0, Local Bus, which scores 18 out of 20 against for delivery against investment objectives, business needs and critical success factors. The option meets all investment objectives and critical success factors and most business needs.
- 7.3.4 Option 2.1, Flexible Buses, scores 15 out of 20 and is carried forward for further consideration. The option meets all investment objectives most business needs and critical success factors.
- 7.3.5 Option 2.2, Taxis, scores 9 out of 20. While it would be an innovative solution, it is unlikely to be an efficient means of meeting all transport needs and the resources required to provide an effective network would involve a major mobilisation programme by private sector players. It is uncertain that this option could be delivered satisfactorily. The option is therefore discounted.
- 7.3.6 Options 2.3 and 2.4 are also discounted. A car club solution (option 2.3) would deny access to most non-drivers unless they had a friend or family member available at the appropriate

time. The loss of accessibility would be contrary to the objectives of the Shetland Transport Strategy and the Shetland Partnership Programme outcomes. This option would also require major logistical effort to deliver. The personal travel budget (option 2.4) would be an innovative approach but there is no certainty as to how the market would respond in providing commercial services and it would not meet ZetTrans statutory duties.

7.4 Service delivery options

Introduction

- 7.4.1 This range of options considers the options for service delivery in relation to the preferred scope and potential solution. The options considered are shown in Table 7.6.

Table 7-6 Service Delivery Options

Option	Description
3.0 SIC	All services are provided by Shetland Islands Council
3.1 ZetTrans	All services are provided by ZetTrans
3.2 Private sector	All services are provided by the private sector with SIC acting as operator of last resort
3.3 Single supplier	All services are provided by a single private sector supplier
3.4 Community Transport	All services are provided by community organisations
3.5 Voluntary sector	All services are provided by the voluntary sector
3.6 Mixed supply	Services are provided by SIC and the private sector

- 7.4.2 The service delivery options have again been assessed against the investment objectives, business needs and critical success factors, as shown in Table 7.7.

Table 7-7 Service Delivery Option Assessment

Option		SIC	ZetTrans	Private sector	Single supplier	CT	Voluntary sector	Mixed supply
		3.0	3.1	3.2	3.3	3.4	3.5	3.6
Investment Objectives	1	✓	✓	✓	✓	✗	✗	✓
	2	✓	✓	✓	✓	✗	✗	✓
	3	✓	✓	✓	✓	✗	✗	✓
	4	✗	✗	✓	?	✓	✓	?
	5	✗	✗	✓	?	✓	✓	?
Business Needs	1	✓	✓	✓	✓	✗	✗	✓
	2	✓	✓	✓	✓	✗	✗	✓
	3	✗	✗	?	?	✗	✗	?
	4	✗	✗	✓	✓	✓	✓	✓
	5	✗	✗	?	✓	✓	✓	?
Critical Success Factors	1	✓	✓	✓	✓	✗	✗	✓
	2	✓	✓	✓	✓	✗	✗	✓
	3	✗	✗	✓	✓	✓	✓	?
	4	✓	✓	✓	✓	✗	✗	✓
	5	✗	✗	✓	✓	✓	✓	?
	6	✗	✗	✓	?	✗	✗	✓
	7	✗	✗	✓	?	✗	✗	✓
	8	✓	✓	✓	✓	✗	✗	✓
	9	✗	✗	✓	✓	✓	✓	?
	10	✗	✗	✓	✓	✗	✗	✓
Score (✓/20)		9	9	18	15	7	7	13
Conclusion		Discounted	Discounted	Preferred way forward	Carried forward	Discounted	Discounted	Carried forward

- 7.4.3 The Preferred Way Forward is option 3.2, use of private suppliers, which scores 18 out of 20. This meets most investment objectives and business needs, and all critical factors.
- 7.4.4 Option 3.3, single supplier, scores 15 out of 20 and meets most investment objectives, business needs and critical factors. It is an option that may reduce costs in the short term but carries the risk of reducing competition in the longer term and therefore increasing costs. There is also a risk to service delivery in the event of any failure by the single supplier and the potential difficulty of sourcing alternatives. The option is recommended to be carried forward for further investigation.
- 7.4.5 Option 3.6, mixed supply from private and public sectors, scores 13 out of 20 and also meets most investment objectives, business needs and critical factors. The option is recommended to be carried forward for further investigation.

- 7.4.6 Options 3.0 and 3.1, operation by SIC or ZetTrans, both score 9 out of 20 and are discounted. Neither would represent best value for money because of the costs involved and the mobilisation required to implement. In addition, ZetTrans does not currently hold a PSV Operator's Licence and, so, is unable to operate bus services.
- 7.4.7 Options 3.4 and 3.5, operation by the community transport or voluntary sectors, have also been discounted due to the scale of operations that would be required being beyond the capacity of either sector in Shetland at present.

7.5 Implementation options

- 7.5.1 This range of options considers the choices for implementation in relation to the preferred scope, solution and method of service delivery. Table 7.8 sets out the options considered.

Table 7.8: Implementation Options

Option	Description
4.0 Immediate	Implement solution in August 2020, on expiry of existing contracts
4.1 Delay by 1 Year	Extend current contracts and aim to introduce new solution in August 2021
4.2 Delay by 2 – 4 Years	Extend current contracts and aim to introduce new service in August 2022, 2023 or 2024
4.3 Phased Implementation	Extend some contracts and introduce new service by stages

- 7.5.2 The service delivery options have again been assessed against the investment objectives, business needs and critical success factors, as shown in Table 7.9.

Table 7-9 Implementation Option Assessment

Option		Immediate	1-year delay	2-4 Year delay	Phased
		4.0	4.1	4.2	4.3
Investment Objectives	1	✓	✓	✓	✓
	2	✓	✓	✓	✓
	3	✓	✓	✓	✓
	4	✓	?	✗	?
	5	✓	?	✗	?
Business Needs	1	✓	✓	✓	✓
	2	✓	?	✗	?
	3	✗	?	✗	?
	4	✓	✓	✗	✓
	5	✗	?	✗	?
Critical Success Factors	1	✓	✓	✓	✓
	2	✓	✓	✓	✓
	3	✓	?	✗	?
	4	✓	?	✗	?
	5	✓	?	✗	?
	6	✓	✓	✓	✓
	7	✓	✓	✗	✓
	8	✓	✓	✓	✓
	9	✓	?	✗	?
	10	✓	✓	✓	✓
Score (✓/20)		18	11	9	11
Conclusion		Preferred way forward	Carried forward	Discounted	Carried forward

- 7.5.3 The Preferred Way Forward is option 4.0, Immediate, with implementation in August 2020, on expiry of the current contracts. This meets all investment objectives and business needs and most critical factors.
- 7.5.4 Option 4.1, a one-year delay, and option 4.3, phased implementation, both score 11 out of 20 and meet most investment objectives and critical factors and some business needs. These are carried forward for further investigation.
- 7.5.5 Option 4.2, a delay of two to four years, scores 9 out of 20. This option meets some investment objectives and critical factors and only one business need, compliance with SIC statutory duties. This option has been discounted.

7.6 Funding options

- 7.6.1 It is agreed that the scheme will be funded by Shetland Islands Council. No alternative methods of finance have been explored.

7.7 Long List Summary

- 7.7.1 Table 7.10 provides a summary of the options generated in the long list and the results of the option assessment.

Table 7-10 Summary of Long List Option Assessment

1. Service scope	1.0 Status quo	1.1 Do less	1.2 Do minimum	1.3 Intermediate	1.4 Do maximum		
	Preferred way forward	Discounted	Carried forward	Carried forward	Discounted		
2. Service solution	2.0 Local bus	2.1 Flexible bus	2.2 Taxi	2.3 Car club	2.4 Personal budget		
	Preferred way forward	Carried forward	Discounted	Discounted	Discounted		
3. Service delivery	3.0 SIC	3.1 ZetTrans	3.2 Private	3.3 Single supplier	3.4 CT	3.5 Voluntary sector	3.6 Mixed supply
	Discounted	Discounted	Preferred way forward	Carried forward	Discounted	Discounted	Carried forward
4. Implementation	4.0 Immediate	4.1 1-year delay	4.2 2-4 year delay	4.3 Phased			
	Preferred way forward	Carried forward	Discounted	Carried forward			
5. Funding	5.0 SIC						
	Preferred way forward						

8 Short List of Options

- 8.1.1 The results of the long list assessment set out in the previous chapter have provided a potential short list of options for further assessment, as summarised in Table 8-1.

Table 8-1 Summary of Preferred and Possible Options

Option	Preferred	Possible
Service scope	1.0 Status quo	1.2 Do minimum 1.3 Intermediate
Service solution	2.0 Local bus	2.1 Flexible bus
Service delivery	3.2 Private operators	3.3 Single supplier 3.6 Mixed supply
Implementation	4.0 Immediate	4.1 1-year delay 4.3 Phased
Funding	5.0 SIC	

- 8.1.2 The preferred and possible options for each choice have been reviewed and a short list of five options has been identified. These are shown in Table 8-2.

Table 8-2 Short List of Options

Option	Less ambitious PWF 1	Do minimum	Preferred way forward	Less ambitious PWF 2	More ambitious PWF
Service scope	1.0 Status Quo	1.2 Do Minimum	1.0 Status Quo	1.3 Intermediate	1.3 Intermediate
Service solution	2.0 Local bus	2.0 Local bus	2.0 Local bus	2.0 Local bus	2.0 Local bus
Service delivery	3.2 Private operators	3.2 Private operators	3.2 Private operators	3.2 Private operators	3.2 Private operators
Implementation	4.1 1-year delay	4.0 Immediate	4.0 Immediate	4.3 Phased	4.0 Immediate
Funding	5.0 SIC	5.0 SIC	5.0 SIC	5.0 SIC	5.0 SIC

- 8.1.3 The short list of options has been re-assessed using the option framework previously used in chapter 7. Table 8.3 summarises the results.

Table 8-3 Short List of Options – Summary of Assessment

Option		Less ambitious PWF 1	Do minimum	Preferred way forward	Less ambitious PWF 2	More ambitious PWF
Investment Objectives	1	✓	✓	✓	✓	✓
	2	✓	✓	✓	✓	✓
	3	✓	✗	✓	✓	✓
	4	?	✓	✓	?	?
	5	?	✓	✓	?	?
Business Needs	1	✓	✓	✓	✓	✓
	2	✓	✗	✓	✓	✓
	3	?	✗	?	✓	✓
	4	✓	✓	✓	?	?
	5	?	✗	?	?	?
Critical Success Factors	1	✓	✗	✓	✓	✓
	2	✓	✗	✓	✓	✓
	3	?	✓	?	?	?
	4	✓	✓	✓	✓	✓
	5	?	✓	?	?	?
	6	✓	✓	✓	✓	?
	7	✓	✓	✓	✓	✓
	8	✓	✓	✓	✓	✓
	9	?	✓	?	?	?
	10	✓	✓	✓	✓	✓
Score (✓/20)		13	14	15	13	12

8.1.4 The short list of options will be taken forward for further analysis in the Outline Business Case.

9 The Commercial Case

9.1 Introduction

- 9.1.1 This section covers the proposed procurement exercise in relation to the preferred option of tendering public bus services at the current level of provision, adult social care services and school transport services in line with the current SIC School Transport Policy, in a joint tendering exercise between ZetTrans and the Shetland Islands Council, for implementation on August 2020.
- 9.1.2 In particular in the Strategic Outline Case we have to assess at high level market capacity and how the market will react to a potentially significantly revised approach to procuring local transport services.

9.2 Required services

- 9.2.1 Subject to the outcomes of the business case review the level of public bus services to be tendered could match the level of public bus services currently in operation across Shetland and the level of school transport services to be tendered is in line with provision under the current SIC School Transport Policy. Social Care transport services are generally provided by the Council in-house fleet or taxi services in line with the Council's internal procedures and assessment processes.
- 9.2.2 This represents the 'Status Quo' position in the option testing process.

9.3 Market capacity

- 9.3.1 There is a well-established bus, coach and taxi market in the Shetland Islands, dominated by small and often family run companies or sole traders. The major UK bus groups do not have presence on the islands and it is unlikely that the size of the 'contestable market' or levels of profitability would be sufficient to encourage participation in the tendered market.
- 9.3.2 Consolidation and the closure of business as owners retire continues to be a concern. As noted previously the age of drivers is increasing notably with few younger recruits and this will present a significant challenge in the medium to long term.
- 9.3.3 Informal cooperation between transport operators is well established and is broadly beneficial to the smooth working of transport networks on the Shetland Islands. It remains to be seen whether further cooperation such as joint bids on tenders, for example, may occur in this round of procurement and whether this will lead to more (or less) competitive pricing.
- 9.3.4 More detailed market capacity analysis will be undertaken in the Outline Business Case stage.

9.4 Potential for risk transfer

- 9.4.1 The potential for risk transfer was fully explored when the initial procurement strategy was established for the procurement of passenger transport. This strategy has subsequently been reviewed in preparation for this exercise and no alterations are proposed. The strategy transfers the risks as follows:

Table 9-1 Risk Transfer Matrix

Risk Category	Potential allocation
---------------	----------------------

	Client	Contractor	Shared
1. Design risk	Y		
2. Construction and development risk	Y		
3. Transition and implementation risk			Y
4. Availability and performance risk			Y
5. Operating risk		Y	
6. Variability of revenue risks	Y		
7. Termination risks	Y		
8. Technology and obsolescence risks	Y		
9. Control risks	Y		
10. Residual value risks	Y		
11. Financing risks	Y		
12. Legislative risks			Y
13. Other project risks	Y		

9.5 Proposed charging mechanisms

- 9.5.1 ZetTrans and Shetland Islands Council will make payments for the contracts awarded in line with the Conditions of Contract as established under the Framework Agreement currently in place.
- 9.5.2 Where the contract is for the provision of a public bus service, this contract will be established on a minimum cost basis and in line with section 10.3 of the Conditions of Contract, the invoice presented “shall show the total revenue taken during the performance of the Service as a net reduction in the total payment due to the Contractor”.
- 9.5.3 The specific section (10.6) of the Conditions of Contracts states, “The Client will endeavour to pay to the Contractor the due amount within 30 days of receipt of a correctly completed invoice. A separate invoice must be issued by the Contractor for each calendar month (or other period specified by the Client.”
- 9.5.4 In cases where, under section 10.5, the Client provides “more than 48 hours notice of the fact that the Contractor shall not be required to provide transport on any day, then the Contractor shall not be entitled to any payment whatsoever”.

9.6 Proposed contract lengths

- 9.6.1 The proposed contract lengths for inclusion in the tendering exercise will be reviewed but it is anticipated that contract lengths of three, five and seven years will be tested for effectiveness and attractiveness to the local bus and taxi market. Bidders will have the opportunity to put forward tenders for different contract lengths.

9.7 Proposed key contractual clauses

- 9.7.1 Tenders shall be sought from Operators on the current Passenger Transport Framework.
- 9.7.2 This Framework Agreement has a suite of established documents which would apply to all contracts tendered under it. These documents include:
- Passenger Transport Conditions of Contract
 - Passenger Transport Service Performance Specification
- 9.7.3 The documents cover all contractual clauses applicable to this exercise.

9.8 Personnel implications (including TUPE)

- 9.8.1 It is anticipated that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations 1981 – will not apply to this investment as outlined above.
- 9.8.2 Section 18 of the Passenger Transport Conditions of Contract notes that Contractors recognise “his/her responsibilities under the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended and will provide relevant information on staff employed on the Contract as may be required”. It also notes that “at no time shall the Contractor’s employees be or become employees of the Client either in terms of any Contract or the Framework Agreement or otherwise”.

9.9 Procurement strategy and implementation timescales

- 9.9.1 It is anticipated that the procurement strategy will match that which was successfully utilised when tendering the existing services.
- 9.9.2 It is anticipated that, subject to the approval of the Outline Business Case, the implementation of new contracts will be conducted to the following timescale:
- September 2019 – Tender Documents Drafted
 - October 2019 – Tender Documents Finalised (following completion and approval of the OBC)
 - October 2019 – Full Business Case development and Issue of Tender Documents
 - November 2019 – Tender Submission Deadline
 - November – December 2019 – Analysis of Submissions
 - January 2020 – Report the tender results and Full Business Case to ZetTrans and Shetland Islands Council
 - February 2020 – Award Contracts
 - August 2020 – New Contracts Begin

9.10 FRS 5 accountancy treatment

It is envisaged that the assets underpinning the delivery of service will not be on the balance sheet of the organisation.

10 The Financial Case

- 10.1.1 For the Strategic Outline Case, it is necessary to set out the organisation's financial situation, the resources available for the project and any constraints.
- 10.1.2 The earlier review of the Medium Term Financial Plan and annual budget in section 2.2.38 – 2.2.45 provides an overview of the financial pressures facing the council overall and each of the directorates specifically. With the additional requirements to bring forward savings through the work of the Service Design Review programme there is a recognition that savings will need to be found from the overall £5.3m transport services budget.
- 10.1.3 The current annual cost of the bus network is £5.352m, made up of: Public Service £2.302m; Education Transport £2.342m; ASN & Social Care Transport £0.708m (from February Environment & Transport Committee 2019 budget report).
- 10.1.4 The full Financial Case will be completed in partnership with SIC Finance Services following the procurement exercise. This will be set out in the Outline Business Case and presented to Shetland Islands Council and ZetTrans in October 2019.
- 10.1.5 Further work on the funding of services, including value for money, inflation, financial risks, market stability and competition impacts, will be undertaken as part of the Full Business Case, to be developed from November 2019.
- 10.1.6 The procurement exercise will provide accurate financial information with which to cost each option.
- 10.1.7 Due to the changing landscape of passenger transport service provision in Shetland over the past few years, it is not possible to provide detailed costed options ahead of the tender exercise as all contract information held is four years out of date. The necessary detailed knowledge of the specific circumstances, strategies and financial models of each member of the Framework Agreement that would be required to produce accurately costed models of each option are not held by the Council.
- 10.1.8 However, we will use cost data provided by the Transport Planning Service and our own industry costing data sets to identify at a high level the likely financial impacts of the options as they are developed and refined.

11 The Management Case

11.1 Introduction

- 11.1.1 This section of the SOC addresses the ‘achievability’ of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

11.2 Programme management arrangements

- 11.2.1 The project is an integral part of the portfolio of projects currently being undertaken to ensure a sustainable network of public bus, school and social care transport services within Shetland and to/from Shetland.
- 11.2.2 The project is overseen by the Project Board.
- 11.2.3 The programme management arrangements are consistent with the Managing Successful Programmes methodology.
- 11.2.4 The project will be managed in accordance with PRINCE 2 methodology.

Outline project reporting structure

- 11.2.5 The project is overseen by the Project Board
- 11.2.6 The project sits within a programme of transport projects and initiatives and the Programme Manager is the Executive Manager Transport Planning/ Lead Officer ZetTrans.

Outline project roles and responsibilities

The Project Board comprises: -

- Director Development Services (SIC) – Chair, Senior Responsible Owner - School and Adult Social Care Transport
- Director, Children’s Services (SIC)
- Director, Community Health and Social Care, (SIC and NHS), Chief Officer IJB
- Executive Manager, Governance and Law (SIC)
- Executive Manager Finance (SIC)
- Executive Manager Transport Planning (SIC)/ Lead Officer ZetTrans – Vice Chair, Senior Responsible Owner - Public Transport

11.3 Outline project plan

Table 11-1 Milestones

Date	Activity	Who
By 14 th June 2019	Prepare SOC	Project Manager/PBA

26 th June 2019	Present SOC and timeline to Council and ZetTrans for approval	ZetTrans Lead Officer/Project Board/ Project Manager
July – August 2019	Develop OBC	Project Team/PBA
September 2019	Consultation – key stakeholders Verification/ refinement of Investment Objectives and Critical Success Factors Verification/ refinement of Benefits and Risks Verification/ refinement of methodology to obtain shortlist Verification/ refinement of Hierarchy of Transport Need and priorities	Project Team/PBA
October 2019	Finalise preferred option based on consultation feedback and each of the five components of the business case	Project Team/PBA
October 2019	Present OBC (which will include procurement strategy) to Council and ZetTrans for approval to go to Final Business Case	Transport Lead Officer/Project Board
October – December 2019	Complete FBC: Stakeholder Engagement Procurement or VFM solution Recommended service provider and solution Finalise methodology for awarding contracts	Project Team/Procurement/ PBA
October 2019	Issue tender docs	Procurement
November 2019	Tender submission deadline	Procurement
November – December 2019	Assess tender docs	Project Team/Procurement/ PBA
January 2020	Report FBC to Council and ZetTrans for decision on final set of contracts to be awarded	Transport Lead Officer/Project Board
Feb 2020	Award contracts with 6 month lead in time	Procurement/Legal

11.4 Gateway review arrangements

11.4.1 The impacts/risks associated with the project will be developed in more detail in the preparation of the OBC.

- 11.4.2 The presentation to Shetland Islands Council and ZetTrans on 26th June and 27th June respectively will confirm that the project fits with the strategic aims of the two organisations which is consistent with Gate 0 of the assurance process.
- 11.4.3 Further reviews will be developed as part of the Outline and Full Case processes and reported the Programme Board, Shetland Islands Council and ZetTrans as required.

MOTION TO SHETLAND ISLANDS COUNCIL

The news that the BBC has confirmed plans to require most over-75s to pay the TV licence has been greeted with dismay and anger by many of the 2,000 people in Shetland affected by this imposition.

3 million UK pensioners would lose their free TV Licence as a result of this decision. The BBC will continue to provide licences to over-75s who can provide evidence that they claim pension credit. In Shetland we are aware there is traditionally a low take-up rate of these benefits and many in our rising elderly population are likely to be affected by this BBC pronouncement.

Many Shetland pensioners have contacted their councillors and MP seeking SIC support to bring their concerns to the attention of government. Few have access to the internet, online social media or even daily newspapers and rely on TV to maintain contact with the wider world.

SIC is well-placed to speak on behalf of those in our community affected by this move. Free TV licences started as a government initiative and remains a manifesto commitment; it surely must be to government that we turn to reverse this latest turn of the austerity screw. I request that SIC writes to the UK Government to intervene with the BBC in this matter as a matter of urgency.

I WISH TO MOVE, MR. CONVENER.



Signature
AGL Duncan



Signature
RJA Thomson