



Executive Manager: Jan-Robert Riise  
**Director of Corporate Services: Christine Ferguson**

Governance & Law  
**Corporate Services Department**  
8 North Ness Business Park  
Lerwick  
Shetland, ZE1 0LZ

Telephone: 01595 744550  
committee.services@shetland.gov.uk  
www.shetland.gov.uk

If calling please ask for  
**Leisel Malcolmson**  
Direct Dial: 01595 744599  
Email: [leisel.malcolmson@shetland.gov.uk](mailto:leisel.malcolmson@shetland.gov.uk)

Date: 6 March 2020

Dear Sir/Madam

You are invited to the following meeting:

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 11 March 2020 at 2pm**

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

Yours faithfully

Executive Manager – Governance and Law

Convener: Malcolm Bell  
Depute Convener: Cecil Smith

## **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 meetings held on i) 6 November 2019, ii) 27 November 2019, iii) 18 December 2019, iv) 22 January 2020 (PM), and v) 13 February 2020.

Items		
1.	SIC Overall Management Accounts 2019/20 Projected Outturn at Quarter 3 <i>F-002</i>	
2.	Shetland Islands Council Budget Book 2020/21 <i>F-009</i>	
3.	Proposed 5 Year Asset Investment Plan 2020/21 <i>F-011</i>	
4.	Annual Investment and Treasury Strategy for 2020/21 <i>F-021</i>	
5.	Strategic Outline Case: B9082 Cullivoe Road, Yell & Outline Programme Methodology <i>RD-02</i>	
6.	Appointments of Councillors to the Integration Joint Board (IJB) <i>GL-06</i>	



## **MINUTES**

## **B - PUBLIC**

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 6 November 2019 at 10.00am**

### **Present:**

M Bell	P Campbell
A Cooper	A Duncan
A Hawick	S Leask
E Macdonald	A Manson
A Priest	I Scott
C Smith	G Smith
T Smith	R Thomson

### **Apologies:**

S Coutts	J Fraser
C Hughson	R McGregor
D Sandison	D Simpson

### **In Attendance (Officers):**

C Ferguson, Director – Corporate Services  
N Grant, Director – Development Services  
M Craigie, Executive Manager – Transport Planning  
J Manson, Executive Manager - Finance  
J Riise, Executive Manager – Governance and Law  
R Barton, Transport Policy and Projects Officer  
I Johnson, Senior Assistant Accountant  
E Park, Transport Contracts & Operations Officer  
L Geddes, Committee Officer

Also:

A Mackie, Peter Brett Associates  
B Pinket, Peter Brett Associates

### **Chairperson**

Mr Bell, Convener of the Council, presided.

### **Circular**

The circular calling the meeting was held as read.

### **Declarations of Interest**

None

**In order to avoid the disclosure of exempt information, Mr Bell moved, Ms Macdonald seconded, and the Council RESOLVED to exclude the public in**

terms of the relevant legislation during consideration of the following item of business.

60/19     **Public, School and Adult Social Care Bus Transport - Outline Business Case**

The Council considered a report by the Executive Manager – Transport Planning.

The Executive Manager – Transport Planning summarised the main terms of the report, and introduced Mr Mackie and Mr Pinket, Peter Brett Associates, who gave a PowerPoint presentation to the Council on the Outline Business Case (OBC) for Public Bus, School and Adult Social Care Transport.

The Executive Manager – Transport Planning and Transport Policy and Projects Officer then responded to questions from Members.

Following discussion by the Council, Mr Cooper moved that the Council approve the recommendations in the report, and Mr Leask seconded.

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**Decision:**

The Council **RESOLVED** to:

- **APPROVE** that the options to be carried forward to Full Business Case are:
  - Option 1 – Reduced Network: August 2020 Introduction
  - Option 3 – Optimised Network: August 2020 Introduction
- **DELEGATE AUTHORITY** to the Director of Development Services, working with the Lead Officer of ZetTrans, to tender for the range of school transport services and Adult Social Care transport services that comply with the Council's current School, and Adult Social Care Transport Policies in conjunction with ZetTrans' tender for Public Bus Services, to contribute to the development of a Full Business Case to inform Council and ZetTrans decisions to be taken in February 2020 on the configuration of school, public bus and Adult Social Care transport networks to be implemented in August 2020.

The meeting concluded at 11.35am.

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Convener

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## **MINUTES**

## **B - PUBLIC**

**Shetland Islands Council**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 27 November 2019 at 10am**

**Present:**

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	J Fraser
A Hawick	C Hughson
S Leask	A Manson
E Macdonald	R McGregor
A Priest	D Sandison
I Scott	D Simpson
C Smith	G Smith
T Smith	

**Apologies:**

None

**In Attendance (Officers):**

M Sandison, Chief Executive  
C Ferguson, Director of Corporate Services  
N Grant, Director of Development Services  
J Smith, Director of Infrastructure Services  
D Coupe, Executive Manager - Roads  
A Inkster, Executive Manager – Marine and Airport Infrastructure  
P Peterson, Executive Manager – Executive Services  
J Riise, Executive Manager – Governance and Law  
R Sinclair, Executive Manager – Assets, Commissioning and Procurement  
A Cogle, Team Leader - Administration  
T Coutts, Team Leader – Business Development  
H Tait, Team Leader – Accountancy  
L Shearer, Executive Services Officer  
P Wishart Solicitor  
B Kerr, Communications Officer  
L Malcolmson, Committee Officer

**Chairperson**

Mr Bell, Convener of the Council, presided.

**Circular**

The circular calling the meeting was held as read.

### **Ruling to Permit Participation by Telephone**

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor John Fraser during the Council proceedings was permitted by remote telephone link.

### **Declarations of Interest**

None

### **Obituary – Leslie Angus**

All present in the Chamber stood whilst the Convener paid the following tribute to former Councillor Leslie Angus:

“We were deeply saddened to hear, a few weeks ago, about the passing of our former colleague Leslie Angus. Gussie, as we all knew him, passed away in hospital in Aberdeen aged 78, on 1 October 2019.

Gussie was born in Twageos and was brought up in Lerwick. After school, he initially found work first, as a taxi driver and then at the Lerwick Observatory. Marrying Elizabeth in 1964 they initially set up home in Edinburgh and then Cumbernauld when Gussie took up employment at BP Grangemouth. There, he saved up enough money to enrol in a course on social work at Jordanhill where, in 1970, he graduated as a probation officer. Reorganisation meant his job title changed to social worker and there followed a posting to Easterhouse in Glasgow.

The 1970's were a time of great change in Shetland. Gussie spotted an advertisement for Depute Director of Social Work at the newly created Shetland Islands Council Social Work Department. His application was successful and he returned to Shetland to take up the post under the then Director of Social Work and Gussie's former boyhood friend Peter Malcolmson. In this new role Gussie was heavily involved in a bold and ambitious programme of work transforming the landscape in social care and provision of services to the community of Shetland.

In 1992, having successfully beaten cancer, Gussie took early retirement but typically, remained active in the community taking up a role in the Shetland Fisheries Training Association.

In 1999, Gussie stood for election for the Shetland Islands Council Ward of Lerwick Twageos. He was successfully re-elected in 2003 and again in 2007 for the then enlarged multi-member ward of Lerwick South. He is remembered by all he encountered as someone who always took the side of those less able to fend for themselves or whom he perceived were being treated unfairly. Bringing the same skill and determination to the role of elected member, as he had done for so many years as a senior officer, he knew exactly how the system worked and used that to the benefit of his constituents.

Having served as Chair of Social Services and representing the Council on various groups, including the Shetland Development Trust, Town Hall Consultative Committee, Lerwick Port Authority and COSLA, to name but a few, Gussie did not seek re-election in 2012. His interest in serving his community, however, did not end and he remained active most notably, perhaps, with his involvement in bagpiping and as an active member of the Voluntary Action Shetland (VAS) Board and was instrumental in the

establishment of the Citizens Advice Bureau in Shetland. Indeed, he was Vice-Chair of VAS when he passed away.

I know many in this chamber will have their own memories of Gussie. None will doubt his commitment and passion for the community he strove to serve over so many years. I know the Chamber will join with me in expressing our deep sympathy to Elizabeth and family.

I move that an extract of the minute of this meeting be sent to the family of Leslie Angus.”

The Council concurred unanimously.

### **Obituary – John P Nicolson**

All present in the Chamber stood whilst the Convener paid the following tribute to former Councillor John P Nicolson:

“We were deeply saddened to hear, a few weeks ago, about the passing of our former colleague John Nicolson. John passed away on 9 October 2019.

John was born on 26 September 1937 and his early years were spent in Scalloway where his father was the village policeman. He left school at 15 and worked initially as a clerk at Lerwick Police Station before moving to the finance department of Zetland County Council and then back to Scalloway where he worked for the Co-op. John married Peggy in 1964 and they set up home in the flat above the Co-op store in the village. During his tenure as store manager there, John worked hard as a volunteer with, amongst others, the Fraser Park Trust, the badminton club, the scouts and of course, the public hall.

After 8 years as Co-op manager, John decided to build on his interest in community work and turn it into a career. He worked hard to earn and save up enough to enrol for a course at college. In 1969, John, Peggy and family moved to Edinburgh where John attended Moray House College. After gaining his qualification, the family moved back to Shetland where John commenced work as a youth and community worker. John became Director of the Leisure and Recreation Department on the formation of Shetland Islands Council in 1975. Through his drive, vision and use of resources available to him during a time of great change in Shetland, John embarked on the development of a strong framework of leisure facilities and services throughout the islands. The network of leisure centres we enjoy today are just one tangible example of that vision and drive.

At Leisure and Recreation John was remembered as a great boss to work for. One of our current members, Catherine Hughson, was John’s PA in the early 80’s. She recalls him telling her that if she were to “go under a bus” the department would collapse; if he went under a bus things would carry on just fine!

Following his retirement as a senior council official John entered elected politics and was returned as the member for Yell at a by-election in 1996. He was returned unopposed in 1999 and 2003 before stepping down at the election in 2007. John held office as Vice-Convener, Chair of the Resources Committee and Chair of the Licensing Board amongst other appointments. I particularly recall him as a member of the Northern Joint Police Board during my time as Area Commander. He was always supportive and mindful of Shetland’s unique problems in a policing context. He battled Shetland’s corner with tenacity and glee never missing an opportunity to push our case at Board meetings in Inverness. I often received telephone calls following Board

meetings from an exasperated Chief Constable suggesting that, if I valued my career prospects, it was about time I got my Police Board member under control. I remember John's mischievous chuckle when I told him about this.

In 2011 he was awarded the lifetime achievement award at the Shetland Sports awards. This was particularly valued by him as it was given in the memory of his friend and former deputy at Leisure and Recreation, Rob Anderson. He was also chosen as one of the torch bearers during the visit of the Olympic torch in 2012. His reputation stretched well beyond our shores. George Smith and I attended a meeting with the International Island Games Association in Gibraltar earlier this year. The first name mentioned by the Chair was John Nicolson. Of course, John was instrumental in bringing the Games here in 2005.

I know the Chamber will join with me in expressing our deep sympathy to Peggy and family.

I move that an extract of the minute of this meeting be sent to the family of John Nicolson."

The Council concurred unanimously.

### **Minutes**

The minutes of the meeting held on 3 July 2019 were approved on the motion of Mrs Macdonald, seconded by Mr Campbell.

The minutes of the meeting held on 11 September 2019 were approved on the motion of Mr Leask, seconded by Mr C Smith.

The minutes of the meeting held on 25 September 2019 were approved on the motion of Mr Scott, seconded by Mr C Smith.

The Convener reminded Members of their obligations during the pre-election period.

#### **61/19      Members Elected to Serve on the Shetland Islands Council**

The Council considered a report by the Executive Manager – Governance and Law (GL-17-19-F), presented as a preliminary matter to the formal business of the Council, confirming the names of those persons elected to serve on the Council following the by-elections on 7 November 2019.

The Executive Manager – Governance and Law introduced the report and the Convener welcomed Mrs Lyall and Mr Flaws to the Council.

#### **Decision:**

The Council NOTED the report.

#### **62/19      Appointment to Committee Vacancies - Shetland Central and Lerwick South Wards**

The Council considered a report by the Executive Manager – Governance and Law (GL-12-19-F), seeking to make the necessary elected Member appointments to fill the vacancies as a result of the resignations of Councillors Wishart and Burgess.

In introducing the report the Executive Manager – Governance and Law referred to all appointment reports on the agenda and the Council unanimously agreed that all appointments would be made by secret ballot, if required.

The Council then proceeded to appoint Members to the following vacancies:

Development Committee

**Shetland Central** - Councillor Moraig Lyall was appointed on the nomination of Mr Sandison, seconded by Mr Scott.

**Lerwick South** - Councillor Stephen Flaws was appointed on the nomination of Mr Campbell, seconded by Mr Duncan.

Education and Families Committee

**Lerwick South** - Councillor Amanda Hawick was appointed on the nomination of Mr Campbell, seconded by Mr C Smith.

Town Hall Sub-Committee

**Lerwick South** - Councillor Stephen Flaws was appointed on the nomination of Mr C Smith, seconded by Ms Hawick.

**Decision:**

The Council:

- NOTED the following ex-officio appointments to be filled by the newly elected member for **Shetland Central**:
  - Shetland Islands Council
  - Burra and Trondra Community Council
  - Scalloway Community Council
  - Tingwall, Whiteness and Weisdale Community Council
- NOTED the following ex-officio appointments to be filled by the newly elected member for **Lerwick South**:
  - Shetland Islands Council
  - Lerwick Community Council
  - Gulberwick, Quarff and Cunningsburgh Community Council
- RESOLVED to appoint:
  - Councillor Moraig Lyall as a member from **Shetland Central** to the Development Committee;
  - Councillor Stephen Flaws as a member from **Lerwick South** to the Development Committee;
  - Councillor Amanda Hawick as a member from **Lerwick South** to the Education and Families Committee; and

- Councillor Stephen Flaws as a member from **Lerwick South** to the Town Hall Sub-Committee.

63/19

### **Appointment of Depute Convener and Other Committee Vacancies**

The Council considered a report by the Executive Manager – Governance and Law (GL-13-19-F), seeking to make the necessary elected Member appointments to fill the vacancies as a result of the resignations of Councillors Wishart and Burgess.

The Executive Manager – Governance and Law introduced the report.

The Council then proceeded to appoint Members to the following vacancies:

#### **Depute Convener**

Councillor Cecil Smith was appointed on the motion of Mr Bell, seconded by Mr Coutts.

#### **Harbour Board**

Councillor Stephen Flaws was nominated on the motion of Mr Campbell, seconded by Mr C Smith. Mr Flaws however declined the nomination.

Councillor David Sandison was nominated on the motion of Mr Coutts, seconded by Ms Hawick. Mr Sandison accepted the nomination.

#### **Licensing Committee**

The Executive Manager – Governance and Law advised that the Member appointed to the Committee would also be a Member on the Shetland Islands Area Licensing Board.

Councillor Stephen Flaws was appointed on the motion of Mr Campbell, seconded by Mr C Smith.

#### **Shetland College Board**

Councillor Moraig Lyall was appointed on the motion of Mr Sandison, seconded by Mr Scott.

#### **Substitute Member of College Lecturers Joint Consultative Committee/Joint Negotiating Committee**

Councillor Moraig Lyall was appointed on the motion of Mr Campbell, seconded by Mr Leask.

#### **Decision:**

The Council RESOLVED to elect:

- Councillor Cecil Smith as Depute Convener;
- Councillor David Sandison as a Member of the Council to the Harbour Board;
- Councillor Stephen Flaws as Member of the Council to the Licensing Committee;

- Councillor Moraig Lyall as a Member of the Council to the Shetland College Board; and
- APPOINTED Councillor Moraig Lyall as Member of the Shetland College Board, as a substitute Member of the College Lecturers Joint Consultative Committee/Joint Negotiating Committee.

64/19

**Appointment to the Planning Committee**

The Council considered a report by the Executive Manager – Governance and Law (GL-10-19-F), seeking to appoint one Member to the Planning Committee following the resignation of Councillor Theo Smith on 10 June 2019.

The Executive Manager – Governance and Law introduced the report and referred to the current position in terms of two Shetland North Ward Members holding the positions of Chair and Vice-Chair on the Board. He went on to explain that the third ward Member had expressed concern that to appoint to the current vacancy would leave the constituents without the support of an elected Members as advocate. Mr Cooper confirmed that he would not take up the appointment. The Executive Manager – Governance and Law advised that Members may wish to consider an appoint to the “Additional Member” vacancy.

Following brief consideration, Mr Duncan moved that Mrs Lyall be appointed as an additional member to the Planning Committee. Mr Scott seconded. Mrs Lyall said that unless the majority view was that the status quo should remain she would accept the nomination. Comment was made that the appointment of Mrs Lyall would create an odd number of Members where votes are required, which could be advantageous. The Council unanimously approved the appointment. No further nominations were made.

**Decision:**

The Council RESOLVED to appoint Councillor Moraig Lyall, as a Member to the Planning Committee.

65/19

**Appointment to the Audit Committee**

The Council considered a report by the Executive Manager – Governance and Law (GL-11-19-F), that sought to appoint one Member to the Audit Committee.

The Executive Manager – Governance and Law summarised the main terms of the report.

Mrs Lyall was appointed on the motion of Mr Duncan, seconded by Mr Leask.

In response to a question, the Executive Manager – Governance and Law confirmed that there was an error in the report and that Mr C Smith had previously been appointed as the Lerwick South Ward Member.

**Decision:**

The Council RESOLVED to appoint Councillor Moraig Lyall, to the Audit Committee.

66/19

**Shetland College Board – Student Member Appointment**

The Council considered a report by the Executive Manager – Governance and Law (GL-20-19-F), seeking to appoint Ms Tegan Patterson as the nominated student representative on the Shetland College Board, with full voting rights.

The Executive Manager – Governance and Law introduced the report.

The Council appointed Ms Tegan Patterson, as the nominated student representative on the Shetland College Board, on the motion of Mr Campbell, seconded by Mr T Smith.

**Decision:**

The Council RESOLVED to appoint Ms Tegan Patterson as the nominated student representative on the Shetland College Board, with full voting rights.

67/19

**Appointment to External Organisations: Orkney and Shetland Valuation Joint Board; Shetland Area Support Team; and Community Safety and Resilience Board**

The Council considered a report by the Executive Manager – Governance and Law (GL-14-19-F), seeking to make the necessary elected Member appointments to fill the vacancies as a result of the resignations of Councillors Wishart and Burgess.

The Executive Manager – Governance and Law introduced the report.

The Council made the appointments to the following vacancies:

**Orkney and Shetland Valuation Joint Board**

Councillor George Smith was appointed as a substantive Member on the motion of Mr T Smith, seconded by Mr Fraser.

Councillor Flaws was nominated as a substitute Member on the motion of Mr T Smith, seconded by Mr Duncan. Mr Flaws declined.

Councillor MacGregor was nominated as a substitute Member on the motion of Mr T Smith, seconded by Mr G Smith. Mr MacGregor accepted the appointment and no further nominations were received.

**Area Support Team (Education and Families Committee Member)**

Councillor Fraser was nominated on the motion of Mr G Smith seconded by Mr T Smith, and accepted the nomination.

Councillor Amanda Hawick, was nominated on the motion of Mr Campbell, seconded by Mr C Smith, and accepted the nomination.



Following a short statement by each nominee, voting took place by secret ballot and the results were as follows:

Mr Fraser	9
Ms Hawick	10
Abstentions	2

Ms Hawick was therefore appointed as an Education and Families Committee Member on the Area Support Team.

#### Community Safety and Resilience Board

The Council were informed that two appointments were required and the following appointments were made:

#### **Shetland Central**

Councillor Moraig Lyall was appointed on the motion of Mr Sandison, seconded by Mr Scott.

#### **Lerwick South**

Councillor Stephen Flaws was appointed on the motion of Mr Duncan, seconded by Mr Leask.

#### SOTEAG

Councillor Emma Macdonald, was appointed as an Executive Member of SOTEAG on the motion of Mr Coutts, seconded by Mr Campbell.

Councillor Cecil Smith, was appointed as a substitute member of SOTEAG on the motion of Ms Manson seconded by Ms Hawick.

#### **Decision:**

The Council RESOLVED to appoint:

- Councillor George Smith as a substantive Member to the Orkney and Shetland Valuation Joint Board;
- Councillor Robbie McGregor as a substitute Member to the Orkney and Shetland Valuation Joint Board;
- Councillor Amanda Hawick, Member of Education and Families Committee to the Shetland Area Support Team.
- Councillor Moraig Lyall, Member of Shetland Central, and Councillor Stephen Flaws, Member of Lerwick South, to the Community Safety and Resilience Board;
- Councillor Emma Macdonald, as an Executive Member of SOTEAG; and
- Councillor Cecil Smith, as a substitute member of SOTEAG.

68/19 **SIC Overall Management Accounts 2019/20 Projected Outturn at Quarter 2**

The Council considered a report by the Executive Manager – Finance (F-054-19-F), that presented the overall Council projected financial position as at quarter 2.

The Team Leader – Accountancy introduced the report she highlighted the key issues at section 3, and advised that a draw on reserves would be required.

In responding to a question regarding the Gas Plant, the Director of Infrastructure Services explained that the reduction in income was due to throughput where the threshold was not reached and also as a result of the price of gas being lower than the threshold.

There being no debate Mr Coutts moved that the Council approve the recommendations contained in the report. Mr Duncan seconded.

**Decision:**

The Council:

- NOTED the Management Accounts showing the overall projected outturn position at Quarter 2; and RESOLVED to
- APPROVED an increase in the contribution to ZetTrans of up to £0.099m to fund the delivery of business cases as part of the transport network re-design.

69/19 **Communications Strategy**

The Council considered a report by the Executive Manager – Executive Services (CE-03-19-F) that presented the new Communications Strategy for the Council.

The Executive Manager – Executive Services introduced the report and advised on the process undertaken using internal and external data sources. He said that five priority areas were identified and an action plan had been produced to drive the work going forward.

In responding to a question on how the local community can influence decision making and whether the strategy can improve that, the Executive Manager – Executive Services confirmed that priority three picks up on the Council's action in regard to two way communication and listening. He said that this would be addressed through the action plan.

In terms of priority four, the Executive Manager – Executive Services said that it was important to be mindful that not everyone is connected electronically and that although it is the preferred option for communication not everyone has online access.

During debate comment was made that in terms of staff empowerment the best way to be motivated is to have accessibility to information but nothing was more important than face to face engagement between managers and staff.

In moving the recommendations, the Depute Leader said that she had done some work with the Executive Officer and discussed many ways to communicate the need to listen better. Mr Leask seconded.

Further comment was made that the strategy provided a good foundation as the Council moved to having ongoing regular communication on sustaining services into the future. This would provide a consistent two way approach including the conveying of difficult messages to maintain and deliver services.

**Decision:**

The Council RESOLVED to formally APPROVE the Communications Strategy.

70/19

**Strategic Roads Network – Strategic Outline Programme**

The Council considered a report by the Executive Manager – Roads (RD-06-19-F) that presented the Strategic Roads Network, Strategic Outline Programme.

The Executive Manager – Roads introduced the report and advised that the Policy and Resources Committee approved the recommendations with an additional recommendation that a report be presented to the next cycle of meetings on the process and prioritisation of the remaining projects that will be appended to the Cullivoe Outline Business Case.

In responding the questions, the Executive Manager – Roads explained the criteria applied to the priority list and advised that this can be affected by matters such as population changes or usage. He therefore confirmed the list can be changed and refreshed.

Comment was made in support of the recommendations and the question was asked whether there would be an opportunity to discuss as a national priority with Government Departments and whether the programme was part of the case for funding. The Director of Infrastructure Services advised that the National Transport Strategy and representatives involved acknowledged the significance of this link.

During debate the Leader advised that Policy and Resources Committee had agreed that a report be provided on the robust process for decision making and the Roads Infrastructure was a matter to be considered further through open and transparent processes. Mr Coutts moved that the Council approve the recommendations, with additions, as approved at Policy and Resources Committee. Mr Cooper seconded.

During debate comment was made in support of a further report and some Members commented on specific roads within their ward areas. The Vice-Chair of Environment and Transport said he had been delighted that the pupils in Yell Junior High School had engaged with the Chair of Environment

and Transport Committee, during a recent visit, on the Cullivoe Road and he was pleased to be able to report back to the pupils on the decision made today.

Reference was made to the previous Council and the lack of aptitude and ambition to maintain and enhance roads and that the decisions made had a financial cost for this Council. During further comment Members were reminded to consider the matter presented and also that the pre-election period should be observed.

**Decision:**

The Council:

- NOTED actions taken to date regarding the development and maintenance of Shetlands Strategic Roads network.
- ENDORSED the objectives and critical success factors set out in the Strategic Outline Programme including the proposed reporting arrangements;
- APPROVED the identification of the B9082 Cullivoe road as the priority project for resolution within the Strategic Roads network;
- DELEGATED authority to the Director of Infrastructure Services or his nominee to initiate the preparation of a Strategic Outline Business case for the B9082 Cullivoe Road again in January 2020; and
- NOTED the addition of the road to the West Burrafirth Ferry Terminal to the strategic road network.
- AGREE that a report be presented next committee cycle on the process and timeline to take forward the remainder of the strategic road network.

71/19

**Crown Estate Income Distribution**

The Council considered a report by the Director – Development Services (DV-35-19-F) that provided information on the current and future arrangements for the distribution of Crown Estate monies received.

The Director – Development Services introduced the report.

In responding to questions the Director of Development Services explained that there was guidance that set out the criteria for allocating the funds and that it had to benefit the coastal community. He said that it was important to identify schemes and that the Shetland Partnership Plan states the need to seek to enable communities to develop place and these may be both social and economic. In addition, he confirmed that time was needed to develop activity that would allow community involvement in the process.

During further questions, the Director of Development Services confirmed that the funding allocations would be provided to coastal areas. The Chief Executive also responded to a question advising that the process for this

Council is to look at every consultation and respond. She added that the Council are engaging with the Crown Estate closely to create the best returns for the coastal communities.

Reference was made to the high level of coastal activity in Shetland and the question was asked what value was generated to the Crown Estate. It was agreed that the value would be provided to Members following the meeting.

The Chief Executive responded to a question on the use of participatory budgeting and advised that as a system would take some time to set up a transitional arrangement has been proposed for this year. She said that work would be done on the future financial management and include participatory budgeting being a positive way to engage that can be built on into future planning.

During debate, the Leader advised that the Policy and Resources Committee sought the addition of a paragraph 1.1.3 that the Chair's Group act as a sounding board in helping the working group around the transitional arrangements. He said that any future scheme would be approved by the Council. The Leader also noted that the change to the wording made by Councillor G Smith at Policy and Resources Committee did not match the decision, and that paragraph 4.6 should be amended to read "...promote inclusive growth, and support community capacity building and community development, and contribute to poverty reduction.". Mr Coutts moved that the Council approve the recommendation from Policy and Resources Committee with the amended wording at paragraph 4.6. Mr G Smith seconded.

Further comment was made in regard to community engagement, and on the benefits that greater funding would bring to coastal areas.

### **Decision:**

The Committee RECOMMENDED that the Council RESOLVES to:

- GRANT delegated authority to the Chief Executive, or her nominee, to allocate £1,008,679 of 2019/20 Crown Estate funding allocation in line with priorities detailed in section 3 and para 4.6 (amend wording to read "...promote inclusive growth, and support community capacity building and community development, and contribute to poverty reduction."), subject to satisfactory business case evaluations and/or third party funding applications, and in accordance with Scottish Government conditions and guidelines;
- CONTINUE the Officer Working Group to develop a new scheme for future years Crown Estate monies;
- AGREE that the Chairs Group act as a Sounding Board during the development of the new scheme; and
- AGREE for an update report to be presented to Committee.

**Tall Ships' Race 2023 – Business Justification Case**

The Council considered a report by the Team Leader – Business Development (DV-32-19-F), that presented the Business Justification Case (BJC) on options to promote Shetland as an attractive place to live, work, study and invest through support of small scale events or the support of a bid for Shetland to Host the Tall Ships Race' in 2023.

The Team Leader – Business Development introduced the report advising on the process followed and that the options submitted were considered against economic benefits identifying two options for consideration, namely small scale events or the support of a bid for the Tall Ships Race in 2023. He referred to paragraph 6.5 and advised that the cost of supporting a bid would require a £1.39m commitment from the Council, the impact of which could be mitigated by drawing on disbursements to the Council from net revenue from the Crown Estate assets.

In responding to questions the Team Leader – Business Development advised that there was no information available to advise whether the two previous Tall Ships events had resulted in return visits. Reference was made to recent years and the increase in vessels visiting Shetland, six of which visited during the last Tall Ships event where there had been none prior to that. The Team Leader – Business Development also confirmed that the cost involved in submitting a bid would be a commitment of officer time within the Economic Development Services and that funds would only be committed if a bid is successful.

During discussion comment was made in regard to visitor spend and on the constraints in external transport links, both air and sea during the summer period.

The Leader advised of a change to the recommendation made at the Policy and Resources Committee in that the addition of small scale events has the potential to grow economic and community development in Shetland. Mr Coutts moved that the decision at Policy and Resources Committee noting that the word “or” be amended to “and” at the end of paragraph 1.1 in order that both options can be pursued. Mr G Smith seconded.

**Decision:**

The Council RESOLVED to:

- INSTRUCT the Director of Development (or his nominee) to bring forward a detailed report on a Support for Smaller Scale Events Scheme which realises local partnership objectives; and
- to support a bid for Shetland to host the Tall Ships' Race in 2023, acting as the signatory to the Host Port Contract, and providing financial support for staging the event.

*(Mr Fraser left the meeting)*

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

Mr Priest declared an interest in item 14 “Contract Matter” and advised that he would leave the Chamber.

73/19      **Asset Investment Plan – Business Case – Staff Travel Project**

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement that presented information on a Business Justification Case - Staff Travel Project.

The Executive Manager – Assets, Commissioning and Procurement summarised the report and advised that Policy and Resources Committee approved the recommendations contained therein.

Mr Coutts moved that the Council approve the recommendation contained in the report. Ms Manson seconded.

**Decision:**

The Council RESOLVED to;

- APPROVE the proposal to adopt option 3 as described in Appendix A and section 4.3 of the report.

*(Mr Priest and Mr Campbell left the meeting)*

(Ms Hawick declared an interest relating to a family member, and left the meeting).

74/19      **Contract Matter**

The Committee considered a report by the Executive Manager – Marine and Airport Infrastructure.

The Executive Manager – Marine and Airport Infrastructure introduced the report and responded to questions from Members.

Ms Manson moved that the Council approve the recommendations in the report, Mr Coutts seconded.

**Decision:**

The Council RESOLVED to approve the recommendations in the report.

The meeting adjourned at 11.50am

*(Ms Manson left the meeting)*

The meeting reconvened at 12.05pm

The following item contained **RESTRICTED** information

75/19      **Property Matter Review**

The Committee considered a report by the Director of Corporate Services.

**Decision:**

The Council RESOLVED to approve the recommendations in the report.

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Chair



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## MINUTES

## A&B - PUBLIC

**Shetland Islands Council**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 18 December 2019 at 10am**

### **Present:**

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	S Flaws
A Hawick	C Hughson
S Leask	M Lyall
A Manson	E Macdonald
R McGregor	D Sandison
I Scott	D Simpson
C Smith	G Smith
T Smith	

### **Apologies:**

J Fraser	A Priest
R Thomson	

### **In Attendance (Officers):**

M Sandison, Chief Executive  
J Riise, Executive Manager – Governance and Law  
R Christie, Management Accountant  
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.

### **Declarations of Interest**

None

### **76/19      Local Government Boundary Review - Local Government Boundary Commission Detailed Proposals**

The Council considered a report by the Executive Manager – Governance and Law (GL-18-19-F) that presented the review of the Council ward boundaries by the Local Government Boundary Commission.

The Executive Manager – Governance and Law introduced the report and it was agreed that discussions would be structured on a ward by ward basis.

The Executive Manager – Governance and Law providing historic context and apologised for the delay in reporting to Council. He explained that parity in electoral numbers was a key requirement of the review and should be a consideration as discussion progress. The Executive Manager – Governance and Law said that of all the reviews in the past this one had exercised Community Councils the most and the Boundary Commission had met with the Association of Community Councils where there was good engagement. He then took Members through the views received from Community Council's set out in section 4 of the report, and Members were invited to comment on each ward in turn.

#### North Isles

The Council were advised that the Whalsay community sought the status quo position to continue, stating that the geographical workload would be impractical for a single Member. It was noted that the community of Yell were happy with a change to 2 Members but were also not opposed to the status quo position.

#### Shetland North

The status quo is sought for Shetland North. It was noted that the Delting community is opposed to Voe being separated, opposed to a two Member ward, as this would mean a 10% increase in representation for each Councillor. It was noted that there had been a good turnout in Voe at the Community Council meeting and to move Voe out of Shetland North would affect too many in the area - Voe was described as "the gateway to the North". That view was backed up by Whalsay also seeking the status quo.

#### Shetland South

It was noted that a Lerwick Member would be better placed to convey the Gulberwick resident's view, but Shetland South Ward Members acknowledged that there was logic in having Gulberwick as part of Shetland South and increasing to a 4 Member ward. This view was held as Gulberwick was part of the Gulberwick, Cunningsburgh and Quarff Community Council; Gulberwick is also involved in the South Mainland Up Helly Aa and there has been a strong connection through South Mainland football. It was also seen that the increase in housing in Lerwick would increase numbers beyond parity. It was noted however that some younger residents in Gulberwick do gravitate to Lerwick for schools and other activities.

#### Lerwick South

The Lerwick Community Council's view was described, as being clear that Gulberwick should move to the Shetland South ward as being the best option. It was noted that there was a lot of activities for Gulberwick residents in Lerwick through education and health but it did have a more rural feel to it. The housing developments over the next 10 years in Lerwick would mean that the ward numbers for Lerwick South would be disproportionate and require further review. It was noted that the Gulberwick, Quarff and Cunningsburgh Community Council would discuss this matter at its meeting in January 2020 and it was important to do what was best for the community. It was acknowledged also that the Lerwick South Ward would remain a four Member ward.

#### Lerwick North

The change of Ward name was agreed to include Lerwick North and Bressay Ward. It was seen as important for Bressay to be identified. The Council also recognised that with an increase in housing anticipated in the Lerwick North Ward it was a possibility that the parity on numbers could see an increase to a four Member ward.

#### Shetland West

The Council were informed that Sandsting and Aithsting Community Council and the Sandness and Walls Community Council were both opposed to the changes proposed to a two Member Ward and an increase to a four Member Central Ward. Concern was expressed that the workload would increase for the two Members which was considered unfair. It was put forward that the status quo should remain. It was noted that the Community Councils can respond to the consultation in their own right but the Council had to consider its own response.

Further comment was made on the opposition from the two Community Councils and that two Members cannot cover all the work required in the Committee cycles. The Executive Manager – Governance and Law provided advice on the matter and said that this was the Council's opportunity to make changes and as the Boundary Commission may seek to pursue an alternative option if there remains deviation from parity. The Council acknowledged that the status quo would leave a problem that would need to be resolved at a later date.

#### Central Ward and West Ward

It was acknowledged that there will be population growth in the Ward area and this is something that will cause the voter numbers to deviate from parity. It was noted that the Burra and Trondra Community Council had discussed this matter and it was suggested that if the status quo was put forward there might have to be some later arrangement made with the Boundary Commission if it was not accepted. It was pointed out however that the Boundary Commission's position on parity may mean that they feel obliged to make a recommendation that leads to an imposed solution that fits with their legal responsibilities, making it important for the Council to put forward its view at this time. It was reported that the West Side residents would be happier with a change to a 4 Member Ward as opposed to a 2 Member Ward.

The Executive Manager – Governance and Law provided advice on the voter numbers in the areas and explained where the proposed boundary changes in the Central Ward would fall if these voters were taken into the West Ward. He advised that this would provide an increase of between 110 and 120 voters on the West Ward.

During further consideration it was noted that Members need to be realistic about what the Boundary Commission would accept, and it was noted that the changes suggested would lead to the Council looking at the Committee structures and how the spread in two Member Wards would require a review of the structure. The Convener confirmed that a review would take

place before the end of this Council's term and that would include any decisions taken by the Boundary Commission.

The Leader reflected on the roles of the Council and that the argument for parity was strong for Councillors. He said that for the Boundary Commission it was a numbers game and he appreciated the views that there could be a West to East ward but that had been looked at before and it was not a settled picture. The Leader said that the Council should not do anything that would be at the detriment of an area that would require a future review. He said that he reluctantly took the view that a two Member Ward was the way it had to go but he also shared the concerns expressed during the debate. .

Caution was expressed that the Council should never disengage from the Community and it was important to take cognisance of the problems that may arise in a ward comprising a very large geographical area.

There followed further discussion and concerns were reiterated. The Convener summarised the debate, and in responding to a question on whether it is possible to appeal a Boundary Commission decision, Members were informed that there is Judicial Review to Court but the Executive Manager – Governance and Law advised that there was further opportunity by not accepting even the status quo and, if requested, the Boundary Commission may be persuaded to carry out a further short consultation.

The Convener said therefore that in addressing the concerns raised there should be a caveat in the response to the Boundary Commission that a short consultation should be carried out after a further iteration is provided by the Boundary Commission.

**Decision:**

The Council ACCEPTED some of the wards proposed but made alterations in respect of others as follows:

- The status quo remain for Shetland North, North Isles and Lerwick North Wards.
- That Lerwick North Ward be renamed Lerwick North and Bressay Ward.
- That Lerwick South Ward no longer include Gulberwick.
- That Shetland South Ward include Gulberwick and increase to a four Member Ward.
- That Shetland Central Ward become a four Member Ward.
- That Shetland West Ward become a two Member Ward;



- That the response to the Boundary Commission include concerns raised by the Shetland West Ward Members and with the caveat that a further short consultation be sought for the communities affected.

The Council delegated authority to the Executive Manager – Governance & Law to prepare a response, in consultation with the Convener and Leader which embraces the main points of the debate on this report capturing the above decision and any incidental requirements for the Council's position to be effectively communicated.

The meeting concluded at 11.20am.

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Chair





## **MINUTES**

## **A&B - PUBLIC**

**Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Wednesday 22 January 2020 at 2pm**

### **Present:**

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	S Flaws
A Hawick	M Lyall
A Manson	S Leask
E Macdonald	R McGregor
A Priest	D Sandison
I Scott	D Simpson
C Smith	G Smith
T Smith	

### **Apologies:**

J Fraser  
C Hughson  
R Thomson

### **In Attendance (Officers):**

M Sandison, Chief Executive  
J Manson, Executive Manager – Finance  
K Johnson, Team Leader – Legal  
C Bain, Treasury Manager  
S Brown, Senior Accountant  
A MacIver, Assistant Accountant  
L Malcolmson, Committee Officer

### **Chairperson**

Mr Bell, Convener of the Council, presided.

### **Circular**

The circular calling the meeting was held as read.

### **Declarations of Interest**

None

### **16/20     Fund Manager Presentations from Partners Group, Baillie Gifford and BlackRock**

The Council considered a report by the Executive Manager – Finance (F-001-20-F) that introduced presentations by Fund Managers, Partners

Group, Baillie Gifford and BlackRock, which forms part of the governance arrangements in regard to the annual review of the Council's investments.

#### Partners Group

Mr Ott and Ms Brewer provided Members with a presentation and an overview of their performance as fund managers for the Council's Direct Lending Mandate.

Following their presentation, Mr Ott and Ms Brewer responded to Member's technical questions including the Company's view on the debt market and its impact on the global market, and in regard to Climate Change. They provided examples where they invest in companies that take account of Environmental, Social and Governance (ESG), and it was also confirmed that their Australian investments are not in mining or raw materials. The Council was advised that their investments in the last three years had been predominantly in the UK to ideally avoid any effect from the consequences of Brexit.

Mr Ott and Ms Brewer left the meeting

There being no debate, the Members noted the Fund Manager's presentation.

#### Baillie Gifford

Mr Wright and Mr Gooding provided Members with a presentation and an overview of their performance as fund managers for the Council's equity and diversified growth mandate.

*(Mr G Smith, Mr T Smith and Mr Cooper left the meeting during this item)*

Following their presentation, Mr Wright and Mr Gooding responded to Member's technical questions and in terms of ethical and environmental investments they confirmed that they do not invest in big oil companies or mining companies. They clarified that any companies they do invest in are committed to reducing carbon and have to do so to continue to be a viable investment for Baillie Gifford. In terms of fracking, two companies were named where there is limited investment exposure and it was advised that Baillie Gifford's analysts had met with EOG Resources in October 2019 to discuss sustainability and how they would modify in terms of business.

During further questions in regard to sustainable investments the Council were advised that if companies do not adapt then Baillie Gifford is in a position where it can move quickly to sell the investments and an example was given where this had been done. It was noted that new technologies were moving at pace with Tesla opening within 10 months in Shanghai and vehicles were already being produced.

There being no debate the Council noted the Fund Manager's presentation.

*(Ms Manson and Mr Simpson left the meeting)*

BlackRock

Mr Barkett, Mr Bhandari and Ms Wallis provided Members with a presentation and an overview of their performance as fund managers for the Council's passive equity mandate

Following their presentation, Mr Barkett, Mr Bhandari and Ms Wallis responded to Member's technical questions in regard to how they saw EU and UK investments performing following the UK's exit from the EU at the end of January 2020. They also confirmed that the Government subsidy was important in terms of investing in renewables.

During debate comment was made that the information presented was a snap shot in time but at the end of the day it would be difficult for the Council to make judgements on investments therefore it was important to have these Fund Managers handling the Council's funds.

The Council noted the presentation by BlackRock.

**Decision:**

The Council NOTED the Fund Manager presentations from Partners Group, Baillie Gifford and BlackRock.

The meeting concluded at 4pm.

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Chair





## **MINUTES**

## **B - PUBLIC**

**Special Shetland Islands Council**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 13 February 2020 at 2pm**

### **Present:**

M Bell	P Campbell
A Cooper	S Coutts
A Duncan	S Flaws
J Fraser	A Hawick
C Hughson	S Leask
M Lyall	E Macdonald
A Priest	D Sandison
I Scott	C Smith
G Smith	T Smith
R Thomson	

### **Apologies:**

A Manson  
R McGregor  
D Simpson

### **In Attendance (Officers):**

M Sandison, Chief Executive  
N Grant, Director of Development Services  
M Craigie, Executive Manager – Transport Planning  
J Manson, Executive Manager – Finance Services  
P Peterson, Executive Manager – Executive Services  
R Barton, Transport Planning and Projects Officer  
E Park, Transport Contracts and Operations Officer  
H Chapman, Trainee Senior Assistant Accountant  
B Kerr, Communications Officer  
L Malcolmson, Committee Officer

### **Chairperson**

Mr Bell, Convener of the Council, presided.

### **Circular**

The circular calling the meeting was held as read.

### **Declarations of Interest**

None

**Public, School and Adult Social Care Bus Transport – Full Business Case**

The Council considered a report by the Executive Manager – Transport Planning (DV-05-20-F) that sought approval to award contracts for School and Adult Social Care transport and fund contracts for Public Bus Transport in line with the conclusions of the Full Business Case.

The Executive Manager – Transport Planning introduced the report, providing an overview of the three stage process leading to the full business case and the outcome of the tender process. He commented on the savings achieved and the enhancements to services on bus routes 1 and 6. The Executive Manager – Transport Planning advised that where there was removal of a public bus service this had been done through consultation with the community. He acknowledged that there were gaps in services in terms of days in the week and length of day but with the current financial constraints it was not possible to close those gaps. The Executive Manager – Transport Planning advised that Officers would continue to work on ways to close gaps by engaging with partners and sourcing alternative funding opportunities.

Officers were congratulated on achieving the £500k savings target whilst maintaining or enhancing current services. In responding to a question, the Executive Manager – Transport Planning confirmed that there were no external costs placed on the customers. He said that customers will continue to pay the same fares, but it was noted that the fares would be reviewed shortly.

Reference was made to individuals travelling by car from landward areas outwith Lerwick, and the potential for problems in regard to parking in the town to connect with public transport and the question was put forward whether consideration had been given to park and ride facilities. The Executive Manager – Transport Planning advised that this process did not allow for tackling such issues but officers would continue to work on ways to allow people to use public transport.

In considering the bus route to Sumburgh it was highlighted that Loganair had reported an 11% reduction in passenger travel, which related to the reduction in oil related passengers. It was questioned therefore how that would impact on bus journeys in the future. The Executive Manager – Transport Planning advised that through the business case process there had been engagement with Loganair and when discussing capacity it is their ambition to grow the passenger travel market.

The Executive Manager – Transport Planning was asked what consideration had been given to detouring through Bigton and Robins Brae. The Executive Manager – Transport Planning said that this option could not be considered within the current scheme but would form part of the ongoing work to address gaps across Shetland.

In terms of previous discussion in regard to free bus or concessionary bus services, reassurance was sought that Officers were actively looking at options to enhance available bus services that are cost effective, in



partnership with local and national bodies. The Executive Manager – Transport Planning confirmed that an application had been submitted for funding to carry out a fare study and he planned to report back to ZetTrans and the Environment and Transport Committee within the first two thirds of the next financial year.

In responding to a question on the Scalloway, Tingwall, and Lerwick routes, and the need for the public to access Scalloway without first having to go through Lerwick, the Executive Manager – Transport Planning confirmed that behaviour change was a feature of the work that would be undertaken. He advised that there would be Area Transport Forums held across Shetland where issues could be raised in order to get the views of the public.

During debate, Mr Thomson advised that concern had been expressed within the community when the £500k savings target for transport had been set. He said that through the efforts of the Executive Manager - Transport Planning and his team, this had been achieved and the service improved. Mr Thomson moved that the Council approve the recommendations contained in the report, with the addition at 1.1.2 “that further work will be carried out to identify areas of need.” Mr Sandison seconded.

During further debate, reference was made to the earlier comment in terms of parking, and that it was important to be mindful of the many informal parking that takes place along the roadside and this could become an unintended consequence of enhancing the South Mainland bus service.

An issue of concern was raised in regard to the Mossbank and Firth services, where a higher number of low income families reside. It was noted that there had formerly been a 2pm service from Mossbank but having removed that service families were no longer able to spend a half day in Lerwick and return in time to pick their children up from School. The 3pm service had also been useful to attend appointments at the Brae Dentist and Health Centre but this had also been removed. Mr Cooper asked if reconsideration of these services could be incorporated into the motion. The Convener suggested that this point was covered in the addition made to the recommendation at 1.1.2. For clarity, Mr Cooper read what he intended to be put forward as an amendment namely “the addition of recommendation 1.1.3, Ask ZetTrans to investigate and incorporate a feeder service in the new contract between Brae, Toft and Mossbank connecting with the 1400 Lerwick to Hillswick Service. A report would be brought back to Council advising how the cost can be met.”

The Convener said that a number of suggestions had been made that he believed had been covered by the addition made by Mr Thomson in his motion. Mr Thomson said that he agreed with Mr Cooper and that specific and individual areas do need further work but he was hesitant to identify specific areas within his motion but sought to ensure that work would continue in terms of need that covers the whole of Shetland. In terms of timeline, Mr Cooper said he sought an answer by August this year but was concerned that this work may not be done for another 2-3 years. Mr Thomson said that he was confident that he would work with Officers to find a meaningful way forward.

Further comments were made in congratulating Officers for the efforts and for the enhancements to services that would better support Sumburgh airport and the Shetland College. In terms of raising matters relating to identified gaps in services, Members were advised that a series of public Area Transport Forums would be held and Members and the public would be encouraged to attend.

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**Decision:**

The Council **RESOLVED** to:

- **APPROVE** the award of contracts for school and adult social care transport to deliver Option 3 (Optimised Network: August 2020 Introduction) in line with the conclusions of the Full Business Case attached as Appendix 1 to this report.
- **APPROVE** provision of finance to ZetTrans for the award of contracts for public bus transport to deliver Option 3 in line with the conclusions of the Full Business Case attached as Appendix 1 to this report and further work will be carried out to identify areas of need.

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

18/20

**Inter-Island Air Services Full Business Case**

The Council considered a report by the Executive Manager – Transport Planning.

The Executive Manager – Transport Planning summarised the main terms of the report and responded to Members questions.

Mr Thomson moved that the Council approve the recommendations contained in the report. Mr Leask seconded.

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**Decision:**

The Council **APPROVED** the recommendations contained in the report.

The meeting concluded at 2.50pm.

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Chair

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<b>Meeting(s):</b>	Policy & Resources Committee Shetland Islands Council	11 March 2020 11 March 2020
<b>Report Title:</b>	SIC Overall Management Accounts 2019/20 Projected Outturn at Quarter 3	
<b>Reference Number:</b>	F-002-F	
<b>Author / Job Title:</b>	Jamie Manson Executive Manager - Finance	

## 1.0 Decisions / Action required:

1.1 That the Policy & Resources Committee RECOMMENDS that the Council RESOLVE to:

1.1.1 note the Management Accounts showing the overall projected outturn position at Quarter 3; and

1.1.2 approve the carry forward of slippage on capital projects for inclusion in the 2020/21 Asset Investment Plan as shown in Appendix 7.

2.1 The report sets out the overall Council projected financial position as at quarter 3.

2.2 On 26 February 2019 (SIC Min Ref: 10/19) the Council approved the 2019/20 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £17.573m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively, and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.

2.3 This report forms part of the financial governance and stewardship framework, which ensures that the financial position of the Council is understood and quantified. It provides assurance to the Corporate Management Team and the Committee that resources are being managed and allows corrective action where necessary.

2.4 This report refers to the revised budget that is now in place for each of the services. The revised budgets include changes such as the Council's budget carry-forward scheme, council approvals etc. totalling £19.944m. To fund these changes, there is an extra draw on reserves of £19.021m.

## 3.0 Corporate Priorities and Joint Working:

3.1 There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget and is living within its means; and that the

Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.

- 3.2 The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of this Council.

#### 4.0 Key Issues:

- 4.1 Table 1 below shows the total projected outturn by fund. In total, it is estimated to be underspent by £11.374m (details are set out in Appendices 1, 2, 3 and 4). At quarter 3, the percentage of actual spending against the revised budget was 72%.

Table 1						
2019/20 Actual Spend Qtr 3 £000	Fund	2019/20 Original Budget £000	2019/20 Budget Revisions Qtr 3 £000	2019/20 Revised Budget Qtr 3 £000	2019/20 Projected Outturn Qtr 3 £000	2019/20 Projected Variance under/ (over) £000
106,936	General Fund	128,313	21,197	149,510	141,289	8,221
(6,891)	Harbour Account	(10,793)	(1,254)	(12,047)	(15,378)	3,331
114	Housing Revenue Account	1,124	1	1,125	1,350	(225)
<b>100,159</b>	<b>TOTAL</b>	<b>118,644</b>	<b>19,944</b>	<b>138,588</b>	<b>127,261</b>	<b>11,327</b>

- 4.2 Table 2 shows a breakdown of the projected variance from Table 1 above split between revenue and capital:

Table 2					
Fund	2019/20 Revenue Projected Variance under/ (over) £000	2019/20 Capital Projected Variance under/ (over) £000	2019/20 Total Projected Variance under/ (over) £000	2019/20 Projected Slippage £000	2019/20 Total Revised Variance under/ (over) £000
General Fund	1,949	6,272	8,221	7,564	657
Harbour Account	1,879	1,452	3,331	590	2,741
Housing Revenue Account	(274)	49	(225)	0	(225)
TOTAL	3,554	7,773	11,327	8,154	3,173

- 4.3 The net projected underspend is a combination of underspending on revenue and capital budgets. Of the £11.327m variance, £8.154m is slippage. The report request to carry forward capital projects slippage of £6.316m as set out in Appendix 7. Set out in this appendix is the reasons why slippage has occurred. There is also projected slippage on revenue expenditure in relation to ring-fenced grant activities, which are projected to be slipped into 2020/21 of £1.838m.

- 4.4 Table 3 shows how the budget revisions from Table 1 of £19.944m has been funded:

Table 3	
Fund	2019/20 Revenue Projected Variance under/(over) Qtr 3 £000
Council Reserves	19,021
Scottish Government Grants	124
Borrowing	799
<b>TOTAL</b>	<b>19,944</b>

The major revisions are for the purchase of SLAP £16.967m and carry forwards £4.285m. Details of all revisions are set out in Appendix 5.

- 4.5 The 2019/20 total projected draw from reserves on both revenue and capital expenditure is £25.733m, which is £10.861m under the revised budgeted draw of £36.594m (see Appendix 5). This is the combined position for the General Fund, Harbour Account and Housing Revenue Account.
- 4.6 Appendices 1-7 provides more detail of the figures discussed in this section of the report.

## 5.0 Exempt and/or confidential information:

- 5.1 None.

## 6.0 Implications :

<b>6.1 Service Users, Patients and Communities:</b>	There are no direct implications arising from this report.
<b>6.2 Human Resources and Organisational Development:</b>	There are no direct implications arising from this report.
<b>6.3 Equality, Diversity and Human Rights:</b>	There are no direct implications arising from this report.
<b>6.4 Legal:</b>	There are no direct implications arising from this report.

<b>6.5 Finance:</b>	<p>Overall expenditure in the second quarter of the year is 72% of the revised budget.</p> <p>The projected underspend for the Council for 2019/20 is £11.327m of which there is projected slippage of £8.154m.</p> <p>The total revenue budgets underspend of £3.554m is due to additional income on the Harbour Account £1.879m and underspending on the General Fund £1.949m offset by the £274k anticipated overspend on the Housing Revenue Account.</p> <p>Total capital budgets underspend of £7.819m is due mainly to slippage on a number of projects that require to be re-profiled into the 2020/21 Asset Investment Plan amounting to £6.316m.</p> <p>The overall projected draw on reserves at quarter 3 is £25.733m, which is £10.861m less than the revised draw of £36.594m.</p> <p>The projected draw equates to a daily draw on reserves of £71k as opposed the original budgeted draw of £48k per day.</p>
<b>6.6 Assets and Property:</b>	<p>There are no direct implications arising from this report.</p>
<b>6.7 ICT and new technologies:</b>	<p>There are no direct implications arising from this report.</p>
<b>6.8 Environmental:</b>	<p>There are no direct implications arising from this report.</p>
<b>6.9 Risk Management:</b>	<p>There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.</p> <p>Failure to deliver the 2019/20 budgets and programmes; or effectively monitor, adjust or manage growth or the failure of assets may result in the Council failing to deliver its Corporate Plan and Medium Term Financial Plan.</p> <p>From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made. These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>The main variable assumptions are around anticipated income levels, returns on investments and cost pressures and demands.</p> <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the</p>



	<p>Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures that may arise. This approach provides additional confidence for the Council to be able to mitigate any adverse financial circumstances.</p>
<b>6.10 Policy and Delegated Authority:</b>	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2019/20 financial year.</p> <p>The Policy &amp; Resources Committee has delegated authority for securing the co-ordination, control and proper management of the financial affairs of the Council, and has referred authority to make recommendations to the Council as to the level of any expenditure not provided for in the annual budgets.</p> <p>The Council's Financial Regulations state that the Executive Manager - Finance has a responsibility to ensure that detailed monitoring by Directors and Executive Managers is carried out and that the Council will determine the reporting content, timescale, frequency and receiving committee(s) required for monitoring statements and the Executive Manager - Finance will be responsible for ensuring compliance with this.</p>
<b>6.11 Previously considered by:</b>	<p>n/a</p>

#### Contact Details:

Hazel Tait, Team Leader Accountancy, [Hazel.Tait@Shetland.gov.uk](mailto:Hazel.Tait@Shetland.gov.uk), 12 Feb 2020

#### Appendices:

Appendix 1 – 2019/20 General Fund Projected Revenue and Capital Outturn at Q3

Appendix 2 – 2019/20 Harbour Account Projected Revenue and Capital Outturn at Q3

Appendix 3 – 2019/20 Housing Revenue Account Projected Revenue and Capital Outturn at Q3

Appendix 4 – 2019/20 Variance Analysis of Main Variances Q3

Appendix 5 – 2019/20 Summary of Budget Revisions at Q3

Appendix 6 – 2019/20 Projected Outturn for Use of Reserves at Q3

Appendix 7 – 2019/20 Capital Budget Re-profiling Requirement

#### Background Documents:

SIC Budget Book 2019/20, SIC 26 February 2019

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=23748>



## General Fund Revenue - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 2 £000	2019/20 Year to Date Actual Qtr 3 £000	General Fund	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 3 £000	2019/20 Projected Outturn Qtr 3 £000	2019/20 Projected Variance Qtr 3 £000	2019/20 Projected Funding to be Carried Forward Qtr 3 £000	2019/20 Revised Projected Outturn Qtr 3 £000
1,771	1,439	Chief Executive Services	1,721	87	1,808	1,849	(42)		(42)
45,448	34,882	Children's Services	44,589	1,253	45,842	45,383	458	555	(97)
20,549	15,990	Community Health & Social Care Services	20,765	33	20,799	20,392	407		407
10,265	7,202	Corporate Services	8,904	1,231	10,136	10,293	(157)		(157)
14,663	8,035	Development Services	13,644	(26)	13,618	14,506	(888)		(888)
26,236	18,396	Infrastructure Services	15,353	10,126	25,479	25,920	(441)		(441)
1,396	433	Fund Managers Fees	1,387	0	1,387	957	430		430
0	0	Energy*	3,264	(3,264)	0	0	0		0
0	0	Water*	377	(377)	0	0	0		0
0	0	Building Maintenance*	2,557	(2,557)	0	0	0		0
0	0	Grass Cutting*	173	(173)	0	0	0		0
0	0	FMU*	721	(721)	0	0	0		0
0	0	Training**	584	(584)	0	0	0		0
1,069	(165)	Contingencies & Cost Pressures	1,904	(1,168)	736	90	646		646
0	0	Crown Estate	0	1,009	1,009	0	1,009	1,009	0
1,392	0	Financing Costs	1,592	50	1,642	1,442	200		200
(1,168)	(551)	Economic Development Investment Income	(1,134)	0	(1,134)	(1,188)	54		54
(14)	0	Interest on Revenue Balances	(14)	0	(14)	(14)	0		0
274	0	Spend to Save (Unallocated)	250	24	274	0	274	274	0
(4,491)	0	Net Recharges to Other Fund	(2,910)	(1,507)	(4,417)	(4,417)	0		0
(22,865)	(24,228)	Other Investment Income ***	0	0	0	(24,228)	24,228		24,228
22,865	24,228	Other Investment Income transfer to Reserves ***	0	0	0	24,228	(24,228)		(24,228)
<b>117,391</b>	<b>85,660</b>	<b>Total Net Expenditure/(Income)</b>	<b>113,725</b>	<b>3,438</b>	<b>117,163</b>	<b>115,213</b>	<b>1,949</b>	<b>1,838</b>	<b>112</b>
		<i>Funded by:</i>							
(80,570)	(66,124)	Government Grants	(79,315)	(2,022)	(81,337)	(81,337)	0		0
(9,754)	(9,754)	Council Tax	(9,738)	0	(9,738)	(9,754)	17		17
0	0	Crown Estate Funding	0	(1,009)	(1,009)	0	(1,009)	(1,009)	0
(578)	0	Spend to Save	(250)	(328)	(578)	(304)	(274)	(274)	0
(26,489)	(9,782)	Contribution from General Fund Reserve	(24,422)	(79)	(24,501)	(23,818)	(684)	(555)	(129)
<b>(117,391)</b>	<b>(85,660)</b>	<b>Total Funding/Contribution</b>	<b>(113,725)</b>	<b>(3,438)</b>	<b>(117,163)</b>	<b>(115,213)</b>	<b>(1,949)</b>	<b>(1,838)</b>	<b>(112)</b>
<b>0</b>	<b>0</b>	<b>Balanced Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* These budget lines have been incorporated into the Infrastructure Services budget line

\*\* This budget line has been incorporated into the Corporate Services budget line.

\*\*\* These budget lines are the recording of investment returns which are immediately re-invested by fund managers.

## General Fund Capital - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 2 £000	2019/20 Year to Date Actual Qtr 3 £000	General Fund	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 3 £000	2019/20 Projected Outturn Qtr 3 £000	2019/20 Projected Variance Qtr 3 £000	2019/20 Projected Slippage Qtr 3 £000	2019/20 Revised Projected Outturn Qtr 3 £000
2,160	991	Children's Services	1,735	1,001	2,736	2,035	701	700	1
218	53	Community Health & Social Care Services	355	209	564	219	344	345	(1)
18,541	17,589	Corporate Services	2,387	17,833	20,221	18,192	2,028	1,992	36
205	0	Development Services	0	35	35	35	0		0
7,562	2,643	Infrastructure Services	10,111	(1,318)	8,792	5,594	3,198	2,689	509
<b>28,687</b>	<b>21,275</b>	<b>Total Costs</b>	<b>14,588</b>	<b>17,759</b>	<b>32,347</b>	<b>26,076</b>	<b>6,272</b>	<b>5,726</b>	<b>546</b>
		<i>Funded by:</i>							
(7,689)	(4,565)	General Capital Grant	(7,689)	0	(7,689)	(7,689)	0		0
(839)	(801)	Capital Grants Unapplied	(38)	(801)	(839)	(801)	(38)		(38)
(966)	(116)	External Grants	(4,037)	2,665	(1,372)	(671)	(701)	(700)	(1)
(903)	(649)	External Borrowing	0	(799)	(799)	(779)	(20)		(20)
(1,069)	(337)	Spend to Save Reserve	(755)	(1,806)	(2,561)	(967)	(1,595)	(1,575)	(19)
(255)	(167)	Capital Receipts	(255)	0	(255)	(255)	0		0
0	(50)	General Fund CFCR	0	(50)	(50)	(50)	0		0
(16,966)	(14,591)	Capital Fund Reserve	(1,814)	(16,968)	(18,782)	(14,863)	(3,918)	(3,451)	(467)
<b>(28,687)</b>	<b>(21,275)</b>	<b>Total Funding &amp; Financing</b>	<b>(14,588)</b>	<b>(17,759)</b>	<b>(32,347)</b>	<b>(26,076)</b>	<b>(6,272)</b>	<b>(5,726)</b>	<b>(546)</b>
<b>0</b>	<b>0</b>	<b>Balanced Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Harbour Account

## Revenue and Capital - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 2 £000	2019/20 YTD Actual Qtr 3 £000	Harbour Account	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 3 £000	2019/20 Projected Outturn Qtr 3 £000	2019/20 Projected Variance Qtr 3 £000	2019/20 Projected Slippage Qtr 3 £000	2019/20 Revised Projected Variance Qtr 3 £000
		<b>REVENUE:</b>							
(14,497)	(12,363)	Sullom Voe	(10,965)	(1,622)	(12,588)	(14,530)	1,943		1,943
136	(430)	Scalloway	496	(106)	390	82	309		309
291	(250)	Other Piers	171	4	174	271	(97)		(97)
0	30	Jetties & Spur Booms	0	0	0	0	0		0
(1,725)	346	Terminals	(1,536)	-4879	(1,540)	(1,964)	424		424
<b>(15,796)</b>	<b>(12,668)</b>	<b>Ports &amp; Harbours Net Expenditure/(Income)</b>	<b>(11,834)</b>	<b>(1,729)</b>	<b>(13,563)</b>	<b>(16,142)</b>	<b>2,579</b>		<b>2,578</b>
(650)	(321)	Shetland Gas Plant	(1,350)	0	(1,350)	(650)	(700)		(700)
<b>(650)</b>	<b>(321)</b>	<b>Other Income</b>	<b>(1,350)</b>	<b>0</b>	<b>(1,350)</b>	<b>(650)</b>	<b>(700)</b>		<b>(700)</b>
<b>(16,446)</b>	<b>(12,988)</b>	<b>Total Net Revenue Expenditure/(Income)</b>	<b>(13,184)</b>	<b>(1,729)</b>	<b>(14,913)</b>	<b>(16,792)</b>	<b>1,879</b>		<b>1,878</b>
		<b>CAPITAL:</b>							
7,730	6,100	Capital Expenditure	8,500	683	9,183	7,730	1,452	590	862
(19)	(2)	Capital Receipts	(19)	0	(19)	(19)	0		0
(500)	0	Capital Other Non-Government Grants	(500)	0	(500)	(500)	0		0
(5,797)	0	External Borrowing	(5,590)	(208)	(5,797)	(5,797)	0		0
<b>1,414</b>	<b>6,097</b>	<b>Total Net Capital Expenditure/(Income)</b>	<b>2,391</b>	<b>475</b>	<b>2,866</b>	<b>1,414</b>	<b>1,452</b>	<b>590</b>	<b>862</b>
15,032	6,891	Contribution to/(from) Reserve Fund	10,793	1,254	12,047	15,378	(3,331)	(590)	(2,741)
<b>0</b>	<b>0</b>	<b>Balanced Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Housing Revenue Account

## Revenue and Capital - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 2 £000	2019/20 YTD Actual Qtr 3 £000	Housing Revenue Account	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 3 £000	2019/20 Projected Outturn Qtr 3 £000	2019/20 Projected Variance Qtr 3 £000	2019/20 Projected Slippage Qtr 3 £000	2019/20 Revised Projected Variance Qtr 3 £000
		<b>REVENUE:</b>							
852	178	Supervision & Management	870	(3)	867	822	45		45
2,467	1,692	Repair & Maintenance	2,338	(5)	2,333	2,487	(153)		(153)
171	113	Void Rents & Charges	171	0	171	173	-2668		(3)
29	10	Garages	30	0	30	29	1		1
1,246	0	Capital Charges - Dwellings	1,279	0	1,279	1,246	33		33
<b>4,766</b>	<b>1,993</b>	<b>Total: Expenditure</b>	<b>4,687</b>	<b>(7)</b>	<b>4,680</b>	<b>4,758</b>	<b>(78)</b>		<b>(78)</b>
(6,847)	(4,352)	Rents - Dwellings	(6,847)	0	(6,847)	(6,656)	(191)		(191)
(244)	(153)	Rents - Other ie garages/sites etc	(242)	0	(242)	(237)	(5)		(5)
<b>(7,091)</b>	<b>(4,505)</b>	<b>Total: Income</b>	<b>(7,089)</b>	<b>0</b>	<b>(7,089)</b>	<b>(6,893)</b>	<b>(196)</b>		<b>(196)</b>
<b>(2,325)</b>	<b>(2,512)</b>	<b>Total Net Revenue Expenditure/(Income)</b>	<b>(2,401)</b>	<b>(7)</b>	<b>(2,409)</b>	<b>(2,135)</b>	<b>(274)</b>	<b>0</b>	<b>(274)</b>
		<b>CAPITAL:</b>							
3,554	2,467	Capital Expenditure	3,546	9	3,554	3,554	0		0
(66)	(69)	Capital Receipts	(20)		(20)	(69)	49		49
<b>3,488</b>	<b>2,398</b>	<b>Total Net Capital Expenditure/(Income)</b>	<b>3,525</b>	<b>9</b>	<b>3,534</b>	<b>3,485</b>	<b>49</b>	<b>0</b>	<b>49</b>
(1,163)	114	Contribution to(from) HRA Reserve	(1,124)	(2)	(1,125)	(1,350)	225		225
<b>0</b>	<b>0</b>	<b>Balanced Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





General Fund - Revenue	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
<b>Chief Executive Services (sub total)</b>	<b>388,643</b>	
Executive Services	(40,783)	No significant variances.
Council Members	(719)	No significant variances.
Fund Manager Fees	430,145	Projected <b>underspend</b> is due to a period of transition from one fund manager to another, not all funds have yet been transferred to the new manager who was projected to have a higher level of fees in line with the new investment strategy. This has occurred over a period of time as investment opportunities have arisen resulting in reduced fees.
<b>Children's Services (sub total)</b>	<b>458,065</b>	
Director of Children's Services	(68,179)	Projected <b>overspend</b> is due to ongoing service redesign of staffing across Children's Services and the regrading of clerical posts
Children & Families	(67,300)	Projected <b>overspend</b> is due to the additional cost of agency staff to cover for staffing vacancies, and specialist family support. Recruitment process is underway for remaining vacancies.
Children's Resources	156,876	Projected <b>underspend</b> is due to staff vacancies which have not been filled due to the ongoing restructure of Children's Social Work.
Library	8,099	No significant variances.
Quality Improvement/Schools	445,572	The projected <b>underspend</b> is due to grants which require to be carried forward into the new financial year e.g. Early Learning and Child Care Pupil Equity Funding monies (£555k), this underspend is offset by increased spending on staffing across the service £83k.
Sport & Leisure	(17,003)	No significant variances.
<b>Community Health &amp; Social Care Services (sub total)</b>	<b>406,876</b>	
Director of Community Care & Social Care	64,821	Projected <b>underspend</b> is mainly due to estimated underspend in Drug & Alcohol Services SLAs of £46k due to no expenditure on Rehab packages and no payment for Youth Services as there is currently no-one in post and a further underspend in commissioned service budgets for employability services £30k, due to staffing not yet being in place and no longer paying for Moving On Therapeutic placements.
Adult Services	(127,371)	Projected <b>overspend</b> is mainly due to (£124k) estimated expenditure on establishing a Transition Service to support current and expected future demand for young adults with complex needs who otherwise would need to go off-island and access high value placements. Employee cost budgets are also projected to overspend at Eric Gray@Seafield (£55k), as additional staffing were established on a temporary basis following the move to the new building and as maternity cover. Two of these staff have now filled permanent vacant posts. There is also a projected overspend at Newcraigielea of (£64k) due to staffing above budgeted level to support increased service demand. This is off-set by underspend on employee costs at Supported Living and Outreach, £115k, due to the Team Leader post being vacant for 4 months during the year and the Deputy Team Leader's cost being recharged to the Transition Service, while Seniors provided cover for his SL&O role. Other staff have also provided support in the set-up of the Transition Service and a number of them will move permanently to take up roles in this service, leaving vacancies to be filled.
Community Care Resources	868,636	Projected <b>underspend</b> is mainly due to estimated overachievement of charging income for board and accommodation, £842k. Income can vary significantly depending on the financial circumstances of those receiving care. There is an anticipated underspend in employee costs due to vacant posts across the service, £564k, as a result of difficulties in recruitment and retention and reduced bed capacity at Isleshavn. There is also a projected underspend in mileage costs of £95k due to the introduction of pool cars and end of essential car users allowance in year and we are forecasting a £68k underspend in our contract with Crossreach for Residential services. This is off-set by projected overspend on
Criminal Justice	(1,136)	No significant variances
Adult Social Work	(444,983)	The projected <b>overspend</b> is mainly due to an increase in the value and number of Self-Directed Support packages in the year (£487k). This is forecast to be off-set by underspend in employee costs across Adult Social Work of £119k, due vacant Social Worker posts and also the Self-Directed Support Officer post being vacant from Oct 2019 and not expected to be filled before the year-end. Agency costs of (£20k) are expected before the year-end as a result of backlog in workload due to recruitment issues.
Occupational Therapy	46,909	No significant variances
IJB	0	No variance
<b>Corporate Services (sub total)</b>	<b>(157,173)</b>	
Director of Corporate Services	1,498	No significant variances.
Assets, Commissioning & Procurement	(266,515)	Projected <b>overspend</b> is mainly due to a reduction in the rental income for Scatsta Airport (£202k) as a result of a lease ending.
Finance	30,856	No significant variances.
Joint Valuation Board	2,173	No significant variances.
Governance & Law	114,320	No significant variances.
Human Resources	(84,832)	Projected <b>overspend</b> is mainly due to increased expenditure within Training £149k, CMT agreed to additional expenditure within the overall Council envelop. The additional cost is reflecting the additional cost of training as required by services.
ICT	45,327	No significant variances.
<b>Development Services (sub total)</b>	<b>(888,298)</b>	
Director of Development Services	(41,966)	Projected <b>overspend</b> is due to additional staffing costs to deliver College Merger project, funding for this was originally anticipated to come from Scottish Funding Council (£109k). This is offset by lower than expected grants being paid from the General Maritime pot by the NAFC £88k.
Community Planning & Development	70,932	Projected <b>underspend</b> of £68k arising from underspends relating to the Anchor Project - this will qualify for 100% carry forward.
Economic Development	183,708	Projected <b>underspend</b> arising from lower than anticipated grants being paid in year £134k.
Housing	48,490	No significant variances.
Planning	(88,728)	Projected <b>income</b> from planning applications across the service projected to be lower than budgeted for (£130k), income is dependent on number and size of applications, offset by an underspend arising from staffing vacancies of £61k.

Shetland College	(1,117,765)	Projected <b>overspend</b> is primarily due to the Scottish Funding Council (SFC) no longer agreeing to underwrite the operational costs of the College in the lead up to the proposed merger. The SFC had originally sent a letter of intent in December, following internal discussion no budget provision was made by the Council to meet this cost.
Train Shetland	(157,402)	The projected <b>overspend</b> is due to additional staffing costs within Vocational Services, due to increase in number of Modern Apprentices, and Short Courses (£111k), and lower than anticipated short course fee income in year (£78k).
Transport Planning	214,433	Projected <b>underspend</b> is primarily due to the ZetTrans bus operations estimated to be £125k under budget; a number of services no longer required to be provided within School transport, estimated to cost £178k less than budgeted; and special needs school transport being £60k less than budgeted - owing to costly bespoke services changing to cheaper "parental mileage claims" This is offset by the additional consultancy costs in delivering the transport network redesign
<b>Infrastructure Services (sub total)</b>	<b>(441,115)</b>	
Director of Infrastructure Services	(2,416)	No significant variances.
Environmental Services	40,188	Projected <b>underspend</b> relates to lower uptake for private sector housing grants than anticipated saving £100k; tax refund income from waste recovered from storage in landfill unable to be used at ERP during period of additional ERP contract waste £96k; offset by a reduction in income from the issue of Health Certificates due to less Salmon exports
Estate Operations	115,871	Projected <b>underspend</b> relates mainly to lower inflation than anticipated on electricity across the council £87k.
Ferry & Air Services	(393,319)	Projected <b>overspend</b> is due to additional costs for vessel maintenance across the fleet for breakdown and unanticipated additional deterioration (£704k); offset by unsuccessful recruitment exercises for vacant electrical engineering posts due to market forces, and unavailability of contractor electrical engineers £167k; and lower ferry fuel price than anticipated 141k.
Roads	(201,439)	Projected <b>overspend</b> is for additional costs to hire surfacing plant awaiting new plant arrival (£40k); and reduced income at the Scord Quarry due to reduction in demand from the private sector - (£135k).
<b>Total</b>	<b>(233,002)</b>	

GENERAL FUND - CAPITAL	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Children's Resources	0	No variance
Quality Improvement/Schools	700,516	The projected <b>underspend</b> is due to the re-phasing of the works for expansion of Early Learning and Childcare programme in line with the project plan, and the underspend will be required to be carried forward into 2020/21.
Director of Community Care	344,162	The projected <b>underspend</b> is due the Health & Social Care Information System replacement awaiting approved by Council prior to commencement. As yet a Business Case has not been presented.
Community Care Resources	320	No significant variances.
Assets, Commissioning & Procurement	2,028,294	The projected <b>underspend</b> is due to slippage of the budgets for the Knab Service Relocations and Storage Improvements, Lerwick Library Redevelopment, Knab Site Redevelopment and Former Eric Gray Demolition projects which were profiled to be completed in the current year, but only preparatory work will be undertaken, with most work to be completed in 20/21.
ICT	0	No variance.
Director of Development	0	No variance.
Environmental Services	319,431	The projected <b>underspend</b> is due to Landfill capping slipping into next year due to a slower filling rate, capping plan and survey being carried out this year slippage £466k; offset by the Recycling Shed build which required additional groundworks for watershed purposes and additional costs for in-house completion of the building once the contractor ceased trading (£123k)
Estates Operations	341,787	The projected <b>underspend</b> on Capital Maintenance Works is for the Baltasound School curtain walling which will not be carried out this year due to delays receiving the engineering specifications for the project. This project will now be tendered for start in 2020/21 £279k; and no spend on Baltasound Wind Turbine until noise constraints and supplier issues are resolved £68k.
Ferry & Air Operations	629,248	The projected <b>underspend</b> is due to the delay in getting the Foula Airstrip Licensing Works business case prepared resulting in the project slipping to 2020/21 £85k; and less capital life extension works on Ferry vessels than anticipated, with focus on revenue repairs and maintenance £543k.
Roads	1,907,891	The projected <b>underspend</b> relates to the Roads Rolling Bridge Replacements programme, with the Stonganess Bridge Replacement not started awaiting decisions on potential road replacement affecting design £500k; the LED street lighting contract has slipped due to late start in the year and other work pressures £959k but has been scheduled to ensure completion in 20/21; and slippage on two schemes which were unable to be completed while awaiting new paver £150k; crash barrier replacement projects rescheduled to allow continuous run instead of two separate blocks of work over two years £87k; Scord Quarry fixed plant replacement budget slippage into 20/21 to replace the main external tank, which has failed, with smaller tanks which will be kept indoors £80k.
<b>Total</b>	<b>6,271,649</b>	

Housing Revenue Account	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Supervision & Management	44,647	No significant variances.
Repair & Maintenance	(153,418)	Projected <b>overspend</b> is due to the increased requirement for contracted and hired services for the year (£170k) as a result of properties requiring additional painting and refurbishment due to the poor state properties are being left in. In addition, some electrical works would have been completed in-house have been contracted due to vacant electrician post, this post however has been filled and started in August. Stores are projected to overspend by (£40k) due to inflation on materials. The additional cost is partially off-set by the vacancies in Housing repairs team in early part of the year (£51k).
Void Rents & Charges	(2,668)	No significant variances.
Garages	368	No significant variances.
Capital Charges - Dwellings	33,157	No significant variances.
<b>Total: Expenditure</b>	<b>(77,914)</b>	
Interest on Revenue Balances	0	No variance.
Rents - Dwellings	0	No variance.
Rents - Other i.e. garages/sites etc.	(4,741)	No significant variances.
<b>Total: Income</b>	<b>(4,741)</b>	
Capital Expenditure	48,914	No significant variances.
Capital Receipts	0	
<b>Net Capital</b>	<b>48,914</b>	
<b>Increased/(Decreased) Contribution from the HRA Reserve</b>	<b>33,741</b>	

Harbour Account	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Sullom Voe	1,942,852	Projected <b>underspend</b> relates to fifteen additional tanker movements anticipated £2.25m; offset by staff cover for two long-term absences in Launch Crews (£114k); Tugs Dunter and Tystie dry-docking overspend due to additional steel works and scaffolding to check mast lights and fittings, and additional welding works and replacement parts no long serviceable (£170k); and additional consultant and legal costs associated with the Clair Request for Information Project (£55k).
Scalloway	308,885	Projected <b>underspend</b> is due to additional annual dues for well boats at Blacksness due to higher activity in the aquaculture sector £70k; increased fish landing dues from the thriving fishing industry £100k; and additional commercial shipping dues related to increased activity in the West of Shetland oil sector resulting in more visiting supply boats £80k; Building maintenance not required due to Scalloway fish Market replacement £50k.
Other Piers	(96,717)	Projected <b>overspend</b> is due to slippage on the Skerries pier fendering project which was budgeted and contracted in 2018/19 but delayed due to difficulties in sourcing materials but will now be completed (£50k); additional fendering required at Symbister pier (£57k); refund of prior year harbour dues for a fishing vessels charged in error (£70k); offset by dredging works scheduled for Fair Isle delayed pending the outcome of the Fair Ferry Funding request £58k.
Terminals	424,013	Projected <b>underspend</b> is due to the waiting room refurbishment at Symbister delayed until further decisions made on Whalsay Ferry Service terminal location £180k.
<b>Total - Harbour Operations</b>	<b>2,579,033</b>	
<b>Total - Gas Plant</b>	<b>(700,000)</b>	Projected <b>overspend</b> is due to no income for throughput anticipated this year due to very low gas price.
Capital Expenditure	1,452,160	The projected <b>underspend</b> relates to the Tug Jetty Cathodic Protection project which is no longer going ahead as investigations have concluded that cathodic protection cannot extend the life significantly, resulting in the need for consideration of a new way forward £917k; the Hamarsness Ferry Terminal Painting project has been delayed due to staffing re-organisation and high workload and is required to be rolled forward into 20/21 £350k; the rolling Piers Cathodic Protection programme is now being put out to tender due to in-house staff changes to continue in future years under the proposed contract £240k; offset by an overspend on the crane installation at Blacksness Pier to assist boats landing their catch, prompted by Shetland Fishermen's Association as a manual handling health and safety issue (£55k).
Capital Receipts	0	No variance.
Capital Receipts Reserve	0	No variance.
Other Government Grants	0	No variance.
External Borrowing	0	No variance.
<b>Net Capital</b>	<b>1,452,160</b>	
<b>Increased/(Decreased) Contribution to Reserve Fund</b>	<b>3,331,193</b>	

## Revenue and Capital - Budget Revisions 2019/20

Revisions	Reasons	2019/20 General Fund Revenue Qtr 3 £000	2019/20 General Fund Capital Qtr 3 £000	2019/20 Harbour Account Revenue Qtr 3 £000	2019/20 Harbour Account Capital Qtr 3 £000	2019/20 HRA Revenue Qtr 3 £000	2019/20 HRA Capital Qtr 3 £000	2019/20 TOTAL Qtr 3 £000
Purchase of SLAP	Delay in purchase of SLAP, it was planned to be purchased in 2018/19.		16,967					16,967
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.	1,526	1,169		780		9	3,484
Harbour Graduate (RF change fund)	Change Fund Application (10/4/19) to support the Sullom Voe Hub project.			28				28
Fair Funding for Ferries Final Funding Change	Scottish Government Finance Circular 2/2019 (7/3/19) this included additional funding after the SIC approved the 2019/20 budget.	(200)						(200)
Roads Resurfacing Re-profiling	Report ACP-04-19 (11/6/19) business case for asphalt surfacing equipment purchase to change method of delivery. Revenue budget not required in 2019/20 but will be required in the revenue budget in future years once new equipment is in place.	(100)						(100)
Knab - Service Relocation	Report ACP-10-19 (SIC 11/9/19) approved funding for Knab site service relocations in line with the Property and Asset Management Strategy Report ACP-02-19 (11-6-19).		743					743
Linkspan Budget CFCR	Report ACP-12-19 (SIC 11/9/19) approved additional budget to meet the additional cost of linkspan tenders received to allow the project to progress.			(1,750)	1,750			0
Re-profile Linkspan Budget to future years	Report ACP-12-19 (SIC 11/9/19) re-profiling of linkspan budget in line with projected spending.				(2,057)			(2,057)
Internal Service Allocations Re-organisation	CMT (18/12/18) agreed the re-organisation of internal service allocations.	121	(55)	(7)	2	(8)		53
Winter Service Review	Report RD-1-20 agreed additional funding for winter service to improve gritting.	103						103
<b>Total Funded from Reserves</b>		<b>1,450</b>	<b>18,824</b>	<b>(1,729)</b>	<b>475</b>	<b>(8)</b>	<b>9</b>	<b>19,021</b>
Teacher Pay	Scottish Government Funding Letter for SNCT Pay Award (21/6/19)	898						898
Town Centre Regeneration	Scottish Government Capital Grant for Town Centre Fund (7/3/19)		35					35
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.		801					801
Homelessness Housing Grant	Scottish Government Grant for Rapid Rehousing Transition Plans (17/7/19)	31						31
Re-profile Fair Funding for Ferries (ferry replacement)	Report ACP-09-19 (SIC 11/9/19) approved the reprofiling of the ferry replacement programme pending a decision by Transport Scotland on funding.		(2,700)					(2,700)
EU Exit Preparations	Scottish Government Funding Letter for EU Exit Preparations (30/5/19)	50						50
Crown Estate Net Revenue Allocation	Scottish Government Funding Letter for Crown Estate Allocations (28/9/19)	1,009						1,009
<b>Total Funded from Scottish Government Grants</b>		<b>1,988</b>	<b>(1,864)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.		799					799
<b>Total Funded from Borrowing</b>		<b>-</b>	<b>799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>799</b>
<b>TOTAL REVISIONS</b>		<b>3,438</b>	<b>17,759</b>	<b>(1,729)</b>	<b>475</b>	<b>-</b>	<b>8</b>	<b>19,944</b>



## Use of Reserves in 2019/20

(includes General Fund/Harbour Account/Housing Revenue Account/Spend to Save)

Draw on Reserves	2019/20 Original Budgeted Draw £000	2019/20 Revisions £000	2019/20 Revised Budgeted Draw £000	2019/20 Projected Draw £000	2019/20 Variance Draw £000
<b>Revenue Draw on Reserves</b>	<b>9,088</b>	<b>(287)</b>	<b>8,801</b>	<b>5,004</b>	<b>3,797</b>
Revisions:					
Carry Forwards - GF		1,526			
Increase in Fair Ferry Funding - GF		(200)			
Roads Resurfacing Project - GF		(100)			
Internal Service Allocations - GF/HA		106			
RF Change Fund - Graduate - HA		28			
Linkspan CFCR - HA		(1,750)			
Winter Service - GF		103			
<b>Capital Draw on Reserves</b>	<b>8,485</b>	<b>19,308</b>	<b>27,793</b>	<b>20,729</b>	<b>7,064</b>
Revisions:					
Capital Carryforwards - GF		1,169			
Purchase of SLAP - GF		16,967			
Knab - Service Relocation - GF		743			
Capital Carryforwards - HA		780			
Capital Carryforwards - HRA		9			
Linkspan CFCR/Reprofiling - HA		(307)			
Internal Service Allocations - GF/HA		(53)			
<b>Total Budgeted Draw on Reserves</b>	<b>17,573</b>	<b>19,021</b>	<b>36,594</b>	<b>25,733</b>	<b>10,861</b>





Service	Project	Budget Re-profile Requirement at Q3 2019/20 £	Reason
Community Health & Social Care	Health & Social Care Information System Replacement	345,000	Awaiting presentation of business case for approval.
Childrens	Early Learning & Childcare Expansion	700,000	Re-phasing of works in line with the project plan.
Corporate	AHS Hostel Relocation Works	45,000	Awaiting outcome of further deliberation on requirement.
Corporate	Monfield Offices Refurbishment	95,000	Works unable to proceed as quickly as planned.
Corporate	72 Commercial Road Refurbishment	238,000	Accurate planning of works now established with only preparatory works to be carried out in 2019/20
Corporate	68 Commercial Road Refurbishment	93,000	Accurate planning of works now established with only preparatory works to be carried out in 2019/20
Corporate	66 Commercial Road Refurbishment	91,000	Accurate planning of works now established with only preparatory works to be carried out in 2019/20
Corporate	Commercial Road Car Park Works	70,000	Accurate planning of works now established with only preparatory works to be carried out in 2019/20
Corporate	Lerwick Library Redevelopment	300,000	External works re-profiled to later in the year to avoid worst of the weather.
Corporate	Knab Site Redevelopment	880,000	Only tender preparation works this year with tendering procedure and contracted works to be undertaken in 2020/21.
Corporate	Former Eric Gray Demolition	180,000	Only tender preparation works this year with tendering procedure and contracted works to be undertaken in 2020/21.
Infrastructure	Landfill Capping	465,000	Slower fill rate than anticipated resulting in delay in capping requirement.
Infrastructure	Building Maintenance Capital Works	225,000	Baltasound School curtain walling unable to take place in 2019/20 due to delay in receipt of engineering specifications for the project, to be tendered for start in 2020/21.
Infrastructure	Wind Turbine - Baltasound JHS	63,146	Awaiting resolution of noise constraints and supplier issues.
Infrastructure	Burra Bridge Painting	15,000	Design works only this year.
Infrastructure	Scord Quarry Plant Replacement	87,000	Slippage required for tendering exercise required to replace the main external tank which is failing with smaller indoor tanks.
Infrastructure	Foula Airstrip Licensing Works	85,000	Awaiting presentation of business case for approval.
Infrastructure	Vehicle & Plant Replacement Programme	194,000	Awaiting vehicle & plant with long order lead in times which will not now be delivered until 2020/21.
Infrastructure	Bridge Repairs/Replacement	510,000	The Stanganess bridge replacement project has been postponed until decisions on the B9062 Cullivoe Road Improvement project are determined.
Infrastructure	Road Safety Barrier Replacement	85,000	Crash barrier works rescheduled to allow contractor to undertake continuous run of work over year end instead of two individual blocks.
Infrastructure	Streetlighting LED Upgrade	960,000	This project has slipped due to a late start in the year and other work pressures. But has now been scheduled to ensure completion in 2020/21.
Harbour	Hamarsness Ferry Terminal Painting	350,000	This project has been delayed due to staffing re-organisation and resulting outstanding workload but will be completed in 2020/21.
Harbour	Piers Cathodic Protection Programme	240,000	This project has been delayed due to staffing re-organisation and resulting outstanding workload but will be completed in 2020/21.
	<b>TOTAL</b>	<b>6,316,146</b>	





# Shetland Islands Council

Agenda Item

**2**

<b>Meeting(s):</b>	Policy & Resources Committee Shetland Islands Council	11 March 2020 11 March 2020
<b>Report Title:</b>	Shetland Islands Council Budget Book 2020/21	
<b>Reference Number:</b>	F-009-F	
<b>Author / Job Title:</b>	Jamie Manson, Executive Manager - Finance	

## 1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee CONSIDER information provided by the Chairs of Service Committees/Boards in relation to the 2020/21 Budget recommendations made by their Committees and, as amended, contained in the Budget Book;
- 1.2 That the Council CONSIDER information provided by the Chair of Policy and Resources Committee in relation to the 2020/21 Budget recommendations made by the Committee and contained in the Budget Book;
- 1.3 That the Policy and Resources Committee RECOMMEND that the Council RESOLVE to approve the 2020/21 Budget by:
  - a. Approving the Council Budget Book 2020/21 (Appendix 1); and
  - b. Approving the Schedule of Charges (Appendix 2); and
- 1.4 NOTE the content of the Council's approach to deal with continued restrictions in funding (Appendix 3).

- 2.1 The purpose of this report, and the accompanying 2020/21 Budget Book, is to summarise the Council's spending plans for the forthcoming financial year.
- 2.2 The 2020/21 Budget Book sets out the proposed revenue budgets for the General Fund, the Harbour Account and the Housing Revenue Account (HRA). The Budget Book also incorporates plans for capital investment for each of the service areas, as part of the 5-year Asset Investment Plan.
- 2.3 The overall budgets proposed required a net unsustainable draw from reserve of £8.521m to balance the budgets on the General Fund, Harbour Account and Housing Revenue Account.
- 2.4 The General Fund budget has been developed in conjunction with the Medium-Term Financial Plan 2018/19-2023/24 (the MTFP), which set out expected levels of expenditure for the period. The proposed budget for 2020/21 does not align with the expectations of the MTFP as the Council has been unable to reduce service

expenditure to the assumed levels contained in the MTFP. In order to set a balanced budget for the General Fund, £30.942m of reserves is required, of which a one-off unsustainable draw of £10.547 is required to meet the shortfall between planned expenditure and the funding available.

- 2.5 The Council has a track record of using its reserves to supplement the funding received from the Scottish Government and Council Tax receipts. However, the one-off use of reserves to meet a recurrent deficit is unsustainable and exceeds the levels that this Council considers to be sustainable in the longer-term, without eroding the investment base.
- 2.6 The proposed budget includes the draft financial settlement as indicated on 28 February 2020. The Council expects to receive a Scottish Government Grant of £81.761m plus ring fenced grants of £8.241m. The general revenue grant is £0.424m more than the revised revenue settlement for 2019/20.
- 2.7 The settlement also includes a specific ring-fenced grant of £5m towards the operating costs of Shetland's inter-island ferry services. This allocation is £4.49m short of the £9.49m requested and required to fully fund the ferry service. In addition, the revenue funding allocated through the General Revenue Grant for ferries, has reduced by £519k in 2020/21. The overall deficit therefore, is £5.5m. The Council expects to continue engaging with Transport Scotland throughout the coming year with a view to reaching a fair funding agreement for all ferry services across Scotland, which is consistent with the commitment made by the Scottish Parliament.
- 2.8 In the absence of a fair funding settlement from the Scottish Government for the second consecutive year, the Council will need to consider significant reductions to internal ferry services in the near future in order to avoid significant reductions across other Council services.
- 2.9 The Council is cognisant of the risk of not achieving an agreement for fair funding for Shetland and the likely impact on the Council's Medium-Term Financial Plan. The Council will therefore seek advice with regard to the feasibility of transferring responsibility for operating internal ferry services from Shetland Islands Council to the Scottish Government.
- 2.10 The greatest challenge facing the Council remains an ever-increasing cost base, arising either from local decisions or externally-imposed changes, for example, centrally-negotiated pay awards or national changes in legislation. Growth included in the budget from pay awards, price inflation and increased service demand amounts to £10.547m, which is £6.4m more than expected in the MTFP 2020/21 target budget.
- 2.11 The Harbour Account is budgeted to make a surplus during the year, with £6.057m being utilised to support day-to-day General Fund services, with a further £0.6m from anticipated income from Shetland Gas Plant agreements similarly being used to services funded by the General Fund.
- 2.12 The Housing Revenue Account (HRA) proposes to increase rents by an inflation rate of 2% plus an additional £1 per week for bedsits and one-bedroom properties. This is in line with the approved HRA Business Plan 2017-2022 and current rent strategy. The planned investment in the housing stock is supported by a £2.303m draw from HRA Reserve.

- 2.13 The Asset Investment Plan proposes capital investment of £28.370m in 2020/21, as part of a 5-year Plan that outlines projects to the value of £183.820m.
- 2.14 Due to the nature, scale and timing of capital projects, which are generally delivered over more than one financial year, the funding is determined over a five-year planning cycle. The 5-year Asset Investment Plan is reviewed on an annual basis to ensure that the plan, year on year, remains affordable.
- 2.15 Later on the Policy and Resources Committee will consider a report “Annual Investment and Treasury Strategy for 2020/21”, which will present the Council’s prudential indicators that are required following the approval of the budget.
- 2.16 Appendices 1 and 2 of this report provide the 2020/21 Budget Book, which incorporates all of the budgets proposed for revenue and capital and the schedule of Council charges, respectively. Appendix 3 provides a summary of the approach the Council intends to take in order to reduce overall expenditure and to adjust to continued reductions in funding.

### **3.0 Corporate Priorities and Joint Working:**

- 3.1 There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget, and is living within its means; and that the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes and maintaining a strong and resilient balance sheet.
- 3.2 Despite the work done so far, sustainability in particular is extremely challenging at this time when Scottish Government funding is reducing.
- 3.3 Our medium-term forecast indicates a substantial gap between expected income and projected expenditure. The Council, through the ambitious Service Redesign and Business Transformation Programmes, will focus on transforming services to improve quality, efficiency and more importantly, deliver better outcomes for the community now and in the future.
- 3.4 The Council must address the underlying challenges that have already been highlighted in the Medium-Term Financial Plan, including the anticipation of continued reduced levels of grant funding and correspondingly reduce service expenditure to ultimately live within its means. A revised MTFP will be presented in May 2020.

### **4.0 Key Issues:**

- 4.1 Each of the Council’s service committees, the Harbour Board and Shetland College Board considered the budget and charging proposals for 2020/21 for the services in their remit at meetings as follows:

Meeting	Date
Shetland College Board	4 March 2020

Harbour Board	4 March 2020
Environment and Transport Committee	9 March 2020
Development Committee	10 March 2020
Education and Families Committee	10 March 2020

- 4.2 Earlier on the agenda, the Policy & Resources Committee (11 March 2020) has considered the budget and charging proposals for Corporate and Executive Services.
- 4.3 Similarly, the Policy & Resources Committee (11 March 2020) has considered the budget and charging proposals for the Community Health & Social Care services delivered by the Council that are delegated to the Shetland Islands Health & Social Care Partnership Integration Joint Board (IJB). The Committee also made a recommendation in relation to the funding that the IJB is to receive from the Council.
- 4.4 The IJB is due to meet on 7 May 2020 and will discuss the funding that it will receive from its partners and provide comment thereafter. If those comments are significant, a further report will be prepared for the Policy and Resources Committee and Council.
- 4.5 The budget and charging proposals have been prepared in line with the budget targets for 2020/21 as set out in the MTFP and included measures to address cost pressures from a number of sources and reduced funding from the Scottish Government. The announcement of the Scottish Government's 2020/21 financial settlement for Shetland Islands Council presents an increased settlement when compared to the revised 2019/20 settlement.
- 4.6 The Council's Budget Book 2020/21 and Schedule of Council Charges are attached as Appendices 1, and 2 respectively to this report.
- 4.7 The Council approved on 26 February 2020 the Council Tax Band D for 2020/21 to increase by 4.84% to £1,206.33. This is in line with the maximum cap for Council Tax rises permitted by the Scottish Government. The budget proposals assume a 98.5% collection rate and results in an additional income of £0.567m.

## **Brief Summary of the 2020/21 Local Government Financial Settlement**

4.8 Taking into account the additional funding from the Scottish Government, the comparative figures for the settlement are shown in the table below and indicate a Scotland wide funding increase of 0.3% from the current year.

	2019/20 £m	2020/21 £m	Movement £m	Movement %
<b>Total Scotland Funding</b>	<b>11,401</b>	<b>11,431</b>	<b>30</b>	<b>0.3%</b>
Revenue	10,309	10,668	359	3.5%
Capital	1,092	763	-329	-30.1%
<b>Shetland</b>				
Revenue Distributed	88.444	90.002	1.588	1.8%
less Specific Ring-Fenced Grants	7.107	8.241	1.134	15.9%
<b>SG Revenue Grant</b>	<b>81.337</b>	<b>81.761</b>	<b>0.424</b>	<b>0.5%</b>
Capital	9.232	6.206	-3.026	-32.8%
<b>Total Shetland</b>	<b>90.569</b>	<b>87.967</b>	<b>-2.602</b>	<b>-2.9%</b>

4.9 Specific ring-fenced grants of £8.241m in the above table relate to:

- 'fair' ferry funding (£5.0m),
- pupil equity funding (£0.204m),
- criminal justice social work (£0.311m) and
- continued expansion of the early learning and childcare programme (£2.726m).

4.10 The total funding package for both revenue and capital for Shetland Islands Council for 2020/21, confirmed as a single year package, is £2.602m less than that received in the current year, representing a reduction of 2.9%.

### **Revenue**

4.11 Although the revenue funding in Scotland has increased by 3.5%, the impact of the complex allocation methodology is not the same for each local authority.

4.12 This does not mean that the Council avoids the conditions imposed by the Scottish Government. The conditions are:

- Nationally the Pupil/Teacher ratios are to be maintained at 13.7:1;
- Secure places for all probationers who require one under the teacher induction scheme;
- Increase Social Care budgets by the Council's proportion of £100m allocated to Health and Social Care and Mental Health over the 2019/20 budget.

4.13 Additional burdens arise from the settlement, such as pay awards over £3m and insufficient ferry funding which it is anticipated will cost the Council over £4.49m in 2020/21.

### **Capital**

4.14 Capital funding was expected to reduce in the current 5-Year Asset Investment Plan with the removal of the funding carried forward from 2016/17 of £1.24m which was paid in 2019/20. There is a further reduction of £1.786m in the settlement

which increases pressure on the Council to find alternative means to fund capital, namely borrowing.

### **Balancing the General Fund Revenue Budget for 2020/21**

4.15 Preparation for the revenue budget started in the autumn and was subject to scrutiny by the Corporate Management Team. In addition, the four pillars of sustainability were presented at Members' Seminars in November 2019. As stated above, budget proposals will have been considered by all Service Committees in March 2020.

4.16 Reconciliation of General Fund deficit from the Council Tax Setting Report (Council on 28 February 2020) to the current deficit included in this report:

	<b>2020/21 £m</b>
<b>Net Deficit 28 February 2020</b>	<b>11.696</b>
Net increase in Valuation Joint Board costs for Barclay Review	0.049
Reduction in Cost Pressure & Contingency Budgets	(0.460)
Increase in General Revenue Grant	(0.738)
<b>Revised Net Deficit</b>	<b>10.547</b>

4.17 Setting a balanced budget is only possible with a one-off draw from Reserves of £10.547m.

4.18 The Council has faced growth in both the cost of delivering services and genuine growth in demand for services, particularly with regard to social care, children's and infrastructure services. In addition, the Council faces the additional burden of pay awards that have not been funded by the settlement.

4.19 The Council has developed its budget based on the following assumptions contained in the MTFP:

- The cost of delivering services will continue to increase through inflationary pressure, pay awards, pensions, fuel & energy costs, population changes and through changes in Government policy
- Scottish Government funding for local government will continue to reduce year-on-year
- Council tax levy will increase by 4.84%, plus 1% that takes minor growth in the tax base into account
- The Council will continue to supplement the funding received from the Scottish Government and the income it raises through Council Tax with its own resources (the Harbour Account, Shetland Gas Plant agreements and returns from long-term investments), and
- That the Scottish Government honours its commitment to fair funding and provides funding to meet the operating costs of Shetland's inter-island ferry services.

4.20 Throughout the course of developing the 2020/21 budget, Directorates have focused on what is required to maintain service provision and deliver their respective priorities. Alongside this service level planning, Directorates have sought to focus on key Service Redesign Projects that cumulatively come together



as a Council-wide Service Redesign Programme. The overarching objective of the Service Redesign Programme is to ensure the Council is prepared for a future that inevitably includes rising costs and increased demand for services whilst receiving less funding from the Scottish Government. The Council will need to balance these conflicting demands whilst adapting to deliver effective services through efficiency and innovation, in order to constrain the growth in service demand expected by 2024. Appendix 3 summarises a four-fold approach to managing these conflicting demands, and gives examples of the activities the Council will undertake in response.

- 4.21 The Council set a balanced budget and the rate of Council Tax that will apply for the forthcoming financial year in a report to the Council on 26 February. This included a 4.84% increase in line with the maximum limit set by the Scottish Government.
- 4.22 The approved increase in Council Tax by 4.84% has been included in the budget to generate £10.306m in Council Tax receipts.
- 4.23 Overall, the General Fund budget, presented in the 2020/21 Budget Book is balanced using a one-off draw on reserves £10.547m.

### **The Balance Sheet**

- 4.24 The balance sheet as at 31 March 2019 has Net Assets of £533m, supported by Useable Reserves of £369m.
- 4.25 Long-term assets amount to £837m with approximately 43% forming the basis of the Council's long-term investments, which have been built up over a number of years and based on the useable reserves held, previously established by the Council, plus the growth that has been achieved on those investments (i.e. positive returns).
- 4.26 The Council has long-term external borrowing of £49m and this is expected to increase in accordance with the Asset Investment Plan for 2020-2025, with an additional £17.485m required. It is estimated that long-term borrowing will be around £61m by 31 March 2021.
- 4.27 Earmarked commitments to fund specific projects and funding obligations (for example the Housing Revenue Account working balances) amount to £64.3m as at 31 March 2019. These reserves are required in both the short and long-term and as such have to be preserved so that the funds are available to meet those obligations if and as they arise. For this reason, their value is not included in the investment base nor used for calculating the sustainable use of investment returns.
- 4.28 The budget proposals are broadly in line with the Financial strategy that:
- maintains useable reserves,
  - does not undermine the long-term investment return assumptions, and
  - ensures long-term borrowing requirements are prudent.

### **Sustainability – the case for change**

- 4.29 The question of the extent to which the budget is sustainable remains less clear, due to the uncertainty over rising costs and the anticipated reduction of income in the future. These two features of public service delivery mean that new and

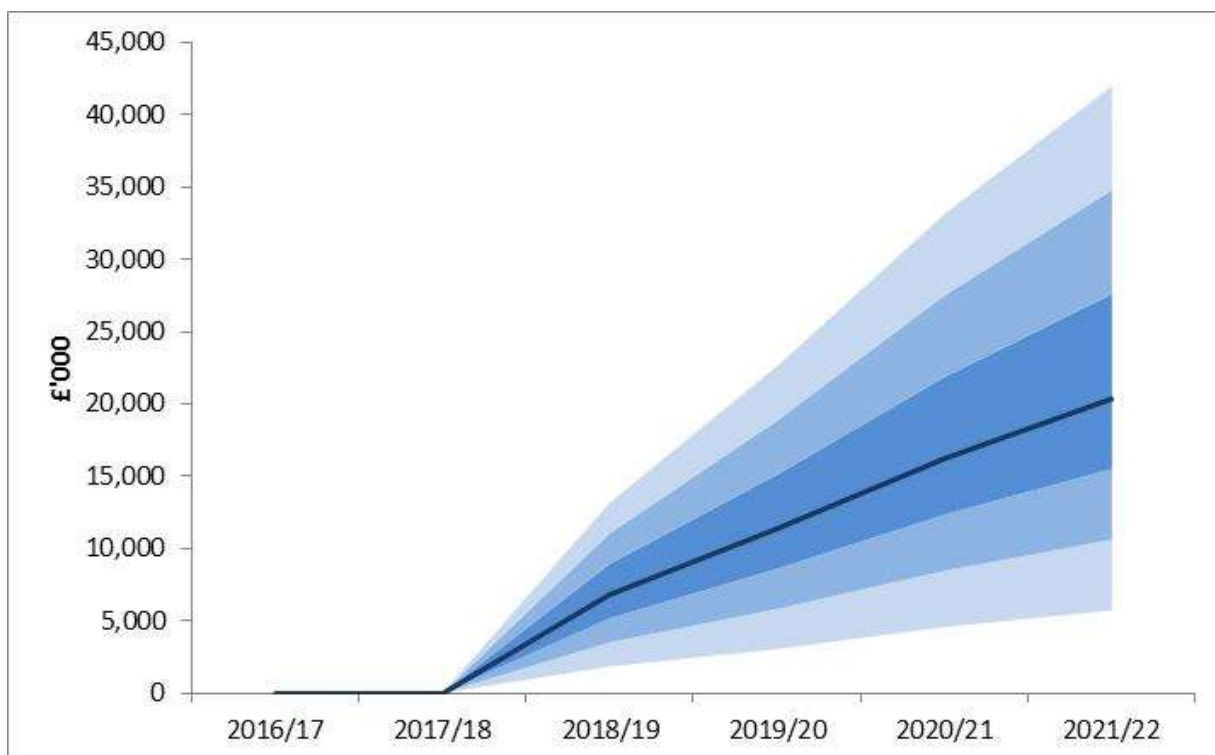
creative options for transforming the way we do things as a Council are essential. Service Redesign needs to be carried out in the context of how the business can transform and the Council must take the opportunity to embrace this and to move services forward with the express understanding that there are financial limitations by continuing to deliver services as they are currently delivered. Future budgets will need to adapt and Directorate plans, while in line with the Corporate Plan priorities, must consider the financial consequences of not addressing the continuing reduction in resources available.

- 4.30 The funding package for the Council in 2020/21 is a step back, as services did not receive funding that has been sought, but it is not the end of the work, it does not aid the sustainability issue and there is no certainty or indication of the value of future funding, either in terms of revenue or the capital investment required for inter-island ferry services.
- 4.31 It remains important to address the rising costs of services and to seek sustainable ways of achieving the outcomes the Council wants for its community.

### **Preparing for 2021/22 and beyond**

- 4.32 In August 2018 the Council approved the Medium-Term Financial Plan and recognised the future challenges of rising costs and falling income. At that time, it was forecast that a gap of £15.6m (within a range of up to £44m) would exist between income and expenditure if nothing was done about the current service delivery models.

#### *Shetland Islands Council, Medium Term Funding Gap to 2023/24*



- 4.33 Assuming that funding for ferries continues into the future, but at a lower level than assumed in the MTFP, it is estimated that the gap of £15.6m will likely increase. Therefore, the Council needs to continue to identify opportunities and implement the right solutions for Shetland in a way that allows the Council to remain financially sound for the long-term whilst maintaining its ability to direct resources

to activities that are of the greatest priority, measured against local outcome aspirations, national policy and statutory duties.

*Impact on reserves balance by continuing to use reserves to balance annual budgets*



4.34 The chart above illustrates the impact of a continued reliance on reserves to set balanced budgets without making changes to service delivery and addressing the increasing deficits experienced between incoming resources and planned expenditure. Appendix 3 illustrates the types of activity the Council is undertaking in order to address reduce overall expenditure in the coming years.

4.35 A revised MTFP for 2019-2026 is to be presented in May 2020. This will demonstrate the full extent of the gap facing the Council over the medium term, and provide a roadmap for the Council to achieve financial sustainability by the end of the 5 year period.

**5.0 Exempt and/or confidential information:**

5.1 None

**6.0 Implications :**

**6.1 Service Users, Patients and Communities:**

The proposed budgets ensure that there is limited impact on users and communities. Where proposals for service change require it then an equalities impact assessment will require to be carried out and relevant consultation undertaken.

**6.2 Human Resources and Organisational Development:**

Each individual service will be responsible for addressing human resource issues prior to making any changes to the existing level of service delivery.

<b>6.3 Equality, Diversity and Human Rights:</b>	<p>The proposed budgets ensure that there is limited impact on users and communities. Where proposals for service change require it then an equalities impact assessment will require to be carried out and relevant consultation undertaken.</p>
<b>6.4 Legal:</b>	<p>Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief financial officer/Section 95 officer has responsibility for the administration of those affairs, and Section 93 of the Local Government Finance Act 1992 requires the Council to set a balanced budget.</p> <p>Each individual service will be responsible for obtaining the necessary legal advice from Governance and Law prior to making any changes to the existing level of service delivery.</p>
<b>6.5 Finance:</b>	<p>The Council is setting a budget which is affordable in 2020/21 but not sustainable for the future.</p> <p>An affordable and sustainable draw from reserves has been determined to be £14.088m, the proposals for the General Fund are out with this sum by £10.547m.</p> <p>The additional draw on reserves to balance the Housing Revenue Account of £2.303m and the return on the Harbour Account of £10.636m results in an overall net unsustainable draw on reserves of £8.521m.</p> <p>As a result of the investment returns generated, it is possible for the Council to have a higher cost base for service delivery than other councils.</p> <p>It is important that the Council approaches budgeting in a responsible and prudent manner, to ensure long-term sustainability whilst meeting the challenges presented by reduced funding.</p> <p>A decision to recommend changes to the budget proposals in this report that would result in an increased or decreased draw on the reserves, would mean that the draw from reserves would have to be reconsidered.</p> <p>Changes to the budget proposals will require a formal amendment and would have to be fully quantified in the Committee/Council decision.</p>
<b>6.6 Assets and Property:</b>	<p>The Medium-Term Financial Plan recommends that the Council focus on effective asset management and a reduction in the number of operational properties used by the Council. The Executive Manager – Assets, Commissioning and Procurement will determine the opportunities for maximising revenue income and capital receipts from the property estate.</p>

	<p>There is an assumption in the Asset Investment Plan that capital receipts will be generated during the year.</p>
<p><b>6.7 ICT and new technologies:</b></p>	<p>Business transformation is a crucial element of the Council adapting to the current financial and technological environment. Corporate and Executive Services, in conjunction with Service led redesign, are leading a programme of work that seeks to maximise the benefits that can be achieved from ICT and new technologies.</p>
<p><b>6.8 Environmental:</b></p>	<p>This budget proposes continuing work on reducing carbon emissions to support the Council's duty under the Climate Change (Scotland) Act 2009.</p> <p>Each individual service will be responsible for assessing environmental issues prior to making any changes to the existing level of service delivery.</p>
<p><b>6.9 Risk Management:</b></p>	<p>There are numerous risks involved in planning the delivery of services for the future and the awareness of these risks is critical to successful financial management.</p> <p>These budgeted assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>There are a number of assumptions around anticipated income levels, returns on investments and cost pressures within the budget that are based on the latest information available and these may vary throughout the year.</p> <p>There is a significant risk around financial sustainability as there is no certainty of the value of future funding either for revenue or capital investment in the inter-island ferry services. This will have a significant impact if not secured for 2021/22 onwards. The Council will continue negotiations with the Scottish Government and Transport Scotland.</p> <p>A significant financial risk exists in relation to the income projections from the Harbour Account, as a result of the volatility around oil tanker volumes, and from the Shetland Gas Plant because of the impact on income from the price of oil and gas. Uncertainty regarding future oil streams and use of Sullom Voe into the future is currently being evaluated.</p> <p>The budget provides for a net 5.2% return on reserves annually which results in an estimated return of over £14m. Taking a long-term view of investment returns is vital to providing assurance that this level of return can be achieved as the value of investments will go down as well as up. A net 5.2% return has been based upon a gross return of 7.3% per annum and is at the upper end of the range over the last 20 years that has seen longer term rates of between 3.56% and 8.49% per annum.</p>

	<p>Managing the Council's investments through a diversified investment strategy and monitoring performance ensures the Council remains in a position to achieve this level of investment return over the long term.</p> <p>These risks are mitigated by using a realistic approach and the most up-to-date information when setting the budget. Also, the inclusion in the overall Council budget of a corporate cost pressure and contingency budget to support volatile and unexpected additional costs.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for other significant unforeseen events. As at 31 March 2019 an uncommitted General Fund balance of more than £24m is available.</p>	
<b>6.10 Policy and Delegated Authority:</b>	<p>The Policy &amp; Resources Committee is required to make recommendations to the Council as to the estimates of capital and revenue expenditure. The decisions required in this report may only be determined by the Council, in accordance with Section 2.1.3 of the Council's Scheme of Administration and Delegations.</p> <p>The Chief Executive and Directors will deliver the Council's budget in accordance with the Scheme of Delegations and Financial Regulations.</p>	
<b>6.11 Previously considered by:</b>	Service Committees, as notified in section 4 of the report	

**Contact Details:**

Jamie Manson, Executive Manager - Finance, [jamie.manson@shetland.gov.uk](mailto:jamie.manson@shetland.gov.uk)  
01595 744607  
13 February 2020

**Appendices:**

Appendix 1 – 2020/21 Budget Book  
Appendix 2 – 2020/21 Schedule of Charges  
Appendix 3 – Approach to deal with continued restrictions in funding

**Background Documents:**

[Approval of the Band D Council Tax and Housing Rent Charges 2020/21](#)

# Shetland Islands Council



## The Council Budget Book 2020/21

### **Corporate Plan Vision:**

By the end of this plan (2020),  
we want to be known as  
an excellent organisation  
that works well with our partners  
to deliver sustainable services  
for the people of Shetland.

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# Executive Summary

## Introduction

- 1.01 The Shetland Islands Council's 2020/21 budget will ensure that council-provided services across Shetland continue to deliver the best outcomes for Shetland in line with Council's Corporate Plan and the Shetland Partnership Plan.
- 1.02 The Council anticipates receiving £90.002m in revenue funding from the Scottish Government, of which £8.241m is allocated as specific ring-fenced revenue funding.
- 1.03 The budget includes an increase of 4.84% in Council Tax, which will generate £10.306m. Council Tax rates in Shetland will continue to be amongst the lowest across Scotland.
- 1.04 The Council has applied on average a 2.74% increase in fees and charges for the coming year.
- 1.05 The 2020/21 Housing Revenue Account budget is based on the 5-year business plan and is underpinned by a 30-year financial model. Housing rent charges will be increased in line with this business plan.
- 1.06 The Council will supplement the General Fund budget with an additional £30.942m from its reserves, including a one-off, unsustainable draw of £10.547m to meet an expected shortfall in funding for the year ahead. This means the Council is able to set a balanced General Fund budget totalling £124.617m.
- 1.07 The Council anticipates a total surplus on the Harbour Account of £10.636m (including terminal charges and Shetland Gas Plant income). The Council will supplement the Housing Revenue Account by drawing £2.303m from reserves to meet an expected shortfall in funding for the year ahead.
- 1.08 The financial settlement for Shetland Islands Council includes £5m of specific ring-fenced revenue funding to support the operating costs of inter-island ferry services. This amount is £4.94m less than expected and does not meet the full costs of ferry services. Discussions with the Scottish Government are continuing in order to secure a fair funding agreement that is consistent with the commitment made by the Scottish Parliament.
- 1.09 The 5-year Asset Investment Plan is balanced and affordable. The associated revenue costs of borrowing are factored into the 2020/21 budget, with the longer term revenue commitments factored into the MTFP 2020/21-2025/26.
- 1.10 The overall budget proposal (including the General Fund, Harbour Account and Housing Revenue Account) will result in a combined net draw from reserves of £22.609m. This requires an additional £8.521m on top of an anticipated £14.088m sustainable draw from investment returns.

## Progress to Date & Financial Outlook

- 1.11 At present, the Council is forecasting to underspend on the 2019/20 Budget by £1.9m, largely from unexpected additional income from the crown estate, an underspending against specific grants and additional care home income, of which £1.8m is required to be carried forward into 2020/21. Essentially the Council is managing within the approved budget for 2019/20 albeit that budget includes a one-off unsustainable draw on reserves of £3.542m.
- 1.12 The medium term is fundamental to how the Council plans ahead in order to meet increasing demands for public services, against a backdrop of continuing reductions in local government funding from the Scottish Government, rising costs of delivering public services and greater economic uncertainty
- 1.13 For this reason, the Corporate Management Team has endorsed a range of proposals and options for an ambitious Service Redesign Programme which will transform our services resulting in improved quality, efficiency and more importantly, better outcomes for the community. Alongside the redesign of services, the Council will also undertake an equally ambitious Business Transformation Programme that will transform how our services are delivered.
- 1.14 The Council is actively identifying opportunities to deploy modern technology and digital improvements to improve service delivery.
- 1.15 The Council is extremely fortunate to be able to supplement its annual budget from funds generated by its own resources, but these are not limitless. It is important that the Council continues to approach budgeting in a prudent and responsible way in order to set sustainable budgets in the future, as this represents the greatest benefit for the delivery of Council services in Shetland well into the future.
- 1.16 The level of funding received from the Scottish Government, other cost pressures and volatility arising from economic uncertainty will be taken into account when looking ahead at the long-term financial sustainability of the Council. A revised Medium-Term Financial Plan will be presented to the Council in May 2020, which takes into consideration a number of changes since 2018, and will act as a roadmap to achieving financial sustainability in the medium term. Future budgets will be developed using the revised MTFP as a base, and also be used to highlight the short and medium-term financial impact of decisions taken locally.
- 1.17 The Community Empowerment (Scotland) Act 2015 places Community Planning on a statutory footing. It is important for there to be a process to engage with communities and involve them in decision making, and the Council will be working to strengthen this relationship, particularly with regard to setting budgets, in the year ahead.
- 1.18 One of the existing work streams in Shetland Community Choices, is to progress and implement participatory budgeting as part of the budget setting process. Participatory budgeting encourages and facilitates idea generation, debate and discussion around areas for improving the community and also in relation to different ways of delivering

services efficiently and effectively. *The Council is working to ensure it meets the Scottish Government's commitment that at least 1% of its budget is determined via Participatory Budgeting by 2021.*

## Draw on Reserves

1.19 The Council must consider whether its budget is affordable or not. Shetland is fortunate in having reserves it is able to call upon, and the Council has historically drawn from reserves to supplement its budget. The Council is asked to approve a draw from reserves to balance the 2020/21 budget, shown in the table below:

Draw from Reserves 2020/21	Budgeted Draw from / (Contribution to) Reserves £m
General Fund	30.942
Harbour Account Surplus	(10.636)
Housing Revenue Account	2.303
Asset Investment Plan	0
<b>NET BUDGETED DRAW FROM RESERVES 2020/21</b>	<b>22.609</b>
Affordable Draw from Investment Returns	14.088
<b>UNSUSTAINABLE DRAW FROM RESERVES 2020/21</b>	<b>8.521</b>

1.20 The total net budgeted draw on reserves for 2020/21 is £22.609m. This is achievable on the basis of anticipated returns from Council investments of over £300m, an operational surplus anticipated on the Harbour Account and a one-off unsustainable draw of £8.521m from reserves.

1.21 The Medium-Term Financial Plan outlines the challenges that the Council faces in relation to the next 5 years in terms of delivering a balanced and affordable budget. It incorporates appropriate long-term assumptions about investment returns that can be achieved annually, while at the same time planning how the Council will meet its financial commitments, which are of a medium and long-term nature.

## Key Budget Messages

### 1.22 General Fund

- The provisional Financial Settlement for Local Government published in February 2019 has since been revised, with an improved allocation for Shetland Islands Council following the Stage 1 debate of the Budget (Scotland) Bill in the Scottish Parliament on 27 February 2019. The Council anticipates receiving an additional £0.738m of core revenue funding from the Scottish Government, resulting in total core revenue funding of £81.761m plus the existing £8.241m in specific ring-fenced revenue grants which remains unchanged from the allocation made in February.

- Of the £8.241m of specific ring-fenced revenue funding, £5m has been allocated to support the operating costs of Shetland's inter-island ferry services but this does not meet the expectation of £9.949m to fully fund the costs of that service.
- In 2016/17 and 2017/18 funding for Social Care has been channelled through NHS Shetland to the Shetland Community Health and Social Care Integration Joint Board (the IJB). This is to continue at the same level in 2020/21. It results in £1.3m being received by the Council from the IJB for the delivery of Social Care services.
- In addition to the £160m available in 2019/20, a further £100m is to be transferred from the health portfolio to Local Authorities in year for investment in health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £811m in 2020/21.
- The additional £100m for local government includes a contribution to continued delivery of the real Living Wage (£25m); uprating of free personal and nursing care payments (£2.2m); implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6m). Along with further support for school counselling services (£4m) whether or not delegated under the Public Bodies (Joint working) (Scotland) Act 2014.
- For Shetland Islands Council, this is estimated to amount to £0.369m which has been included in the proposed budget allocation to the IJB for 2020/21. Additional funding to the IJB is also proposed to cover the cost of pay and price inflation for which savings have not been identified to meet these from within the 2020/21 budget envelope. This means the Council will meet and exceed the requirement to demonstrate additional funding has been passed to the IJB.
- The settlement continues to commit an overall funding package of £88m to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme.
- £201m revenue and £121.1m capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020. Shetland's share of this is £2.726m of revenue and £0.9m of capital.
- An indicative allocation has been made of £5.3m for the Barclay implementation costs across Scotland. The distribution across individual authorities is yet to be finalised for £0.378m.
- A new capital £50m Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks.
- The Financial Settlement also brings new costs, for example, in the form of a pay award and full year costs for the teachers' pension increase. The increase for pay for

2020/21 is 3%. The proposed 2020/21 budget takes account of this. The settlement has made provision for the Teachers Pay (£156m) and Pensions (£97m).

- The Medium-Term Financial Plan planned for increasing costs of delivering services in future years. (I.e. growth in General Fund service budgets). For 2020/21, the Council expected growth of £4.4m. However, the budget proposed contains growth of £10.547m, which is a combination of increased costs and unavoidable growth in service demand. Growth of this scale is unsustainable on a medium-term basis and the Council will need to take action to mitigate anticipated future growth in service demand and reduce its overall expenditure.
- The Council manages the financial risks it faces in a number of ways. The key mechanism is through use of a contingency and cost pressure fund held centrally. The contingency fund budget includes an amount for change projects and a sum for contingency, the total value of the cost pressure and contingency budget is £1.2m.
- The Council's Capital Financing costs in 2020/21 amount to £1.592m.
- As part Scottish Government's revisions to the Local Government Financial Settlement, the cap on increasing Council Tax has been relaxed. The Council had the flexibility to increase Council Tax by a maximum of 4.84%. The budget includes the approved 4.84% increase in the rate of Council Tax for 2020/21. The budget also assumes a 98.5% collection rate, and factors in the effect of discounts and exemptions.

### **1.23 Harbour Account**

- An operational surplus, excluding income from the Council and the Shetland Gas Plant, is projected to be £6.746m in 2020/21. The Council will use £6.057m of this plus the Shetland Gas Plant income of £0.6m to support General Fund Services in 2020/21. This is in line with the assumptions of the Medium-Term Financial Plan.
- The Harbour Charges at Sullom Voe are to be increased on average by 2.74%. Charges for all other harbours and piers will be increased on average by 2.74%.
- The Harbour Account generates an income from agreements in relation to the Shetland Gas Plant and this includes ground rent and volume of gas passing through the plant (known as throughput). It is forecast that income arising from these agreements will be £0.6m in 2020/21, this is less than the £1.4m which was forecast in the MTFP due to current low gas prices.
- Capital investment on the Harbour Account in 2020/21 amounts to £3.643m, with the net cost being funded by other government grants and external borrowing.

### **1.24 Housing Revenue Account**

- The Housing Revenue Account (HRA) budget has been prepared in line with the approved HRA 5-Year Business Plan and underpinning 30-year financial model.

- Capital investment to be funded by the HRA in 2020/21 amounts to £4.504m, taking into capital receipts and investment paid for directly from rents received.
- The rent increase for 2020/21 is 2% across all dwellings, plus an extra £1 per week for bedsits and one bedroom properties. The average rent increase equates to 2.22%.

### 1.25 Asset Investment Plan

- The Asset Investment Plan (AIP) provides significant investment in the Council's asset base and infrastructure, focused on maintaining existing assets, in accordance with the capital investment policy.
- The provisional Financial Settlement for Local Government published on 6 February 2019 included £6.142m of capital support. Of which £0.938m was specific grants. This has since been revised, with an improved allocation for Shetland Islands Council following the Stage 1 debate of the Budget (Scotland) Bill in the Scottish Parliament on 27 February 2019. The Council anticipates receiving an additional £0.64m of specific grant funding from the Scottish Government, resulting in total capital funding of £6.206m.
- An outline ferry vessel and terminal replacement programme has been included in the AIP, with the funding being assumed as receivable from the Scottish Government/Transport Scotland by way of external capital grant. If this is not forthcoming under the Scottish Government's commitment to fair funding for inter-island ferry services, the Council will face significant investment costs that it cannot afford without support from external stakeholders. Discussions with the Scottish Government in this respect continue.
- A number of specific projects are being prepared using the Council's Business Case methodology that will result in decisions being taken during 2020/21 and these have been included as potential projects to ensure that a prudent, sustainable and affordable plan is in place.
- The borrowing levels proposed in the AIP will be incorporated into the borrowing limits in the current Prudential Indicators that ensures that the Council's capital financing requirement is affordable at this time. Approval of the Prudential Indicators will be undertaken following approval of the budget.

# Introduction to the Budget Report

## Medium Term Financial Plan 2018/19 – 2023/24

2.01 The Medium-Term Financial Plan (MTFP) is the Council's strategic finance document, which provides the framework for financial planning over the next five-year period. The Financial Strategy, Policy, Actions and Engagement includes:

- To take a prudent approach to core Scottish Government funding projections for the next five years; and to take a fairly optimistic approach to the benefits that may be generated from oil and gas related income;
- To recognise the significant risk posed to the General Fund budget from a reliance on external income, over which the Council has no control, the Council should consider the options it has for replacing that income in the event that it falls and/or stops faster and sooner than estimated;
- To take a measured approach to the long-term investment returns that will be generated to ensure an inflation proofed sum can be relied upon as an annual income stream for the General Fund revenue budget;
- To include a modest General Fund revenue budget contingency, taking a risk-based approach, to protect it from unplanned expenditure in-year;
- To consider how longer-term financial planning can be effectively undertaken by the Council;
- To apply the Charging Framework in considering, setting and applying charge for services, recognising the important place income has in addressing rising costs;
- To treat all non-specific grants received as a corporate resource;
- To continue to adopt the Investment Returns Withdrawal Policy, which includes a long-term investment return rate of 7.3% and long-term inflation rate of 2.1%, resulting in an affordable draw from investment returns of 5.2% of the investment returns base;
- To maintain an investment returns base of £260m as at 1 April 2019;
- To focus investment returns on supporting revenue expenditure;
- To adopt a robust pricing policy for the Port to ensure that an annual return on investment is achieved and that the surplus is used to deliver benefit to the Shetland public;
- To deliver the Housing Revenue Account business plan and to work with Partners to maximise the opportunities for the delivery of quality affordable housing in Shetland, one of the Council's top priorities;

- To maintain an uncommitted General Fund Reserve to mitigate the risk of significant unplanned one-off events (such as Major Incident Major Disaster, and the Financial Climate) that the Council may face;
- To adopt a medium-term target of £15.6m of recurring savings being achieved by 2023/24;
- To prioritise Service delivery that is identified as being most likely to successfully achieve the Corporate Plan objectives and outcomes in the long term or is required to fulfil the Council's statutory duties, and to agree to reduce and/or stop those Services that contribute less to outcomes or are a lower priority;
- To continue to build upon the financial management improvements that have already been made, and continue to base decision making on evidence-based reporting, following the building better business cases methodology, demanding fully costed options and recognition that the use of Council resources all come with a cost;
- To continue to set aside an annual sum of Funding for Change and authorise the Executive Manager- Finance, to approve the allocation of funding to projects meeting the criteria, subject to the availability of funding;
- To continue the scheme for the Spend to Save and Improvement Funding earmarked within the Council's Usable Reserves and authorise the Executive Manager- Finance, to approve the allocation of funding to projects meeting the criteria, subject to the availability of funding;
- To continue to adopt the Capital Expenditure Policy and borrow in specific circumstances for capital investment, that cannot be funded from Capital Grant or capital receipts, the cost of which will be borne by the Service(s) that the investment benefits. Borrowing will be carried out under the Prudential Code framework of prudence, sustainability and affordability in line with the Council's Annual Investment and Treasury Strategy;
- To take action on costs over the life of this MTFP on the basis that Scottish Government funding will not increase nor return to historic funding levels (in real terms);
- Effectively manage annual budgets to maintain discretionary Usable Reserves around current levels to protect the underlying financial resources of the council that can be relied on to provide a stable investment return base (i.e. reserves that are not committed to specific projects);
- To capture savings from improved and robust procurement and commissioning processes, including the re-negotiation of contracts;
- To develop a strategic approach with the Corporate Management Team to resource allocation to determine options that will best focus on delivery of priority outcomes and statutory obligations with the resource limits of the MTFP;



- To acknowledge rising costs and anticipated falling income from the Scottish Government, and agree a plan that identifies what the Council will do to eliminate the gap that exists between income and expenditure in the future which incorporates service re-design proposals and the business transformation programme;
- To structure Services in a way that maximises productivity and operates as efficiently and effectively as is possible;
- To agree Directorate Plan priorities can only be taken forward in the context of the challenging financial forecast in the MTFP, and as a result growth of Services is not permitted;
- To continue to seek all opportunities for political engagement with the Scottish Ministers and Scottish Government in relation to Services for which the Council does not receive its fair share of funding, or where inconsistency exists between Shetland and other local authorities;
- To recognise the importance of oil and gas to the council and to continue to work closely with the locally based companies and wider oil and gas sector to explore how community benefits achieved through the Harbour Account can be continued over the long-term;
- To work closely with partners to identify and deliver cost effective solutions to achieve shared objectives and outcome priorities; and
- To increase community participation in the allocation of resources decisions and to ensure the target of 1% of the Council's Budget being subject to community participation is achieved by 2020.

## **The 2020/21 Budget**

- 2.02 The 2020/21 Council budget is a more detailed financial plan that complements the strategic Medium-Term Financial Plan and helps the Council's in meeting its strategic financial objectives on a yearly basis.
- 2.03 The Budget Book encapsulates all aspects of the Council's business: the General Fund, the Harbour Account, the Housing Revenue Account and our capital investment activity (or the Asset Investment Plan). This means it is clearer for Elected Members to see the full impact that the spending proposals will have on the Council's reserves during the financial year. This is important because the Council relies upon drawing a sustainable and affordable amount from its invested reserves to fund the delivery of services.

## **The Approach to Setting the 2020/21 Budget**

- 2.04 The Medium-Term Financial Plan is the basis for setting the budget. A number of assumptions were made which shaped the budget process, including rising costs of £4.2m and an anticipated reduction of income of £1.073m.
- 2.05 Initial proposals were made more difficult by growth identified during the early stages of the budget-setting process and from the additional burdens that the Council now faces as a result of external factors, such as the pay award. In total, growth compared to the MTFP expectations for the General Fund budget amounts to £10.547m, which is unsustainable against the backdrop of continuing reductions to core revenue funding from the Scottish Government.
- 2.06 The assumptions regarding funding from the Scottish Government have been found to be realistic and prudent following the publication of the provisional Financial Settlement on 6 February 2020. The increase in revenue funding of £0.820m has conditions attached, which has resulted in corresponding increases in expenditure for example pay inflation of £3.216m. This has now been superseded by revisions by the Scottish Government and most importantly by the funding package announced as part of the Stage 1 Budget Bill debate on 28 February 2020. The Council benefits to the value of £0.738m of revenue funding, from a wider share of £95m, and £0.064m of capital funding, from a wider share £15m, made available to Local Government. A specific ring-fenced grant of £5m has been allocated towards the operating costs of inter-island ferries, which is £4.94m less than requested from the Scottish Government. In addition, the level of revenue funding allocated for ferries through the General Revenue Grant has reduced by £519k in 2020/21. This means the effective deficit faced by the Council, by operating the inter-island ferry service amounts to £5.5m.
- 2.07 In addition, the Scottish Government set the cap on increasing Council Tax to 4.84%. The Council on the 26 February approved an increase of 4.84%, which has been incorporated into the budget.
- 2.08 Finally, the Scottish Government confirmed its commitment to moving towards 3-year funding settlements, reviewing how local authorities are funded and the development of a fiscal framework for local government funding to be introduced in the next Parliament.

- 2.09 The outcome of this budgeting exercise is that the aggregated budget proposals put forward by directorates exceed the overall budget target defined by the MTFP by £10.547m.
- 2.10 The objective of the Shetland Islands Council Budget Book 2020/21 is to provide a high-level summary of the Budget proposals and their contribution towards delivering the MTFP and the impact on the Council's reserves.
- 2.11 The detailed budget proposals for each area of the Council are set out in separate reports, which were presented to Service Committees earlier in March 2020. This report guides Councillors to those other reports where more detailed information can be found on General Fund services, the Harbour Account, the Housing Revenue Account and the Asset Investment Plan.

### **Spend to Save and Improvement Fund**

- 2.12 The Council has a Spend to Save and Improvement Fund. The purpose of the scheme is to provide up front funding to a service in order to effect a change that will result in recurring savings in the future. It is expected to work in conjunction with the Funding for Change budget included annually in the revenue budget. The Funding for Change budget will initially be used to fund feasibility studies to bring a project forward to a stage where a decision can be made to implement. The Spend to Save and Improvement Fund would be used to fund project implementation for those, which meet the necessary criteria. The scheme is outlined in the MTFP and more information is available from the Accounting team if required.

## **Linking the 2020/21 Budget to the Council's Corporate Plan**

- 3.01 The 2020/21 General Fund budget proposes to incur net expenditure of £124.617m delivering public services to the community of Shetland during the next financial year.
- 3.02 In previous years, budgets have reduced and the Council has moved closer to a sustainable financial position, while still providing some of the highest-funded public services of any local authority in Scotland.
- 3.03 During that time, the Council has sought to maximise the potential impact of the available funding for services by targeting resources towards the key priorities of the Council as set out in its Corporate Plan. In line with the new MTFP, the opportunity should be taken by Directors to prioritise the delivery of services that contribute most effectively to the successful delivery of the Corporate Plan objectives and outcomes in the long term, the Council's statutory duties and the Service Redesign Programme

## The 2020/21 General Fund Budget

4.01 The 2020/21 General Fund budget is set out in the table below:

Line No.	Description	2020/21 £000	2020/21 IJB Centrally Managed Costs £000	2020/21 £000
1	Chief Executive & Cost of Democracy	1,851	(4)	1,847
2	Children's Services	47,571	(18)	47,553
3	Community Health & Social Care Services	23,564	1,778	25,342
4	Corporate Services	10,603	(295)	10,308
5	Development Services	14,452		14,452
6	Infrastructure Services	28,586	(1,461)	27,125
7	Corporate Services (Fund Manager Fees)	1,239		1,239
8	<b>GENERAL FUND SERVICES NET EXPENDITURE (equals lines 1 - 7)</b>	<b>127,866</b>	<b>0</b>	<b>127,866</b>
9	Allocation to the Integration Joint Board (IJB)	24,064		24,064
10	Allocation to the Integration Joint Board (Audit Fee)	15		15
11	Contribution from the Integrated Joint Board (IJB)	(25,342)		(25,342)
12	<b>NET CONTRIBUTION FROM THE IJB (equals lines 9 - 11)</b>	<b>(1,263)</b>	<b>0</b>	<b>(1,263)</b>
13	Contingencies, Funding for Change and Budget Pressures	1,200		1,200
14	Capital Financing Costs	1,592		1,592
15	Spend to Save	250		250
16	Crown Estate	1,008		1,008
17	Support Recharges to Harbour Account, HRA and Capital	(4,888)		(4,888)
18	Interest on Revenue Balances	(14)		(14)
19	Economic Development Investment Income	(1,134)		(1,134)
20	<b>TOTAL NET GENERAL FUND EXPENDITURE (equals line 8 plus line 12 plus lines 13 - 19)</b>	<b>124,617</b>	<b>0</b>	<b>124,617</b>
	<b>FUNDED BY:</b>			
21	General Revenue Grant/NNDR (Scottish Government Allocation)	(81,761)		(81,761)
22	Council Tax	(10,306)		(10,306)
23	<b>TOTAL CORE FUNDING (equals lines 21 - 22)</b>	<b>(92,067)</b>	<b>0</b>	<b>(92,067)</b>
	<b>Deficit to be funded from Reserves</b>			
24	Draw on Reserves – Core Expenditure General Fund	(24,635)		(24,635)
25	Draw on Reserves – Spend to Save	(250)		(250)
26	Draw on Reserves – Equivalent to Harbour Account Surplus	(6,057)		(6,057)
27	Crown Estate	(1,008)		(1,008)
28	Shetland Gas Plant Contribution	(600)		(600)
29	<b>TOTAL FUNDING FROM RESERVES (equals lines 24 - 28)</b>	<b>(32,550)</b>	<b>(0)</b>	<b>(32,550)</b>
30	<b>TOTAL FUNDING (equals line 23 plus line 29)</b>	<b>(124,617)</b>	<b>0</b>	<b>(124,617)</b>
31	<b>BALANCED BUDGET (line 20 plus line 30)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Expenditure

4.02 The General Fund services net expenditure is budgeted to be £126.603m in 2020/21 (as shown at Line 8 plus line 12 in the table at 4.01) which represents the spending on day-to-day Council services. The table below shows how the Directorate budgets reconcile to the detailed budget proposal reports that have been through the Service Committee meetings earlier in March 2020:

Directorate	Development Committee £000	Education & Families Committee £000	Environment & Transport Committee £000	Policy & Resources Committee £000	College Board £000	Total £000
Executive & Corporate				13,693		<b>13,693</b>
Children's		47,571				<b>47,571</b>
Community Health & Social Care				23,564		<b>23,564</b>
Integration Joint Board				(1,263)		<b>(1,263)</b>
Development	7,037	365	6,182		868	<b>14,452</b>
Infrastructure			28,586			<b>28,586</b>
<b>TOTAL</b>	<b>7,037</b>	<b>47,936</b>	<b>34,768</b>	<b>35,994</b>	<b>868</b>	<b>126,603</b>

4.03 The detailed General Fund budgetary information, which underpins this section of the budget report, can be found in the following Budget Proposals Reports (including appendices) which were presented to Service Committee Meetings.

Shetland College Board 4 March 2020	<b>F-015-F</b> 2020/21 Budget Proposals for Shetland College <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25057">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25057</a>
Environment & Transport Committee 10 March 2020	<b>F-017-F</b> 2020/21 Budget and Charging Proposals Environment and Transport Committee <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25093">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25093</a>
Education & Families Committee 10 March 2020	<b>F-019-F</b> 2020/21 Budget & Charging Proposals Education and Families Committee <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25084">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25084</a>
Development Committee 10 March 2020	<b>F-013-F</b> 2020/21 Budget and Charging Proposals Development Committee <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25112">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25112</a>

Policy and Resources Committee 11 March 2020	<b>F-010-F</b> 2020/21 Budget and Charging Proposals Community Health and Social Care Integration Joint Board <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25146">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25146</a>
Policy & Resources Committee 11 March 2020	<b>F-008-F</b> 2020/21 Budget and Charging Proposals Policy & Resources Committee <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25147">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25147</a>

## Council-wide Budgets and Contingency

- 4.04 A figure of £3.042m has been included in the General Fund budget to cover aspects of Council business that are of a Council-wide nature. These include capital financing costs, funding for change projects including climate change, spend to save projects, cost pressures and contingency items, (as set out in Lines 13 to 15 of the table at 4.01).
- 4.05 As these budget lines covers Council-wide issues, they are held centrally by the Executive Manager – Finance, and funds will only be released when the Executive Manager – Finance is satisfied that the cost pressure has materialised or the conditions exist to legitimately release contingency, spend to save and capital costs.
- 4.06 The following tables show how the budget of £3.042m has been calculated:

Category	Description	Allowance in 2020/21 Budget (£000)
<b>Capital Financing Costs</b>	This is to meet the existing financing charges for external borrowing.	<b>1,592</b>
<b>Spend to Save</b>	To provide funding for project which will in future reduce the ongoing revenue funding on an ongoing basis.	<b>250</b>
<b>Funding for Change</b>	To provide funding for transformational change across the organisation to be able to meet the budget reductions expected by 2020.	<b>750</b>
<b>Contingency</b>	This will provide a contingency budget for a range of possible contingencies, which services have identified, may arise in 2020/21 across services.	<b>450</b>
<b>TOTAL COUNCIL-WIDE BUDGETS AND CONTINGENCY</b>		<b>3,042</b>

## Funding

- 4.07 The Scottish Government is providing £81.761m of funding for General Fund services to Shetland Islands Council in 2020/21 (excluding specific grants). This funding represents the Council's General Revenue Grant and includes the level of income that the Council will receive from the National Non-Domestic Rates Pool. This is £0.424m more than last year's revised revenue settlement of £81.337m.
- 4.08 The Council will contribute funding from its investment returns and from income generated annually from the Harbour Account in order to fund an enhanced level of service to the population of Shetland. The total amount to be drawn from reserves to support the General Fund is budgeted to be £30.942m in 2020/21 (Lines 24, 25 and 26 in the table at 4.01)
- 4.09 The Council is required to set a balanced budget and has set a rate of Council Tax to be applied in the financial year. The Shetland Islands Council currently has the fourth-lowest level of Council Tax in Scotland whilst providing arguably the best funded services.
- 4.10 It was approved to raise the Council Tax by 4.84% for financial year 2020/21 on 26 February 2020; a Band D property will incur an annual charge of £1,206.33. At this rate of taxation, with a small increase in the number of properties, it is expected that the Council will generate £10.306m from Council Tax during 2020/21.



## The 2020/21 Harbour Account Budget

5.01 The proposed budget for the Harbour Account is as follows:

Line No.	Description	2020/21 £000
1	Sullom Voe	12,207
2	Scalloway	1,429
3	Other Piers	2,462
4	Jetties & Spur Booms	5,462
5	Terminals	2,230
6	<b>REVENUE EXPENDITURE (equals lines 1 - 5)</b>	<b>23,790</b>
7	Harbour Fees & Charges	(25,074)
8	Jetties & Spur Booms	(5,462)
9	<b>REVENUE INCOME (equals lines 7 - 8)</b>	<b>(30,536)</b>
10	<b>HARBOUR ACTIVITY NET REVENUE SURPLUS (equals lines 6 - 9)</b>	<b>(6,746)</b>
11	<b>CAPITAL EXPENDITURE</b>	<b>3,643</b>
12	Capital Receipts	(15)
13	Other Government Grants	(500)
14	External Borrowing	(3,128)
15	<b>CAPITAL INCOME</b>	<b>(3,643)</b>
16	<b>NET CAPITAL DRAW (equals lines 11 plus 15)</b>	<b>0</b>
17	<b>TOTAL HARBOUR ACTIVITY SURPLUS (equals line 10 plus line 16)</b>	<b>(6,746)</b>
18	Internal contribution from the General Fund for terminal berthing charges	(3,290)
19	Shetland Gas Plant	(600)
20	<b>TOTAL SURPLUS (equals line 17 - 19)</b>	<b>(10,636)</b>
21	Contribution to the Reserve Fund	10,636
22	<b>BALANCED HARBOUR ACCOUNT (line 20 plus line 21)</b>	<b>0</b>

5.02 The Sullom Voe Terminal operator requires a 24-hour, 7 day per week harbour operation to facilitate tanker movements. From the point of view of the Council, this means that there is a requirement to continue to incur a high level of expenditure to maintain this level of service against what has been a trend of reducing tanker numbers, leaving the risk of financial loss with the Council. Charges are set in this context and have been increased by 2.74% for 2020/21.

5.03 It is proposed to increase charges for other harbours and piers, by an average of 2.74%. The increase on charges is to contribute to national cost pressures relating to pay and pensions.

- 5.04 Overall, the Council forecasts that the surplus generated on ports and harbours activities will meet the requirement in the Medium-Term Financial Plan for 2020/21.
- 5.05 The berthing charge for the inter-island ferry use of shore-based ferry terminal assets results in income of £3.29m in 2020/21.
- 5.06 Income from the Shetland Gas Plant throughput activity is anticipated to decrease in 2020/21 by £0.75m due to lower gas and oil prices to £0.6m.
- 5.07 The detailed Harbour Account budgetary information, which underpins this section of the budget report, can be found in the following budget proposals report (including appendices) which was presented to the Harbour Board on 4 March 2020:

**Harbour Board  
4 March 2020**

**F-014-F**

2020/21 Budget and Charging Proposals Harbour Board  
<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25063>

## The 2020/21 Housing Revenue Account Budget

6.01 The 2020/21 Housing Revenue Account budget is set out in the table below:

Line No.	Description	2020/21 £000
1	Supervision & Management	901
2	Repairs & Maintenance	2,767
3	Void Rents & Charges	175
4	Garages	32
5	Capital Charges - Dwellings	1,232
6	<b>REVENUE EXPENDITURE (equals lines 1 - 5)</b>	<b>5,107</b>
7	Rents - Dwellings	(7,010)
8	Rents - Other i.e. garages/sites etc.	(257)
9	<b>REVENUE INCOME (equals lines 7 - 8)</b>	<b>(7,267)</b>
10	<b>NET REVENUE SURPLUS (equals line 6 plus line 9)</b>	<b>(2,160)</b>
11	<b>CAPITAL EXPENDITURE</b>	<b>4,504</b>
12	Capital Receipts	(41)
13	<b>NET CAPITAL DEFICIT (equals line 11 plus line 12)</b>	<b>4,463</b>
14	<b>TOTAL DEFICIT</b>	<b>1,124</b>
15	Contribution from Housing Revenue Account (Reserves)	(2,303)
16	<b>BALANCED HOUSING REVENUE ACCOUNT BUDGET (equals line 14 plus line 15)</b>	<b>0</b>

6.02 The objective of the 2020/21 Housing Revenue Account (HRA) budget is to deliver a sustainable position and minimise rent increases for the year in line with the approved 5-Year Business Plan, which has been developed in conjunction with a 30-year financial model.

6.03 The proposal on rents is to remove the disparity in rents between smaller and larger properties as the distinction is no longer reasonable, and this is in line with tenant feedback. Rents are due to increase by 2%, with an additional £1 per week being added to rents for bedsits and one-bedroom properties for 2020/21. This means that an average rent rise of 2.39% is proposed for 2020/21.

6.04 The capital expenditure in the Asset Investment Plan is set at £4.504m in 2020/21. This is in line with the 5 Year Business Plan and long-term financial model.

6.05 The detailed HRA budgetary information, which underpins this section of the budget report, can be found in the following budget proposals report (including appendices) which was presented to the Development Committee on 10 March 2020:

<b>Development Committee 10 March 2020</b>	<b>F-016-F</b> 2020/21 Housing Revenue Account Budget and Charging Proposals <a href="http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25113">http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25113</a>
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## The 2020/21 Asset Investment Plan (Capital Programme)

7.01 The 2020/21 Asset Investment Plan is set out in the table below:

Line No.	Description	2020/21 Budget £000
1	New Developments	10,165
2	Maintenance of Existing Assets	13,480
3	Potential Projects	4,725
<b>4</b>	<b>TOTAL EXPENDITURE (equals lines 1 - 3)</b>	<b>28,370</b>
5	Scottish Government General Capital Grant	(6,944)
6	Other Capital Grants	(2,010)
7	Capital Receipts (General Fund, HA and HRA)	(409)
8	Capital Funded from Current Revenue (Harbour and HRA)	(6,611)
<b>9</b>	<b>TOTAL FUNDING (equals lines 5 - 8)</b>	<b>(15,974)</b>
<b>10</b>	<b>FUNDING SHORTFALL (equals line 4 plus line 9)</b>	<b>12,396</b>
11	Borrowing	(12,396)
<b>12</b>	<b>TOTAL BORROWING (equals lines 11)</b>	<b>(12,396)</b>
<b>13</b>	<b>TOTAL FUNDING AND FINANCING (equals line 9 plus line 12)</b>	<b>(28,370)</b>
<b>14</b>	<b>BALANCED ASSET INVESTMENT PLAN (equals line 4 plus line 13)</b>	<b>0</b>

7.02 There are 13 key criteria for capital investment planning included within the Medium-Term Financial Plan. These are:

- No growth in the operational asset base;
- Capital expenditure is primarily focussed on the capital maintenance of existing assets;
- A gateway process will ensure strategic fit is demonstrated early and decisions are taken at key stages. This will be supported by a full business case, including projected future demand, and options and investment appraisal process before a project can be considered for inclusion on the Asset Investment Plan;
- No project will be considered for inclusion on the Asset Investment Plan, and existing projects will be removed, unless they have a robust financial estimate of cost. The Executive Manager – Finance will determine whether the financial estimates of cost are robust;

- All capital projects must clearly demonstrate the revenue consequences arising from a capital spending decision to assist Elected Members in understanding the full financial impact;
- The focus will be on effective asset management, driven forward through the Asset Strategy and Implementation Plan. This will ensure that the Council occupies a reduced number of properties in the future.
- Scottish Government Capital Grant will be applied initially to short life assets (e.g. vehicles, ICT, certain maintenance);
- Capital Receipts will be targeted at core capital maintenance costs.
- Capital Funded from Current Revenue (CFCR) will be used where appropriate to fund low value, shorter life capital expenditure.
- Where available and determined as appropriate by the Executive Manager – Finance, other assets may be funded from Capital Grants, Capital Receipts and CFCR;
- All other capital expenditure will be financed by borrowing. If interest rates are lower than the return on the long-term investments described in the Medium-Term Financial Plan, external borrowing will be undertaken. If interest rates are higher than investment returns, internal borrowing will be undertaken;
- The service(s) that benefit from the capital asset will be required to make sufficient revenue savings to free up budget to pay for the cost of capital (interest charges and principal repayments of debt) based on the amount borrowed. This will be calculated on the amount borrowed;
- Capital financing products are affected by external and financial market factors and can develop in a way that may enable the Council to achieve its Corporate Plan outcomes through alternative means. Where new capital financial opportunities arise, such as Scottish Government Initiatives like the National Housing Trust models, then the Executive Manager Finance will give consideration to such products, subjecting them to financial viability, affordability and risk tests, and make a recommendation prior to proceeding.

7.03 The level of borrowing required to finance the Asset Investment Plan is called the Capital Financing Requirement (CFR). The Council will be able to manage limits for borrowing based on what it thinks is prudent, affordable and sustainable through annually agreeing Prudential Indicators as part of the Annual Borrowing and Investment Strategy.

#### **Asset Investment Plan 2020/21 to 2024/25**

7.04 The Asset Investment Plan proposes to spend £183.820m over the next five years, which represents a significant investment in the Council's infrastructure, and this will require borrowing of £17.885m to meet the funding shortfall.

- 7.05 The focus of the Asset Investment Plan over the five years is on the maintenance of existing assets rather than the creation of new assets.
- 7.06 Over the 5 year Plan, 55% focuses on the vessels and terminals that are required to support inter-island ferry services. The funding for the vessel and terminal replacement programme is subject to ongoing dialogue with Transport Scotland and a successful conclusion to that dialogue, with the Scottish Government meeting its commitment to fair funding for the inter-island ferry services being fundamental to the affordability of this programme.
- 7.07 The detailed Capital Programme (Asset Investment Plan) budgetary information, which underpins this section of the budget report, can be found in the following budget proposals report (including appendices) which was presented to the Policy & Resources Committee on 11 March 2020.

**Policy &  
Resources  
Committee  
11 March  
2020**

**F-011-F**

Proposed 5 Year Asset Investment Plan 2020/21-2024/25

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=25151>

## 2020/21 Income Charges

F-009-F Appendix 2

ALL CHARGES ARE EXCLUSIVE OF VAT, WHERE APPLICABLE

Directorate	Service	Activity	Charge	Unit	2019/20 Charge £	2020/21 Charge £	Variance %
Chief Executive	Executive Services	Town Hall	Meeting/ talk/ workshop (Maximum of 60 people)	per hour	23.00	24.00	4.35
Chief Executive	Executive Services		Small Event Booking / Minor Kitchen Use (Maximum of 60 people)	per hour	25.00	26.00	4.00
Chief Executive	Executive Services		Small Event Booking / Full Kitchen Use (Maximum of 60 people)	per hour	30.00	31.00	3.33
Chief Executive	Executive Services		Meeting/ talk/ workshop (More than 60 people)	per hour	38.00	39.00	2.63
Chief Executive	Executive Services		Large Event Booking / Minor Kitchen Use (More than 60 people)	per hour	40.00	41.00	2.50
Chief Executive	Executive Services		Large Event Booking / Full Kitchen Use (More than 60 people)	per hour	45.00	46.00	2.22
Chief Executive	Executive Services		Wedding / Dinner Dance (Maximum of 60 people)	per hour	30.00	31.00	3.33
Chief Executive	Executive Services		Wedding / Dinner Dance (More than of 60 people)	per hour	50.00	51.00	2.00
Chief Executive	Executive Services		Kitchen (Catering Use)	per hour	25.00	26.00	4.00
Chief Executive	Executive Services		Clean Up Charge	per event	150.00	155.00	3.33
Chief Executive	Executive Services		Preparation Time before event (Evening (Up to 10:30pm) and Saturday)	per hour	22.00	23.00	4.55
Chief Executive	Executive Services		Preparation Time before event (Late Evening (After 10:30pm) and Sunday)	per hour	25.00	26.00	4.00
Chief Executive	Executive Services		Evening (Up to 10:30pm) and Saturday Surcharge - Applied to the applicable hourly rate for the event.		25%	25%	0.00
Chief Executive	Executive Services		Late Evening (After 10:30pm) and Sunday Surcharge - Applied to the applicable hourly rate for the event.		40%	40%	0.00
Chief Executive	Executive Services		Cancellation Charges - cancellation of room bookings must be confirmed at least 5 days before the date or the full charge is payable. These bookings will not be transferred to another date.		25% of full charge	25% of full charge	n/a
Chief Executive	Executive Services		Up Helly Aa	per hour	58.00	60.00	3.45
Chief Executive	Executive Services		Up Helly Aa - Cleaning Costs	per event	575.00	595.00	3.48
Chief Executive	Executive Services		Use of Meeting Equipment	per event	10.00	10.00	0.00
Chief Executive	Executive Services		Tea & Coffee	per person	1.50	1.50	0.00
Chief Executive	Executive Services		Tea, Coffee & Biscuits	per person	2.00	2.00	0.00
Chief Executive	Executive Services		Set of Cutlery Items	per item	0.50	0.50	0.00
Chief Executive	Executive Services		Crockery Items	per item	0.25	0.25	0.00
Chief Executive	Executive Services		Tea / Coffee Pot	per item	1.10	1.10	0.00
Chief Executive	Executive Services		Water Jugs	per item	0.65	0.65	0.00
Chief Executive	Executive Services		Stacking Chair	per item	0.60	0.60	0.00
Chief Executive	Executive Services		Table 4 ft or 6 ft	per item	5.50	5.50	0.00
Chief Executive	Executive Services		Chair Covers (Wedding)	per item	0.50	0.50	0.00
Chief Executive	Executive Services		Table Cloths (Wedding)	per item	2.00	2.30	15.00
Chief Executive	Executive Services		Performing Rights Society Charges - cost of licence will depend on the nature of event This will be determined at the time of booking.	per event	Various	Various	n/a
Corporate Services	Governance and Law	Property Enquiry Certificates	Property Enquiry Certificates	per certificate	115.00	115.00	0.00
Corporate Services	Governance and Law	Civil Marriages	Registration Office - office hours - no guests - accommodation and attendance fee	per event	55.00	58.00	5.45
Corporate Services	Governance and Law		Registration Office - office hours - no guests - statutory charges	per event	155.00	155.00	0.00
Corporate Services	Governance and Law		Registration Office - office hours - no guests - <b>TOTAL CHARGE</b>	per event	210.00	213.00	1.43
Corporate Services	Governance and Law		Registration Office - office hours - guests - accommodation and attendance fee	per event	105.00	108.00	2.86
Corporate Services	Governance and Law		Registration Office - office hours - guests - statutory charges	per event	155.00	155.00	0.00
Corporate Services	Governance and Law		Registration Office - office hours - guests - <b>TOTAL CHARGE</b>	per event	260.00	263.00	1.15
Corporate Services	Governance and Law		Registration Office - outwith office hours - guests - accommodation and attendance fee	per event	155.00	160.00	3.23
Corporate Services	Governance and Law		Registration Office - outwith office hours - guests - statutory charges	per event	155.00	155.00	0.00
Corporate Services	Governance and Law		Registration Office - outwith office hours - guests - <b>TOTAL CHARGE</b>	per event	310.00	315.00	1.61
Corporate Services	Governance and Law		Outwith Registration Office (authorised venue) - attendance fee	per event	205.00	210.00	2.44
Corporate Services	Governance and Law		Outwith Registration Office (authorised venue) - statutory fees	per event	155.00	155.00	0.00
Corporate Services	Governance and Law		Outwith Registration Office (authorised venue) - <b>TOTAL CHARGE</b>	per event	360.00	365.00	1.39
Corporate Services	Governance and Law		Travel Costs for a Registrar attendance at an Approved Place - up to 5 miles from Registration Office	per event	5.00	5.00	0.00
Corporate Services	Governance and Law		Travel Costs for a Registrar attendance at an Approved Place - up to 10 miles from Registration Office	per event	10.00	10.00	0.00
Corporate Services	Governance and Law		Travel Costs for a Registrar attendance at an Approved Place - up to 20 miles from Registration Office	per event	20.00	20.00	0.00
Corporate Services	Governance and Law		Travel Costs for a Registrar attendance at an Approved Place - Over 20 miles	per event	40.00	40.00	0.00
Corporate Services	Governance and Law		Ferry fares at standard return costs will be added to the travel costs where appropriate	per event	variable	variable	n/a
Corporate Services	Governance and Law		All Accommodation and Attendance Fees include non-refundable amount	per event	33.00	34.00	3.03
Corporate Services	Governance and Law	LICENSING (Scotland) Act 2005 (New)	Initial premises application fee - category 1		210.00	200.00	-4.76
Corporate Services	Governance and Law		Initial premises application fee - category 2		850.00	800.00	-5.88
Corporate Services	Governance and Law		Initial premises application fee - category 3		1,100.00	1,100.00	0.00
Corporate Services	Governance and Law		Initial premises application fee - category 4		1,300.00	1,300.00	0.00
Corporate Services	Governance and Law		Initial premises application fee - category 5		1,800.00	1,700.00	-5.56
Corporate Services	Governance and Law		Initial premises application fee - category 6		2,000.00	2,000.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 1		180.00	180.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 2		220.00	220.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 3		280.00	280.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 4		500.00	500.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 5		700.00	700.00	0.00
Corporate Services	Governance and Law		Annual premises licence fee - category 6		900.00	900.00	0.00
Corporate Services	Governance and Law		Vary premises licence 29(1) substitution of manager		35.00	31.00	-11.43
Corporate Services	Governance and Law		Vary premises licence 29(1) minor		20.00	20.00	0.00

Corporate Services	Governance and Law		Vary premises licence 29(1) other		160.00	160.00	0.00
Corporate Services	Governance and Law		Transfer by licence holder 33(1) with variation		240.00	240.00	0.00
Corporate Services	Governance and Law		Transfer by licence holder 33(1) with no variation		160.00	160.00	0.00
Corporate Services	Governance and Law		Transfer by another person 34(1) with variation		240.00	240.00	0.00
Corporate Services	Governance and Law		Transfer by another person 34(1) with no variation		160.00	160.00	0.00
Corporate Services	Governance and Law		Temporary premises licence 47(2)		230.00	240.00	4.35
Corporate Services	Governance and Law		Occasional licence 56(1)		10.00	10.00	0.00
Corporate Services	Governance and Law		Extended hours 68(1)		10.00	10.00	0.00
Corporate Services	Governance and Law		Personal licence 72(1)		50.00	50.00	0.00
Corporate Services	Governance and Law		Replacement personal licence 92(1)		35.00	36.00	2.86
Corporate Services	Governance and Law		Replacement premises licence 53(1)		35.00	36.00	2.86
ALL SERVICES	ALL	ALL	Service level agreements		variable	variable	n/a
Corporate Services	ICT	ICT	Vodafone calls & charges		variable	variable	n/a
Corporate Services	ICT		Service partner calls		variable	variable	n/a
Corporate Services	ICT		Equipment recharge		variable	variable	n/a
Corporate Services	Governance and Law	Insurance section	Insurance administration fee		variable	variable	n/a
Corporate Services	Governance and Law		Insurance recharge		variable	variable	n/a
Corporate Services	Governance and Law		Insurance IPT		variable	variable	n/a
Corporate Services	Governance and Law		3rd party claim reimbursement		variable	variable	n/a
Corporate Services	Governance and Law	Legal	Recharge legal fees on leases		variable	variable	n/a
Corporate Services	Governance and Law		Legal fees relating to property sales		variable	variable	n/a
Corporate Services	Governance and Law		Road Adoption Plans		-	40.00	n/a
Corporate Services	Governance and Law	Admin	Children's Panel support		variable	variable	n/a
Corporate Services	Governance and Law		Elections		variable	variable	n/a
Corporate Services	Governance and Law		Data Subject Access Request (Under Data Protection Act)		no charge for 2019/20	no charge for 2020/21	n/a
ALL SERVICES	ALL	ALL	Reimburse travel costs		variable	variable	n/a
Corporate Services	Finance	Sullom Voe Terminal Site	Sullom Voe rent		variable	variable	n/a
Corporate Services	Harbour Master & Port Operations	Total Gas Plant	Base rent		variable	variable	n/a
Corporate Services	Finance	Recoverable Costs: SIC Pension Fund	Strain costs		variable	variable	n/a
Corporate Services	Finance		Administration fee		variable	variable	n/a
Corporate Services	Finance		Recharges		variable	variable	n/a
Corporate Services	Finance	Recoverable Costs: Charitable Trust	Payroll costs		variable	variable	n/a
Corporate Services	Finance	Accountancy	Pension Fund admitted bodies		variable	variable	n/a
Corporate Services	Finance		VAT only invoice - FOR FINANCE USE ONLY		variable	variable	n/a
Corporate Services	Finance		Sale of assets - vessels		variable	variable	n/a
Corporate Services	Finance		Sale of assets - other		variable	variable	n/a
Corporate Services	Finance		Sale of assets to country outwith the UK		variable	variable	n/a
Corporate Services	Finance		Sale of land/property		variable	variable	n/a
Corporate Services	Finance		Sale of land/property (Opted to Tax)		variable	variable	n/a
Corporate Services	Finance		Revised requisition for Valuation Joint Board		variable	variable	n/a
Corporate Services	Finance		Disbursements relating to property sales		variable	variable	n/a
Corporate Services	Finance		Mareel sub lease		variable	variable	n/a
Corporate Services	HR	Overpayment	Recoup overpayment of salary		variable	variable	n/a
Corporate Services	HR	Workforce Development	Recharge course fees to third parties		variable	variable	n/a
Corporate Services	Finance	Revenues	Discretionary housing payments		variable	variable	n/a
Corporate Services	Finance		Rent allowances		variable	variable	n/a
Corporate Services	Finance		BID Levy - rateable value £0 - £2,500		200.00	200.00	0.00
Corporate Services	Finance		BID Levy - rateable value £2,501 - £5,000		300.00	300.00	0.00
Corporate Services	Finance		BID Levy - rateable value £5,001 - £7,500		400.00	400.00	0.00
Corporate Services	Finance		BID Levy - rateable value £7,501 - £10,000		500.00	500.00	0.00
Corporate Services	Finance		BID Levy - rateable value £10,001 - £15,000		600.00	600.00	0.00
Corporate Services	Finance		BID Levy - rateable value £15,001 - £20,000		700.00	700.00	0.00
Corporate Services	Finance		BID Levy - rateable value £20,001+		850.00	850.00	0.00
Corporate Services	Finance	Management Accountancy	Fishing quota		variable	variable	n/a
Corporate Services	Finance	Valuation Joint Board	Sale of published registers and lists		variable	variable	n/a



Corporate Services	Finance		Funding		variable	variable	n/a
Corporate Services	Finance		Asset valuation under SLA		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement	<b>Asset Services</b>	Cost of insurance premium for leased properties		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Rent of Scatsta Quarry		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Busta Estate croft rents		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Burra Estate croft rents		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Grazing lets & site rent		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Operating lease		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Operating lease - VATABLE		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Premises letting		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Solarhus service charge		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Plans relating to property sales		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement	<b>Capital Programmes EM</b>	Hours worked		variable	variable	n/a
Corporate Services	Assets, Commissioning & Procurement		Costs incurred		variable	variable	n/a
Children's Services	QI Schools	<b>School Meals</b>	Secondary pupils, single course	per meal	2.20	2.20	0.00
Children's Services	QI Schools		Secondary pupils, two courses	per meal	2.60	2.60	0.00
Children's Services	QI Schools		Visitors and staff (cash cafeteria)	per meal	0.00	Set by School	n/a
Children's Services	QI Schools		Visitors and staff	per meal	set centrally	2.60	
Children's Services	QI Schools		Primary pupils	per meal	2.20	2.20	0.00
Children's Services	QI Schools		Nursery pupils	per meal	1.80	1.80	0.00
Children's Services	QI Schools		Nursery pupils - private nursery meals	per meal	1.80	1.80	0.00
Children's Services	QI Schools	<b>School Milk</b>	Pupil	per week	0.90	0.90	0.00
Children's Services	QI Schools	<b>Early Years</b>	Early years nursery charge outwith funded place	charge per hour outside funded place	4.88	4.88	0.00
Children's Services	QI Schools	<b>Instrumental Instruction</b>	Per annum - individual instruction	per annum	210.00	210.00	0.00
Children's Services	QI Schools		Per annum - remote teaching	per annum	160.00	160.00	0.00
Children's Services	QI Schools		Per annum - group instruction	per annum	160.00	160.00	0.00
Children's Services	QI Schools	<b>School Lettings</b>	Classroom	per hour	21.50	22.50	4.65
Children's Services	QI Schools		Large meeting (e.g. school hall/gym hall)	per hour	35.00	36.00	2.86
Children's Services	QI Schools		Dramatic performance	per hour	62.50	65.00	4.00
Children's Services	QI Schools		School hall	per function	260.00	270.00	3.85
Children's Services	QI Schools		School hall plus large school kitchen	per function	320.00	330.00	3.13
Children's Services	QI Schools		School hall plus small school kitchen	per function	283.00	295.00	4.24
Children's Services	QI Schools		Up Helly Aa (including kitchen)	per function	535.00	550.00	2.80
Children's Services	QI Schools		Tea/coffee facilities (e.g. for meetings) - large school kitchen		96.00	100.00	4.17
Children's Services	QI Schools		Tea/coffee facilities (e.g. for meetings) - small school kitchen		54.00	55.50	2.78
Children's Services	QI Schools		All schools - multicourt area	per hour	6.50	7.00	7.69
Children's Services	QI Schools	<b>Lockers</b>	Charge for lockers	per annum	5.00	5.00	0.00
Children's Services	QI Schools	<b>Sporting Activities Only</b>	All schools - whole games hall over 18s (e.g. football, netball, volleyball)		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - whole games hall under 18s (e.g. football, netball, volleyball)		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - hire per badminton court in games hall over 18s (e.g. badminton, table tennis, short tennis)		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - hire per badminton court in games hall Under 18s (e.g. badminton, table tennis, short tennis)		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - 1 badminton court gym hall over 18s		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a

Children's Services	QI Schools		All schools - 1 badminton court gym hall under 18s		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - multipurpose sports area over 18s		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		All schools - multipurpose sports area under 18s		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	QI Schools		Equipment - trampoline		19.50	20.50	5.13
Children's Services	QI Schools		Equipment - 2 trampolines (on 1 badminton court)		28.50	30.00	5.26
Children's Services	QI Schools		Use of car parks (e.g. car boot sales)		22.00	23.00	4.55
Children's Services	QI Schools		Sporting activities - block booking		variable	Variable	n/a
Children's Services	QI Schools		Projector	per hour	11.00	11.50	4.55
Children's Services	QI Schools		Charge for room or area not returned to original state		40.00	45.00	12.50
Children's Services	QI Schools		Charge for cleaning after function		75.00	80.00	6.67
Children's Services	QI Schools	<b>Hall of Residence Board &amp; Accommodation Charges</b>	Placing request pupils - full board	per week	230.00	238.00	3.48
Children's Services	QI Schools		Placing request pupils - full board	per day	53.50	55.00	2.80
Children's Services	QI Schools		Children (holiday periods only) - bed and breakfast	per day	0.00	18.00	n/a
Children's Services	QI Schools		Adults (holiday periods only) - bed and breakfast	per day	45.00	46.50	3.33
Children's Services	QI Schools		Parents flat	per night	16.00	16.50	3.13
Children's Services	QI Schools		Hire of conference room	half day	55.00	56.80	3.27
Children's Services	QI Schools		Hire of conference room	full day	80.00	82.50	3.13
Children's Services	QI Schools		Tea, coffee and biscuits	per head	3.12	3.21	2.88
Children's Services	QI Schools		Soup and sandwiches	per head	4.85	5.00	3.09
Children's Services	QI Schools						
Children's Services	QI Schools	<b>Out of School Clubs</b>	Out of School Club (snack provided, trips additional)	per hour	4.88	4.88	0.00
Children's Services	QI Schools		Out of School Club (snack provided, trips additional)	per session	10.50	10.50	0.00
Children's Services	QI Schools		Out of School Holiday Programme (snack provided, trips additional)	full day	34.00	34.00	0.00
Children's Services	QI Schools		Out of School Holiday Programme (snack provided, trips additional)	half day	17.00	17.00	0.00
Children's Services	QI Schools	<b>Office Cleaning</b>	Cleaning non-SIC offices		variable	variable	n/a
Children's Services	QI Schools	<b>International Education</b>	Grant		variable	variable	n/a
Children's Services	QI Schools	<b>GCTS Registration Fee</b>	GTCS registration fee		variable	variable	n/a
Children's Services	QI Schools		Supply cover		variable	variable	n/a
Children's Services	QI Schools		Reimbursement of salary costs		variable	variable	n/a
Children's Services	QI Schools	<b>Youth Work</b>	Wellbeing youth work		variable	variable	n/a
Children's Services	Shetland Library	<b>Sale of publications</b>	Sale of books		variable	variable	n/a
Children's Services	Shetland Library		Less 33.3% trade discount		variable	variable	n/a
Children's Services	Sports and Leisure	<b>Parks General - Jubilee Flower Park</b>	Tennis - hire of court - concession rate	per hour	2.79	2.88	3.23
Children's Services	Sports and Leisure		Tennis - hire of court - standard rate	per hour	5.58	5.75	3.05
Children's Services	Sports and Leisure		Hire of up to 4 tennis racquets and 3 balls - concession rate	per hour	1.33	1.38	3.76
Children's Services	Sports and Leisure		Hire of up to 4 tennis racquets and 3 balls - standard rate	per hour	2.66	2.75	3.38
Children's Services	Sports and Leisure		Putting - 18 Holes - concession rate	per hour	0.87	0.92	5.75
Children's Services	Sports and Leisure		Putting - 18 Holes - standard rate	per hour	1.75	1.83	4.57
Children's Services	Sports and Leisure		Bowling - hire of rink - concession rate	per hour	2.83	2.92	3.18
Children's Services	Sports and Leisure		Bowling - hire of rink - standard rate	per hour	5.67	5.84	3.00
Children's Services	Sports and Leisure		Bowling - hire of up to 4 sets of bowls - concession rate	per hour	1.12	1.17	4.46
Children's Services	Sports and Leisure		Bowling - hire of up to 4 sets of bowls - standard rate	per hour	2.33	2.35	0.86
Children's Services	Sports and Leisure		Bowling - hire of shoes - concession rate	per person per hour	1.17	1.20	2.56
Children's Services	Sports and Leisure		Bowling - hire of shoes - standard rate	per person per hour	2.33	2.35	0.86
Children's Services	Sports and Leisure		Seasonal hire of green to bowling club (excluding use of bowls and shoes) - concession rate	per person	16.50	17.00	3.03
Children's Services	Sports and Leisure		Seasonal hire of green to bowling club (excluding use of bowls and shoes) - standard rate	per person	33.00	34.00	3.03
Children's Services	Sports and Leisure		Hire of kitchen and viewing area	per hour	6.87	7.08	3.06
Children's Services	Sports and Leisure						
Children's Services	Sports and Leisure						
Children's Services	Sports and Leisure	<b>Parks General - Gilbertson Park Games Hall</b>	Games Hall - hire for sporting use - single booking - concession rate	per hour	11.50	11.75	2.17
Children's Services	Sports and Leisure		Games Hall - hire for sporting use - single booking -standard rate	per hour	23.00	23.50	2.17

Children's Services	Sports and Leisure		Games Hall - hire for general use - concession rate	per hour	11.50	11.75	2.17
Children's Services	Sports and Leisure		Games Hall - hire for general use - standard rate	per hour	23.00	23.50	2.17
Children's Services	Sports and Leisure		Games Hall - block booking (10 or more) - concession rate	per hour	11.50	11.75	2.17
Children's Services	Sports and Leisure		Games Hall - block booking (10 or more) - standard rate	per hour	23.00	23.50	2.17
Children's Services	Sports and Leisure		Hire of kitchen facilities - standard rate	per hour	6.87	7.08	3.06
Children's Services	Sports and Leisure	<b>Parks General - Pitches</b>	Pitch hire with changing rooms - block booking (10 or more) - concession rate	per hour	18.75	19.30	2.93
Children's Services	Sports and Leisure		Pitch hire with changing rooms - block booking (10 or more) - standard rate	per hour	31.25	32.00	2.40
Children's Services	Sports and Leisure		Pitch hire with changing rooms - single booking - concession rate	per hour	18.75	19.30	2.93
Children's Services	Sports and Leisure		Pitch hire with changing rooms - single booking - standard rate	per hour	31.25	32.00	2.40
Children's Services	Sports and Leisure		Pitch hire only - block booking (10 or more) - concession rate	per hour	11.65	12.00	3.00
Children's Services	Sports and Leisure		Pitch hire only - block booking (10 or more) - standard rate	per hour	24.15	24.70	2.28
Children's Services	Sports and Leisure		Pitch hire only - single booking - concession rate	per hour	11.65	12.00	3.00
Children's Services	Sports and Leisure		Pitch hire only - single booking - standard rate	per hour	24.15	24.70	2.28
Children's Services	Sports and Leisure		Hire of archery field - block booking (10 or more) - (1/4 pitch) - concession rate	per hour	6.00	6.50	8.33
Children's Services	Sports and Leisure		Hire of archery field - block booking (10 or more) - (1/4 pitch) - standard rate	per hour	12.00	13.00	8.33
Children's Services	Sports and Leisure		Hire of archery field - single booking (1/4 pitch) - concession rate	per hour	6.00	6.50	8.33
Children's Services	Sports and Leisure		Hire of archery field - single booking (1/4 pitch) - standard rate	per hour	12.00	13.00	8.33
Children's Services	Sports and Leisure		Hire of cricket wicket - block booking (10 or more) - concession rate	per hour	6.00	6.50	8.33
Children's Services	Sports and Leisure		Hire of cricket wicket - block booking (10 or more) - standard rate	per hour	12.00	13.00	8.33
Children's Services	Sports and Leisure		Hire of cricket wicket - single booking - concession rate	per hour	6.00	6.50	8.33
Children's Services	Sports and Leisure		Hire of cricket wicket - single booking - standard rate	per hour	12.00	13.00	8.33
Children's Services	Sports and Leisure		Hire of plant and labour for grounds maintenance works on external pitches	per hour	31.00	32.00	3.23
Children's Services	Sports and Leisure	<b>Parks General - Pitch Changing Rooms</b>	Changing room only - per changing room - standard rate	per hour	3.55	3.65	2.82
Children's Services	Sports and Leisure	<b>Parks General - Pitch Equipment Hire</b>	Equipment hire - block booking (10 or more) - per extra sets of goals - concession rate	per session	2.60	2.70	3.85
Children's Services	Sports and Leisure		Equipment hire - block booking (10 or more) - per extra sets of goals - standard rate	per session	5.20	5.40	3.85
Children's Services	Sports and Leisure		Equipment hire - single booking - per extra sets of goals - concession rate	per session	2.60	2.70	3.85
Children's Services	Sports and Leisure		Equipment hire - single booking - per extra sets of goals - standard rate	per session	5.20	5.40	3.85
Children's Services	Sports and Leisure	<b>Sandwich JHS Games Hall</b>	Hire of games hall and courts		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	Sports and Leisure	<b>Scalloway JHS Games Hall</b>	Hire of games hall and courts		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	Sports and Leisure	<b>Brae Secondary School Games Hall</b>	Hire of games hall and courts		proposed prices are the same as Shetland Recreational Trust facilities for 2019/20	proposed prices are the same as Shetland Recreational Trust facilities for 2020/21	n/a
Children's Services	Sports and Leisure	<b>Outdoor Education and Activities</b>	General outdoor activities where there is an element of educational training or instruction e.g. coasteering, canoeing or climbing (minimum group size of 6 people)	per person per half day	39.00	40.00	2.56
Children's Services	Sports and Leisure		General outdoor activities where there is an element of educational training or instruction e.g. coasteering, canoeing or climbing (minimum group size of 6 people)	per person per whole day	57.00	58.00	1.75
Children's Services	Sports and Leisure		General outdoor activities where there is not an element of educational training or instruction e.g. coasteering, canoeing or climbing (minimum group size of 6 people)	per person per half day	39.00	40.00	2.56
Children's Services	Sports and Leisure		General outdoor activities where there is not an element of educational training or instruction e.g. coasteering, canoeing or climbing (minimum group size of 6 people)	per person per whole day	57.00	58.00	1.75
Children's Services	Sports and Leisure	<b>Room Hire Charges for Islesburgh Complex</b>	Voluntary Organisations, Health & Fitness Group charge - meetings and activities	per session	18.50	19.00	2.70
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - meetings and activities - extra hours after 11pm	per hour	20.50	21.00	2.44
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - social functions	per session	45.00	46.00	2.22
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - social functions - extra hours after 11pm	per hour	20.50	21.00	2.44
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - room 16 meetings and activities	per session	45.00	46.00	2.22
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - room 16 meetings and activities - extra hours after 11pm	per hour	20.50	21.00	2.44
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - room 16 social functions	per session	95.00	97.00	2.11
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - room 16 social functions - extra hours after 11pm	per hour	39.00	40.00	2.56
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - radio room and room 13 (2 hours)	per session	11.00	11.30	2.73
Children's Services	Sports and Leisure		Voluntary Organisations, Health & Fitness Group charge - radio room and room 13 (2 hours) - extra hours after 11pm	per session	10.50	10.80	2.86
Children's Services	Sports and Leisure		Standard charge - meetings and activities	per session	48.00	49.00	2.08
Children's Services	Sports and Leisure		Standard charge - meetings and activities - extra hours after 11pm	per hour	20.50	21.00	2.44
Children's Services	Sports and Leisure		Standard charge - social functions	per session	95.00	98.00	3.16
Children's Services	Sports and Leisure		Standard charge - social functions - extra hours after 11pm	per hour	48.00	49.00	2.08

Children's Services	Sports and Leisure		Standard charge - room 16 meetings and activities	per session	78.00	80.00	2.56
Children's Services	Sports and Leisure		Standard charge - room 16 meetings and activities - extra hours after 11pm	per hour	52.00	54.00	3.85
Children's Services	Sports and Leisure		Standard charge - room 16 social functions	per session	165.00	170.00	3.03
Children's Services	Sports and Leisure		Standard charge - room 16 social functions - extra hours after 11pm	per hour	60.00	62.00	3.33
Children's Services	Sports and Leisure		Standard charge - radio room and room 13 (2 hours)	per session	25.50	26.25	2.94
Children's Services	Sports and Leisure		Standard charge - radio room and room 13 (2 hours) - extra hours after 11pm	per session	20.50	21.00	2.44
Children's Services	Sports and Leisure		Standard charge - children's parties	per session	37.00	38.00	2.70
Children's Services	Sports and Leisure		Standard charge - room 16 children's parties - bouncy castle	per session	52.50	54.00	2.86
Children's Services	Sports and Leisure		Service charge for setting up broadband in meeting rooms	per day	11.00	11.50	4.55
Children's Services	Sports and Leisure	Catering - Islesburgh	Islesburgh Pensioners Lunch Club - same charge as meals on wheels	per meal	6.20	6.20	0.00
Children's Services	Sports and Leisure		Crockery hire - full set	per 20 full sets	10.50	11.00	4.76
Children's Services	Sports and Leisure		Cup & saucer hire	per 20 sets	5.80	6.00	3.45
Children's Services	Sports and Leisure	Islesburgh Equipment Bank Hire - Play Equipment	Soft play equipment	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Badge making kit (materials extra)	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Badge blanks per bag of 25	per bag of 25	4.71	4.83	2.55
Children's Services	Sports and Leisure		Bouncy castle	per item per day	20.00	20.84	4.20
Children's Services	Sports and Leisure		Parachutes - 20', 10'	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure	Islesburgh Equipment Bank Hire - Circus Equipment	Stilts (per set)	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Unicycle	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure	Islesburgh Equipment Bank Hire - Events Equipment	Portable staging (per section)	per item per day	2.42	2.50	3.31
Children's Services	Sports and Leisure		Portable lighting	per item per day	15.00	15.42	2.80
Children's Services	Sports and Leisure		UV lighting	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Bunting (per bag, approx. 100 metres)	per bag of 25	2.00	2.08	4.00
Children's Services	Sports and Leisure		Flags (per flag)	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Loud hailer	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Stopwatch	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Hi-vis vest	per item per day	1.04	1.08	3.85
Children's Services	Sports and Leisure		Stacking chair	per item per day	0.50	0.52	4.00
Children's Services	Sports and Leisure		Coat rail	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Portable table (Go-Pak 4ft or 6ft)	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure	Islesburgh Equipment Bank Hire - Audio Visual Equipment	Projector screen	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Tripod (heavy duty)	per item per day	2.92	3.00	2.74
Children's Services	Sports and Leisure		Data projector	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		35mm slide projector	per item per day	14.12	14.50	2.69
Children's Services	Sports and Leisure		Addabox (small, external PA)	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Coomber	per item per day	10.00	10.25	2.50
Children's Services	Sports and Leisure		Fender PA	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Microphone stand	per item per day	20.00	20.83	4.15
Children's Services	Sports and Leisure		Microphones	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Overhead projector	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Lectern	per item per day	4.71	4.83	2.55
Children's Services	Sports and Leisure		Flipchart easel	per item per day	2.00	2.08	4.00
Children's Services	Sports and Leisure		Display stand (per unit)	per item per day	2.92	3.00	2.74
Children's Services	Sports and Leisure		Party rocker / boom box / PA	per item per day	13.33	13.75	3.15
Children's Services	Sports and Leisure	Islesburgh - Office Services	Flip charts - per pad	per pad	7.29	7.50	2.88
Children's Services	Sports and Leisure		Flip charts - per sheet	per sheet	0.30	0.31	3.33
Children's Services	Sports and Leisure		Gaffa tape	per roll	6.46	6.67	3.25
Children's Services	Sports and Leisure		Video copying - video to DVD or DVD to DVD	per DVD	9.58	10.00	4.38
Children's Services	Sports and Leisure		Badge printing - minimum of 25	per badge	0.21	0.22	4.76
Children's Services	Sports and Leisure		Laminate covers - credit card sized	per cover	0.29	0.30	3.45
Children's Services	Sports and Leisure		Laminate covers - A4 (150 microns)	per cover	0.83	0.85	2.41
Children's Services	Sports and Leisure		Laminate covers - A3 (150 Microns)	per cover	1.21	1.25	3.31
Children's Services	Sports and Leisure	Islesburgh House Hostel - Accommodation and Other Charges	Junior (3-15 yrs) - dormitory bed - shared toilets and showers	per night	15.83	16.25	2.65
Children's Services	Sports and Leisure		Adults - 16 yrs and over - dormitory bed - shared toilets and showers	per night	18.75	19.17	2.24
Children's Services	Sports and Leisure		2 bed room - twin occupancy - shared toilets and showers	per night	38.33	40.00	4.36

Children's Services	Sports and Leisure		2 bed room - single occupancy - shared toilets and showers	per night	34.17	35.00	2.43
Children's Services	Sports and Leisure		Exclusive use - 4 bed room - shared toilets and showers	per night	53.34	55.00	3.11
Children's Services	Sports and Leisure		Exclusive use - 4 bed room - single or twin occupancy - shared toilets and showers	per night	40.84	42.50	4.06
Children's Services	Sports and Leisure		Exclusive use - 4 bed room - ensuite	per night	60.00	61.67	2.78
Children's Services	Sports and Leisure		Exclusive use - 4 bed room - single or twin occupancy - ensuite	per night	48.33	50.00	3.46
Children's Services	Sports and Leisure		Exclusive use - 6 bed room - shared toilets and showers	per night	85.00	87.50	2.94
Children's Services	Sports and Leisure		Exclusive use - 8 bed room - shared toilets and showers	per night	113.34	116.67	2.94
Children's Services	Sports and Leisure		Exclusive use - whole hostel	per night	878.34	904.17	2.94
Children's Services	Sports and Leisure		Towel hire	per hire	1.92	2.00	4.17
Children's Services	Sports and Leisure		Washing powder	per sachet	0.54	0.58	7.41
Children's Services	Sports and Leisure		Postcards	per postcard	0.35	0.38	8.57
Children's Services	Sports and Leisure		<b>The Islesburgh House Hostel operates from mid January to end of November each year and is affiliated to the Scottish Youth Hostel Association</b>				
Children's Services	Sports and Leisure		<b>ANNUAL CLOSURE:</b> The Hostel is not available for bookings, other than large group bookings, from the end of November until the middle of January each year.				
Children's Services	Sports and Leisure		<b>ACCOMMODATION:</b> Islesburgh House Hostel provides self-catering accommodation. Rooms vary in size from 2 to 12 beds. Exclusive/Family rooms are available.				
Children's Services	Director of Children's Services	<b>Bursaries</b>	Repayment of bursary		variable	variable	n/a
Children's Services	ALL	<b>Reimbursement</b>	Reimburse travel, subsistence, supply cover etc.		variable	variable	n/a
Children's Services	Children's Resources	<b>Residential Child Care</b>	Hjaltland Hub Project relief staff costs		variable	variable	n/a
Children's Services	Children's Resources	<b>Adoption</b>	Interagency adoption fee		variable	variable	n/a
Children's Services	Children & Families	<b>Adult/Child Protection Co-ordinator</b>	Provision of Adult/Child Protection Services		variable	variable	n/a
Children's Services	Children & Families		Provision of admin for MARAC		variable	variable	n/a
Children's Services	Sports Development	<b>Consultancy</b>	Recharge costs		variable	variable	n/a
Children's Services	Sports Development	<b>Training</b>	Recharge costs		variable	variable	n/a
Community Care	Community Care Resources	<b>Social Work Establishments</b>	Permanent residents - all establishments - single room	per week	1,293.00	1,382.00	6.88
Community Care	Community Care Resources		Temporary residents - all establishments - single room	per week	292.00	298.00	2.05
Community Care	Community Care Resources		Supported Living - Supported Living Service	per week	57.30	131.00	128.62
Community Care	Community Care Resources		Personal care /Support services	per hour	18.97	19.56	3.11
Community Care	Community Care Resources		Domestic home care charge	per hour	14.15	14.59	3.11
Community Care	Community Care Resources		Day care attendance charge	per day	5.00	5.00	0.00
Community Care	Community Care Resources		Day care meal charges	per meal	6.20	6.20	0.00
Community Care	Community Care Resources		Meals on wheels	per meal	6.20	6.20	0.00
Community Care	Community Care Resources		Community alarm response service	per week	1.45	1.55	6.90
Community Care	Community Care Resources		Social Work premises - room hire rate (additional charge for tea/coffee/biscuits)	per hour	11.25	11.50	2.22
Community Care	Community Care Resources	<b>CrossReach</b>	Negotiated price inclusive of enhancements for all client groups		1,081.17	TBC	TBC
Community Care	Mental Health	<b>Mainland Placements</b>	Negotiated price will be on an individual basis in line with COSLA's benchmark figures		negotiable	negotiable	n/a
Community Care	Adult Services	<b>Direct Payment Rates</b>	Personal care/Support services	per hour	18.97	19.56	3.11
Community Care	Adult Services		Domestic tasks per hour (including laundry and meal preparation)	per hour	14.15	14.59	3.11
Community Care	Adult Social Work	<b>Self Directed Support</b>	Contribution to additional transport		variable	variable	n/a
Community Care	Community Care Resources	<b>Social Work Establishments</b>	NHS funding		variable	variable	n/a
Community Care	Community Care Resources		NHS recharge - recharge of staff time to NHS		variable	variable	n/a
Community Care	Community Care Resources		Resource transfer		variable	variable	n/a
Community Care	Community Care Resources		Rebate		variable	variable	n/a
Community Care	Occupational Therapy	<b>Occupational Therapy</b>	Charge to RNIB for Vision Support Service		variable	variable	n/a
Community Care	Criminal Justice	<b>Offender Services</b>	Recharge travel costs etc.		variable	variable	n/a
Community Care	Criminal Justice		Recharge of paint & materials		at cost	at cost	n/a
Community Care	Adult Services	<b>Adult Services</b>	ILP - Rudda Park - recharge monthly property bills	per month	variable	variable	n/a
Development	Community Planning and Development/Train Shetland	<b>Adult Learning Services</b>	Adult Learning Evening Classes - all classes - no qualifying benefit  NB Special charges may apply to certain classes e.g. an increased hourly charge may be applied if a class has a limited number of places for health & safety reasons in order to make the class viable; or where a class is delivered at the weekend; or an additional charge may be applied for equipment / materials	per hour	4.12	4.20	1.94

Development	Community Planning and Development/Train Shetland		Adult Learning Evening Classes - all classes - persons aged under 18 or over 60 years, or in receipt of benefits as listed below:  Eligible benefits are: personal benefits: carer's allowance, disability living allowance, severe disablement allowance, incapacity benefit, attendance allowance, contributory employment and support allowance. If your family are on: income support, pension credit, housing benefit, income based-job seekers allowance, income related employment and support allowance, working tax credits, net income is equivalent to, or lower than the threshold for income support.  NB Special concessionary charges may apply to certain classes e.g. an increased hourly charge may be applied if a class has a limited number of places for health & safety reasons in order to make the class viable; or where a class is delivered at the weekend; or an additional charge may be applied for equipment / materials	per hour	2.06	2.10	1.94
Development	Housing Services	Homeless Persons	Shared accommodation - standard occupancy charge	per week	55.45	56.95	2.71
Development	Housing Services		Shared accommodation - furniture charge	per week	12.80	13.15	2.73
Development	Housing Services		Shared accommodation - electricity charge	per week	19.80	20.35	2.78
Development	Housing Services		Shared accommodation - service charge	per week	17.00	17.50	2.94
Development	Housing Services		89 St Olaf Street - room 5 - occupancy charge	per week	73.15	75.00	2.53
Development	Housing Services		Electricity in communal areas (12a North Road)	per week	5.50	5.65	2.73
Development	Housing Services		General needs stock used for homeless persons - bedsit - occupancy charge	per week	55.45	56.95	2.71
Development	Housing Services		General needs stock used for homeless persons - 1 bedroom - occupancy charge	per week	74.15	76.15	2.70
Development	Housing Services		General needs stock used for homeless persons - 2 bedroom - occupancy charge	per week	90.85	93.35	2.75
Development	Housing Services		General needs stock used for homeless persons - 3 bedroom - occupancy charge	per week	108.80	111.80	2.76
Development	Housing Services		General needs stock used for homeless persons - 4 bedroom - occupancy charge	per week	125.75	129.20	2.74
Development	Housing Services		Lerwick chalets - homeless lets - 1 bed - occupancy charge	per week	38.45	39.50	2.73
Development	Housing Services		Lerwick chalets - homeless lets - 2 bed - occupancy charge	per week	48.05	49.35	2.71
Development	Housing Services		Landward chalets - homeless lets - 1 bed - occupancy charge	per week	34.80	35.75	2.73
Development	Housing Services		Landward chalets - homeless lets - 2 bed - occupancy charge	per week	43.90	45.10	2.73
Development	Housing Services		Homeless persons - general needs stock & chalets - B&B accommodation - adult aged 16 or over	per week	124.85	128.30	2.76
Development	Housing Services		Homeless persons - general needs stock & chalets - B&B accommodation - child under 16	per week	62.40	64.10	2.72
Development	Housing Services		Storage charges (storage of property in Gremista store)	per week	6.50	6.70	3.08
Development	Housing Services	Caravan Site/Pitch Rents	Caravan site/pitch rents - Hoofields	per week	15.80	16.25	2.85
Development	Housing Services		Caravan site/pitch rents - Other	per week	10.90	11.20	2.75
Development	HRA	Garages	Garage rents (no electricity)	per week	11.45	11.75	2.62
Development	HRA		Garage rents (electricity)	per week	16.35	16.80	2.75
Development	HRA		Double garage (electricity)	per week	24.55	25.20	2.65
Development	HRA		Garage site rent	per week	5.20	5.35	2.88
Development	HRA	Council Houses	4 bedroom - Lerwick	per week	110.53	112.74	2.00
Development	HRA		3 bedroom - Lerwick	per week	94.85	96.75	2.00
Development	HRA		2 bedroom - Lerwick	per week	78.76	80.34	2.01
Development	HRA		1 bedroom - Lerwick	per week	67.64	69.99	3.47
Development	HRA		Bedsit - Lerwick	per week	51.55	53.58	3.94
Development	HRA		7 bedroom - non Lerwick	per week	150.05	153.05	2.00
Development	HRA		5 bedroom - non Lerwick	per week	120.28	122.68	2.00
Development	HRA		4 bedroom - non Lerwick	per week	105.00	107.10	2.00
Development	HRA		3 bedroom - non Lerwick	per week	90.11	91.91	2.00
Development	HRA		2 bedroom - non Lerwick	per week	74.84	76.33	1.99
Development	HRA		1 bedroom - non Lerwick	per week	64.45	66.74	3.55
Development	HRA		Bedsit - non Lerwick	per week	49.18	51.17	4.05
Development	HRA	Other	Housing repairs		variable	variable	n/a
Development	Transport Planning	Taxi Licensing Charges	Taxi or private hire car drivers licence	per application	90.00	90.00	0.00
Development	Transport Planning		Taxi or private hire car licence (grant)	per application	410.00	410.00	0.00
Development	Transport Planning		Taxi or private hire car licence (renewal)	per application	137.00	137.00	0.00
Development	Transport Planning		Deposit on taxi/private hire car licence plates	per application	32.00	32.00	0.00
Development	Transport Planning		Vehicle inspection	per application	42.91	44.10	2.77
Development	Transport Planning		Re-test	per application	12.87	13.22	2.72
Development	Transport Planning		Installation of meter	per application	302.76	311.10	2.75
Development	Transport Planning		Check and calibrate meter	per application	10.00	10.00	0.00
Development	Transport Planning		Replacement drivers I.D. badge	per application	10.00	10.00	0.00
Development	Transport Planning		Replacement licence (driver or car)	per application	10.00	10.00	0.00
Development	Transport Planning		Taxi booking office licence	per application	115.00	115.00	0.00
Development	Transport Planning	Hire of Council Bus and Driver	9am to 5pm - Monday to Friday		£1.59 per mile for all hires plus £17.80 per hour	£1.64 per mile for all hires plus £17.80 per hour	3.10
Development	Transport Planning		5pm to 10pm - Monday to Friday and 9am to 10pm - Saturday		£1.59 per mile for all hires plus £26.71 per hour	£1.64 per mile for all hires plus £26.71 per hour	3.10
Development	Transport Planning		10pm to 9am - Monday to Saturday and all day Sunday		£1.59 per mile for all hires plus £32.64 per hour	£1.64 per mile for all hires plus £32.64 per hour	3.10
Development	Transport Planning	Disabled Parking Badge (Blue Badge) Charges	New badge issue	per application	20.00	20.00	0.00
Development	Transport Planning		Badge renewal	per application	20.00	20.00	0.00
Development	Transport Planning		Replacement for lost/stolen badge	per application	10.00	10.00	0.00
Development	Transport Planning		Fast tracked badge	per application	22.50	24.00	6.67
Development	Transport Planning	Zet-Trans	SIC charges to Zet-Trans - provision of bus service		variable	variable	n/a
Development	Transport Planning		SIC charges to Zet-Trans		variable	variable	n/a
Development	Transport Planning		SIC charges to Zet-Trans		variable	variable	n/a
Development	Transport Planning		Zet-Tans pays SIC		variable	variable	n/a
Development	Transport Planning		Zet-Trans pays SIC		variable	variable	n/a
Development	Transport Planning	Bus Service	Claim for bus pass top up		variable	variable	n/a
Development	Transport Planning		Hire of SIC bus without driver		variable	variable	n/a
Development	Transport Planning		Thermal ticket rolls		variable	variable	n/a
Development	Economic Development	Publications	Sale of publications		variable	variable	n/a
Development	Shetland Telecom	Shetland Telecom Charges	Shetland Telecom charges		variable	variable	n/a
Development	Community Planning and Development	EMP-Conditional Management Prog.	Fairer Scotland Funding grant		variable	variable	n/a
Development	Community Planning and Development	EMP-Community Bike Projects	Funding for bike project		variable	variable	n/a
Development	Community Planning and Development	Universal Credits	Delivery Partnership Agreement with Department for Work & Pensions		variable	variable	n/a
Development	Economic Development	Investments	Monitoring fee - Shetland Seafood Auction		variable	variable	n/a
Development	Economic Development		Recharge legal fees		variable	variable	n/a
Development	Economic Development		Buyback of shares		variable	variable	n/a
Development	Economic Development		Interest on loan		variable	variable	n/a
Development	Economic Development		Repayment of grant		variable	variable	n/a
Development	Economic Development		Recharge external solicitor		variable	variable	n/a

Development	Economic Development	Fishing licences	Sale of fishing licences		variable	variable	n/a	
Development	Development	ALL	Reimburse travel/accommodation costs		variable	variable	n/a	
Development	Planning Services	Search of Records	Charge per hour or part thereof		112.00	115.10	2.77	
Development	Planning Services	Letter of Comfort	Provision of letter of comfort - with building warrant	per letter	155.00	160.00	3.23	
Development	Planning Services	Building Warrant	<a href="http://www.shetland.gov.uk/buildingstandards/documents/FeeScale2017.pdf">Building Warrant Fee Structure: http://www.shetland.gov.uk/buildingstandards/documents/FeeScale2017.pdf</a>	see attached fee structure for full details	variable	Various	n/a	
Development	Planning Services	Planning Applications: Scottish Government - Online Fee Calculator	<a href="https://www.eplanning.scot/ePlanningClient/custompages/feecalculator.aspx">https://www.eplanning.scot/ePlanningClient/custompages/feecalculator.aspx</a>	N/A	variable	Various	n/a	
Development	Planning Services	High Hedges Fees	Building warrant fee structure	per application	413.00	425.00	2.91	
Development	Planning Services	Street Naming and Numbering	Per application for creation or change	per application	variable	variable	n/a	
Development	Planning Services	Theatre licence	Annual licence	per application	77.25	80.00	3.56	
Development	Planning Services		Occasional licence	per application	25.75	26.50	2.91	
Development	Planning Services		Transfer of licence	per application	5.15	5.30	2.91	
Development	Planning Services	Raised Structure Permit	Permit for the erection of a temporary or permanent structure	per application	72.10	74.10	2.77	
Development	Planning Services	Cinema licence	Fee for provision of established cinema facilities	per application	178.50	184.00	3.08	
Development	Planning Services		Provision of letter of comfort - without building warrant	per letter	309.00	318.00	2.91	
Development	Planning Services		Site visit in relation to letter of comfort	per visit	206.00	212.00	2.91	
Development	Planning Services	Heritage	KIMO		variable	variable	n/a	
Development	Shetland College	FE Fees set by Funding Council	FE Full Time Course	Full Course	1,008.00	1,008.00	0.00	
Development	Shetland College		FE Part Time Course	40 Hour Unit	56.40	56.40	0.00	
Development	Shetland College	HE Fees set by Funding Council (Students in Scotland & EU)	Degree	Full Course	1,820.00	1,820.00	0.00	
Development	Shetland College		HN Full Time (12 of 15 HN Credits)	Full Course	1,285.00	1,285.00	0.00	
Development	Shetland College		HE Part time module (Degree)	20 Credit Module	215.00	215.00	0.00	
Development	Shetland College	HE Fees set by Funding Council	HN Part Time	per HN credit	86.00	86.00	0.00	
Development	Shetland College		Degree	Full Course	-	9,000.00	n/a	
Development	Shetland College		HN Full Time (12 of 15 HN Credits)	Full Course	-	6,720.00	n/a	
Development	Shetland College	Other College based Courses	Alternative to Higher English	Course	169.20	169.20	0.00	
Development	Shetland College		Assessor Awards	Course	930.00	956.00	2.80	
Development	Shetland College		Care National 5	Course	282.00	282.00	0.00	
Development	Shetland College		Care Higher	Course	282.00	282.00	0.00	
Development	Shetland College		College Certificate - Computer Aided Design	Course	122.00	125.00	2.46	
Development	Shetland College		Childcare Development Higher	Course	282.00	282.00	0.00	
Development	Shetland College		Maths National 4	Course	225.60	225.60	0.00	
Development	Shetland College		Maths National 5 (Including Exam)	Course	282.00	282.00	0.00	
Development	Shetland College		Professional Development Award	per HN credit	86.00	86.00	0.00	
Development	Shetland College		PDA Business & Management (3 credits)	3 Credits	258.00	258.00	0.00	
Development	Shetland College		PDA Business & Management (4 credits)	4 Credits	344.00	344.00	0.00	
Development	Shetland College		PDA Autism	Course	480.00	493.00	2.71	
Development	Shetland College		PDA Dementia	Course	390.00	400.00	2.56	
Development	Shetland College		PDA Education Support Assistance	Course	810.00	832.00	2.72	
Development	Shetland College		PDA Youth work	Course	-	472.50	n/a	
Development	Shetland College		Psychology Higher (Including Exam)	Course	282.00	282.00	0.00	
Development	Shetland College		Sociology Higher (including Exam)	Course	282.00	282.00	0.00	
Development	Shetland College		Leading and Managing Care Services	Course	1,025.00	1,053.00	2.73	
Development	Shetland College	Evening Classes	Certificated Classes of 40 hours duration	40hr Course	56.40	56.40	0.00	
Development	Shetland College		Non Certificated Classes of 20 hours duration	20hr Course	85.00	87.00	2.35	
Development	Shetland College		Non Certificated Classes of 40 hours duration	40hr Course	170.00	174.00	2.35	
Development	Shetland College	SVQs	SVQ2 Food & Drink	Course	2,580.00	2,580.00	0.00	
Development	Shetland College		SVQ1 Food Prep & Cooking	Course	2,365.00	2,365.00	0.00	
Development	Shetland College		SVQ2 Professional Cookery (Hospitality)	Course	3,096.00	3,096.00	0.00	
Development	Shetland College		SVQ3 Professional Cookery (Hospitality)	Course	3,354.00	3,354.00	0.00	
Development	Shetland College		SVQ2 Business & Administration	Course	2,064.00	2,064.00	0.00	
Development	Shetland College		SVQ3 Business & Administration	Course	2,236.00	2,236.00	0.00	
Development	Shetland College		SVQ4 Business & Administration	Course	2,408.00	2,408.00	0.00	
Development	Shetland College		SVQ4 Management	Course	2,408.00	2,408.00	0.00	
Development	Shetland College		SVQ5 Management	Course	1,806.00	1,806.00	0.00	
Development	Shetland College		SVQ2 Customer Services	Course	1,806.00	1,806.00	0.00	
Development	Shetland College		SVQ3 Customer Services	Course	1,956.50	1,956.50	0.00	
Development	Shetland College		SVQ2 Social Services & Healthcare	Course	1,548.00	1,548.00	0.00	
Development	Shetland College		SVQ3 Social Services & Healthcare	Course	2,236.00	2,236.00	0.00	
Development	Shetland College		SVQ4 Social Services & Healthcare	Course	2,408.00	2,408.00	0.00	
Development	Shetland College		SVQ3 Social Services: Children & Young People	Course	2,236.00	2,236.00	0.00	
Development	Shetland College		SVQ4 Social Services: Children & Young People	Course	2,408.00	2,408.00	0.00	
Development	Shetland College		SVQ4 Social Services: Children & Young People	Unit	301.00	301.00	0.00	
Development	Shetland College		SVQ4 Learning & Development (Level 9)	Course	2,408.00	2,408.00	0.00	
Development	Shetland College		SVQ4 Learning & Development (Level 9)	Unit	301.00	301.00	0.00	
Development	Shetland College		SVQ SCFQ Level 5 (Hairdressing (2)	Course	2,064.00	2,064.00	0.00	
Development	Shetland College		SVQ SCFQ Level 6 (Hairdressing (3)	Course	2,236.00	2,236.00	0.00	
Development	Shetland College		SVQ2 IT	Course	2,580.00	2,580.00	0.00	
Development	Shetland College		SVQ3 IT	Course	2,795.00	2,795.00	0.00	
Development	Shetland College		SVQ (various) Construction	Course	2,795.00	2,795.00	0.00	
Development	Shetland College		SVQ2 Plant Operative	Course	1,032.00	1,032.00	0.00	
Development	Shetland College	European Computer Driving licence (ECDL)	Level 1 - Open Learning	course	176.00	181.00	2.84	
Development	Shetland College		Level 1 - All Inclusive	course	262.00	269.00	2.67	
Development	Shetland College		Level 2 - Open Learning	course	243.00	250.00	2.88	
Development	Shetland College		Level 2 - All Inclusive	course	317.00	326.00	2.84	
Development	Shetland College		Level 1&2 Combined - Registration and Tests only	course	268.00	275.00	2.61	
Development	Shetland College		Level 1&2 Combined - Open Learning	course	352.00	362.00	2.84	
Development	Shetland College		Level 1&2 Combined - All Inclusive	course	542.00	557.00	2.77	
Development	Shetland College		Level 1 or 2 - Single Unit, Registration and Tests only	unit	49.00	50.00	2.04	
Development	Shetland College	Advanced ECDL	Registration and Tests only	unit	140.00	144.00	2.86	
Development	Shetland College		Open Learning	unit	248.00	255.00	2.82	
Development	Shetland College		Drop In Classes	unit	297.00	305.00	2.69	
Development	Shetland College	Canteen Services	Catering/buffet charge		variable	variable	n/a	
Development	Shetland College	Textile Facilitation Unit	Garment design and development	per hour	36.00	37.00	2.78	
Development	Shetland College		Machine knitting	per hour	13.60	14.40	5.88	
Development	Shetland College		Linking	per hour	17.00	17.50	2.94	
Development	Shetland College		Wash & press	per item	3.60	3.70	2.78	
Development	Shetland College		Hire of linker	per hour	3.60	3.70	2.78	
Development	Shetland College		Hire of steam press & drying rack	per hour	15.50	16.00	3.23	
Development	Shetland College		Hire of cone winder or overlocker	per hour	13.00	13.50	3.85	
Development	Shetland College			TFU Services for children's garments	per item	variable	variable	n/a
Development	Shetland College		Library	Shared librarian services		variable	variable	n/a
Development	Shetland College			Charge for overdue books		variable	variable	n/a
Development	Shetland College	Administration/ICT	Reclaim travel & subsistence		variable	variable	n/a	

Development	Shetland College		Hosting fee (UHI)		variable	variable	n/a
Development	Shetland College		Sale of art materials to students		variable	variable	n/a
Development	Shetland College		Hire of graduation gown		variable	variable	n/a
Development	Shetland College		Invigilation fee		variable	variable	n/a
Development	Shetland College		Module development work		variable	variable	n/a
Development	Shetland College		ICT Services		variable	variable	n/a
Development	Shetland College		Grant funding		variable	variable	n/a
Development	Shetland College		Supply of advertising		variable	variable	n/a
Development	Shetland College		Secondment of staff - UHI		variable	variable	n/a
Development	Shetland College		Relate North Symposium - coach excursion and/or dinner		variable	variable	n/a
Development	Shetland College		Relate North Symposium	per day	variable	variable	n/a
Development	Shetland College		Sponsorship for student achievements		variable	variable	n/a
Development	Shetland College	<b>Student Photocopying</b> (specifically related to their Education only, otherwise see "General Photocopying") <b>Note</b> <b>All Students Receive</b> <b>an Initial Print Credit of</b> <b>£12 Per Full Time</b> <b>Course</b>	Black and white, A4	one side	0.06	0.06	0.00
Development	Shetland College		Colour, A4	one side	0.15	0.15	0.00
Development	Shetland College		Black and white, A3	one side	0.10	0.10	0.00
Development	Shetland College		Colour, A3	one side	0.25	0.25	0.00
Development	Shetland College		Black and white, A4	two sides	0.09	0.09	0.00
Development	Shetland College		Colour, A4	two sides	0.20	0.20	0.00
Development	Shetland College		Black and white, A3	two sides	0.15	0.15	0.00
Development	Shetland College		Colour, A3	two sides	0.37	0.37	0.00
Development	Shetland College	<b>Train Shetland - Short Courses</b>	Short Courses - room hire	half day	63.85	65.75	2.98
Development	Shetland College		Short Courses - room hire	full day	108.13	111.35	2.98
Development	Shetland College		Short Courses - Invigilation Service for Exams	Fee	126.67	130.44	2.98
Development	Shetland College		Short Courses - Abrasive Wheels (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Accredited Assessor Qualification	Course + SQA fee	617.88	636.29	2.98
Development	Shetland College		Short Courses - Asbestos Awareness (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Assertiveness Skills (1 day)	Course	108.13	111.35	2.98
Development	Shetland College		Short Courses - COSHH Regulations (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Disability Awareness (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Drive CPC	Course	110.19	110.19	0.00
Development	Shetland College		Short Courses - Excellence in Customer Service (1 day)	Course	108.13	111.35	2.98
Development	Shetland College		Short Courses - Fire Extinguisher Training (2hr course)	Course	80.00	80.00	0.00
Development	Shetland College		Short Courses - Fire Safety Awareness/Fire Warden (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - HABC Emergency First Aid at Work (1 day)	Course	118.00	118.00	0.00
Development	Shetland College		Short Courses - HABC Emergency Paediatric First Aid (1day)	Course	118.00	118.00	0.00
Development	Shetland College		Short Courses - HABC First Aid at Work (3 day)	Course	288.00	288.00	0.00
Development	Shetland College		Short Courses - HABC First Aid Refresher (2 day)	Course	229.00	229.00	0.00
Development	Shetland College		Short Courses - HABC Paediatric First Aid (2 day)	Course	229.00	229.00	0.00
Development	Shetland College		Short Courses - HABC Automated External Defibrillation (AED) (1/2 day)	Course	92.68	92.68	0.00
Development	Shetland College		Short Courses - Handling Stress at Work (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - IOSH Managing Safely (4 days)	Course	571.54	588.57	2.98
Development	Shetland College		Short Courses - IOSH Working Safely (1 day)	Course	177.13	182.41	2.98
Development	Shetland College		Short Courses - Working Safely at Heights & Ladder Safety (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Manual Handling (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Noise Awareness (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - REHIS Elementary Food Hygiene - e-learning	Course	56.00	56.00	0.00
Development	Shetland College		Short Courses - REHIS Elementary Food Hygiene (1 day)	Course	95.77	98.62	2.98
Development	Shetland College		Short Courses - REHIS Elementary Health and Safety (1 day)	Course	95.77	98.62	2.98
Development	Shetland College		Short Courses - REHIS Elementary HACCP (1 day)	Course	95.77	98.62	2.98
Development	Shetland College		Short Courses - REHIS Intermediate Food Hygiene (4 days + 1 day exam)	Course	411.92	424.20	2.98
Development	Shetland College		Short Courses - REHIS Intermediate Health & Safety (4 days + 1 day exam)	Course	411.92	424.20	2.98
Development	Shetland College		Short Courses - REHIS Intermediate HACCP (4 days + 1 day exam)	Course	411.92	424.20	2.98
Development	Shetland College		Short Courses - Risk Assessment (1 day)	Course	118.43	121.96	2.98
Development	Shetland College		Short Courses - Sharps Awareness (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		Short Courses - Supervisory Skills (1 day)	Course	113.28	116.66	2.98
Development	Shetland College		Short Courses - Difficult Conversations (1 day)	Course	139.02	143.16	2.98
Development	Shetland College		Short Courses - Train the Trainer	Units	875.33	901.41	2.98
Development	Shetland College		Short Courses - Train the Trainer (3 sessions In House Course)	Course	319.24	328.75	2.98
Development	Shetland College		Short Courses - Working Safely in Confined Spaces (1/2 day)	Course	90.00	90.00	0.00
Development	Shetland College		CPCS Centre - Forward Tipping Dumper	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Excavator 180 below 5 tonne	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Excavator 180 above 5 tonne	Course	825.00	825.00	0.00
Development	Shetland College		CPCS Centre - Rough Terrain Forklift/Masted Truck	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Industrial Forklift	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Telehandler	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Wheeled loader	Course	825.00	825.00	0.00
Development	Shetland College		CPCS Centre - Ride-on roller	Course	425.00	425.00	0.00
Development	Shetland College		CPCS Centre - Dump Truck - articulated chassis	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Excavator 360 below 10 tonne	Course	525.00	525.00	0.00
Development	Shetland College		CPCS Centre - Excavator 360 above 10 tonne	Course	825.00	825.00	0.00
Development	Shetland College		Plant Vocational Training - NVQ Certificate	Course	1,123.00	1,123.00	0.00
Development	Shetland College		Plant Vocational Training - NVQ Diploma	Course	1,133.00	1,133.00	0.00
Development	Shetland College		Contribution for travel		variable	variable	n/a
Development	Shetland College		Contribution for lodgings		variable	variable	n/a
Development	Shetland College		Contribution for Assessors costs		variable	variable	n/a
Development	Shetland College		Contribution for College Fees		variable	variable	n/a
Development	Shetland College		Admin fee for FE credits for NAFC		variable	variable	n/a
Development	Shetland College		Course admissions - Service Level Agreement		variable	variable	n/a
Development	Shetland College	<b>Train Shetland - Vocational</b>	Contribution for travel		variable	variable	n/a
Development	Shetland College		Contribution for lodgings		variable	variable	n/a
Development	Shetland College		Contribution for Assessors costs		variable	variable	n/a
Development	Shetland College		Contribution for College Fees		variable	variable	n/a
Development	Shetland College		Vocational Training - Annual Admin fee for MA	per MA per year	50.00	50.00	0.00
Development	Shetland College		Course admissions - Service Level Agreement		variable	variable	n/a
Infrastructure	Environmental Services	<b>Burial Charges</b>	Adult		528.00	554.40	5.00
Infrastructure	Environmental Services		Children		no charge	no charge	n/a
Infrastructure	Environmental Services		Burial ground reservation		566.50	594.83	5.00
Infrastructure	Environmental Services		Minimum charge for search of records		20.60	21.63	5.00
Infrastructure	Environmental Services		Charge for transfer of lair		20.60	21.63	5.00
Infrastructure	Environmental Services		Charge to issue permit for permission to erect memorial stone		51.50	54.08	5.01
Infrastructure	Environmental Services		Residents outside Shetland plot charge		850.00	892.50	5.00
Infrastructure	Environmental Services		Residents outside Shetland burial charge		800.00	840.00	5.00
Infrastructure	Environmental Services		Cremation casket lair - exclusive right of burial		283.25	297.41	5.00
Infrastructure	Environmental Services		Cremation casket lair - exclusive right of burial - residents outside Shetland		425.00	446.25	5.00
Infrastructure	Environmental Services		Interment of cremation casket		264.00	277.20	5.00



Infrastructure	Environmental Services	Waste Disposal and Cleansing	Interment of cremation casket - residents outside Shetland		396.00	415.80	5.00
Infrastructure	Environmental Services		Memorial, Re-fix dowels, memorial to base / base to foundations		n/a	137.00	New charge
Infrastructure	Environmental Services		Memorial, Replace dowels, memorial to base / base to foundations		n/a	152.00	New charge
Infrastructure	Environmental Services		Memorial, Re-new foundations		n/a	189.00	New charge
Infrastructure	Environmental Services		Multiple Selection Memorial		n/a	259.00	New charge
Infrastructure	Environmental Services		Gremista landfill: non-inert waste standard charge up to 200kg - including landfill tax standard rate (Commercial Customer)	up to 200kg	29.60	30.80	4.05
Infrastructure	Environmental Services		Gremista landfill: non-inert waste standard charge over 200kg - including landfill tax standard rate (Commercial customers)	per tonne	148.00	154.00	4.05
Infrastructure	Environmental Services		Gremista landfill: inert waste standard charge up to 200kg - including landfill tax lower rate (Commercial Customer)	up to 200kg	11.91	12.57	5.54
Infrastructure	Environmental Services		Gremista landfill: inert waste standard charge over 200kg - including landfill tax lower rate (Commercial customers)	per tonne	59.55	62.85	5.54
Infrastructure	Environmental Services		Gremista landfill: asbestos cement up to 200kg - including landfill tax standard rate (Commercial Customer)	up to 200kg	38.05	39.83	4.69
Infrastructure	Environmental Services		Gremista landfill: asbestos cement over 200kg - including landfill tax standard rate (Commercial Customer)	per tonne	190.23	199.15	4.69
Infrastructure	Environmental Services		Gremista Landfill: Sewage sludge up to 200kg - including landfill tax standard rate (Commercial Customers)	up to 200kg	40.93	42.83	4.64
Infrastructure	Environmental Services		Gremista Landfill: Sewage sludge over 200kg - including landfill tax standard rate (Commercial Customers)	per tonne	204.65	214.15	4.64
Infrastructure	Environmental Services		Other Local Authority Gremista landfill: non-inert waste charge to <b>another local authority</b> (including landfill tax)	per tonne	Price on Application	154.15	n/a
Infrastructure	Environmental Services		Other Local Authority Gremista landfill: inert waste charge to <b>another local authority</b> (including landfill tax)	per tonne	Price on Application	63.00	n/a
Infrastructure	Environmental Services		Waste disposal charges Gremista sorting shed up to 200kg (Commercial Customers)	up to 200kg	23.90	24.60	2.93
Infrastructure	Environmental Services		Waste disposal charges Gremista sorting shed: standard charge per tonne (200kg +) (Commercial Customers)	per tonne	119.48	123.00	2.95
Infrastructure	Environmental Services		Waste disposal charges Gremista sorting shed - charge to <b>another local authority</b> price on arrangement	per tonne	Price on Application	Price on Application	n/a
Infrastructure	Environmental Services		Tyres (non-commercial customers)	per item	n/a	2.00	New charge
Infrastructure	Environmental Services		Tyres (200kg+)	per tonne	195.70	210.00	7.31
Infrastructure	Environmental Services		Tyres (up to 200kg)	up to 200kg	39.14	42.00	7.31
Infrastructure	Environmental Services		Plastic pipes - salmon cage pipe of equivalent (200kg+) (Commercial Customers)	per tonne	309.00	150.00	-51.46
Infrastructure	Environmental Services		Plastic pipes - salmon cage pipe of equivalent (up to 200kg) (Commercial Customers)	minimum charge	61.80	30.00	-51.46
Infrastructure	Environmental Services		Recyclable materials - paper/card/cardboard or plastic bottles/cans/cartons, polypropylene bags (up to 200kg) (Commercial Customers)	minimum charge	11.00	10.00	-9.09
Infrastructure	Environmental Services		Recyclable materials - paper/card/cardboard or plastic bottles/cans/cartons, Polypropylene Bags etc (200kg+) (Commercial Customers)	per tonne	55.00	50.00	-9.09
Infrastructure	Environmental Services		Energy Recovery Plant - standard charge - commercial customers (200kg+)	per tonne	58.20	65.00	11.68
Infrastructure	Environmental Services		Energy Recovery Plant - minimum charge - commercial customers (up to 200kg)	minimum charge	11.64	13.00	11.68
Infrastructure	Environmental Services		Energy Recovery Plant - standard charge to local authorities including Orkney (200kg+)	per tonne	48.72	Price on arrangement	n/a
Infrastructure	Environmental Services		Energy Recovery Plant - standard charge to local authorities including Orkney minimum charge (up to 200kg)	minimum charge	9.74	Price on arrangement	n/a
Infrastructure	Environmental Services		Energy Recovery Plant - accompanied direct manual disposal of sensitive/controlled waste with authorised witness present (e.g. pharmaceuticals) <50kg	per disposal	Price on Application	Price on arrangement	n/a
Infrastructure	Environmental Services		Energy Recovery Plant - difficult waste (200kg+) (commercial customers) (examples include NHS clinical waste, fish waste)	per tonne	148.27	154.00	3.86
Infrastructure	Environmental Services		Energy Recovery Plant - difficult waste (up to 200kg) (commercial customers) (examples include NHS clinical waste, fish waste)	up to 200kg	29.65	30.80	3.88
Infrastructure	Environmental Services		Energy Recovery Plant - waste requiring extra handling and/or non-conforming waste removal and disposal, Gremista sorting shed equivalent charge (200kg+) examples include animal waste, international catering waste. (Commercial customers)	per tonne	119.48	123.00	2.95
Infrastructure	Environmental Services		Energy Recovery Plant - waste requiring extra handling and/or non-conforming waste removal and disposal, Gremista sorting shed equivalent charge (up to 200kg) examples include animal waste, international catering waste. (Commercial customers)	up to 200kg	23.90	24.60	2.93
Infrastructure	Environmental Services		Energy Recovery Plant - weighbridge transaction by operator (manual weigh-in) charge (400kg+) (Commercial Customers)	per tonne	58.20	67.50	15.98
Infrastructure	Environmental Services		Energy Recovery Plant - weighbridge transaction by operator (manual weigh-in) charge (up to 400kg) (Commercial Customers)	minimum charge	23.28	27.00	15.98
Infrastructure	Environmental Services		Energy Recovery Plant - automatic weigh in card (original issued and any replacements) (commercial customers)	per card	20.60	21.00	1.94
Infrastructure	Environmental Services		Gremista - hooklift bin hire one-off	per day	n/a	3.00	New charge
Infrastructure	Environmental Services		Gremista - hooklift bin hire - part of a trade waste collection contract	per day	n/a	3.00	New charge
Infrastructure	Environmental Services		Gremista - hooklift hire vehicle one-off	per hour	66.95	66.95	0.00
Infrastructure	Environmental Services		Gremista - hooklift hire vehicle - part of trade waste collection contract	per hour	66.95	66.95	0.00
Infrastructure	Environmental Services		Gremista - hire of forklift if required for tipping bins on occasion (one-off)		12.36	15.00	21.36
Infrastructure	Environmental Services		Gremista sorting shed - difficult waste (200kg+)	per tonne	148.27	154.00	3.86
Infrastructure	Environmental Services		Gremista sorting shed - difficult waste (up to 200kg)	minimum charge	29.65	30.80	3.88
Infrastructure	Environmental Services		Domestic refuse collection service - household refuse sacks	box of 200 sacks	14.16	14.17	0.07
Infrastructure	Environmental Services		Domestic refuse collection service - wheeled bin - for sale to householders	240 litres	36.05	36.67	1.72
Infrastructure	Environmental Services		Charity refuse or recycling containers - annual standing charge - 120L, 240L, 360L wheeled bin	Per Item	17.51	25.00	42.78
Infrastructure	Environmental Services		Charity refuse or recycling containers - annual standing charge - 660L, 1100L wheeled bin	Per Item	84.46	100.00	18.40
Infrastructure	Environmental Services		Commercial refuse sack - approx. 70 litres	roll of 50 sacks	46.35	60.00	29.45
Infrastructure	Environmental Services		Commercial refuse sticker	roll of 50 stickers	46.35	60.00	29.45
Infrastructure	Environmental Services		Bin lid bungee cord	0.6m	1.25	1.25	0.00
Infrastructure	Environmental Services		Wheeie bin bracket	per item	12.50	12.50	0.00
Infrastructure	Environmental Services		Domestic refuse collection service - galvanised steel wheeled bin - for sale to householders 660L or 1100L	per item, including, lid and lock	208.33	275.00	32.00
Infrastructure	Environmental Services		Domestic refuse collection service - 240L wheeled bin lid - for sale to householders	per item	8.33	10.00	20.05
Infrastructure	Environmental Services		Bulky uplift	up to 6 permitted items	25.75	29.16	13.24
Infrastructure	Environmental Services		Commercial refuse containers - collection/disposal charge per uplift - wheeled bin	240 litres	2.38	3.60	51.26
Infrastructure	Environmental Services		Commercial recycling containers - collection/disposal charge per uplift - wheeled bin	240 litres	2.27	2.40	5.73
Infrastructure	Environmental Services		Commercial refuse containers - collection/disposal charge per uplift - wheeled bin	360 litres	3.53	5.40	52.97
Infrastructure	Environmental Services		Commercial recycling containers - collection/disposal charge per uplift - wheeled bin	360 litres	3.38	3.60	6.51
Infrastructure	Environmental Services		Commercial refuse containers - collection/disposal charge per Uplift - wheeled bin	660 litres	6.39	9.90	54.93
Infrastructure	Environmental Services		Commercial recycling containers - collection/disposal charge per uplift - wheeled bin	660 litres	6.07	6.60	8.73
Infrastructure	Environmental Services		Commercial refuse containers - collection/disposal charge per uplift - wheeled bin	1100 litres	10.35	16.50	59.42

Infrastructure	Environmental Services		Commercial recycling containers - collection/disposal charge per uplift - wheeled bin	1100 litres	9.82	11.00	12.02
Infrastructure	Environmental Services		Commercial recycling moderate contamination charge	per bin collected	n/a	5.00	New charge
Infrastructure	Environmental Services		Commercial recycling high contamination charge	per bin collected	n/a	10.00	New charge
Infrastructure	Environmental Services		Registered Charities involved in waste prevention activities. Collection/disposal charge per uplift - wheeled bin or pink bags (household waste type only)		100% discount	100% discount	n/a
Infrastructure	Environmental Services		Clinical waste containers - collection/disposal charge per uplift - wheeled bin	360 litres	16.48	17.50	6.19
Infrastructure	Environmental Services		Clinical waste collection - per premises (local authority)	per week	16.48	17.50	6.19
Infrastructure	Environmental Services		Cooking oil collection - per premises	per week	16.48	16.50	0.12
Infrastructure	Environmental Services		Refuse vehicle	per hour	32.96	34.00	3.16
Infrastructure	Environmental Services		Refuse driver	per hour	24.98	26.00	4.08
Infrastructure	Environmental Services		Refuse loader	per hour	22.15	23.00	3.84
Infrastructure	Environmental Services		Pick-up vehicle	per hour	10.56	11.00	4.17
Infrastructure	Environmental Services		Pick-up loader	per hour	21.63	23.00	6.33
Infrastructure	Environmental Services		Refuse skip hire - one-off	Per day	n/a	1.35	New charge
Infrastructure	Environmental Services		Refuse skip hire - part of a trade collection contract	Per day	n/a	1.35	New charge
Infrastructure	Environmental Services		Refuse skip hire - part of a trade collection contract - third party	Per day	n/a	1.35	New charge
Infrastructure	Environmental Services		Refuse skip vehicle - one-off	Per hour	47.53	47.50	-0.06
Infrastructure	Environmental Services		Refuse skip vehicle - part of a trade collection contract	Per hour	47.53	47.50	-0.06
Infrastructure	Environmental Services		Refuse skip vehicle - part of a trade collection contract - third party	Per hour	47.53	47.50	-0.06
Infrastructure	Environmental Services		Street cleansing service - power washer	per hour	6.49	7.50	15.56
Infrastructure	Environmental Services		Hot water machine (power washer and weed sprayer)	per hour	12.98	13.50	4.01
Infrastructure	Environmental Services		Street cleansing service - street orderly	per hour	21.63	22.50	4.02
Infrastructure	Environmental Services		Schmidt vehicle	per hour	29.87	31.00	3.78
Infrastructure	Environmental Services		Schmidt driver	per hour	22.66	23.50	3.71
Infrastructure	Environmental Services	Health Certificates	Health certificates - less than 5,000Kg (5 Tonnes)		72.48	74.50	2.79
Infrastructure	Environmental Services		Health certificates - greater than 5,000Kg (5 Tonnes)		72.48	74.50	2.79
Infrastructure	Environmental Services		Health certificates - charge if less than 24 hours notice given		22.33	23.00	3.00
Infrastructure	Environmental Services		Health certificates - issue copies of certificates		22.33	23.00	3.00
Infrastructure	Environmental Services		Health certificates - inspection charge if required for certification		60.23	62.00	2.94
Infrastructure	Environmental Services		Health certificates - audit charge every 6 months		245.25	252.00	2.75
Infrastructure	Environmental Services		Health certificates - hygiene inspection charges in respect of general landings of fishery products		1 euro per tonne	1 euro per tonne	n/a
Infrastructure	Environmental Services		Health certificates - charges in respect of fishery products entering preparation/processing establishments		1 euro per tonne	1 euro per tonne	n/a
Infrastructure	Environmental Services	Pest Control	Health certificates - voluntary surrenders of food		390.63	401.50	2.78
Infrastructure	Environmental Services		Pest control survey		39.00	40.00	2.56
Infrastructure	Environmental Services		Pest control survey to include treatment		94.75	97.50	2.90
Infrastructure	Environmental Services		Pest control - charge for each revisit after third visit		16.75	17.50	4.48
Infrastructure	Environmental Services		Pest control - free survey and treatment for those on means tested benefits for public health pests only		no charge	no charge	n/a
Infrastructure	Environmental Services	Abandoned Vehicles	Abandoned vehicles - uplift and disposal charge (set by Statute)		300.00	300.00	0.00
Infrastructure	Environmental Services		Variation		61.34	63.10	2.87
Infrastructure	Environmental Services		Temporary event licence (non-commercial)		81.30	83.60	2.83
Infrastructure	Environmental Services		Skin piercers or tattooist licence		222.92	229.10	2.77
Infrastructure	Environmental Services		Late hours catering licence		334.41	343.70	2.78
Infrastructure	Environmental Services	Licensing	Street traders licence		222.92	229.10	2.77
Infrastructure	Environmental Services		Individual street traders licence		61.34	63.10	2.87
Infrastructure	Environmental Services		Food compliance certificate for street traders licences		111.49	114.60	2.79
Infrastructure	Environmental Services		Second hand dealer's licence		222.92	229.10	2.77
Infrastructure	Environmental Services		Metal dealers licences/itinerant metal dealer's licence		1,114.61	1,150.00	3.18
Infrastructure	Environmental Services		Knife dealers licence		173.14	177.90	2.75
Infrastructure	Environmental Services		Temporary commercial public entertainments licence with a capacity of up 1,000 people		1,671.94	1,718.00	2.75
Infrastructure	Environmental Services		Temporary commercial public entertainments licence with a capacity of up 100 people at any one time		158.36	162.80	2.80
Infrastructure	Environmental Services		Temporary commercial public entertainments licence with a capacity greater than 1,000 people		2,229.22	2,291.00	2.77
Infrastructure	Environmental Services		Full public entertainment licence (3 year licence)		6,687.65	6,872.00	2.76
Infrastructure	Environmental Services		Issue of statement of facts		55.74	57.30	2.80
Infrastructure	Environmental Services		Animal health licences (including pet shops, animal boarding establishments, dog breeding establishments, riding establishments) + vet Fees		167.33	172.00	2.79
Infrastructure	Environmental Services		Dangerous Wild Animals Act		557.44	572.80	2.76
Infrastructure	Environmental Services		House in multiple occupation (HMO licence) - up to 6 occupants		222.92	229.10	2.77
Infrastructure	Environmental Services		House in multiple occupation (HMO licence) - greater than 6 occupants		334.41	343.70	2.78
Infrastructure	Environmental Services		Landlord registration (10% discount if apply on-line) set nationally	per local authority	55.00	55.00	0.00
Infrastructure	Environmental Services		Landlord registration - property registration set nationally	per property	11.00	11.00	0.00
Infrastructure	Environmental Services	Ship Sanitation	Gross tonnage Up to 1,000		95.00	100.00	5.26
Infrastructure	Environmental Services		Gross tonnage 1,001 to 3,000		130.00	135.00	3.85
Infrastructure	Environmental Services		Gross tonnage 3,001 - 10,000		200.00	205.00	2.50
Infrastructure	Environmental Services		Gross tonnage 10,001 - 20,000		255.00	265.00	3.92
Infrastructure	Environmental Services		Gross tonnage 20,001 - 30,000		330.00	340.00	3.03
Infrastructure	Environmental Services	Inspection charges by gross tonnage	Gross tonnage Over 30,000		390.00	400.00	2.56
Infrastructure	Environmental Services		Extensions		65.00	70.00	7.69
Infrastructure	Environmental Services		with the exception of: Vessels with the capacity to carry between 50 and 1,000 persons		390.00	400.00	2.56
Infrastructure	Environmental Services		Vessels with the capacity to carry more than 1,000 persons		665.00	680.00	2.26
Infrastructure	Environmental Services		Calibration or verification of weighing and measuring equipment - hourly rate for any equipment not specified in the following list (travel time will also be charged)	per hour	56.31	57.85	2.73
Infrastructure	Environmental Services	Calibration or verification of weighing and measuring equipment	Weights - calibration or verification	per weight	8.06	8.28	2.73
Infrastructure	Environmental Services		Weights adjustment and cleaning of weights - per hour	per hour	45.40	57.85	27.42
Infrastructure	Environmental Services		Non-automatic weighing machines - range not exceeding 6kg		31.50	32.36	2.73
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 6kg but not exceeding 100kg		44.82	46.05	2.74
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 100kg but not exceeding 250kg		56.31	57.85	2.73
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 250kg but not exceeding 1 tonne		112.60	115.69	2.74
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 1 tonne but not exceeding 10 tonnes (forklift provided on site)		183.54	188.57	2.74
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 1 tonne but not exceeding 10 tonnes (forklift not provided on site)		230.82	237.14	2.74
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 10 tonnes (forklift provided on site)		458.87	471.44	2.74
Infrastructure	Environmental Services		Non-automatic weighing machines - range exceeding 10 tonnes (forklift not provided on site)		754.38	775.05	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range not exceeding 6kg		47.26	48.55	2.73

Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 6kg but not exceeding 100kg		67.20	69.04	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 100kg but not exceeding 250kg		84.46	86.77	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 250kg but not exceeding 1 tonne		168.94	173.57	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 1 tonne but not exceeding 10 tonnes (forklift provided on site)		275.33	282.87	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 1 tonne but not exceeding 10 tonnes (forklift not provided on site)		346.25	355.74	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 10 tonnes (forklift provided on site)		807.89	830.03	2.74
Infrastructure	Environmental Services		Non-automatic weighing instruments - range exceeding 10 tonnes (forklift not provided on site)		1,221.61	1,255.08	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range not exceeding 6kg		47.26	48.55	2.73
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 6kg but not exceeding 100kg		67.20	69.04	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 100kg but not exceeding 250kg		84.46	86.77	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 250kg but not exceeding 1 tonne		168.94	173.57	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 1 tonne but not exceeding 10 tonnes (forklift provided on site)		275.33	282.87	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 1 tonne but not exceeding 10 tonnes (forklift not provided on site)		346.25	355.74	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 10 tonnes (forklift provided on site)		807.89	830.03	2.74
Infrastructure	Environmental Services		Non-automatic weighing equipment (UKAS procedure - including determination of uncertainty budgets) range exceeding 10 tonnes (forklift not provided on site)		1,221.61	1,255.08	2.74
Infrastructure	Environmental Services		Measuring instruments for liquid fuel and lubricants (10% surcharge applicable to initial assessment of conformity under MID) - single/multi-outlets (nozzles) - first nozzle tested (per site)		112.63	115.72	2.74
Infrastructure	Environmental Services		Measuring instruments for liquid fuel and lubricants (10% surcharge applicable to initial assessment of conformity under MID) - single/multi-outlets (nozzles) - each additional nozzle tested		56.31	57.85	2.73
Infrastructure	Environmental Services		Measuring instruments for liquid fuel and lubricants with temperature compensation (20% surcharge applicable to initial assessment of conformity under MID) - single/multi-outlets (nozzles) - first nozzle tested (per site)		n/a	173.57	New charge
Infrastructure	Environmental Services		Measuring instruments for liquid fuel and lubricants with temperature compensation (20% surcharge applicable to initial assessment of conformity under MID) - single/multi-outlets (nozzles) - each additional nozzle tested		n/a	86.79	New charge
Infrastructure	Environmental Services		Road tanker fuel measuring equipment (above 100 Litres) meter measuring systems - per hour (reference meter provided by submitter)		56.31	57.85	2.73
Infrastructure	Environmental Services		Road tanker fuel measuring equipment (above 100 Litres) - replacement dipstick (including examination of compartment)		45.05	46.28	2.73
Infrastructure	Environmental Services		Road tanker fuel measuring equipment (above 100 Litres) - spare dipstick		20.42	20.98	2.74
Infrastructure	Environmental Services		Calibration certificates - basic calibration certificate		28.16	28.93	2.73
Infrastructure	Environmental Services		Calibration certificates - detailed results in calibration certificate		28.16	28.93	2.73
Infrastructure	Environmental Services		Calibration certificates - testing and certification of weighing equipment for the purposes of fish catching records		56.31	57.85	2.73
Infrastructure	Environmental Services	Hire of test weights	Weight hire: weights not exceeding 20kg - per individual weight hired for a period not exceeding seven days	per weight	7.21	7.41	2.77
Infrastructure	Environmental Services		Weight hire: 500kg block weights - per individual weight hired for a period not exceeding seven days	per weight	13.39	13.76	2.76
Infrastructure	Environmental Services		Delivery and collection of hired weights - per officer hour (plus transport costs)	per hour	56.31	57.85	2.73
Infrastructure	Environmental Services	The Fireworks Regulations 2004	Licence to supply fireworks outwith the prescribed periods (one year's duration)		500.00	500.00	0.00
Infrastructure	Environmental Services	Explosives Regulations 2014	Licence to store explosives with a prescribed minimum separation distance (one year's duration)		178.00	178.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with a prescribed minimum separation distance (two years' duration)		234.00	234.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with a prescribed minimum separation distance (three years' duration)		292.00	292.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with a prescribed minimum separation distance (four years' duration)		360.00	360.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with a prescribed minimum separation distance (five years' duration)		407.00	407.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with a prescribed minimum separation distance (one year's duration)		83.00	83.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with a prescribed minimum separation distance (two years' duration)		141.00	141.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with a prescribed minimum separation distance (three years' duration)		198.00	198.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with a prescribed minimum separation distance (four years' duration)		256.00	256.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with a prescribed minimum separation distance (five years' duration)		313.00	313.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with no prescribed minimum separation distance (one year's duration)		105.00	105.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with no prescribed minimum separation distance (two years' duration)		136.00	136.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with no prescribed minimum separation distance (three years' duration)		166.00	166.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with no prescribed minimum separation distance (four years' duration)		198.00	198.00	0.00
Infrastructure	Environmental Services		Licence to store explosives with no prescribed minimum separation distance (five years' duration)		229.00	229.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with no prescribed minimum separation distance (one year's duration)		52.00	52.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with no prescribed minimum separation distance (two years' duration)		83.00	83.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with no prescribed minimum separation distance (three years' duration)		115.00	115.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with no prescribed minimum separation distance (four years' duration)		146.00	146.00	0.00
Infrastructure	Environmental Services		Renewal of a licence to store explosives with no prescribed minimum separation distance (five years' duration)		178.00	178.00	0.00
Infrastructure	Environmental Services		Varying name of licensee or address of site		35.00	35.00	0.00
Infrastructure	Environmental Services		Any other kind of variation		35.00	35.00	0.00
Infrastructure	Environmental Services		Transfer of licence		35.00	35.00	0.00
Infrastructure	Environmental Services		Replacement of licence if lost		35.00	35.00	0.00
Infrastructure	Environmental Services	Petroleum	Fee per year of storage certificate for petrol of a quantity not exceeding 2,500 litres	per year	42.00	42.00	0.00

Infrastructure	Environmental Services	<b>(Consolidation) Regulations 2014</b>	Fee per year of storage certificate for petrol of a quantity exceeding 2,500 litres but not exceeding 50,000 litres	per year	58.00	58.00	0.00
Infrastructure	Environmental Services		Fee per year of storage certificate for petrol of a quantity exceeding 50,000 litres	per year	120.00	120.00	0.00
Infrastructure	Environmental Services		Fee per year of licence to keep petrol of a quantity not exceeding 2,500 litres	per year	42.00	42.00	0.00
Infrastructure	Environmental Services		Fee per year of licence to keep petrol of a quantity exceeding 2,500 litres but not exceeding 50,000 litres	per year	58.00	58.00	0.00
Infrastructure	Environmental Services		Fee per year of licence to keep petrol of a quantity exceeding 50,000 litres	per year	120.00	120.00	0.00
Infrastructure	Environmental Services	<b>Supply of heat from ERP</b>	Annual charge - based on SHEAP charges		variable	variable	n/a
Infrastructure	Environmental Services	<b>Tonnes light iron</b>	Dependent on market price	per tonne	variable	variable	n/a
Infrastructure	Environmental Services	<b>Tonnes burnt metal</b>	Dependent on market price	per tonne	variable	variable	n/a
Infrastructure	Environmental Services	<b>Batteries lead acid</b>	Dependent on market price	per tonne	variable	variable	n/a
Infrastructure	Environmental Services	<b>WEEE collected by Shetland Islands Council</b>	Refunded by Govt	per tonne	variable	variable	n/a
Infrastructure	Environmental Services	<b>Water sampling</b>	Water sampling from private water supply		variable	variable	n/a
Infrastructure	Ferry & Air Services	<b>Tingwall Airport</b>	Passenger charges (per departing passenger) - charter flights		5.70	5.90	3.51
Infrastructure	Ferry & Air Services		Baggage charge (per aircraft)		7.20	7.40	2.78
Infrastructure	Ferry & Air Services		Extended opening hours - public, charter and general aviation (by arrangement) per 15 minute segment		56.60	58.10	2.65
Infrastructure	Ferry & Air Services		Extended opening hours - air ambulance, search and rescue/medi-vac (by arrangement) per 15 minute segment		41.20	42.30	2.67
Infrastructure	Ferry & Air Services		Callout charge		134.00	137.70	2.76
Infrastructure	Ferry & Air Services		HM Revenue and Customs		an attendance charge may apply	an attendance charge may apply	n/a
Infrastructure	Ferry & Air Services		Over 2,730kgs MTWA - per tonne or part thereof		25.70	26.40	2.72
Infrastructure	Ferry & Air Services		Over 2,730kgs MTWA - per tonne or part thereof - air ambulance/ search and rescue/medi vac- 50% concession		12.90	13.20	2.33
Infrastructure	Ferry & Air Services		Less than 2,730kgs MTWA - per landing (including out of hours landings)		22.10	22.70	2.71
Infrastructure	Ferry & Air Services		Annual consolidated landing fee - less than 2,730kgs MTWA		370.70	380.90	2.75
Infrastructure	Ferry & Air Services		Training circuits (per session max 10 circuits or part thereof per sessions)		25.70	26.40	2.72
Infrastructure	Ferry & Air Services		Landing supplements - fuel handling charge - JET A-1 - per fuelling, per aircraft		28.80	29.60	2.78
Infrastructure	Ferry & Air Services		Landing supplements - fuel handling charge - AVGAS - per fuelling, per aircraft		11.80	12.10	2.54
Infrastructure	Ferry & Air Services		Out of hours indemnity permit - duration 12 months		61.80	63.50	2.75
Infrastructure	Ferry & Air Services		Parking charges - for each 24 hours or part thereof		11.80	12.10	2.54
Infrastructure	Ferry & Air Services		Air ambulance standby		variable	variable	n/a
Infrastructure	Ferry & Air Services		Jet A1 fuel		variable	variable	n/a
Infrastructure	Ferry & Air Services		Less than 2,730kgs MTWA - per tonne or part thereof (including out of hours landings)		25.70	26.40	2.72
Infrastructure	Ferry & Air Services		Out of hours indemnity permit - duration 12 months		61.80	63.50	2.75
Infrastructure	Ferry & Air Services		Adults - single	per passenger	5.70	5.90	3.51
Infrastructure	Ferry & Air Services		Adults - 10 journey ticket	per passenger	23.40	24.00	2.56
Infrastructure	Ferry & Air Services		Children - up to 19 years & OAPs (with valid SIC pass)	per passenger	1.10	1.10	0.00
Infrastructure	Ferry & Air Services		Children & OAPs (with valid SIC pass) - 10 journey ticket	per passenger	6.40	6.60	3.12
Infrastructure	Ferry & Air Services		Infant (up to 5 years old)	per passenger	0.00	0.00	n/a
Infrastructure	Ferry & Air Services		Bicycle (rider pays passenger fare)	per passenger	rider pays passenger fare	rider pays passenger fare	n/a
Infrastructure	Ferry & Air Services		Cars & other vehicles & driver - single	per cars & other vehicles not exceeding 5.5m in length:	14.00	14.40	2.86
Infrastructure	Ferry & Air Services		Cars & other vehicles & driver - 10 journey	per cars & other vehicles not exceeding 5.5m in length:	93.50	96.10	2.78
Infrastructure	Ferry & Air Services		Motorcycle & driver - single		11.30	11.60	2.65
Infrastructure	Ferry & Air Services		Motorcycle & driver - 10 journey		74.80	76.90	2.81
Infrastructure	Ferry & Air Services		Motorhome 5.5m - 9m		21.10	21.70	2.84
Infrastructure	Ferry & Air Services		Motorhome 9.01m - 12m		24.20	24.90	2.89
Infrastructure	Ferry & Air Services		Motorhome 12m plus		27.80	28.60	2.88
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans <3.5m		6.90	7.10	2.90
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans 3.5 - 5.5m		9.80	10.10	3.06
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans >5.5m		13.70	14.10	2.92
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) 5.01m - 8.00m		25.08	25.75	2.67
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) 8.01m - 12.00m		48.00	49.33	2.77
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) 12.01m - 18.00m		67.08	68.92	2.74
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) 18.00m plus - prior arrangement only		195.67	201.08	2.76
Infrastructure	Ferry & Air Services		Commercial vehicles & driver - if a load is wider than 2.6m		16.25	16.67	2.58
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 5.01m - 8.00m		25.10	25.80	2.79
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 8.01m - 12.00m		48.10	49.40	2.70
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 12.01m - 18.00m		67.10	69.00	2.83
Infrastructure	Ferry & Air Services		Tankers - up to 7.50m		45.00	46.25	2.78
Infrastructure	Ferry & Air Services		Tankers - 7.51m - 10.00m		81.83	84.08	2.75
Infrastructure	Ferry & Air Services		Tankers - 10.01m - 16.00m		106.92	109.83	2.72
Infrastructure	Ferry & Air Services		Plant - up to 7.50m		63.83	65.58	2.74
Infrastructure	Ferry & Air Services		Plant - 7.51m - 10.00m		114.17	117.33	2.77
Infrastructure	Ferry & Air Services		Plant - 10.01m - 16.00m		156.08	160.33	2.72
Infrastructure	Ferry & Air Services		Contract rate for approved coaches carrying workers	normal coach & driver fare plus minimum 35 pax at multi journey rate	variable - dependent on passenger numbers	variable - dependent on passenger numbers	n/a
Infrastructure	Ferry & Air Services	<b>Single Fare Mainland to Fair Isle/Foula, Foula/Fair Isle to Mainland</b>	Adults - single	per passenger	5.70	5.90	3.51
Infrastructure	Ferry & Air Services		Adults - 20 journey ticket	per passenger	47.40	48.70	2.74
Infrastructure	Ferry & Air Services		Children - up to 19 years & OAPs - single	per passenger	1.10	1.10	0.00
Infrastructure	Ferry & Air Services		Children & OAP - 20 journey ticket	per passenger	6.40	6.60	3.12
Infrastructure	Ferry & Air Services		OAPs with valid SIC Pass	per passenger	0.00	0.00	n/a
Infrastructure	Ferry & Air Services		Infant (up to 5 years old)	per passenger	0.00	0.00	n/a
Infrastructure	Ferry & Air Services		Bicycle (rider pays passenger fare)	per passenger	rider pays passenger fare	rider pays passenger fare	n/a
Infrastructure	Ferry & Air Services		Non Fair Isle resident (Fair Isle only) - single	per passenger	17.10	17.60	2.92
Infrastructure	Ferry & Air Services		Cars & other vehicles & driver - single	per cars & other vehicles not exceeding 5.5m in length:	7.40	7.60	2.70
Infrastructure	Ferry & Air Services		Motorcycle & driver - single		15.00	15.40	2.67
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans <3.5m		6.90	7.10	2.90
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans 3.5m - 5.5m		9.80	10.10	3.06
Infrastructure	Ferry & Air Services		Towed trailers including caravans >5.5m		13.70	14.10	2.92

Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) Fair Isle CV (Return)		12.42	12.75	2.66
Infrastructure	Ferry & Air Services	<b>Single Fare Mainland to Skerries/ Papa Stour, Skerries/Papa Stour to Mainland</b>	Adults - single	per passenger	5.70	5.90	3.51
Infrastructure	Ferry & Air Services		Adults - 20 journey ticket	per passenger	47.40	48.70	2.74
Infrastructure	Ferry & Air Services		Children - up to 19 years & OAPs (with valid SIC pass) - single	per passenger	1.10	1.10	0.00
Infrastructure	Ferry & Air Services		Children up to 19 & OAPs (with valid SIC pass) - 20 journey ticket	per passenger	6.40	6.60	3.12
Infrastructure	Ferry & Air Services		Infant (up to 5 years old)	per passenger	0.00	0.00	n/a
Infrastructure	Ferry & Air Services		Bicycle (rider pays passenger fare)	per passenger		rider pays passenger fare	rider pays passenger fare
Infrastructure	Ferry & Air Services		Cars & other vehicles & driver - single	per cars & other vehicles not exceeding 5.5m in length:	7.40	7.60	2.70
Infrastructure	Ferry & Air Services		Cars & other vehicles & driver - 20 journey	per cars & other vehicles not exceeding 5.5m in length:	92.60	95.10	2.70
Infrastructure	Ferry & Air Services		Motorcycle & driver - single		6.40	6.60	3.12
Infrastructure	Ferry & Air Services		Motorhome 5.5m - 9m		14.40	14.80	2.78
Infrastructure	Ferry & Air Services		Motorhome 9.01m - 12m		17.50	18.00	2.86
Infrastructure	Ferry & Air Services		Motorhome 12m plus		21.60	22.20	2.78
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans <3.5m		6.90	7.10	2.90
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans 3.5m - 5.5m		9.80	10.10	3.06
Infrastructure	Ferry & Air Services		Domestic towed trailers including caravans >5.5m		13.70	14.10	2.92
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) - 5.01m - 8.00m		12.42	12.75	2.66
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) - 8.01m - 12.00m		24.00	24.67	2.79
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) - 12.01m - 18.00m		33.50	34.42	2.75
Infrastructure	Ferry & Air Services		Commercial vehicles & driver (including coaches without passengers) - 18.00m plus - prior arrangement only		97.92	100.58	2.72
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 5.01m - 8.00m		12.60	13.00	3.17
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 8.01m - 12.00m		24.10	24.80	2.90
Infrastructure	Ferry & Air Services		Coaches carrying passengers & driver - 12.01m - 18.00m		33.60	34.50	2.68
Infrastructure	Ferry & Air Services		Tankers - up to 7.50m		22.50	23.08	2.58
Infrastructure	Ferry & Air Services		Tankers - 7.51m - 10.00m		40.92	42.08	2.83
Infrastructure	Ferry & Air Services		Tankers - 10.01m - 16.00m		53.33	54.83	2.81
Infrastructure	Ferry & Air Services		Plant - up to 7.50m		31.92	32.83	2.85
Infrastructure	Ferry & Air Services		Plant - 7.51m - 10.00m		57.15	58.75	2.80
Infrastructure	Ferry & Air Services		Plant - 10.01m - 16.00m		78.08	80.25	2.78
Infrastructure	Ferry & Air Services	<b>Bressay Season Tickets</b>	Monthly unlimited foot travel		51.50	52.90	2.72
Infrastructure	Ferry & Air Services		Monthly - up to 15 foot passenger journeys and 10 car journeys per month		109.20	112.20	2.75
Infrastructure	Ferry & Air Services		Monthly - unlimited foot travel and up to 20 car journeys per month		144.70	148.70	2.76
Infrastructure	Ferry & Air Services	<b>Standby ambulance</b>	Annual unlimited foot travel		555.10	570.40	2.76
Infrastructure	Ferry & Air Services		Annual - up to 15 foot passenger journeys and 10 car journeys per month		1,189.40	1,222.10	2.75
Infrastructure	Ferry & Air Services		Annual - unlimited foot travel and up to 20 car journeys per month		1,585.90	1,629.50	2.75
Infrastructure	Ferry & Air Services	<b>Community Council and Private Hire Rate</b>	Standby ambulance		variable	variable	n/a
Infrastructure	Ferry & Air Services		Good Shepherd crew working within salary	fuel cost only	variable	variable	n/a
Infrastructure	Ferry & Air Services		Good Shepherd - crew working at straight time	first 3 hour block or part thereof	346.00	356.00	2.89
Infrastructure	Ferry & Air Services		Snolda - crew working at straight time	first 3 hour block or part thereof	251.00	258.00	2.79
Infrastructure	Ferry & Air Services		Snolda 4-crew	first 3 hour block or part thereof	366.00	376.00	2.73
Infrastructure	Ferry & Air Services		Snolda to Fair Isle	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Bigga 4-crew	first 3 hour block or part thereof	366.00	376.00	2.73
Infrastructure	Ferry & Air Services		Fivla 4-crew	first 3 hour block or part thereof	433.00	445.00	2.77
Infrastructure	Ferry & Air Services		Leima	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Hendra	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Geira 4-crew	first 3 hour block or part thereof	412.00	423.00	2.67
Infrastructure	Ferry & Air Services		Linga	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Daggri	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Dagalien	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Daggri/Dagalien outside Yell Sound and/or >95 pax	first 3 hour block or part thereof	525.00	539.00	2.67
Infrastructure	Ferry & Air Services		Filla	first 3 hour block or part thereof	444.00	456.00	2.70
Infrastructure	Ferry & Air Services		Filla To Fair Isle	first 3 hour block or part thereof	525.00	539.00	2.67
Infrastructure	Ferry & Air Services		Use of Daggri/Dagalien galley including galley, prep & use of refrigerator	per hire	335.00	344.00	2.69
Infrastructure	Ferry & Air Services		Use of Daggri/Dagalien galley, SIC vending machines off	per hire	422.00	434.00	2.84
Infrastructure	Ferry & Air Services		Out of hours emergency call out rate when charter does not pay for crew on stand-by on route. Charged at Commercial Charter rate	per hire	variable	variable	n/a
Infrastructure	Ferry & Air Services		Use of SIC booking office service	per hire	105.00	108.00	2.86
Infrastructure	Ferry & Air Services		Good Shepherd - crew working at straight time	per hour in addition to first 3 hour block	115.34	119.00	3.17
Infrastructure	Ferry & Air Services		Snolda - crew working at straight time	per hour in addition to first 3 hour block	83.75	86.00	2.69

Infrastructure	Ferry & Air Services		Snolda 4-crew	per hour in addition to first 3 hour block	121.83	125.00	2.60
Infrastructure	Ferry & Air Services		Snolda to Fair Isle	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Bigga 4-crew	per hour in addition to first 3 hour block	121.83	125.00	2.60
Infrastructure	Ferry & Air Services		Fivla 4-crew	per hour in addition to first 3 hour block	144.17	148.00	2.66
Infrastructure	Ferry & Air Services		Leima	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Hendra	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Geira 4-crew	per hour in addition to first 3 hour block	137.30	141.00	2.69
Infrastructure	Ferry & Air Services		Linga	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Daggri	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Dagalien	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Daggri/Dagalien outside Yell Sound and/or >95 pax	per hour in addition to first 3 hour block	175.07	180.00	2.82
Infrastructure	Ferry & Air Services		Filla	per hour in addition to first 3 hour block	147.94	152.00	2.74
Infrastructure	Ferry & Air Services		Filla to Fair Isle	per hour in addition to first 3 hour block	175.06	180.00	2.82
Infrastructure	Ferry & Air Services	Commercial Charter Rate	Good Shepherd crew working within salary	first three hour block	211.00	217.00	2.84
Infrastructure	Ferry & Air Services		Good Shepherd crew working at straight time	first three hour block	453.00	465.00	2.65
Infrastructure	Ferry & Air Services		Snolda 4-crew - crew working at straight time	first three hour block	453.00	465.00	2.65
Infrastructure	Ferry & Air Services		Snolda 4-crew	first three hour block	577.00	593.00	2.77
Infrastructure	Ferry & Air Services		Snolda to Fair Isle	first three hour block	654.00	672.00	2.75
Infrastructure	Ferry & Air Services		Bigga 4-crew	first three hour block	443.00	455.00	2.71
Infrastructure	Ferry & Air Services		Fivla 4-crew	first three hour block	443.00	455.00	2.71
Infrastructure	Ferry & Air Services		Leima	first three hour block	525.00	539.00	2.67
Infrastructure	Ferry & Air Services		Hendra	first three hour block	525.00	539.00	2.67
Infrastructure	Ferry & Air Services		Geira 4- crew	first three hour block	443.00	455.00	2.71
Infrastructure	Ferry & Air Services		Linga	first three hour block	592.00	608.00	2.70
Infrastructure	Ferry & Air Services		Daggri	first three hour block	592.00	608.00	2.70
Infrastructure	Ferry & Air Services		Dagalien	first three hour block	592.00	608.00	2.70
Infrastructure	Ferry & Air Services		Daggri/Dagalien outside Yell Sound and/or >95 pax	first three hour block	720.00	740.00	2.78
Infrastructure	Ferry & Air Services		Filla	first three hour block	772.00	793.00	2.72
Infrastructure	Ferry & Air Services		Filla to Fair Isle	first three hour block	839.00	862.00	2.74
Infrastructure	Ferry & Air Services		Use of Daggri/Dagalien galley including galley, prep & use of refrigerator	per hire	335.00	344.00	2.69
Infrastructure	Ferry & Air Services		Use of Daggri/Dagalien galley, SIC vending machines off	per hire	422.00	434.00	2.84
Infrastructure	Ferry & Air Services		Good Shepherd crew working within salary	each additional hour	72.00	74.00	2.78
Infrastructure	Ferry & Air Services		Good Shepherd crew working at straight time	each additional hour	154.00	158.00	2.60
Infrastructure	Ferry & Air Services		Snolda 4-crew - crew working at straight time	each additional hour	154.00	158.00	2.60
Infrastructure	Ferry & Air Services		Snolda 4-crew	each additional hour	196.00	201.00	2.55
Infrastructure	Ferry & Air Services		Snolda to Fair Isle	each additional hour	221.00	227.00	2.71
Infrastructure	Ferry & Air Services		Bigga 4-crew	each additional hour	149.00	153.00	2.68
Infrastructure	Ferry & Air Services		Fivla 4-crew	each additional hour	149.00	153.00	2.68
Infrastructure	Ferry & Air Services		Leima	each additional hour	180.00	185.00	2.78
Infrastructure	Ferry & Air Services		Hendra	each additional hour	180.00	185.00	2.78
Infrastructure	Ferry & Air Services		Geira 4-crew	each additional hour	149.00	153.00	2.68
Infrastructure	Ferry & Air Services		Linga	each additional hour	201.00	207.00	2.99
Infrastructure	Ferry & Air Services		Daggri	each additional hour	201.00	207.00	2.99
Infrastructure	Ferry & Air Services		Dagalien	each additional hour	201.00	207.00	2.99
Infrastructure	Ferry & Air Services		Daggri/Dagalien outside Yell Sound and/or >95 pax	each additional hour	237.00	244.00	2.95
Infrastructure	Ferry & Air Services		Filla	each additional hour	257.00	264.00	2.72
Infrastructure	Ferry & Air Services		Filla to Fair Isle	each additional hour	278.00	286.00	2.88
Infrastructure	Ferry & Air Services	Bulk Cargo	Small Package/Item (up to A4 size)	per item	0.42	0.46	9.52
Infrastructure	Ferry & Air Services		Small Gas Bottle/Drum	per item	0.75	0.79	5.33
Infrastructure	Ferry & Air Services		Medium Item/Box/Bag	per item	0.75	0.79	5.33
Infrastructure	Ferry & Air Services		Large Mail Bag	per bag	1.42	1.46	2.82

Infrastructure	Ferry & Air Services		Large Box/Package/Item	per item	2.08	2.17	4.33
Infrastructure	Ferry & Air Services		Large Gas Bottle/Drum	per item	3.50	3.58	2.29
Infrastructure	Ferry & Air Services		Pallet/Crate/Large Bulky Item	per item	8.56	8.83	3.15
Infrastructure	Ferry & Air Services		Skip/Bowser	per skip	16.17	16.58	2.54
Infrastructure	Ferry & Air Services		Livestock - Lamb/Foal	each	0.42	0.46	9.52
Infrastructure	Ferry & Air Services		Livestock - All excluding Lamb/Foal	each	0.92	0.96	4.35
Infrastructure	Ferry & Air Services	<b>Loose Freight Ro-Ro Services</b>	Carton/mail bag - large	per bag	1.75	1.83	4.57
Infrastructure	Ferry & Air Services		Carton/mail bag - small	per bag	0.92	0.96	4.35
Infrastructure	Ferry & Air Services	<b>Freight Services - Skerries, Papa Stour, Fair Isle &amp; Foula</b>	Bulk cargo (by arrangement only)	per tonne	13.42	13.79	2.76
Infrastructure	Ferry & Air Services	<b>Parcel Rates for Island Shops</b>	Open to island based retailers, restaurants and cafes on islands service by inter island ro-ro ferries - to cover the cost of all small parcels placed on the ferry by the supplier and picked up at the island end of the journey by the island business. This scheme applies only to parcels that are placed on the vessel by suppliers in a defined storage area and picked up at the island end by the business without incurring handling by Ferry Services staff.	per year	211.42	217.25	2.76
Infrastructure	Ferry & Air Services	<b>Ferry fares</b>	Ferry fares charged to a non-UK company, charges applied as above				
Infrastructure	Roads	<b>Traffic Orders and Notices</b>	Temporary notice (in an emergency, not exceeding 5 days) (applicable to Utilities and similar, charges levied using powers in the New Roads and Street Works Act)		192.41	198.18	3.00
Infrastructure	Roads		Temporary Traffic Order (up to 18 months) (applicable to Utilities and similar, charges levied using powers in the New Roads and Street Works Act)		621.15	639.78	3.00
Infrastructure	Roads		Extension of a Temporary Traffic Order (applicable to Utilities and similar, charges levied using powers in the New Roads and Street Works Act)		282.01	290.47	3.00
Infrastructure	Roads		Inspection charge per week or part thereof (applicable to Utilities and similar, charges levied using powers in the New Roads and Street Works Act)		67.74	69.77	3.00
Infrastructure	Roads	<b>Permit System and Charges</b>	Advert in Shetland Times (public notices) (applicable to Utilities and similar, charges levied using powers in the New Roads and Street Works Act)		at cost	at cost	n/a
Infrastructure	Roads		New Roads and Street Works Act 1991, Section 109. Permission for minor road works consent to open the road for the purpose of installing or maintaining apparatus within the public road. (3 x Inspection Fee) - Minor Works		118.07	121.61	3.00
Infrastructure	Roads		New Roads and Street Works Act 1991, Section 109. Permission for minor road works consent to open the road for the purpose of installing or maintaining apparatus within the public road. (3 x Inspection Fee) - Standard Works		208.86	215.13	3.00
Infrastructure	Roads		New Roads and Street Works Act 1991, Section 109. Permission for minor road works consent to open the road for the purpose of installing or maintaining apparatus within the public road. (3 x Inspection Fee) - Major Works		533.50	549.51	3.00
Infrastructure	Roads		Private Apparatus Record Fee (to be applied to private apparatus installed in a public road that will not be adopted by a recognised statutory undertaker)		113.63	117.04	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 56 - Permission for minor road works consent to construct a new access, vehicular crossing or make an opening within the public road. (3 x Inspection Fee)		170.55	175.67	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 58(1) and 58(2) Permission to temporarily occupy a portion of the public road in connection with building operations and/or to erect staging and scaffolding - Up to one week		56.81	58.51	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 58(1) and 58(2) Permission to temporarily occupy a portion of the public road in connection with building operations and/or to erect staging and scaffolding - Weekly charge after first week		33.87	34.89	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 85(1) and 85(2) - Permission to place a builders skip within the public road - up to one week		28.46	29.31	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 85(1) and 85(2) - Permission to place a builders skip within the public road - Weekly charge after first week		17.54	18.07	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 59 - Permission to occupy the road with a market or stall - Regularly recurring events - Initial admin fee (admin fee only paid with initial application)		65.58	67.55	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 59 - Permission to occupy the road with a market or stall - Regularly recurring events - annual charge	per square metre of occupation	5.68	5.85	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 59 - Permission to occupy the road with a market or stall - One-off events - Admin fee		65.58	67.55	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984, Section 59 - Permission to occupy the road with a market or stall - One-off events	per square metre of occupation	2.29	2.36	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984 Section 59 - Permission to occupy the road or pavement with tables and chairs in connection with siting an operation of a Street Café - Initial admin fee and occupation for first year		135.54	139.61	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984 Section 59 - Permission to occupy the road or pavement with tables and chairs in connection with siting an operation of a Street Café - Annual registration fee		56.81	58.51	3.00
Infrastructure	Roads		Roads (Scotland) Act 1984 Section 59 - Permission to occupy the road or public footway in connection with the siting of an A-Board advertising Sign - Annual fee		28.46	29.31	3.00
Infrastructure	Roads	<b>NR&amp;SWA Inspection Fees</b>	The inspection fees we as a Roads Authority can charge Utilities when they excavate in a public Road is given in the Road Works (Inspection Fees) (Scotland) Amendment Regulations.		36.00	36.00	0.00
Infrastructure	Roads	<b>Retrospective Penalty Charge</b>	Penalty charge equivalent to the current value of Roads (Scotland) Act 1984 (Fixed Penalty) Regulations 2008 Fixed Penalties plus inspection fee and additional administration costs. Applied to instances where there has been a failure to apply for the relevant licence or consents under Sections 56, 58 and 85 of the Roads (Scotland) Act 1984, or section 109 of the New Roads and Streetworks Act 1991.		174.20	179.43	3.00
Infrastructure	Roads	<b>NRSWA Recharges</b>	NRSWA recharges to utilities		variable	variable	n/a
Infrastructure	Roads		Gritting fee per occasion a gritter treats a private road, access or car park - Blacksness Pier, Scottish Water accesses, large car park	per treatment	68.98	71.05	3.00
Infrastructure	Roads		Gritting fee, per occasion a gritter treats a private road, access or car park - Small private roads / accesses, small car park	per treatment	27.59	28.42	3.00
Infrastructure	Roads		Other private gritting not covered above will be charged at a rate based on the above list, or a charge will be calculated taking account of the scope of the work involved.	per treatment	variable	variable	n/a
Infrastructure	Roads		NHS mobilisation charge	annually	5,951.79	6,130.34	3.00
Infrastructure	Roads		NHS car parks - pre-salt treatments	per treatment	68.98	71.05	3.00
Infrastructure	Roads		NHS car parks - gritting treatments	per treatment	240.24	247.45	3.00
Infrastructure	Roads		Filling grit bins	at cost	at cost	at cost	n/a
Infrastructure	Roads		Supply of rock salt	per tonne	41.81	43.06	3.00
Infrastructure	Roads		Liquid limit (BS 1377, Part 2 : 1990 - Method 4.3)	per test	32.04	33.00	3.00
Infrastructure	Roads		Plastic limit (BS 1377, Part 2 : 1990 - Method 5.3)	per test	26.40	27.19	3.00
Infrastructure	Roads		Plasticity & liquidity index (BS 1377, Part 2 : 1990 - Method 5.4)	per test	26.40	27.19	3.00
Infrastructure	Roads		Specific gravity (density bottle) (BS 1377, Part 2 : 1990 - Method 8.3)	per test	34.96	36.01	3.00
Infrastructure	Roads		Particle size distribution (washed analysis) (BS 1377, Part 2 : 1990 - Method 9.2)	per test	58.07	59.81	3.00
Infrastructure	Roads	<b>Compaction Tests - Soils</b>	2.5kg rammer (for soils to medium gravel size) (BS 1377, Part 4 : 1990 - Method 3.3)	per set	93.22	96.02	3.00
Infrastructure	Roads		2.5kg rammer (for soils to coarse gravel size) (BS 1377, Part 4 : 1990 - Method 3.4)	per set	93.22	96.02	3.00
Infrastructure	Roads		4.5kg rammer (for soils to medium gravel size) (BS 1377, Part 4 : 1990 - Method 3.5)	per set	104.85	108.00	3.00
Infrastructure	Roads		4.5kg rammer (for soils to coarse gravel size) (BS 1377, Part 4 : 1990 - Method 3.6)	per set	104.85	108.00	3.00
Infrastructure	Roads		Vibrating hammer (BS 1377, Part 4 : 1990 - Method 3.7)	per set	128.17	132.02	3.00
Infrastructure	Roads		Moisture condition value (BS 1377, Part 4 : 1990 - Method 5)	per set	46.60	48.00	3.00

Infrastructure	Roads		California bearing ratio (BS 1377, Part 4 : 1990 - Method 7)	per set	69.91	72.01	3.00
Infrastructure	Roads	Aggregate Testing	Relative density & water absorption (BS EN 1097, part 6 : 2000)	per test	46.60	48.00	3.00
Infrastructure	Roads		Compacted bulk density of received material (BS 812, Part 2 : 1975)	per test	34.96	36.01	3.00
Infrastructure	Roads		Bulk density of received material (BS EN 1097, Part 3 : 1998)	per test	29.13	30.00	3.00
Infrastructure	Roads		Grading of sub-base (BS EN 933, Part 1 : 1997)	per test	58.26	60.01	3.00
Infrastructure	Roads		Grading of concrete aggregates (BS EN 933, Part 1 : 1997)	per test	46.60	48.00	3.00
Infrastructure	Roads		Flakiness index (BS EN 933, Part 3 : 1997)	per test	26.40	27.19	3.00
Infrastructure	Roads		Elongation index (BS 812, Part 105.2 : 1985)	per test	17.47	17.99	3.00
Infrastructure	Roads		Aggregate crushing value (BS EN 1097, Part 2 : 1998)	per test	87.39	90.01	3.00
Infrastructure	Roads		Ten per cent fines value (BS EN 1097, Part 2 : 1998)	per test	87.39	90.01	3.00
Infrastructure	Roads		Aggregate impact value (BS EN 1097, Part 2 : 1998)	per test	34.96	36.01	3.00
Infrastructure	Roads	Concrete Testing	Compressive strength of concrete cubes (BS EN 12390, Part 3 : 2002) (from certified cube moulds)	per cube	8.74	9.00	3.00
Infrastructure	Roads		Compressive strength of concrete cubes (BS EN 12390, Part 3 : 2002) (from cube moulds that are not certified)	per cube	15.84	16.32	3.00
Infrastructure	Roads		Compressive strength of concrete cores (BS EN 12504, Part 1 : 2000)	per core	58.26	60.01	3.00
Infrastructure	Roads		Compressive strength of concrete blocks (fibre board) (BS 1052, Part1 : 1999)	per block	13.98	14.40	3.00
Infrastructure	Roads	Bituminous Testing	Binder content & grading (by difference) (BS EN 12697, Part 2 : 2002)	per test	85.22	87.78	3.00
Infrastructure	Roads		Percentage refusal density (BS 598, Part 104 : 1989)	per set	233.04	240.03	3.00
Infrastructure	Roads	Field Testing - Soils	CBR by Clegg impact hammer (in-house method)	per hour	52.43	54.00	3.00
Infrastructure	Roads	Field Testing - Concrete	Cube making (including workability test) (BS EN 12390, Part 2 : 2000)	per hour	52.43	54.00	3.00
Infrastructure	Roads		Determination of air content (BS EN 12390, Part 8 : 2000)	per test	17.47	17.99	3.00
Infrastructure	Roads		Density of compacted fresh concrete (BS EN, 12350 : Part 6 : 2000)	per test	29.13	30.00	3.00
Infrastructure	Roads		Cover meter survey (BS 1881, Part 201 : 1986)	per hour	52.43	54.00	3.00
Infrastructure	Roads		Schmidt hammer tests (BS EN 12504, Part 2 : 2001)	per hour	52.43	54.00	3.00
Infrastructure	Roads		Core cutting	per hour	52.43	54.00	3.00
Infrastructure	Roads		On-site sampling of blacktop (BS EN 12697, Part 27 : 2001)	per hour	52.43	54.00	3.00
Infrastructure	Roads	Field Testing - Blacktop	Determination of texture depth (BS 598, Part 3 : 1985 - Method 7)	per test	17.47	17.99	3.00
Infrastructure	Roads		Core cutting for PRD & pavement examination	per hour	52.43	54.00	3.00
Infrastructure	Roads		Skid Resistance meter (TRRL)	per hour	52.43	54.00	3.00
Infrastructure	Roads	Time Based Charges	Work done on a time basis will be charged per hour; as well as labour, the charge will cover the use of a vehicle, normal tools and equipment.		variable	variable	n/a
Infrastructure	Roads		Mileage to site will be charged at standard Council rates.		variable	variable	n/a
Infrastructure	Roads	Other Tests	Any other tests required will either be charged at a rate based on a comparable test listed above, or a charge will be calculated taking account of equipment required and time normally taken to carry out the test. If not appropriate charges will be on a time basis.		variable	variable	n/a
Infrastructure	Roads	Scord Quarry Materials (DryStone)	As dug hardcore	per tonne	3.92	4.05	3.32
Infrastructure	Roads		Primary armouring	per tonne	9.48	9.80	3.38
Infrastructure	Roads		Armouring	per tonne	9.48	9.80	3.38
Infrastructure	Roads		Quarry cleanings	per tonne	4.94	5.10	3.24
Infrastructure	Roads		Scalplings	per tonne	3.91	4.05	3.58
Infrastructure	Roads		Type 1	per tonne	4.64	6.20	33.62
Infrastructure	Roads		Crusher run	per tonne	7.00	7.25	3.57
Infrastructure	Roads		Dust	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Frost grit	per tonne	10.35	10.70	3.38
Infrastructure	Roads		All-in-aggregate	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 40mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 28mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 20mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 14mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 10mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Aggregate 6mm	per tonne	10.35	10.70	3.38
Infrastructure	Roads		Recycled asphalt (no levy)	per tonne	5.67	5.90	4.06
Infrastructure	Roads		AC 28 base	per tonne	73.65	76.60	4.00
Infrastructure	Roads		AC 20 base	per tonne	83.27	86.60	4.00
Infrastructure	Roads		AC 20 base Nytherm 190	per tonne	84.97	88.40	4.04
Infrastructure	Roads	Scord Quarry Materials (Coated Stone)	AC 14 surface	per tonne	85.62	89.05	4.01
Infrastructure	Roads		AC 14 surface Nytherm 190	per tonne	87.32	90.85	4.04
Infrastructure	Roads		AC 10 surface	per tonne	86.34	89.80	4.01
Infrastructure	Roads		AC 10 surface Nytherm 190	per tonne	88.04	91.60	4.04
Infrastructure	Roads		AC 6 surface	per tonne	94.12	97.90	4.02
Infrastructure	Roads		AC 6 surface Nytherm 190	per tonne	95.82	99.65	4.00
Infrastructure	Roads		AC 14 surface	per tonne	102.31	106.40	4.00
Infrastructure	Roads		Bitsand	per tonne	126.89	132.00	4.03
Infrastructure	Roads	Scord Quarry Aggregate tax	Dry materials	per tonne	2.00	2.00	0.00
Infrastructure	Roads	Scord Quarry Aggregate tax	Coated materials	per tonne	1.90	1.90	0.00
Infrastructure	Roads	Rural Quarry Materials	Charge added to above material price depending on which quarry	per tonne	as above material costs plus price of haulage at the time of delivery	as above material costs plus price of haulage at the time of delivery	n/a
Infrastructure	Roads	Scord Quarry Bitumen Emulsion	K1-40	barrel	121.00	125.84	4.00
Infrastructure	Roads			tonne	590.00	613.60	4.00
Infrastructure	Roads		K1-60	barrel	181.00	188.24	4.00
Infrastructure	Roads	Scord Quarry Haulage		tonne	885.00	920.40	4.00
Infrastructure	Roads		Delivery of materials >2 tonnes - fixed element	per load	22.25	25.59	15.00
Infrastructure	Roads		Delivery of materials > 2 tonnes - variable element	per mile	3.50	4.03	15.00
Infrastructure	Roads		Delivery of materials <=2 tonnes using pickup - fixed element	per load	7.50	8.63	15.00
Infrastructure	Roads		Delivery of materials <= 2 tonnes using pickup - variable element	per mile	1.50	1.73	15.00
Infrastructure	Roads	Scord Quarry Callout charge	By special agreement dependant on volume and subject to minimum charge	per occasion	325.00	335.00	3.08
Infrastructure	Roads	Labour	Charging for mixing bituminous materials outwith normal operating hours	per occasion	500.00	540.00	8.00
Infrastructure	Roads		Filling of ton bags (not including supply of bag)	per bag	10.00	10.30	3.00
Infrastructure	Roads	Roads Operations	Surface dressing treatment - single coat (mainland)	per square metre	3.78	3.89	3.00
Infrastructure	Roads		Surface dressing treatment - double coat (mainland)	per square metre	7.55	7.78	3.00
Infrastructure	Roads		Surface dressing treatment - single coat (isles)	per square metre	4.16	4.28	3.00
Infrastructure	Roads		Surface dressing treatment - double coat (isles)	per square metre	8.44	8.69	3.00
Infrastructure	Roads		Chargeable works - various, e.g. surfacing, sweeping, sign manufacture, drainage, inspections etc.	at cost	at cost	at cost	n/a
Infrastructure	Roads		Roads maintenance compensation		variable	variable	n/a
Infrastructure	Estate Operations	Public Toilets	Esplanade toilets: shower, towel, soap		5.00	6.00	20.00
Infrastructure	Estate Operations		Esplanade toilets: shower		2.75	3.00	9.09
Infrastructure	Estate Operations	Hire of Council buses (Whalsay)	9am to 5pm - Monday to Friday	per hour	29.34	35.00	19.29
Infrastructure	Estate Operations		5pm to 10pm - Monday to Friday and 9am to 10pm - Saturday	per hour	44.02	45.00	2.23
Infrastructure	Estate Operations		10pm to 9am - Monday to Saturday and all day Sunday	per hour	53.70	55.00	2.42



Infrastructure	Estate Operations	<b>Green Deal Surveys</b>	Carried out in accordance with the relevant Green Deal Code of Practice (CoP), the Energy Act 2011 and the Energy Performance of Buildings (Scotland) Regulations 2008. All areas, unified rate.	per survey	245.00	252.00	2.66
Infrastructure	Estate Operations	<b>Energy Performance Certificate</b>	Carried out in accordance with the relevant Green Deal Code of Practice (CoP), the Energy Act 2011 and the Energy Performance of Buildings (Scotland) Regulations 2008. All areas, unified rate.	per survey	150.00	150.00	0.00
Infrastructure	Estate Operations		The Energy Performance in Buildings Directive requires non-domestic buildings over 50M2, when constructed, leased or sold to have a valid energy performance certificate. Energy Performance certificates require an onsite survey of property and report is compiled using National Calculation Methodology software based on Simplified Building Energy Modelling.	per survey	0.00	Variable	n/a
Infrastructure	Estate Operations	<b>Garage</b>	MOT Fee's - Set by the Vehicle and Operator Services Agency (VOSA). There's a maximum amount MOT test stations can charge. This depends on the type of vehicle. The maximum fee for a car is £54.85. A full list of charges can be found at: <a href="https://www.gov.uk/getting-an-mot/mot-test-fees">https://www.gov.uk/getting-an-mot/mot-test-fees</a>	per MOT	maximum amount set by VOSA	maximum amount set by VOSA	n/a
Infrastructure	Estate Operations		Triscan fuel issues		variable	variable	n/a
Infrastructure	Estate Operations		Vehicle maintenance		variable	variable	n/a
Infrastructure	Estate Operations	<b>Estate Operations</b>	Recharges		variable	variable	n/a
Infrastructure	Estate Operations		Recharges		variable	variable	n/a
Infrastructure	Estate Operations		Building maintenance works		variable	variable	n/a
Infrastructure	Estate Operations		Admin fee		variable	variable	n/a
Infrastructure	Estate Operations		Electricity at lower rate		variable	variable	n/a
Infrastructure	Estate Operations		Electricity at standard rate		variable	variable	n/a
Infrastructure	Estate Operations		District Heating charge for Seaview tenants		variable	variable	n/a
Infrastructure	Estate Operations		Electricity charge for Seaview tenants		variable	variable	n/a
Infrastructure	Estate Operations		Heating oil charge to sheltered housing tenants		variable	variable	n/a
Infrastructure	Estate Operations		Recharge of water charges as per attached sheet		variable	variable	n/a
Infrastructure	Estate Operations		Recharge of Biomass heating at Scalloway		variable	variable	n/a
Infrastructure	Estate Operations	<b>Electric Vehicle Charging Points</b>	Electric Vehicle Charge	£0.15 per kwh	0.17	TBC	n/a
Infrastructure	Estate Operations		Electric Vehicle Charge - Rapid Charge	Per Charge	0.00	1.67	n/a
Infrastructure	Estate Operations		Electric Vehicle Charge - Rapid Charge	Penalty	0.00	4.17	n/a
Infrastructure	Estate Operations		Electric Vehicle Charge - Standard/Fast Charge	kWh	0.00	0.17	n/a
Infrastructure	Estate Operations		Electric Vehicle Charge - Standard/Fast Charge	Per Charge	0.00	0.83	n/a
Infrastructure	Estate Operations		Electric Vehicle Charge - Standard/Fast Charge	Penalty	0.00	4.17	n/a
Infrastructure	Harbour	<b>Consolidated charge for segregated ballast tankers entering the Port of Sullom Voe</b>	Shipping dues	per gross tonne per visit	1.90	1.94	2.11
Infrastructure	Harbour		Mooring charge	per gross tonne per visit	0.06	0.07	16.67
Infrastructure	Harbour		Pilotage charge	per gross tonne per visit	0.42	0.42	0.00
Infrastructure	Harbour		B & L charge	per gross tonne per visit	0.18	0.20	11.11
Infrastructure	Harbour	<b>Segregated Ballast Tankers/Other - Sullom Voe Area</b>	Towage	per gross tonne per visit	2.26	2.32	2.65
Infrastructure	Harbour	<b>Towage</b>	Port of Sullom Voe - Cancellation charge will apply if tugs depart the tug jetty and are cancelled before making fast to vessel	per gross tonne per visit	0.256	0.263	2.73
Infrastructure	Harbour		Sullom Voe Area outwith Port of Sullom Voe - Cancellation charge will apply if tugs depart the tug jetty and are cancelled before making fast to vessel	per gross tonne per visit	0.226	0.232	2.65
Infrastructure	Harbour		Port of Sullom Voe - Aborted Berthings or sailings will apply if a movement is unable to be completed after a tug or tugs have made fast, or have commenced assistance.	per gross tonne per visit	1.28	1.315	2.73
Infrastructure	Harbour		Sullom Voe Area outwith Port of Sullom Voe - Aborted Berthings or sailings will apply if a movement is unable to be completed after a tug or tugs have made fast, or have commenced assistance.	per gross tonne per visit	1.13	1.16	2.65
Infrastructure	Harbour		Push up charge will be levied if a tug or tugs are required to push-up on a vessel during periods of extreme weather conditions	per tug per hour or part thereof	1,925.00	1,978.00	2.75
Infrastructure	Harbour		Escorting charges/shifting from one jetty to another	per tug per hour or part thereof (minimum charge 3 hours)	1,925.00	1,978.00	2.75
Infrastructure	Harbour		Standby Charge - will be levied if tugs are not used within an hour of order time	per tug per hour or part thereof	1,925.00	1,978.00	2.75
Infrastructure	Harbour		Fire fighting and oil dispersal duties	a) per tug per hour or part thereof (minimum charge 3 hours)	1,925.00	1,978.00	2.75
Infrastructure	Harbour		Fire fighting and oil dispersal duties	b) per use in addition to a) above	cost of fire fighting foam and oil dispersant liquids used	cost of fire fighting foam and oil dispersant liquids used	N/A
Infrastructure	Harbour		Late order charges may be charged if less than 12 hours notice is given in writing	per individual case	15% surcharge (Calculated as per individual case)	15% surcharge (Calculated as per individual case)	N/A
Infrastructure	Harbour		Bunker charges	per tug movement	rates available on application	rates available on application	N/A
Infrastructure	Harbour		Other charges for towage operations not listed above are charged on a case by case basis to ensure income generation	rates available on application	rates available on application	rates available on application	N/A
Infrastructure	Harbour	<b>Ships dues - Sullom Voe Harbour &amp; Gas Processing Plant</b>	Vessels engaged in the provision of services, supply of materials and export of products from the Sullom Voe Terminal and the Gas Processing Plant - Segregated ballast tankers	per gross tonne	1.90	1.94	2.11
Infrastructure	Harbour		Vessels engaged in the provision of services, supply of materials and export of products from the Sullom Voe Terminal and the Gas Processing Plant - Other	per gross tonne	1.72	1.77	2.91
Infrastructure	Harbour		Vessels and barges working within the harbour limits in Yell Sound and not passing inward past number 5 buoy will be charged per gross tonne (Note: vessels transiting are not liable to charges)	per gross tonne per vessel	0.44	0.45	2.27
Infrastructure	Harbour	<b>Ships dues - Applicable to all Harbours</b>	(a) Any vessels calling at a Council Pier or Harbour	per gross tonne per vessel per entry and stay per four day period or part thereof	0.50	0.50	0.00
Infrastructure	Harbour		(b) Barges calling at a Council Pier of Harbour - gross tonnage by calculation or certificate	per gross tonne per vessel per entry and stay per four day period or part thereof	0.50	0.50	0.00

Infrastructure	Harbour	(c) Passenger vessels/accommodation barges or vessels engaged in offshore oil/gas or other similar operations calling at a Council Pier or Harbour – long term rate	per gross tonne per vessel per day (minimum charge 1 month stay)	0.10	0.11	10.00
Infrastructure	Harbour	(d)(i) Cruise ships berthed at a Council pier	per gross tonne per vessel per entry and stay per four day period or part thereof	0.14	0.15	7.14
Infrastructure	Harbour	(d)(ii) Cruise ships at anchor within a Council harbour	per gross tonne per vessel per entry and stay per four day period or part thereof	0.07	0.072	2.86
Infrastructure	Harbour	(d)(iii) Security staff for ISPS restricted area	per vessel per day	100.00	102.75	2.75
Infrastructure	Harbour	(e) Passengers disembarking at a Council Pier - (tourist traffic/ passenger liners only)	per person	1.70	1.75	2.94
Infrastructure	Harbour	(f)(i) Renewable devices etc. up to and including 40mtrs calling at a Council Pier or Harbour. If an ITC69 is available the charge will be as (a) above, otherwise the following charge applies	per metre per day per vessel	2.01	2.07	2.99
Infrastructure	Harbour	(f)(i) Renewable devices etc. over 40mtrs calling at a Council Pier or Harbour. If an ITC69 is available the charge will be as (a) above, otherwise the following charge applies	a) per metre up to 40mtrs per day per vessel	2.01	2.07	2.99
Infrastructure	Harbour	(f)(i) Renewable devices etc. over 40mtrs calling at a Council Pier or Harbour. If an ITC69 is available the charge will be as (a) above, otherwise the following charge applies	b) per metre above 40mtrs per day per vessel in addition to a) above	3.70	3.80	2.70
Infrastructure	Harbour	(g)(i) Yachts calling at a Council Pier or Harbour	per vessel, per metre, per day or part thereof	n/a	1.75	New charge
Infrastructure	Harbour	(g)(iii) Yachts visiting more than one Shetland Islands Council Pier or Harbour within one calendar month. Receipt must be shown at each Pier or Harbour	per yacht per calendar month	33.33	34.25	2.76
Infrastructure	Harbour	(h) Minimum charge for (a) to (g) above per entry and stay at any Pier or Harbour	per vessel	20.60	21.17	2.77
Infrastructure	Harbour	(i) All vessels trading regularly on inter-island services	per gross tonne per vessel per berthing	0.07	0.072	2.86
Infrastructure	Harbour	Salmon cage up to 70mtr launched and floating in Council harbour	per 4 day period	48.63	49.97	2.76
Infrastructure	Harbour	Salmon cage 70mtr launched and floating in Council harbour	per 4 day period	49.03	50.38	2.75
Infrastructure	Harbour	Salmon cage 80mtr launched and floating in Council harbour	per 4 day period	56.99	58.56	2.75
Infrastructure	Harbour	Salmon cage 90mtr launched and floating in Council harbour	per 4 day period	64.15	65.91	2.74
Infrastructure	Harbour	Salmon cage 100mtr and over launched and floating in Council harbour	per 4 day period	71.27	73.23	2.75
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels up to and including 10m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	154.47	160.00	3.58
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 10m and up to and including 20m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	339.83	349.00	2.70
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 20m and up to and including 30m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	513.87	528.00	2.75
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 30m and up to and including 40m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	875.33	899.00	2.70
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 40m and up to and including 50m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	1,199.72	1,233.00	2.77
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 50m and up to and including 60m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	1,714.62	1,762.00	2.76
Infrastructure	Harbour	Annual compounded dues for registered fishing/shellfish vessels over 60m and up to and including 70m overall length. (To qualify for annual compounded dues registered fishing/shellfish vessels must make a minimum of 10 landings per calendar year at SIC Piers/Harbours.)	per year	2,572.44	2,643.00	2.74
Infrastructure	Harbour	Registered fishing/shellfish vessel up to and including 10m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	600.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 10m and up to and including 20m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	1,026.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 20m and up to and including 30m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	1,939.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 30m and up to and including 40m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	2,931.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 40m and up to and including 50m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	4,101.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 50m and up to and including 60m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	13,042.00	New charge
Infrastructure	Harbour	Registered fishing/shellfish vessel over 60m and up to and including 70m overall length that does not meet the requirements for annual compounded dues listed above	per year	n/a	14,895.00	New charge
Infrastructure	Harbour	Registered fishing/pelagic vessels over 70m	a) per gross tonne per vessel for first 4 day period or part thereof	0.50	0.50	0.00
Infrastructure	Harbour	Registered fishing/pelagic vessels over 70m	b) per day in addition to a) above	n/a	234.00	New charge

Infrastructure	Harbour		Pleasure craft/unregistered vessels up to and including 9m berthed within a Harbour Area, but not within an established Marina	per month (minimum 6 month charge)	16.27	16.72	2.77
Infrastructure	Harbour		Pleasure craft/unregistered vessels over 9m and up to and including 12m berthed within a Harbour Area, but not within an established Marina	per month (minimum 6 month charge)	20.60	21.17	2.77
Infrastructure	Harbour		Pleasure craft/unregistered vessels over 12m and up to and including 15m berthed within a Harbour Area, but not within an established Marina	per month (minimum 6 month charge)	25.85	26.46	2.36
Infrastructure	Harbour		Pleasure craft/unregistered vessels over 15m berthed within a Harbour Area, but not within an established Marina	per month (minimum 6 month charge)	33.98	34.91	2.74
Infrastructure	Harbour		Vessels over 8 metres overall length regularly providing services within a Council Harbour	per gross tonne, per calendar month or part thereof	3.67	3.77	2.72
Infrastructure	Harbour		Vessels up to and including 8m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	250.00	New charge
Infrastructure	Harbour		Vessels over 8m and up to and including 10m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	375.00	New charge
Infrastructure	Harbour		Vessels over 10m and up to and including 12m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	499.00	New charge
Infrastructure	Harbour		Vessels over 12m and up to and including 15m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	650.00	New charge
Infrastructure	Harbour		Vessels over 15m and up to and including 18m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	885.00	New charge
Infrastructure	Harbour		Vessels over 18m and up to and including 20m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	1,120.00	New charge
Infrastructure	Harbour		Vessels over 20m and up to and including 25m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	3,325.00	New charge
Infrastructure	Harbour		Vessels over 25m and up to and including 30m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	4,900.00	New charge
Infrastructure	Harbour		Vessels over 30m and up to and including 35m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	7,500.00	New charge
Infrastructure	Harbour		Vessels over 35m and up to and including 40m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	9,500.00	New charge
Infrastructure	Harbour		Vessels over 40m and up to and including 45m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	14,895.00	New charge
Infrastructure	Harbour		Vessels over 45m and up to and including 50m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	16,550.00	New charge
Infrastructure	Harbour		Vessels over 50m and up to and including 55m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	18,205.00	New charge
Infrastructure	Harbour		Vessels over 55m and up to and including 60m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	19,860.00	New charge
Infrastructure	Harbour		Vessels over 60m and up to and including 65m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	21,500.00	New charge
Infrastructure	Harbour		Vessels over 65m and up to and including 70m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per year	n/a	23,170.00	New charge
Infrastructure	Harbour		Vessels over 70m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	a) per year	n/a	23,170.00	New charge
Infrastructure	Harbour		Vessels over 70m primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish	per metre above 70m in addition to a) above	n/a	331.00	New charge
Infrastructure	Harbour		Barges/Feed Barges up to and including 10m	per year	n/a	3,650.00	New charge
Infrastructure	Harbour		Barges/Feed Barges over 10m and up to and including 20m	per year	n/a	7,300.00	New charge
Infrastructure	Harbour		Barges/Feed Barges over 20m and up to and including 30m	per year	n/a	10,950.00	New charge
Infrastructure	Harbour		Barges/Feed Barges over 30m	a) per year	n/a	10,950.00	New charge
Infrastructure	Harbour		Barges/Feed Barges over 30m	b) per metre above 30m in addition to a) above	n/a	30.00	New charge
Infrastructure	Harbour	<b>Goods dues - Applicable to all Harbours</b>	Salmon farmers and shellfish farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place	per year	248.78	255.62	2.75
Infrastructure	Harbour		Vessels storing nets on any pier, outwith designated net mending areas	per net per day	46.69	47.97	2.74
Infrastructure	Harbour		Where nets are stored in bins as provided by the Council the following bin rates apply	per glass fibre bin per annum	167.90	171.55	2.17
Infrastructure	Harbour		Where nets are stored in bins as provided by the Council the following bin rates apply	per small metal bin (1.925m x 1.925m) per annum	372.30	383.25	2.94
Infrastructure	Harbour		Where nets are stored in bins as provided by the Council the following bin rates apply	per large metal bin (1.925m x 2.60m) per annum	416.10	427.05	2.63
Infrastructure	Harbour		Where nets are stored in bins as provided by the Council the following bin rates apply	new style metal bins (3.04m x 2.43m) per annum	657.00	675.25	2.78
Infrastructure	Harbour		Where nets are stored in bins as provided by the Council the following bin rates apply	container style metal bins per annum	952.65	978.20	2.68
Infrastructure	Harbour		Use of designated net mending area where not paying compounded dues or landing dues on that visit for first seven dates, thereafter the rates for use of hard standing areas will apply. Where excessive waste net materials are left behind after use of the net mending area vessels will be charged for collection and disposal of the materials	per net for the first seven days	99.53	102.27	2.75
Infrastructure	Harbour		Fresh Fish Landings	per £1.00 value ad valorem	0.025	0.025	0.00
Infrastructure	Harbour		Farmed Fish Landings	per tonne	19.36	19.89	2.74
Infrastructure	Harbour		Fresh Shellfish Landings	per £1.00 value ad valorem	0.025	0.025	0.00
Infrastructure	Harbour		Fresh Shellfish Landings - owners/agents of vessels 15 metres and under who undertake to provide weekly details of the weight/value of their caught shellfish landings directly to the Council including place of landing, or who provide the Council with authorisation to access their landing information direct from the relevant agent/buyer	per £1.00 value ad valorem	0.020	0.02	0.00
Infrastructure	Harbour		Vessels under 15 meters who do not declare their landings will be charged	Per landing	n/a	31.74	New charge
Infrastructure	Harbour		Farmed Shellfish Landings (mussels etc.)	per tonne	7.83	8.05	2.81
Infrastructure	Harbour		Any fish or shellfish landed outwith a Council pier and stored in the fish market	per £1.00 value ad valorem	0.025	0.025	0.00
Infrastructure	Harbour		Fishermen, vessel owners and agents are advised that if the value of fresh fish consigned through a Shetland Islands Council port is not declared within one calendar month of landing, a charge per box will be levied in lieu of the published dues.	per box	3.69	3.79	2.71
Infrastructure	Harbour		Vehicular tractors, lorries, plant, motor cars and trailers (any goods which they might be carrying will be charged separately in accordance with the table of dues) per tonne	per tonne	9.14	9.39	2.74
Infrastructure	Harbour		Machinery – per tonne	per tonne	4.57	4.70	2.84

Infrastructure	Harbour		Bulk materials aggregates both coarse and fine, fertilisers, boulders and cement/sand (bulk includes carriage in flexible intermediate bulk containers - FIBC's)	per tonne	0.25	0.26	4.00
Infrastructure	Harbour		Salmon feed - per tonne	per tonne	1.79	1.84	2.79
Infrastructure	Harbour		Salmon nets (from/to cages) per net	per net	27.54	28.30	2.76
Infrastructure	Harbour		Ice - per tonne	per tonne	2.26	2.32	2.65
Infrastructure	Harbour		Fuel/gas oil/diesel - per tonne	per tonne	2.13	2.19	2.82
Infrastructure	Harbour		Live animals	per animal	0.46	0.47	2.17
Infrastructure	Harbour		Any other goods not specified above, per tonne	per tonne	2.34	2.40	2.56
Infrastructure	Harbour		Minimum charge on any one item	Minimum Charge	9.45	9.71	2.75
Infrastructure	Harbour		Supplied Water	a) per tonne	2.34	2.40	2.56
Infrastructure	Harbour		Supplied Water	b) minimum charge	15.00	15.41	2.73
Infrastructure	Harbour		Electricity supplied from power bollards (available in Scalloway only)	minimum charge over a seven day period	15.00	15.41	2.73
Infrastructure	Harbour		Where staff are required outwith normal working hours to provide water or electricity an additional charge will apply	rates available on application	rates available on application	rates available on application	N/A
Infrastructure	Harbour		Personnel outwith normal hours	rates available on application	rates available on application	rates available on application	N/A
Infrastructure	Harbour	Use of Hard Standing Area - Applicable to all Harbours	Outdoor storage	a) per square metre, per day or part thereof (see below for minimum charge)	0.25	0.26	4.00
Infrastructure	Harbour		Outdoor storage	b) minimum charge	15.00	15.41	2.73
Infrastructure	Harbour		Outdoor storage - long term (min 120 days) NB: Long term storage rates for Outdoor or Warehouse only apply on receipt of a written request and cannot be retrospective. Where goods have been on short term storage and the charge is to change to long term the long term rate will only apply from the date that request is received.	per square metre, per day or part thereof	0.10	0.11	10.00
Infrastructure	Harbour		Trailers/containers parked on Harbour property not engaged in loading/discharging of goods (unless a request for long term storage is received) shall be liable for the following charge	a) per day (see below for minimum charge)	5.47	5.62	2.74
Infrastructure	Harbour		Trailers/containers parked on Harbour property not engaged in loading/discharging of goods (unless a request for long term storage is received) shall be liable for the following charge	b) Minimum Charge	15.00	15.41	2.73
Infrastructure	Harbour		Salmon cages under construction - Storage of parts before construction commences	as per applicable hard standing rates above	as per applicable storage rates above	as per applicable storage rates above	N/A
Infrastructure	Harbour		Salmon cages under construction - whilst construction takes place	per day for each cage plus hard standing charge	85.82	88.18	2.75
Infrastructure	Harbour	Use of Hard Standing Area - Applicable to Scalloway Harbour	Warehouse – indoor storage, Scalloway - short term	a) per square metre per day or part thereof (see below for minimum charge)	0.33	0.34	3.03
Infrastructure	Harbour		Warehouse – indoor storage, Scalloway - short term	b) Minimum Charge	15.00	15.41	2.73
Infrastructure	Harbour		Warehouse – Indoor storage, Scalloway Long term (min 120 days) NB: Long term storage rates for Outdoor or Warehouse only apply on receipt of a written request and cannot be retrospective. Where goods have been on short term storage and the charge is to change to long term the long term rate will only apply from the date that request is received.	per square metre per day or part thereof	0.11	0.12	9.09
Infrastructure	Harbour		Bulk cargo shipments - however, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m <sup>2</sup> per 1,000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above storage rates.	as per applicable storage rates above	as per applicable storage rates above	as per applicable storage rates above	N/A
Infrastructure	Harbour	Charges for Harbour Craft and Plant - Applicable to Sullom Voe Harbour	Hire of the Pilot/Harbour Launch	per hour or part thereof	422.22	433.83	2.75
Infrastructure	Harbour		Hire of a mooring boat	per hour or part thereof	149.66	153.78	2.75
Infrastructure	Harbour		Hire of Sullom Shearwater (subject to availability)	per hour or part thereof	149.66	153.78	2.75
Infrastructure	Harbour		Hire of forklift truck	per hour or part thereof	48.71	50.05	2.75
Infrastructure	Harbour		Hire of the marine travel lift Hire subject to the availability of equipment and staff and acceptance of the Terms and Conditions of Marine Travel Lift. These can be found at <a href="http://www.shetland.gov.uk/ports/">www.shetland.gov.uk/ports/</a> or by contacting Ports and Harbours Reception at <a href="mailto:port.reception@shetland.gov.uk">port.reception@shetland.gov.uk</a>	per hour or part thereof	164.99	169.53	2.75
Infrastructure	Harbour	Charges for Harbour Craft and Plant - Applicable to Scalloway Harbour	Hire of Scalloway Harbour launch	per hour or part thereof	149.66	153.78	2.75
Infrastructure	Harbour		Hire of the Scalloway Harbour launch to assist berthing	per hour or part thereof	199.15	204.63	2.75
Infrastructure	Harbour		Hire of forklift truck	per hour or part thereof	48.71	50.05	2.75
Infrastructure	Harbour		Hire of power washers	per hour or part thereof	22.40	23.02	2.77
Infrastructure	Harbour	Security Charge - Applicable to All Harbours	Security charge - (a) Applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and that are not on annual dues.	per visit	68.10	69.97	2.75
Infrastructure	Harbour		Security charge - (b) Applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and have paid annual dues.	per annum	68.10	69.97	2.75
Infrastructure	Harbour	Access - Applicable to All Harbours	Gangways - where available and supplied	per day	40.66	41.78	2.75
Infrastructure	Harbour		Gangways - where available and supplied	per week	122.00	125.36	2.75
Infrastructure	Harbour		Personnel access control barriers - where available per day. Long term rates available on request	per day	4.08	4.19	2.70
Infrastructure	Harbour	Fenders - Applicable to All Harbours	Fenders	per day	74.66	76.71	2.75
Infrastructure	Harbour	Ship to Ship Transfer of Oil - Sullom Voe	Ship-to-ship transfers of oil at a Sullom Voe Terminal jetty, excluding bunker transfers - Export vessels only (no charge for import vessels)	per gross tonne	0.40	0.40	0.00

Infrastructure	Harbour	Harbour	Where an export tanker loads crude ex shore tankage before or after a ship-to-ship transfer - Export vessels only (no charge for import vessels). Export vessel will be moved once free of charge	per gross tonne (vessel will be moved once free of charge)	0.40	0.40	0.00
Infrastructure	Harbour		Hire of craft to transfer hoses and fenders to/from vessels involved in Ship-to-Ship operations - Deployment of materials (Does not include hire of shore cranes)	per hire (includes hire of vessel/s up to 3 hours)	1,113.41	1,144.03	2.75
Infrastructure	Harbour		Hire of craft to transfer hoses and fenders to/from vessels involved in Ship-to-Ship operations (Does not include hire of shore cranes)	per hour per vessel after above charge has been applied	337.84	347.13	2.75
Infrastructure	Harbour		Hire of craft to transfer hoses and fenders to/from vessels involved in Ship-to-Ship operations - Retrieval of materials (Does not include hire of shore cranes)	per hire (includes hire of vessel/s up to 2 hours)	724.24	744.16	2.75
Infrastructure	Harbour		Hire of craft to transfer hoses and fenders to/from vessels involved in Ship-to-Ship operations (Does not include hire of shore cranes)	per hour per vessel after above charge has been applied	337.84	347.13	2.75
Infrastructure	Harbour	Mooring Rates - Sullom Voe Harbour	At any one of the oil loading jetties	per gross tonne, per mooring operation	0.06	0.07	16.67
Infrastructure	Harbour		At any other jetty	per mooring boat per hour or part thereof	266.97	274.31	2.75
Infrastructure	Harbour		At any jetty but not requiring a mooring boat	per hour or part thereof	123.41	126.80	2.75
Infrastructure	Harbour	Pilotage Charges - Sullom Voe Harbour	For piloting a vessel inwards or outwards in the Harbour Area and for each piloted movement within the harbour	per gross tonne	0.21	0.21	0.00
Infrastructure	Harbour		For piloting a vessel inwards or outwards in the Harbour Area and for each piloted movement within the harbour	minimum charge per act of pilotage	328.99	338.04	2.75
Infrastructure	Harbour		When a pilot is requested for the departure, moving or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, move or arrival;	per hour	194.21	199.55	2.75
Infrastructure	Harbour		When a pilot is requested and the requirement is cancelled after the pilot has set out to undertake pilotage;	per hour	194.21	199.55	2.75
Infrastructure	Harbour		For detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered, and	per hour	194.21	199.55	2.75
Infrastructure	Harbour		When a pilot is in attendance on board a vessel berthed alongside during periods of severe weather.	per hour	194.21	199.55	2.75
Infrastructure	Harbour	Pilotage Charges - Scalloway Harbour	For piloting a vessel up to and including 300 Gross Tonnes inwards or outwards in the Pilotage District, to or from either an anchorage, buoy or berth and for each piloted movement within the harbour	per act of pilotage	46.34	47.61	2.74
Infrastructure	Harbour		For piloting a vessel 301 Gross Tonnes and over, inwards or outwards in the Pilotage District, to or from either an anchorage, buoy or berth and for each piloted movement within the harbour	per gross tonne	0.13	0.13	0.00
Infrastructure	Harbour		When a pilot is requested for the departure, shifting or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, shift or arrival;	per hour or part thereof	46.34	199.51	330.54
Infrastructure	Harbour		When a pilot is requested and the request is cancelled after the pilot has set out to undertake pilotage, and	per hour or part thereof	46.34	199.51	330.54
Infrastructure	Harbour		For detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered.	per hour or part thereof	46.34	199.51	330.54
Infrastructure	Harbour	Boarding and Landing Charges - Sullom Voe Harbour	(a) per gross tonne	per gross tonne	0.09	0.10	11.11
Infrastructure	Harbour		(b) minimum charge per act of pilotage	minimum charge per act of pilotage	328.99	338.04	2.75
Infrastructure	Harbour		If the pilot launch is detained under any of the circumstances as mentioned in paragraph two of the scale of charges for pilotage	for each hour or part thereof	731.77	751.89	2.75
Infrastructure	Harbour	Boarding and Landing Charges - Scalloway Harbour	For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee for use of the pilot cutter, plus outside normal working hours, there shall be an additional charge for labour involved	per hour or part thereof	149.66	153.78	2.75
Infrastructure	Harbour		If the pilot launch is detained by virtue of any of the circumstances in paragraph three of the scale of pilotage charges, a charge shall apply.	per hour or part thereof	149.66	153.78	2.75
Infrastructure	Harbour	Administration charge	Administration charge	variable	variable	variable	n/a
Infrastructure	Harbour	Jetty Recharge	Jetty recharge	variable	variable	variable	n/a
Infrastructure	Harbour	Interest	Interest on overdue invoices	variable	variable	variable	n/a
Infrastructure	Harbour	Lease	Lease	variable	variable	variable	n/a
Infrastructure	Harbour	Rent	Rent	variable	variable	variable	n/a
ALL SERVICES	ALL	Visitor and Staff Meals (Staff in certain supported accommodation)	Breakfast	per meal	2.60	2.65	1.92
ALL SERVICES	ALL		Lunch/dinner	per meal	4.70	4.80	2.13
ALL SERVICES	ALL		Tea/coffee	per meal	0.80	0.80	0.00
ALL SERVICES	ALL		Light meal/snack	per meal	2.10	2.15	2.38
ALL SERVICES	ALL	General Photocopying	Black and white, A4	per side	0.17	0.17	0.00
ALL SERVICES	ALL		Colour, A4	per side	0.33	0.34	3.03
ALL SERVICES	ALL		Black and white, A3	per side	0.33	0.34	3.03
ALL SERVICES	ALL		Colour, A3	per side	0.66	0.68	3.03
ALL SERVICES	ALL		Black and white, A2 (only available at certain locations)	per side	0.66	0.68	3.03
ALL SERVICES	ALL		Colour, A2 (only available at certain locations)	per side	1.30	1.33	2.31
ALL SERVICES	ALL		Black and white, A1 (only available at certain locations)	per side	1.30	1.33	2.31
ALL SERVICES	ALL		Colour, A1 (only available at certain locations)	per side	2.55	2.60	1.96
ALL SERVICES	ALL		Black and white, A0 (only available at certain locations)	per side	2.55	2.60	1.96
ALL SERVICES	ALL		Colour, A0 (only available at certain locations)	per side	5.05	5.20	2.97



## Approach to deal with Continued Restrictions to Funding

Year on year reductions in Council core grant funding from Scottish Government has been a catalyst for fundamentally rethinking how Shetland's local authority services need to be designed and delivered. It should be recognised that significant change programme has been under way since 2010 however the desire to achieve greater efficiency and effectiveness is being challenged or undermined by the pace of the cuts. The financial choices of the Scottish Government are placing local authorities in an impossible position of trying to meet increasing need while balancing budgets.

The need to find short- term solutions to deliver balanced budgets can get in the way of developing new service approaches, building joined-up approaches and investing in the preventative activity necessary to deliver savings over the longer term. The loss of organisational capacity across the Council is a further source of constraint. There is a risk that acute budget and service pressures can encourage a retreat to silos particularly at the operational level so a new approach to considering the pressures and challenge facing the Council and the Community has been applied this year to achieve a "one council" approach to the 2020/21 budget considering four sustainability lenses to describe the Outcomes the organisation is aiming to achieve in the short and medium term - **Community, Workforce, Environment and Financial**.

It is essential that long-term, preventative approaches are not compromised by the need to make short-term responses to the Council's settlement. There is some frustration that the immediate fiscal benefits from preventative activity will not be felt or may flow to other organisations through the shift in Community and Individual Outcomes. However not investing in early intervention and prevention will not only harm individual and community wellbeing and constrain opportunities, but are likely to be storing up problems for the future – problems which will require expensive public service responses at a later date. Understanding and intervening to address the root causes of demand for services, tackling failure demand and redesign services to achieve improved outcomes is more efficient, effective and sustainable in the long term.

Having approved the Shetland Partnership Plan and understood the social, economic and environmental changes in the community, the council and its partners need the time and capacity to plan a set of strategies which will deliver better and more sustainable services. The Council is using its ability to generate income and a short term unsustainable use of reserves to support longer-term reform and improved outcomes.

The Council has a four-pronged strategy to deal with the reductions in funding:

Strategy	Definition	Examples and how they connect to sustainability outcomes
<b>Investment</b>	Actions designed to <b>reduce the need</b> for Council services/ <b>reduce the cost</b> of Council Services	<ul style="list-style-type: none"> <li>• Early Learning and Child Care <b>Community Workforce</b></li> <li>• Anchor Project <b>Community, Financial Workforce</b></li> <li>• Spend to Save projects <b>Financial</b></li> <li>• Waste and Recycling project <b>Financial Environment</b></li> <li>• Emotional Resilience and Wellbeing Project <b>Community, Financial Workforce</b></li> <li>• Counselling in Schools <b>Community, Financial Workforce</b></li> <li>• MCR Pathways <b>Community Workforce, Financial</b></li> <li>• Employability Pathway <b>Community, Workforce Financial</b></li> </ul>

		<ul style="list-style-type: none"> <li>• Residential Care Project <b>Community Financial</b></li> <li>• Carbon Management/Energy Efficiency <b>Financial Environment</b></li> <li>• Transitions/ASN Project <b>Community, Financial</b></li> <li>• Staff Health &amp; Wellbeing Programme <b>Workforce Financial</b></li> <li>• The Lens Project <b>Community Workforce, Financial</b></li> <li>• Talent Attraction/Promote Shetland <b>Community, Workforce Financial</b></li> <li>• Community Led Support <b>Community, Financial</b></li> <li>• Place making and Locality Planning- <b>Community Financial</b></li> <li>• Fair Food Project <b>Community Financial Environment</b></li> <li>• Income Maximisation <b>Community Financial Workforce</b></li> <li>• Skills and Learning <b>Community Financial Workforce</b></li> <li>• Project Search <b>Community Financial Workforce</b></li> <li>• ERP Waterjacket <b>Financial</b></li> </ul>
<b>Efficiency</b>	Actions designed to <b>reduce the cost</b> of Council Services <b>without changing service</b> levels to the public	<ul style="list-style-type: none"> <li>• Bus service procurement <b>Community, Environment Financial £540,000</b></li> <li>• Internal Air Services <b>Community Financial £50,000</b></li> <li>• Accommodation rationalisation <b>Environment Financial</b></li> <li>• SLAP Purchase <b>Financial Community</b></li> <li>• Insurance review <b>Financial</b></li> <li>• North Isles Fibre Project <b>Community Financial £70,000</b></li> <li>• Children's Social Work Restructure <b>Workforce Financial</b></li> <li>• Remote Teaching Project <b>Workforce Financial Community</b></li> <li>• Sustaining Rural Education Project <b>Community, Workforce Financial Environment</b></li> <li>• Vehicle Fleet Review <b>Environment Financial Workforce</b></li> <li>• Workforce Plan <b>Workforce Community Financial</b></li> <li>• Staff Engagement <b>Workforce Community Financial</b></li> <li>• Digital Public Services <b>Workforce Financial</b></li> <li>• HR/Payroll project <b>Workforce Financial</b></li> <li>• Replacement Health and Social Care Information System <b>Community Workforce Financial</b></li> <li>• Community Area Structures to strengthen care closer to and at home <b>Community Financial Workforce</b></li> <li>• Strengthening Health and Social Care integration out of hours <b>Community Financial Workforce</b></li> <li>• Frailty project <b>Community Financial Workforce</b></li> <li>• Staff Vehicle project <b>Community, Workforce Financial Environment</b></li> <li>• Growing Teachers <b>Workforce Financial</b></li> </ul>



<b>Commercialisation</b>	Actions designed to <b>increase income</b> to the Council	<ul style="list-style-type: none"> <li>• Energy Hub <b>Community Financial</b></li> <li>• Scalloway Fishmarket <b>Community Financial</b></li> <li>• Economic Development Investments <b>Community Financial</b></li> <li>• Scord Quarry <b>Community Financial</b></li> <li>• Land Leases/Property Income <b>Financial</b></li> </ul>
<b>Retrenchment</b>	Actions which <b>reduce the Council's role</b> in terms of Services it provides and to whom	<ul style="list-style-type: none"> <li>• Fair Ferry Funding <b>Community Financial</b> £9,400,000</li> <li>• Internal Air Services (Achieve fair funding from Government) <b>Community Financial</b> £1,500,000</li> <li>• College Merger <b>Community Financial</b> £2,000,000</li> <li>• Community Led Support <b>Community Financial</b></li> <li>• Outliers project <b>Community Financial</b></li> </ul>





<b>Meeting(s):</b>	Policy & Resources Committee Shetland Islands Council	11 March 2020 11 March 2020
<b>Report Title:</b>	Proposed 5 Year Asset Investment Plan 2020-25	
<b>Reference Number:</b>	F-011-F	
<b>Author / Job Title:</b>	Jamie Manson, Executive Manager - Finance	

### 1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee RECOMMENDS that the Council RESOLVES to:
- 1.1.1 approve the capital budget proposals for 2020/21 included in this report, and set out in detail in Appendix 1; and
  - 1.1.2 adopt Appendix 1 as the Council's 5 Year Asset Investment Plan 2020-25 ("the Plan"), subject to any requirements of the Council's Gateway Process for the Management of Capital Projects.

### 2.0 High Level Summary:

- 2.1 The purpose of this report is to set out the proposed capital budget for the Council over the five year period from 2020-25 in line with the Capital Investment Planning Policy set out in the 2018/19 to 2023/24 Medium Term Financial Plan.
- 2.2 At quarter 3 of the current financial year 2019/20 there is projected slippage on capital projects of £6.3m, which is detailed in the SIC Overall Management Accounts 2019/20 - Projected Outturn at Quarter 3 report, also being presented to this Committee for approval. Due to the significance of this slippage it is proposed to remove the slippage budget from the current year and include it in the Plan at this stage to clearly show the future year implications.
- 2.3 The proposed capital budget for 2020/21 totals £28.4m, and the full 5 year total from 2020-25 is £183.8m.
- 2.4 There is substantial provision for ferry vessel and terminal replacements over the five years, of £100m. The delivery of these projects is the subject, and a key element, of discussions with Transport Scotland in relation to the Government's commitment to fair funding for the inter-island ferry services. The Plan assumes that grant funding will be received to support the replacements, pending the outcome of work with Transport Scotland and the Scottish Government. If funding is not secured from the Scottish Government, the Council will be unable to commit resources to progress plans to replace the inter-island ferry fleet.

- 2.5 Although there is a section in the Plan for potential projects, only after business cases have been developed in accordance with the Council's Gateway Process for the Management of Capital Projects, and have been given appropriate consideration and gained the necessary approvals, will budgets be created and funding committed. Further information is provided in section 4 below.
- 2.6 Appendix 1 of this report details the projects and funding requirements over the 5 year period and also details the anticipated funding sources.

### **3.0 Corporate Priorities and Joint Working:**

- 3.1 There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget, and is living within its means; and that the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.

### **4.0 Key Issues:**

- 4.1 The Council's Capital Expenditure Policy is no growth to the asset base, with all capital expenditure to be focused on maintaining existing assets.
- 4.2 The Council's Capital Funding Policy determines that the Scottish Government core capital grant, capital receipts and capital funded from revenue income, will be applied to short life assets and capital maintenance costs. All other capital expenditure will be financed by borrowing. If the interest rates are lower than the return on long-term investments, external borrowing will be undertaken.
- 4.3 At the third quarter of the current financial year 2019/20 the year end projection is that a number of projects are unable to proceed as anticipated. These total £6.3m and are proposed to be re-profiled from the current year and included in the 2020/25 Plan. These re-profiled budgets are included in the tables below and Appendix 1. A further report will be presented to Members at the end of the current financial year, which will address proposals for any further carry forward requirement for slippage of capital projects into 2020/21.
- 4.4 The overall capital budget proposals for the Council, including General Fund, Harbour Account and Housing Revenue Account, for the next financial year 2020/21, and the full five year period 2020-25, are summarised in the following table, and funded in line with the Council's Capital Funding Policy.

5 Year Asset Investment Plan	2020/21 Budget £000	5-Year 2020-25 Budget £000
Building Maintenance	6,888	33,371
Equipment Maintenance	4,511	17,777
Roads Maintenance	2,081	7,784
New Developments	11,615	11,615
Potential Projects	3,275	113,273
<b>Total Expenditure</b>	<b>28,370</b>	<b>183,820</b>
Scottish Government General Capital Grant	(5,204)	(25,204)
External Grant Funding	(3,750)	(3,850)
Fair Ferry Funding Grant	0	(100,575)
Capital Receipts	(409)	(2,381)
Funded from Revenue Income	(6,611)	(33,925)
External Borrowing	(12,396)	(17,885)
<b>Total Funding</b>	<b>(28,370)</b>	<b>(183,820)</b>

- 4.5 Although there is continuing focus on the maintenance and life extension of existing assets as recommended in the Capital Expenditure Policy, there is a significant focus in the Plan on new developments and potential projects. The following tables show the spend and funding requirements for each category of maintenance, new developments and potential projects, for 2020/21 and the 5 Year period 2020-2025.

#### 4.6 Maintenance Projects

The following table shows the maintenance projects broken down into building, equipment and roads maintenance, with a further breakdown for spend to save projects, and the proposed funding sources. The total cost of maintenance projects in year 1 of the Plan is £13.5m. The Council will need to borrow £1.1m in Year 1 (2020/21) to fund the maintenance of existing assets, due to the reduction in core capital grant received from the Scottish Government.

Maintenance of Existing Assets	2020/21 Budget £000	5-Year 2020-25 Budget £000
Building Maintenance	6,256	32,739
Building Maintenance Spend to Save	632	632
Equipment Maintenance	4,511	17,777
Roads Maintenance	2,081	7,784
<b>Total Expenditure</b>	<b>13,480</b>	<b>58,932</b>
Scottish Government General Capital Grant	(5,204)	(23,046)
External Grant Funding	(140)	(240)
Capital Receipts	(409)	(605)
Funded from Revenue Income	(6,611)	(33,925)
External Borrowing	(1,116)	(1,116)
<b>Total Funding</b>	<b>(13,480)</b>	<b>(58,932)</b>

As detailed in Appendix 1 under the Gateway Requirements column, annual programme update reports will be presented for approval at the beginning of the year setting out a breakdown of the works to be undertaken during 2020/21 for rolling maintenance project expenditure.

#### 4.7 New Development Projects

All new development projects are in year 1 of the Plan, totalling £11.6m with approximately 30% funding from external grants shown in the following table. These are specific external grants for new development projects and cannot be used for any other project or maintenance.

The main new development projects in the Plan are the North Isles Fibre project, the Streetlighting LED Upgrade, the Early Learning & Childcare Expansion, Toft Pier and the Lerwick Library Redevelopment Project. These projects have been determined and approved through the Council's Gateway Process for the Management of Capital Projects, including Committee approval.

New Development Projects	2020/21 Budget £000	5 Year 2020/25 Budget £000
New Spend to Save Developments	1,730	1,730
New Developments	9,985	9,985
<b>Total Expenditure</b>	<b>11,615</b>	<b>11,615</b>
External Grant Funding	(3,610)	(3,610)
External Borrowing	(8,005)	(8,005)
<b>Total Funding</b>	<b>(11,615)</b>	<b>(11,615)</b>

#### 4.8 Potential Projects

The potential projects in the Plan are included on the basis that work has already been undertaken to define them using the Council's Gateway Process, however any decision to proceed to implementation has not yet been taken. These total £3.3m in year 1 of the Plan, and £113.3m over the five year period, shown in the table below.

The funding for these projects will therefore only be confirmed following approval through the Council's Gateway Process and until then these projects do not represent a firm commitment in the Plan.

The projects included in this section are Ferry Vessel & Terminal Replacement, the B9082 Cullivoe Road Improvements, the ERP Furnace Upgrade, Tingwall Airfield Resurfacing & Lighting, Foula Airstrip Licensing Works, Ferry Life Extension works, and a Waste Processing Baler.

Potential Projects	2020/21 Budget £000	5 Year 2020/25 Budget £000
Potential Spend to Save Projects	2,000	2,000
Potential Projects	1,275	111,273
<b>Total Expenditure</b>	<b>3,275</b>	<b>113,273</b>
General Capital Grant	(0)	(2,159)
Capital Receipts	(0)	(1,776)
Fair Ferry Funding Grant	(0)	(100,575)
External Borrowing	(3,275)	(8,763)
<b>Total Funding</b>	<b>(3,275)</b>	<b>(113,273)</b>

- 4.9 As referred to in section 2 above, a significant part of the overall Plan focuses on the vessels and terminals that are required to support the inter-island ferry services. Approximately half of the total expenditure in the Plan relates to either life extension or replacement works for vessels and terminals and is a critical component of capital investment for the Council. However, these works are not affordable to the Council, the cost of borrowing for the ferry vessel and terminal replacement cost identified in the Plan is approximately £3m per year over a 30 year period. The ongoing work with Transport Scotland and the Scottish Government is therefore fundamental to the affordability of these projects. The Plan incorporates the replacement programme in light of the knowledge that action is required to address an ageing fleet of vessels.
- 4.10 Funding for projects in the Plan is from external and internal sources, as follows:
- 4.10.1 External funding from the Scottish Government in form of the core general capital grant and individual specific capital grants, and specific grant funding from Central Government and the EU.
- 4.10.2 Internal funding from capital receipts from sale of Council assets, and revenue income from both the Housing Revenue Account and the Harbour Account.
- 4.10.3 Projects that cannot be met from external or internal funding will require to be met from borrowing. The cost of that borrowing is a direct revenue cost to the relevant Council account (General Fund, Harbour or HRA) and has to be affordable, sustainable and prudent.
- 4.11 The Scottish Government has not specified the level of core capital grant that it will provide to the Council from 2021/22 onwards, but the indications are that there will be a reduction in the level of the grant over the period. Therefore, a figure of £5m has been forecast for the later years of the Plan. This will be updated at each annual review of the Plan.
- 4.12 Borrowing costs will be included in future years' revenue budgets where appropriate to support the projects in the plan which are subject to borrowing.

4.13 Appendix 1 to this report details the individual projects and funding sources included in the 5 Year Plan from 2020-25.	
<b>5.0 Exempt and/or confidential information:</b>	
5.1 None	
<b>6.0 Implications :</b>	
<b>6.1 Service Users, Patients and Communities:</b>	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.
<b>6.2 Human Resources and Organisational Development:</b>	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model and in adherence to the Council's approved Human Resources and Organisational Development policies and procedures.
<b>6.3 Equality, Diversity and Human Rights:</b>	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.
<b>6.4 Legal:</b>	Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs. That officer in Shetland Islands Council is the Executive Manager – Finance, who is responsible for the presentation of budget proposals as part of appropriate financial management arrangements.
<b>6.5 Finance:</b>	<p>The proposed Asset Investment Plan 2020-25 requires external borrowing of £17.9m over the five year period, which will result in additional revenue borrowing costs of approximately £520k per year over a 30 year borrowing period. This additional revenue requirement will add to the Council's unsustainable draw on reserves.</p> <p>This Plan is affordable at this time by increasing the draw on the Council's reserves but not sustainable, unless appropriate action is taken to address the projected revenue funding gap over the medium term. A revised Medium Term Financial Plan for 2019-26 is to be presented in May 2020 which will fully demonstrate the funding gap over the medium term which requires to be addressed.</p>
<b>6.6 Assets and Property:</b>	This budget proposes a risk based approach for the maintenance of assets to minimise deterioration and potential failure.



<b>6.7 ICT and new technologies:</b>	This budget includes provision for the annual maintenance and replacement of existing ICT equipment, as required.	
<b>6.8 Environmental:</b>	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.	
<b>6.9 Risk Management:</b>	<p>The main budget risks for the delivery of the Asset Investment Plan are:</p> <ul style="list-style-type: none"> <li>• the level of Scottish Government capital grant that will be received during the five years of the Plan, as there has been no specific forecast beyond 2020/21;</li> <li>• the anticipated level of capital receipts is not realised from the sale of existing assets;</li> <li>• a negative outcome from the Scottish Government/ Transport Scotland in relation to the Fair Funding for Ferries for ferry terminal and vessel replacements – the cost of replacing these assets is not affordable to the Council without support;</li> <li>• cost projections for future year projects are adversely affected by external factors such as construction inflation and contractor availability;</li> <li>• taking decisions that incur additional revenue costs in the current financial climate of reducing Government funding;</li> </ul> <p>These risks are mitigated by using a realistic approach and the most up-to-date information when setting the budget.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for other significant unforeseen events.</p>	
<b>6.10 Policy and Delegated Authority:</b>	The Policy and Resources Committee is required to make recommendations to the Council as to the estimates of capital expenditure. Approval of the capital budget requires a decision of Council, in terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations.	
<b>6.11 Previously considered by:</b>	n/a	n/a

**Contact Details:**

Brenda Robb, Management Accountant, [brenda.robbs@shetland.gov.uk](mailto:brenda.robbs@shetland.gov.uk), 4 March 2020

**Appendices:**

Appendix 1 - 5 Year Asset Investment Plan 2020-25



## 5 Year Asset Investment Plan 2020-2025

## F-011 Appendix 1

Area	Project	Year 1 20/21	Year 2 21/22	Year 3 22/23	Year 4 23/24	Year 5 24/25	Years 1 - 5 Overall Total	Gateway Requirements Outstanding
General Fund	AHS Hostel Relocation Works	45,000					45,000	
General Fund	Montfield Offices Refurbishment	95,000					95,000	
General Fund	72 Commercial Road Refurbishment	238,000					238,000	
General Fund	68 Commercial Road Refurbishment	93,000					93,000	
General Fund	66 Commercial Road Refurbishment	91,000					91,000	
General Fund	Commercial Road Car Park Works	70,000					70,000	
	<b>Building Maintenance Spend to Save Projects</b>	<b>632,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632,000</b>	
General Fund	Building Maintenance Capital Works	1,239,250	720,500	838,500	740,500	811,900	4,350,650	Annual Programme Update for 2020/21 to be presented
General Fund	Landfill Capping	465,000	270,000				735,000	Annual Programme Update for 2020/21 to be presented
HRA	Heating Replacement Programme	660,000	660,000	660,000	660,000	660,000	3,300,000	Annual Programme Update for 2020/21 to be presented
HRA	Housing Quality Standard	2,350,000	2,350,000	2,140,000	2,140,000	2,140,000	11,120,000	Annual Programme Update for 2020/21 to be presented
HRA	Accessible Adaptations	162,000	168,000	174,000	174,000	175,000	853,000	Annual Programme Update for 2020/21 to be presented
HRA	Structural Remediation Works	1,200,000	3,000,000	3,000,000	3,000,000	2,000,000	12,200,000	Annual Programme Update for 2020/21 to be presented
General Fund	Former Eric Gray Demolition	180,000					180,000	
	<b>Building Maintenance Projects</b>	<b>6,256,250</b>	<b>7,168,500</b>	<b>6,812,500</b>	<b>6,714,500</b>	<b>5,786,900</b>	<b>32,738,650</b>	
	<b>Total Building Maintenance Projects</b>	<b>6,888,250</b>	<b>7,168,500</b>	<b>6,812,500</b>	<b>6,714,500</b>	<b>5,786,900</b>	<b>33,370,650</b>	
General Fund	PC & LAN Replacement	206,000	206,000	206,000	206,000	206,000	1,030,000	Annual Programme Update for 2020/21 to be presented
General Fund	Schools ICT Equipment	276,500	276,500	276,500	276,500	276,500	1,382,500	Annual Programme Update for 2020/21 to be presented
General Fund	Photocopier Replacement	81,000	81,000	81,000	81,000	81,000	405,000	Annual Programme Update for 2020/21 to be presented
General Fund	Shetland Public Sector Network	460,000	130,000	130,000	130,000	129,000	979,000	Annual Programme Update for 2020/21 to be presented
General Fund	Energy Recovery Plant	100,000	100,000	100,000	100,000	100,000	500,000	Annual Programme Update for 2020/21 to be presented
General Fund	Vehicle & Plant Replacement Programme	1,092,000	1,239,000	1,453,000	1,416,000	1,576,000	6,776,000	Annual Programme Update for 2020/21 to be presented
HRA	Vehicle Replacement Programme	132,000		77,000	181,000	48,000	438,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	PC/LAN Replacement Harbour	1,850	1,850	1,850	1,850	1,850	9,250	Annual Programme Update for 2020/21 to be presented
Harbour Account	Plant & Equipment	70,000	25,000	25,000	125,000	70,000	315,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	Vehicle Replacement Programme	56,000		46,000	198,000	93,000	393,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	Nav Aids - Sullom Voe	70,000	70,000	70,000	70,000	70,000	350,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	Terminal Life Extension Works	1,155,000	1,155,000	529,000	116,000		2,955,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	Piers Cathodic Protection Programme	460,000	134,000	200,000	200,000	200,000	1,194,000	Annual Programme Update for 2020/21 to be presented
Harbour Account	Hamarsness Ferry Terminal Painting	350,000					350,000	
Harbour Account	Toft Ferry Terminal Painting		350,000				350,000	
Harbour Account	Ullsta Ferry Terminal Painting			350,000			350,000	
	<b>Total Equipment Maintenance Projects</b>	<b>4,510,350</b>	<b>3,768,350</b>	<b>3,545,350</b>	<b>3,101,350</b>	<b>2,851,350</b>	<b>17,776,750</b>	

Area	Project	Year 1 20/21	Year 2 21/22	Year 3 22/23	Year 4 23/24	Year 5 24/25	Years 1 - 5 Overall Total	Gateway Requirements Outstanding
General Fund	Cycling, Walking, Safer Streets	102,000	25,000	25,000	25,000	25,000	202,000	Annual Programme Update for 2020/21 to be presented
General Fund	Scord Quarry Plant Replacement	287,000	200,000	200,000	200,000	220,000	1,107,000	Annual Programme Update for 2020/21 to be presented
General Fund	Bridge Repairs/Replacement	55,000	576,000	68,000	70,000	75,000	844,000	Annual Programme Update for 2020/21 to be presented
General Fund	Streetlighting Replace/Removal	99,000	100,000	100,000	100,000	100,000	499,000	Annual Programme Update for 2020/21 to be presented
General Fund	Traffic Management & Accident Reduction	125,000	85,000	85,000	85,000	90,000	470,000	Annual Programme Update for 2020/21 to be presented
General Fund	Road Reconstruction	770,000	630,000	650,000	670,000	690,000	3,410,000	Annual Programme Update for 2020/21 to be presented
General Fund	Road Safety Barrier Replacement	205,000	120,000	120,000	120,000	130,000	695,000	Annual Programme Update for 2020/21 to be presented
General Fund	Pelican Crossings		20,000	20,000	20,000	20,000	80,000	
General Fund	Flood Damage Funding	38,062					38,062	
General Fund	Clickimin Roundabout/Access Road	20,109					20,109	
General Fund	Burra Bridge Painting	380,000	5,000				385,000	
General Fund	Hillhead Railing Replacement		34,000				34,000	
	<b>Total Roads Maintenance Projects</b>	<b>2,081,171</b>	<b>1,795,000</b>	<b>1,268,000</b>	<b>1,290,000</b>	<b>1,350,000</b>	<b>7,784,171</b>	
<b>TOTAL MAINTENANCE EXPENDITURE</b>		<b>13,479,771</b>	<b>12,731,850</b>	<b>11,625,850</b>	<b>11,105,850</b>	<b>9,988,250</b>	<b>58,931,571</b>	
General Fund	Children's Supported Accommodation New Build	435,000					435,000	
General Fund	Knab Site Redevelopment	880,000					880,000	
General Fund	Streetlighting LED Upgrade	1,803,000					1,803,000	
	<b>New Development Spend to Save Projects</b>	<b>3,118,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,118,000</b>	
General Fund	Lerwick Library Redevelopment	1,226,454					1,226,454	
General Fund	Health & Social Care Information System Replacement	687,000					687,000	
General Fund	ELC Expansion	1,600,000					1,600,000	
General Fund	North Isles Fibre	1,990,322					1,990,322	
General Fund	Wind Turbine - Baltasound JHS	63,146					63,146	
Harbour Account	Scalloway Fishmarket Rebuild	80,000					80,000	
Harbour Account	Toft Pier	1,400,000					1,400,000	
	<b>New Development Projects</b>	<b>7,046,922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,046,922</b>	
<b>TOTAL NEW DEVELOPMENT EXPENDITURE</b>		<b>10,164,922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,164,922</b>	

Area	Project	Year 1 20/21	Year 2 21/22	Year 3 22/23	Year 4 23/24	Year 5 24/25	Years 1 - 5 Overall Total	Gateway Requirements Outstanding
General Fund	ERP Furnace Upgrade	2,000,000					2,000,000	Business Case required for this project
	<b>Potential Spend to Save Projects</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	
General Fund	Ferry Life Extension Works	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	Business Case required for this project
General Fund	Advance Design of Schemes		100,000	100,000	100,000	100,000	400,000	Business Case required for this project
General Fund	Waste Processing Baler	275,000					275,000	Business Case required for this project
General Fund	Foula Airstrip Licensing Works	150,000					150,000	Business Case required for this project
General Fund	Tingwall Airfield Resurfacing & Lighting	1,300,000					1,300,000	Business Case required for this project
General Fund	B9082 Cullivoe Road Improvements		248,000	25,000	2,375,000	2,375,000	5,023,000	Business Case required for this project
General Fund	Ferry Vessel & Terminal Replacement		5,561,000	1,804,500	46,035,000	47,175,000	100,575,500	Business Case required for this project
	<b>Potential Projects</b>	<b>2,725,000</b>	<b>6,909,000</b>	<b>2,929,500</b>	<b>49,510,000</b>	<b>50,650,000</b>	<b>112,723,500</b>	
<b>TOTAL POTENTIAL PROJECTS EXPENDITURE</b>		<b>4,725,000</b>	<b>6,909,000</b>	<b>2,929,500</b>	<b>49,510,000</b>	<b>50,650,000</b>	<b>114,723,500</b>	

<b>TOTAL ASSET INVESTMENT PLAN EXPENDITURE</b>	<b>28,369,693</b>	<b>19,640,850</b>	<b>14,555,350</b>	<b>60,615,850</b>	<b>60,638,250</b>	<b>183,819,993</b>	
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Area	Funding Source	Year 1 20/21	Year 2 21/22	Year 3 22/23	Year 4 23/24	Year 5 24/25	Years 1 - 5 Overall Total	
General Fund	Scottish Government	(6,944,062)	(5,025,000)	(5,025,000)	(5,025,000)	(5,025,000)	(27,044,062)	
General Fund	Central Government	(1,509,533)					(1,509,533)	
General Fund	Scottish Government - Fair Funding for Ferries Requirement		(5,561,000)	(1,804,500)	(46,035,000)	(47,175,000)	(100,575,500)	
Harbour Account	European Maritime Fisheries Fund	(500,000)					(500,000)	
	<b>External Grant Funding</b>	<b>(8,953,595)</b>	<b>(10,586,000)</b>	<b>(6,829,500)</b>	<b>(51,060,000)</b>	<b>(52,200,000)</b>	<b>(129,629,095)</b>	
General Fund	External Borrowing	(11,416,248)	(747,000)	(61,000)	(2,177,000)	(2,503,400)	(16,904,648)	
Harbour Account	External Borrowing	(980,000)					(980,000)	
	<b>External Borrowing</b>	<b>(12,396,248)</b>	<b>(747,000)</b>	<b>(61,000)</b>	<b>(2,177,000)</b>	<b>(2,503,400)</b>	<b>(17,884,648)</b>	
General Fund	Capital Receipts	(353,000)	(394,000)	(392,000)	(513,000)	(477,000)	(2,129,000)	
Harbour Account	Capital Receipts	(15,000)		(16,000)	(62,000)	(29,000)	(122,000)	
HRA	Capital Receipts	(41,000)		(22,000)	(52,000)	(15,000)	(130,000)	
	<b>Capital Receipts</b>	<b>(409,000)</b>	<b>(394,000)</b>	<b>(430,000)</b>	<b>(627,000)</b>	<b>(521,000)</b>	<b>(2,381,000)</b>	
Harbour Account	Funded from Revenue Income	(2,147,850)	(1,735,850)	(1,205,850)	(648,850)	(405,850)	(6,144,250)	
HRA	Funded from Revenue Income	(4,463,000)	(6,178,000)	(6,029,000)	(6,103,000)	(5,008,000)	(27,781,000)	
	<b>Funded from Revenue</b>	<b>(6,610,850)</b>	<b>(7,913,850)</b>	<b>(7,234,850)</b>	<b>(6,751,850)</b>	<b>(5,413,850)</b>	<b>(33,925,250)</b>	

<b>TOTAL ASSET INVESTMENT PLAN FUNDING</b>	<b>(28,369,693)</b>	<b>(19,640,850)</b>	<b>(14,555,350)</b>	<b>(60,615,850)</b>	<b>(60,638,250)</b>	<b>(183,819,993)</b>	
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<b>Meeting(s):</b>	<b>Policy and Resources Committee Shetland Islands Council</b>	<b>11 March 2020 11 March 2020</b>
<b>Report Title:</b>	<b>Annual Investment and Treasury Strategy for 2020/21</b>	
<b>Reference Number:</b>	<b>F-021-F</b>	
<b>Author / Job Title:</b>	<b>Report Presented by Executive Manager - Finance</b>	

### 1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee REVIEW and CONFIRM:
- a) the Borrowing Policy to be followed for the financial year 2020/21, as set out in Appendix 1, section 5.
  - b) the four clauses within the CIPFA Code of Practice as set out in Appendix 1, section 7.
  - c) the Treasury Management Policy Statement as set out in Appendix 1 section 8, and
  - d) the Statement of Treasury Management Practices as set out in Appendix 1 section 9.
- 1.2 That the Policy and Resources Committee RECOMMEND that the Council RESOLVES to:
- a) Approve the Annual Investment Strategy Statement to be followed for the financial year 2020/21, as set out in Appendix 1, section 2.
  - b) Approve the Treasury Management Strategy to be followed for the financial year 2020/21, as set out in Appendix 1, section 3.
  - c) Approve the Treasury Management Prudential Indicators for 2019/20 to 2022/23, as set out in Appendix 1, section 6.

### 2.0 High Level Summary:

- 2.1 The purpose of this report is to propose an Annual Investment and Treasury Strategy for the Council for the financial year 2020/21.
- 2.2 This report will address the requirements of the Scottish Minister's consent, the CIPFA Code of Practice for Treasury Management in the Public Services 2017 and the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. There are various requirements attached to the Scottish Ministers' consent, with the production of an Annual Investment Strategy duly approved by the Council each year, being central to the consent.
- 2.3 One of the reporting requirements of the consent is to produce an Annual Investment Strategy Statement. The annual investment strategy is designed to give an integrated local authority strategy within which both its borrowing and

	investments are considered. As such the Scottish Ministers recommended that there be a single strategy covering capital, treasury management, the setting of prudential indicators and the requirements of the investment regulations and consent. This strategy is in Appendix 1 at sections 2, 3, 5 and 6.
2.4	The CIPFA Prudential Code 2017 covers all the required prudential indicators but also states that local authorities should have in place a capital strategy. As this is closely linked to the Prudential indicators a capital strategy is included in Appendix 1 at section 4.
2.5	Other requirements of the consent involve the CIPFA Code. The CIPFA Code is intended to provide guidance on the best practice for treasury management. It defines treasury management as “The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2.6	A key principle of the CIPFA Code is that “Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.”
2.7	In line with this principle, the CIPFA Code recommends the adoption of the CIPFA Code itself, adopted by the Council on 21 March 2012 (Min Ref 25/12), along with: <ul style="list-style-type: none"> <li>• an annual review of the four clauses within the CIPFA Code, that are seen as essential for the effective management and control of treasury management activities</li> <li>• a Treasury Management Policy Statement, which defines the policies and objectives of the treasury management function, and</li> <li>• a Treasury Management Practices Statement, which covers twelve specific areas that are relevant to the scope and powers of treasury management activities. They define and set out the general approach to be followed in treasury management.</li> </ul>
2.8	The schedules complying with the clauses and the statements are covered in Appendix 1 to this report at sections 7, 8 and 9.
<b>3.0</b>	<b>Corporate Priorities and Joint Working:</b>
3.1	The Council’s overall investment strategy is important to the Council’s Investments, which play a key role in helping the Council deliver its corporate objectives, as described in the Community Plan, the Corporate Plan and other strategic documents.
<b>4.0</b>	<b>Key Issues:</b>
4.1	This report includes, at Appendix 1, the Annual Investment and Treasury Strategy for the Shetland Islands Council to be followed for the financial year 2020/21.
4.2	This investment strategy meets the requirements of the minister’s consent and complies with CIPFA’s Code of Practice for Treasury Management in the Public



Services 2017.	
4.3	The CIPFA Code also suggests that the Council should review its approved clauses, its Treasury Management Policy Statement and its Treasury Management Practices Statement which are included in Appendix 1.
4.4	There are no changes to the Borrowing Policy at section 5 in Appendix 1, but the Prudential Indicators at section 6, in Appendix 1, have been updated to reflect the revised Prudential Code (2017). A capital strategy report has been updated at section 4 in Appendix 1 covering the 2019-2023 Council asset investment plan. This provides the framework for the internal control and self-management of capital finance in line with the Prudential Code, and in turn the key items of expenditure that will normally govern the bulk of the authority's potential need to borrow. Also reviewing and revising the prudential indicators to take account of additional borrowing requirements allows the Council to be assured that the decisions they have made or are about to take are affordable.
<b>5.0 Exempt and/or confidential information:</b>	
5.1	<i>None</i>

<b>6.0 Implications :</b>	
<b>6.1 Service Users, Patients and Communities:</b>	<i>None</i>
<b>6.2 Human Resources and Organisational Development:</b>	<i>None</i>
<b>6.3 Equality, Diversity and Human Rights:</b>	<i>None</i>
<b>6.4 Legal:</b>	As required by the consent issued by the Scottish Ministers under the Local Government Investments (Scotland) Regulations 2010 the investment strategy should be approved by the local authority (i.e. full Council or Board).
<b>6.5 Finance:</b>	<p>It is recognised that the actual investment performance each year will be different to what is expected or required however over the long term this will be monitored and reviewed to ensure that the Council is working towards meeting its long term objectives.</p> <p>It is not likely that the Council can expect a positive investment return from its investments every year but having robust governance and monitoring in place, alongside a diversified investment strategy, mitigates the financial risks and enables</p>

	<p>the Council to take action at appropriate times to address poor performance by the fund managers. This report is part of that governance and monitoring framework, and compliments the reporting requirements of the CIPFA Code of Treasury Management that requires a Mid Year Review report and an Annual Year End Performance Review Report.</p> <p>The updating of the Prudential Indicators itself does not have an immediate financial impact on the Council however it provides the framework for complying with proper practices in managing capital expenditure and treasury management. The Executive Manager - Finance is able to respond to the financial circumstances that the Council faces and can take decisions based on this.</p> <p>The calculation of the Prudential Indicators for external debt have taken account of £17.9m worth of external borrowing outlined in the proposed Asset Investment Plan 2020-25. This borrowing will result in additional revenue borrowing costs of approximately £520k per year over a 30 year borrowing period. This additional revenue requirement will add to the Council's unsustainable draw on reserves.</p> <p>This level of borrowing is affordable at this time by increasing the draw on the Council's reserves but is not sustainable, unless appropriate action is taken to address the projected revenue funding gap over the medium term. A revised Medium Term Financial Plan for 2019-26 is to be presented in May 2020 which will fully demonstrate the funding gap over the medium term which requires to be addressed.</p>
<b>6.6 Assets and Property:</b>	<p>Long term investments are assets of the Council and represent money given to fund managers to manage on its behalf for sustainable long term benefit. The Council relies upon each fund manager's fiduciary duty and to buy and sell appropriate assets in accordance with the mandate awarded to them and to report regularly on the value and performance of the fund in which Council money is invested. The value of long term investments under these mandates can go down as well as up.</p>
<b>6.7 ICT and new technologies:</b>	<p><i>None</i></p>
<b>6.8 Environmental:</b>	<p>Whilst the fund managers have delegated powers for the acquisition and realisation of investments, fund managers will be expected as part of their investment process to consider all factors, including the social, environmental and ethical policies of companies in which they may invest, to the extent that these may materially affect the long term prospects of such companies. The fund managers will also be expected to enter into dialogue with companies in which they invest, in relation to the pursuance of socially responsible business practices, and</p>

	<p>report on these activities.</p> <p>Corporate Governance is a key responsibility for institutional shareholders and as a matter of principle the Council will seek to exercise all of its voting rights in respect of its shareholdings. It is recognised however that in practical terms this may not always be possible for overseas holdings. However for UK stocks all voting rights will be exercised in a positive fashion, i.e. no abstentions.</p> <p>The fund managers, who will act in accordance with this policy, will exercise voting.</p> <p>All of the Council Fund Managers have signed up to the United Nations Principles on Responsible Investment. The principles reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios, and therefore must be given appropriate consideration by investors, if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices, and so better align their objectives with those of society at large.</p>	
<b>6.9 Risk Management:</b>	<p>The annual investment strategy employed by the Council will impact on the long-term projected investment returns of the Council's reserves, and have consequences for the daily operating cash capabilities of the Council.</p> <p>All investments carry risk. Risks, such as market risk are mitigated and actively managed through diversification of fund managers, asset classes, markets, size of holdings and through performance monitoring against benchmarks.</p>	
<b>6.10 Policy and Delegated Authority:</b>	<p>In accordance with Section 2.2.1(7) of the Council's Scheme of Administration and Delegations, the Policy and Resources Committee has delegated authority to secure the coordination, control and proper management of the financial affairs of the Council.</p> <p>The Annual Investment Strategy is a specific plan contained within the Council's Policy Framework set out in the Council's constitution (Part A – 3(2)) to be prepared and performance managed by the Policy and Resources Committee. Approving, adapting or amending any plan within the policy framework is reserved to the Council (Part A – 3(1)), taking advice from the Policy and Resources Committee, in accordance with Section 2.2.1 of the Council's Scheme of Administration and Delegations.</p>	
<b>6.11 Previously considered by:</b>	None	

**Contact Details:**

*Colin Bain, Treasury Accountant*

*Telephone 01595 744616*

*E-mail colin.bain @shetland.gov.uk*

**Appendices:**

*Appendix 1 - Annual Investment and Treasury Strategy for 2020/21*

**Background Documents:**

*None*

# Shetland Islands Council



## Annual Investment & Treasury Strategy 2020-21

*Securing the best for Shetland*

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## Introduction

### Regulatory requirements

- 1.01 This report addresses the requirements of the Scottish Minister's consent and the CIPFA Code of Practice for Treasury Management. There are various requirements attached to the Scottish Ministers' consent, with the production of an Annual Investment Strategy which requires approval by the Council each year, being central to the consent.
- 1.02 Other requirements of the consent involve the CIPFA Treasury Management Code of Practice. A key principle of the CIPFA Code is that "Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities."
- 1.03 In line with this principle the CIPFA Code recommends the adoption of the code itself, which was adopted by the Council on 21 March 2012 (Min Ref 25/12), along with an annual review of the four clauses within the code, a Treasury Management Policy Statement and a Treasury Management Practices Statement. All of these requirements are covered by this report.

### Investment and Treasury Management Strategies

- 1.04 The Council adopted a new strategic Investment Strategy for the Council's reserves in August 2018. This annual report compliments that overarching strategy and sets out the Council's approach during 2020-21 that will contribute towards the overall strategy.
- 1.05 In addition, this report sets out the wider Treasury Management Strategy for 2020-21 which also includes the management of cash. The Council's capital strategy relating to capital investment is set out in section 4 of this report, and the parameters around the Council's borrowing activity are set out in the Borrowing Policy in section 5 and the Prudential Indicators are stated in section 6 of this report.

# Annual Investment Strategy Statement 2020-21

## Long-Term Investments

- 2.01 The Council undertook a review of its Investment Strategy during 2017/2018 in order to ensure that it was aligned to the objectives of the MTFP.
- 2.02 Investment consultants KPMG conducted the investment strategy review which resulted in a new investment strategy being approved by the Council in August 2018 (Min Ref: 45/18). The new investment strategy complements the Council's Medium Term Financial Plan 2018/19 - 2023/24.
- 2.03 The new investment strategy aims to achieve gross investment returns of 7.3% per annum over the long term, through a mix of growth seeking and long term income returning assets. The strategy will offer more protection against any negative impact of market change due to the diversity of investments and its steady income returning investments.
- 2.04 As a result of the new investment strategy two new mandates were required. These new mandates were in Direct Lending and Diversified Alternatives, both are long term investments for up to 10 year periods which produce a steady income. Two tender process were carried out by KPMG that resulted with the Council awarding two new mandates to fund managers in January 2019 (Min Ref: 01/19).
- 2.05 The new investment strategy will require the reorganisation of assets from the previous asset allocation into the new investment strategy. It will take time to reorganise the Council's investments into the new investment strategy, specifically the two new mandates due to the nature of these investments, as money can only be transferred to these fund managers once they find appropriate investment opportunities. It is envisaged the reorganisation will continue throughout 2020/21. The new investment strategy will have the following asset allocation:





2.06 The main changes that will be required to move from the previous investment strategy to the new investment strategy are:

- Cease Index Linked Gilts and Active corporate bond investments
- Reduce Passive global and passive emerging market equity allocations
- Reduce diversified growth allocation
- Increase active equity allocation
- Add direct lending and diversified alternatives investments

These changes involve the movement of large sums of money between fund managers. These movements are coordinated by the Council's treasury service with the involvement of fund managers and the Council's custodian.

2.07 At present the changes which are still to be made to complete the transition from the previous investment strategy into the new investment strategy are:

- The new Direct Lending Mandate has received 75% of the funds required. This mandate is being funded from a previous bond mandate and it is envisaged that the remaining 25% will be transferred before the end of 2020/21.
- The Diversified Alternatives Mandate is being funded from passive equities and has recently received 3.5% of the funds required. It is envisaged that the transfer of funds will continue throughout 2020/21.

#### Current Investment Position

2.08 The current percentage of funds under management for each fund manager at 31 December 2019 was:

General Fund	%
Active UK Equities – Baillie Gifford	10.4
Active Global Equities – Baillie Gifford	30.3
Passive Emerging Market Equities – BlackRock	8.1
Passive Global Equities – BlackRock	24.4
Diversified Growth Fund – Baillie Gifford	15.0
Direct Lending - Partners	6.5
Active Bonds – Insight	5.3
TOTAL	100

- 2.09 All long-term investments that are managed externally by fund managers are held for the purpose of achieving an investment return. To this end all investments are managed in a way that minimises the risk to the capital sum and optimises the return on the investment consistent with those risks. This involves setting benchmarks for each fund and for each unitised product within the funds. These benchmarks (market indexes, cash plus percentage return) are used to evaluate the performance of each investment against their investment market or set return, with large deviations both above and below these benchmarks questioned similarly.
- 2.10 All of the long-term investments with “active” mandates require the fund manager to have an investment return target above the benchmark return. The target is a level of outperformance above the benchmark that is seen as achievable with a low level of measured risk on a given mandate. The Manager will actively seek to produce investment returns in order to achieve the stated target. Performance at or above target is desirable but any returns above the benchmark will add value to the fund above the market return.
- 2.11 In addition to these long term investments, the Council also has a portfolio of local investments. These investments predominantly take on the form of loans to local businesses. The Medium Term Financial Plan sets out the criteria for awarding these loans which states that the Director of Development Services and Executive Manager – Finance must agree that –
- The loan will generate the Council a rate of return at least equal to the 20 year average fund manager investment returns (net of fees and inflation) in which the Council currently invests. and
  - Due diligence work has been undertaken to ensure that any loan granted is at an acceptable risk level to the Council.
- 2.12 The proposed investment strategy for 2020-21 proposes to continue to adhere to the principles of the Medium Term Financial Plan, with a minimum interest rate set at 5.2% for the forthcoming financial year, which is calculated from the 20 year average fund manager returns (net of fees and inflation).
- 2.13 In addition the Economic Development Department will ensure compliance with the State Aid Regulations.

#### **Short-Term Investments**

- 2.14 Short-term investments are held in cash, either with the Council’s bank or on short-term deposits. These are managed by the Council’s Treasury function on a daily basis and reviewed monthly to ensure the efficient operation of Council activities.

## **Permitted Investments**

- 2.15 Every mandate the Council awards to a fund manager is finalised by both the Council and the fund manager entering into an Investment Management Agreement. This agreement covers all aspects of the mandate, including the type of investments to be held and the minimum and maximum investment levels allowed. Any breach of these set levels must be reported immediately by the fund manager and rectified as soon as practical. No rebasing of the asset class allocation split shall take place during 2020/21 unless with the approval of the Council.
- 2.16 On an annual basis each fund manager makes available their internal controls report. These reports are produced by their respective external auditors, and review all aspects of the fund manager's operating controls, with any concerns and weaknesses reported. The reports are reviewed by Treasury within Finance annually, with any concerns or issues identified that may impact on the Council reported accordingly.
- 2.17 The Council does not impose ethical views on fund managers within the Investment Management Agreement. The Council does not place constraints on a fund manager in relation to actual investment decisions, as it would affect the long-term projected investment returns, and the budget set by the Council. The fund manager, within the criteria stated in the Investment Management Agreement, makes investment decisions.
- 2.18 The Council's current investment strategy set general investment asset class levels, though these are flexible due to money movements and investment income.

## **Responsible Investment**

- 2.19 Whilst the fund managers have delegated powers for the acquisition and realisation of investments, fund managers will be expected as part of their investment process to consider all factors, including the social, environmental and ethical policies of companies in which they may invest, to the extent that these may materially affect the long term prospects of such companies. The fund managers will also be expected to enter into dialogue with companies in which they invest, in relation to the pursuance of socially responsible business practices, and report on these activities.
- 2.20 Corporate Governance is a key responsibility for institutional shareholders and as a matter of principle the Council will seek to exercise all of its voting rights in respect of its shareholdings. It is recognised however that in practical terms this may not always be possible for overseas holdings. However for UK stocks all voting rights will be exercised in a positive fashion, i.e. no abstentions.
- 2.21 The fund managers, who will act in accordance with this policy, will exercise voting.

2.22 All of the Council fund managers have signed up to the United Nations Principles on Responsible Investment. The principles reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios, and therefore must be given appropriate consideration by investors, if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices, and so better align their objectives with those of society at large.

### **Risk Management**

2.23 The authority's investments and financial activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements

2.24 The authority's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Treasury Service, under policies approved by the Council in the Investment Strategy Statement.

### Credit Risk

2.25 Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. Deposits are not made with banks or financial institutions unless they meet one of the following categories:

- A Bank or Building Society with at least a A- long term Fitch rating
- Bank of Scotland – Council's own bank
- Any bank which is a wholly owned subsidiary of the above
- Any Local Authority

2.26 The A- long term rating is defined by Fitch as "High credit quality with a low expectation of default risk. The capacity for payment of financial commitments is considered strong." An approved lending list of the financial institutions that meets the criteria will be maintained in Treasury.

2.27 In addition the following guidelines will apply:

- No more than £3 million to be lent to any single organisation from one account, apart from the Council's own bank.

- No more than £6 million to be lent to any one organisation in total from all accounts, apart from the Council's own bank.

2.28 At the 31 December 2019 the Council had deposits and short-term loans with the Council's own bank, amounting to **£10.9 million**. The Council's exposure to credit risk on these current deposits is very low based on the last five financial years' experience, where no default or loss has occurred.

#### Liquidity Risk

2.29 The authority has external investments with fund managers amounting to £366 million at the 31 December 2019. The authority has access to these funds, so there is no significant risk that it will be unable to meet its daily operating commitments.

#### Market Risk

2.30 The authority is exposed to significant risk in terms of its exposure to cash interest rates, the bond market and the equity markets. Movements in interest rates, bond values and share prices have a complex impact on the authority's investments. To limit the effect of these movements the investment portfolio is diversified to reduce exposure to any one market. The investment portfolio at the 31 December 2019 was diversified between the following asset classes:

UK Equities

Overseas Equities

Index Linked Gilts

Corporate Bonds

Direct Lending

Cash

The Diversified Growth Fund with Baillie Gifford was invested in 14 different asset classes at 31 December 2019.

2.31 The largest investment is in the Equity markets, about 73% of the Council's Reserves.

#### Foreign Exchange Risk

2.32 The authority has overseas equities and bonds that are denominated in foreign currencies. The exposure to risk of loss in adverse movements in exchange rates can be reduced by the fund managers, through the use of currency hedging strategies to specifically negate any currency movement impact.

## **Treasury Management Strategy 2019-20**

### **Treasury Management**

- 3.01 Treasury Management is defined as the management of an organisation's investments, cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 3.02 The Treasury Management Strategy details the activities and guidelines to be followed by the Treasury Section for all areas of cash management in the forthcoming financial year 2020/19. Its production and submission to the Shetland Islands Council is a requirement of the CIPFA Code of Practice for Treasury Management in the Public services 2017.

### **Cash and Bank**

- 3.03 Cash Management for the Shetland Islands Council is carried out within the Treasury Section of Finance Services, and consists of the daily management of various bank accounts and any associated short-term lending.
- 3.04 The Treasury Section of Finance Services seeks to retain a daily working cash balance in order to ensure that there is sufficient cash available to meet all liabilities as they fall due. The balances on the Council's current account earn an annual return, currently 0.7%, and as such it is important to ensure that no excess balances are held in the Council's current account as the returns are far lower than those that can be earned with fund managers.
- 3.05 There is an agreed overdraft facility with the bank of £800,000 that can be used to cover the accounts managed by Treasury, for any short-term situations if required. However, the Treasury Section seeks to avoid such situations as bank charges will be applied should the current account balance become overdrawn.

### **Debt Management**

- 3.06 Debt Management is also carried out within the Treasury Section, and this will be undertaken in line with the Borrowing Policy as set out in section 5, and the Prudential Indicators as set out in Section 6 of this report.
- 3.07 This report also seeks Council approval to provide the Executive Manager – Finance delegated authority to undertake short term borrowing of no longer than 364 days in order to provide greater flexibility to the Treasury Section for managing cash-flow efficiently for payments as they fall due.

- 3.08 The limits requested for short term borrowing of up to 364 days are included in the Prudential Indicators (Indicator 4 *Authorised Limit for External Debt* and Indicator 5 *Operational Boundary for External Debt*).
- 3.09 At present it is possible to obtain short term borrowing from other local authorities at an annual interest rate of less than 1%. There may be times during the year that it is more cost effective for the Council to borrow in order to meet a cash shortfall, such as the payment of salaries, rather than automatically recall the money from the externally invested reserves. The Executive Manager – Finance will determine if and when this is the most appropriate course of action.

# Shetland Islands Council Capital Strategy 2019/20

## Introduction

- 4.01 This capital strategy is an overarching document which provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 4.02 The Prudential Code for Capital Finance in Local Authorities at section 6 sets out the need for Councils to have a capital strategy in order to demonstrate that they take capital expenditure and investment decisions in line with the service objectives.

## Purpose and Aims

- 4.03 The aim of the Prudential Code is to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the code are to ensure within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable; and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved, and will form a part of the Council's integrated revenue, capital and asset management.
- 4.04 The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long term financing implications and potential risks to the Council. The code stipulates that the capital strategy should set out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 4.05 The Capital Strategy aligns with the priorities set out the Council's Plan 2016 – 2020 and supports a number of its ambitions. Such as:
- High standards of governance, will mean that the council is operating effectively and decisions are based on evidence and supported by effective assessments of options and potential effects.
  - Excellent financial-management arrangements will ensure a balanced and sustainable budget.
  - The Council will have a better understanding of the number of assets it can afford with the resources available, and will reduce the number of buildings with staff in.
  - The Council will prioritise spending on building and maintaining assets and be clear on the whole-of-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in this plan and the Community Plan.



## Capital Expenditure

- 4.06 The Council incurs annual revenue expenditure and longer term capital expenditure. The Capital Strategy concentrates on the longer term capital projects and corresponding expenditure. To effectively manage these large capital projects the following governance arrangements and processes are in place. Details of these arrangements can be found in the Council's Financial Regulations, where the Capital Planning section states the requirements for an Asset Investment Plan (AIP).
- 4.07 The Council sets an annual five-year AIP which details at a high level the individual projects that are to be undertaken and in which year. The AIP is reviewed and re-prioritised on an annual basis by the Policy and Resources Committee, who then recommend it to the Council for approval. Ensuring that the AIP is prepared each year is the responsibility of the Executive Manager – Asset, Commissioning and Procurement and the Executive Manager – Finance.
- 4.08 Council approval of the Asset Investment Plan gives Managers the authority to incur the appropriate expenditure, so long as the Gateway Process for the Management of Capital Projects has been followed.
- 4.09 The following table provides an overview of the Council's Capital Programme, included within the Council's AIP and how it is to be funded from 2020 up to 2025:

	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Projects</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Maintenance of Existing Assets	13,480	12,732	11,626	11,106	9,988
New Developments	10,165	0	0	0	0
Potential Projects	4,725	6,909	2,930	49,510	50,650
<b>Total</b>	<b>28,370</b>	<b>19,641</b>	<b>14,556</b>	<b>60,616</b>	<b>60,638</b>
<b>Funded By</b>					
External Grant Funding	(8,954)	(10,586)	(6,830)	(51,060)	(52,200)
External Borrowing	(12,396)	(747)	(61)	(2,177)	(2,503)
Capital Receipts	(409)	(394)	(430)	(627)	(521)
Funded from Revenue	(6,611)	(7,914)	(7,235)	(6,752)	(5,414)
<b>Total</b>	<b>28,370</b>	<b>19,641</b>	<b>14,556</b>	<b>60,616</b>	<b>60,638</b>

4.10 The Council set up an Asset Investment Group (AIG) with the responsibility for the overview of the Council's Asset Investment Plan. It is chaired by the Executive Manager – Asset, Commissioning and Procurement and consists of the members of the Corporate Management Team (CMT).

The purpose of the AIG is to:

- Receive and assess proposals for new projects from individual services.
- Assess requests from Services to vary the scope or nature of projects.
- Make recommendations to Policy and Resources Committee on existing projects. This includes recommendations on project prioritisation when the number of projects being brought forward exceeds existing budgets.
- Review and report on the progress of the Asset Investment Plan and Property Asset Management Strategy.

4.11 Reports are prepared on a quarterly basis and presented to the Policy and Resources Committee by the Executive Manager – Asset, Commissioning and Procurement and the Executive Manager – Finance to provide Members with a progress report on the AIP and monitoring reports on capital expenditure for each capital project within the current financial year.

4.12 A document which supports the AIP is the Council's Property Asset Management Strategy (PAMS) which focuses on the management of the Council's corporate asset portfolio. The PAMS is aligned with other strategic documents and outlines how it supports the Council's current policies, priorities and outcomes. This document establishes how the Council intends to actively manage its estate in a responsible manner while ensuring that any investments made help to realise the Council's goals in delivering services to the Shetland Community.

### **The Gateway Process**

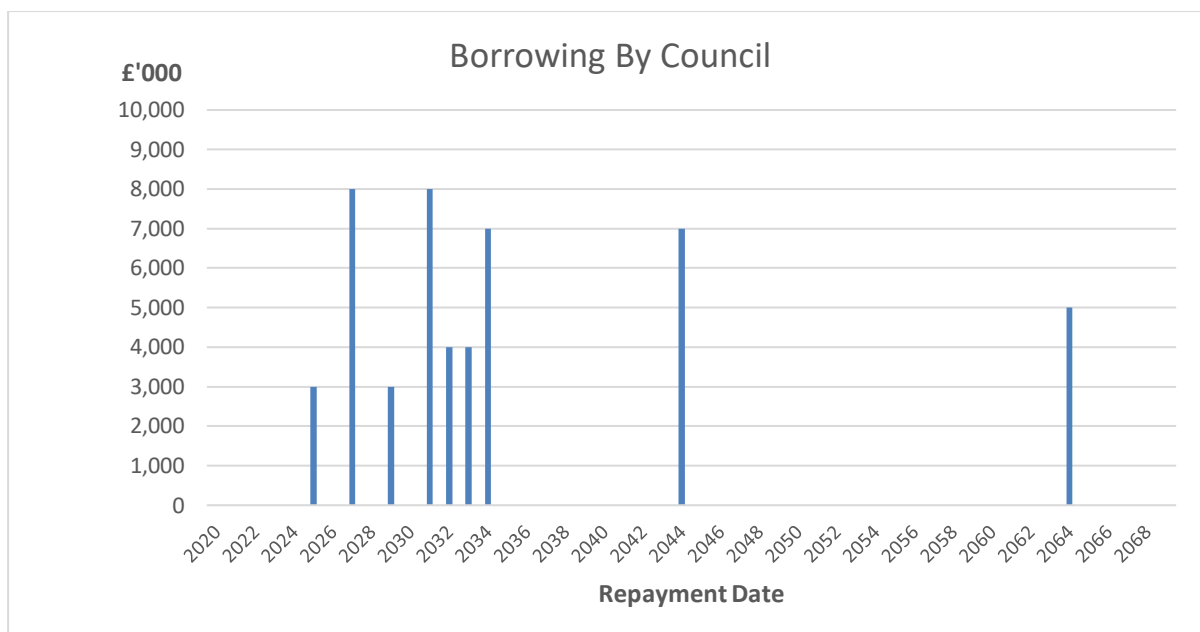
4.13 To ensure that all capital projects put before the AIG for consideration are supported by key stakeholders and that it contributes to the overall strategy of the Service and Council, the Council has established a Gateway Process to follow for all Capital Projects.

4.14 Appropriate use of assets can make the difference between good and poor service delivery. The Gateway Process provides a mechanism to effectively coordinate asset management and capital investment.

4.15 Responsibility for proposing to the AIG that a project be included in the AIP is given to a project sponsor. This is a senior officer from within the Service where the project originated. For capital projects to be include in the AIP they all require to be assessed through the Gateway Process.

- 4.16 The Gateway Process examines projects at key decision points in their lifecycle and looks ahead to provide assurance that they can progress successfully to the next stage. The overall objectives of the Gateway Process are to ensure that projects are delivered on time; to the right quality and to the right cost thus ensuring that they deliver value for money, and that the outcomes expected from the project are realised.
- 4.17 The Gateway Process requires that the project sponsor demonstrates how the project fits into their current Service and Directorate Plans, as well as how the project supports the aims and aspirations for the Council's Plan and the Shetland Partnership Plan. This helps to ensure that capital investment decisions of the Council are closely aligned to its wider objectives.
- 4.18 The Council's Gateway Process has been developed around the 'Five-Case Model' and requires that five aspects of a project are evaluated or re-evaluated at a number of stages through the development of the project. The five cases that need to be evaluated are:
- Strategic
  - Economic
  - Commercial
  - Financial, and
  - Management
- 4.19 Relevant Senior Officers and members of the AIG are responsible for ensuring the Gateway Process is followed properly.
- 4.20 An important element of the Gateway Process is ensuring that proposed projects comply with the Council's Capital Expenditure Policy, which is part of the Council's Medium Term Financial Plan (MTFP).
- 4.21 The determination if Council expenditure is deemed to be capital expenditure will be at the sole discretion of the Executive Manager – Finance.
- 4.22 If expenditure does not qualify as capital it will fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts, Government Support Grants or by spreading the cost over future year's revenues. Examples of eligible and ineligible costs can be found in the Council's Accounting Policy for Capital Assets (Non-Current Assets).
- 4.23 The Capital Expenditure Policy establishes that only projects where a robust estimate of costs have been undertaken are allowed to be included in the AIP. Once a project is approved by the AIG the Executive Manager – Finance will determine how it is to be funded in accordance with the Prudential Code.

- 4.24 The funding sources available to the Executive Manager – Finance for capital projects is set out in the Council’s Funding Policy in the MTFP. As per this policy various funding options are available such as Scottish Government Capital Grants, capital receipts, capital funded from current revenue but if these options are not available then capital expenditure can be financed by borrowing.
- 4.25 There are certain requirements before borrowing can be used, where interest rates on borrowing must be lower than the return on long term investments, and the service benefitting from the capital asset will be required to make sufficient revenue savings to free up budget to pay for the cost of capital (interest charges plus capital).
- 4.26 With effect from 1 April 2020, operating leases for which the Council is a lessee will require to be recognised as ‘right of use’ asset and related lease liability, unless the lease terms is 12 months or less or the underlying asset has a low value. The implications of this change in accounting policy has been factored into the prudential indicator calculations.
- 4.27 The Council has an approved a borrowing policy and a set of prudential indicators which set the financial parameters for borrowing. The Executive Manager – Finance as Section 95 Officer is the only Officer of the Council who may recommend a decision to borrow to the Council.
- 4.28 When a decision to proceed to borrow has been taken by Council, the Executive Manager – Finance will determine the institution, the type, the timing, and the length of the loan after seeking advice from external Treasury Management specialists as to the most economically advantageous transaction.
- 4.29 All external borrowing to date has been from the Public Works Loan Board (PWLb) on a Maturity basis, where the money borrowed is repaid back at the end of the loan period. As at the 31<sup>st</sup> December 2019 the Council has borrowed a total of £49 million from the PWLB. The graph below shows the Council’s current borrowing from the PWLB, the value of each loan and the year when the loan will mature and be repaid.



4.30 Within the Prudential Indicators there are various annual borrowing limits for the Council. For example the following borrowing limits for 2020/21 have been proposed in section 6.08 as:

- £159 million of external debt for the Council
- An operational boundary for external debt for the Council of £144 million

These figures and other authorised limits can be found in the Prudential Indicator section of this document.

### Treasury Management

4.31 The Council's Treasury Section under guidance of the Executive Manager – Finance manages all investments, cash and Council borrowing as covered by the Annual Investment Strategy.

4.32 The Council has adopted the Revised CIPFA Code of Practice for Treasury Management in Public Services 2011 (The Code). This sets out three key principles:

- The need to put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of treasury management functions.
- That these documents make it clear that the effective management and control of risk are prime objectives of treasury management activities and clearly set out where responsibility lies within the organisation.
- That there is a pursuit of value for money in treasury management and the use of suitable performance measures to support business/service objectives.

- 4.33 To meet the Code there are various documents in place to support investment and treasury management, such as the Investment Strategy, Borrowing Policy and the Annual Investment and Treasury Strategy.

#### **Risk within Capital Projects**

- 4.34 The prime policy objectives of local authority investment activities are the security and liquidity of funds, and authorities should avoid exposing public funds to unnecessary or unquantified risks. However, all treasury management activity is subject to risk. Included in the Council's Financial Regulations are governance arrangements for Capital Projects, which help to manage and reduce risks to the capital strategy.
- 4.35 Within the Council's governance arrangements, there is a requirement that capital monitoring reports are presented to the Council's Policy and Resources Committee on a quarterly basis. These reports also review risk data and narrative which enables the Council to effectively monitor and manage the overall risks of the capital programme. Risk registers are maintained and managed by relevant senior officers and are considered within the Council's risk management arrangements.
- 4.36 Risk management is carried out by the Treasury Service, under policies approved by the Council in the Investment Strategy Statement. Section 1 of the Statement of Treasury Management Practices details the following risks and the arrangements the Council has in place to mitigate them:
- Credit and Counterparty Risk Management
  - Liquidity Risk Management
  - Interest Rate Risk Management
  - Exchange Rate Risk Management
  - Legal and Regulatory Risk Management
  - Fraud, Error and Corruption and Contingency Management
  - Market Risk Management

#### **Commercial Activity**

- 4.37 Within the Council's corporate asset portfolio, there are a number of non-operational properties which generate rental income for the Council. The generation of income from these properties is actively managed by the Council's Asset Service team.
- 4.38 The Council also has a portfolio of local investments, predominantly in the form of loans to local businesses. These however only account for a small percentage of the overall investments of the Council.

4.39 The Medium Term Financial Plan sets out the criteria for awarding these loans which states that the Director of Development Services and Executive Manager – Finance must agree that:

- The loan will generate the Council a rate of return at least equal to the 20 year average fund manager investment returns (net of fees and inflation) in which the Council currently invests, and
- Due diligence work has been undertaken to ensure that any loan granted is at an acceptable risk level to the Council.

4.40 The Council has a history of lending to businesses in order to deliver on its Economic Development objectives. This was further extended by the transfer of the Shetland Development Trust (SDT) assets to the Council in the months leading up to the formal winding up of the Trust in February 2015.

4.41 In addition to lending to businesses the SDT assets included fishing quota which is managed on behalf of the Council by the Shetland Fish Producers Organisation (SFPO).

4.42 The Council has approved a sum of £15 million to be set aside to support the Commercial Lending Service. Lending is based on a set of criteria and a detailed process and procedure is followed in approving new lending. Basic criteria include:

- The loan will generate for the Council, a rate of return at least equal to the markets; and
- Due diligence work has been undertaken to ensure that any loan granted is at an acceptable risk level to the Council.

### **Knowledge and Skills**

4.43 The Council has access to a wide range of knowledge and skills, both in house, and from external consultants. The Council use external consultants that specialise in cash and debt management to assist and advise on the funding of the capital strategy.

4.44 It is the responsibility of the Executive Manager – Finance to ensure that all staff under their authority receives the level of training appropriate to their duties. Training is provided by external advisors as well as on the job training. Further details are provided within the Statement of Treasury Management Practices section of this document.

# Shetland Islands Council Borrowing Policy

## Treasury Management

- 5.01 The definition of Treasury Management at 3.01 is intended to apply to all public service organisations in their use of capital project financings, borrowings and investments.
- 5.02 The Council's Borrowing Policy was produced so that the Council could in future use borrowing as a tool within its overall Treasury Management arrangements.

## Internal Borrowing versus External Borrowing

- 5.03 The economic case for borrowing externally or using the Council's own reserves to finance capital expenditure is essentially down to whether interest rates are higher or lower than the long term average return on the Council's external investments (with fund managers).
- 5.04 If interest rates are higher than the long term rolling average return on the Council's investments (currently 5.2%) then it means the cost of borrowing is higher than the lost income forgone by using reserves, so it would make financial sense to use reserves for capital expenditure.
- 5.05 For example, if interest rates were 10% for a £1m loan -  
Annual interest payable on £1m at 10% = £100,000  
Investment income of 5.2% generated on £1m = £52,000

In this example to borrow would cost £100,000 a year, and to use reserves would present an opportunity cost of £52,000 in lost investment income. In this example, using reserves would present a saving of £48,000 per year over using borrowing.

- 5.06 However, the reverse is true if interest rates are lower than the long term average return on the Council's investments (currently 5.2%). For example if interest rates were 2% for a £1m loan -

Annual interest payable on £1m at 2% = £20,000  
Investment income of 5.2% generated on £1m = £52,000

In this example, to borrow would cost £20,000 a year and to use reserves would present an opportunity cost of £52,000 in lost investment income. In this example borrowing would save the Council £32,000 per year.

- 5.07 Therefore when interest rates are lower than long term investment returns, the default position of the Council should be to borrow in order to achieve a Best Value outcome.



## The Cost of Borrowing

- 5.08 Shetland Islands Council has been in the unique position of having significant reserves which in the past it has used to fund its capital expenditure. This has in effect meant that from a service perspective point of view, new assets have essentially been a “free good”. When borrowing is used to finance capital expenditure the service is required to make provision for debt charges (principal debt repayment and interest costs), which is a significant difference to the previous practice for General Fund capital expenditure where no service paid for its assets financing costs. This should be borne in mind when a decision to borrow is taken.
- 5.09 In order to secure Best Value in the financing of capital expenditure, the Council should use its statutory powers to consider borrowing as an option to do this. In order to regulate and monitor Council borrowing, the Council has a borrowing policy and a set of prudential indicators to set the financial parameters for borrowing.

## Shetland Islands Council Borrowing Policy

The Council's borrowing policy will be as follows:

- Borrowing should only be considered as a financing option when the interest rate obtainable is lower than the 20-year average return on the Council's external investments (i.e. Fund Manager returns);
- Borrowing will only be undertaken for capital projects, with a presumption against funding of short life assets (i.e. assets with less than a 5 year useful economic life);
- Borrowing should only be considered for priority capital projects that are supported by a full business case;
- Members must be fully advised of the ongoing revenue implications arising from each recommendation to borrow before a decision is taken by Council;
- If Members decide to borrow, they must also agree how the relevant Council directorate will be able to fund the borrowing costs (i.e. interest and principal repayments) within its existing Target Operating Budget as set out in the Medium Term Financial Plan;
- Borrowing can only be undertaken within the parameters of the Prudential Framework and the Prudential Indicators which will be agreed annually by Council;
- Borrowing may be undertaken up to 2 years in advance of its deployment to finance agreed capital expenditure if expectations on future versus current interest rates make it financially advantageous for the Council to do so;
- The Council will never borrow for the purposes of investing to make a profit;
- The Executive Manager – Finance as Section 95 Officer is the only officer of the Council who may recommend a decision to borrow to Council;
- When a decision to proceed to borrow has been taken by Council, the details of the loan(s) will be delegated to the Executive Manager – Finance who will determine the institution, the type, the timing, and the length of the loan after seeking advice from external Treasury Management specialists as to the most economically advantageous transaction;

# Treasury Management Prudential Indicators 2019/20 to 2022/23

## Prudential Framework

- 6.01 The Local Government in Scotland Act 2003 repealed Section 94 of the Local Government (Scotland) Act 1973. Sections 35 to 37 of the 2003 Act introduced a responsibility for local authorities to locally determine the level of capital investment. Regulations introduced under the Act required that local authorities should adhere to The CIPFA Prudential Code for Capital Finance in Local Authorities.
- 6.02 The Prudential Code was introduced in April 2004, effectively replacing the Capital Expenditure controls within section 94 where ministerial consent was required before any capital expenditure could be incurred. In addition, there was a restriction on the commitment to capital expenditure for future years and a control over the actual financing of the capital expenditure. The 'prudential framework' (or prudential regime) is the collective term for legislation, regulation and the Code under which local authorities will operate.
- 6.03 The introduction of the Prudential Code brought much greater flexibility for Councils to develop capital expenditure programmes to support their local communities. The key watchwords within the Prudential Code are:
- Affordability
  - Prudence
  - Sustainability
- 6.04 The Prudential Code provides a framework for the internal control and self-management of capital finance, and in turn the key items of expenditure that will normally govern the bulk of an authority's potential need to borrow. It does also refer to the fact that forward estimates of external debt, defined in part as actual external borrowing, will follow on from an authority's capital plans and revenue forecasts, under their treasury management strategy. The Prudential Code also requires that the underlying commitment to finance leases and similar contracts is recognised when setting the indicators.
- 6.05 It is understandable that the Prudential Code seeks to concentrate primarily upon a need for an authority to ensure that its capital spending plans are affordable, as it is these plans that will, in general, be the main driver of an authority's need to undertake or increase the amount of external borrowing. The opening paragraph of the Executive Summary makes clear its overriding objective, namely "The Prudential Code plays a key role in capital finance in local authorities", whilst paragraph 7 of its Objectives states that it focuses on capital finance and effective capital planning. The Prudential Code perhaps sums up the overall situation regarding the consideration of affordability in paragraph E18, wherein it states – "In considering affordability, the authority is required to consider all of the resources

currently available to it and those estimated to be available in the future, together with the totality of its capital plans and income and expenditure forecasts”.

6.06 The Council’s capital expenditure plans are the key driver of treasury management activity. The outputs from the capital expenditure plans are reflected in Prudential Indicators, which are designed to assist Members overview and confirm capital expenditure plans.

6.07 In setting their prudential limits, Members must have regard to:

- Affordability e.g. implications of capital plans for council tax and council housing rents.
- Prudence and sustainability, e.g. risk, implications for external debt and whole life costing.
- Value for money, e.g. option appraisal.
- Stewardship of assets, e.g. asset management planning.
- Service objectives, e.g. strategic planning for the authority.
- Practicality, e.g. achievability of the forward plan.

### **Prudential Indicators**

6.08 It is proposed that the Prudential Indicators for Shetland Islands Council for 2019-2020 to 2022-23 should be as follows:

#### **1. Ratio of Financing Costs to Net Revenue Stream**

##### **Definition**

General Fund - The proportion of the General Fund income from the Council’s General Revenue Grant (including NNDR), Council Tax income and sustainable contribution from Reserves and Harbour Account to fund the debt financing costs (interest and principal repayments) of the planned capital expenditure programme.

Housing Revenue Account - The proportion of income to the HRA (substantially housing rents) to fund the debt financing costs (interest and principal repayments) of the planned capital expenditure programme.

Harbour Account - The proportion of Harbour Account income (mainly fees & charges) reduced by the planned sustainable contribution to underpin General Fund services, to fund the debt financing costs (interest and principal repayments) of the planned capital expenditure programme.

<b>Ratio of Financing Costs to Net Revenue Stream</b>					
	<b>2018/19 Actual</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>
General Fund	4.9%	4.4%	4.4%	4.3%	4.3%
HRA	18.4%	17.6%	17.0%	16.3%	15.6%
Harbour Account	4.2%	4.7%	5.3%	4.1%	5.0%

## 2. Capital Expenditure

### Definition

Actual capital expenditure for 2018/19 and estimated capital expenditure for the current year and the next three years, as set out in the Council's Asset Investment Plan 2018-23.

<b>Capital Expenditure</b>					
	<b>2018/19 Actual £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>	<b>2021/22 Estimate £000</b>	<b>2022/23 Estimate £000</b>
General Fund	10,308	26,076	20,223	11,727	7,283
HRA	3,711	3,554	4,504	6,178	6,051
Harbour Account	9,210	7,730	3,643	8,297	4,026
<b>Total</b>	<b>23,229</b>	<b>37,360</b>	<b>28,370</b>	<b>26,202</b>	<b>17,360</b>

## 3. Gross Debt and the Capital Financing Requirement

### Definition

The CFR reflects the authority's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. As the Council should only borrow for a capital purpose, the debt should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

<b>Capital Financing Requirement</b>					
	<b>2018/19 Actual £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>	<b>2021/22 Estimate £000</b>	<b>2022/23 Estimate £000</b>
General Fund	70,851	84,611	92,471	89,230	85,117
HRA	14,785	13,976	13,168	12,360	11,551
Harbour Account	16,191	20,450	20,664	22,426	28,432
<b>Total CFR</b>	<b>101,827</b>	<b>119,037</b>	<b>126,303</b>	<b>128,016</b>	<b>125,101</b>
<b>Gross External Debt</b>		<b>84,550</b>	<b>84,550</b>	<b>84,550</b>	

#### 4. Authorised Limit for External Debt

##### Definition

Limit for total external debt that should not be breached. This excludes investments and is based on future capital plans and variations in cash flow.

Authorised Limit for External Debt					
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Borrowing	52,046	39,182	91,535	95,516	95,032
Other Long Term Liabilities	46,207	48,688	52,938	50,671	48,240
10% Margin	24,563	21,968	14,447	26,426	28,432
<b>Total</b>	<b>122,816</b>	<b>109,838</b>	<b>158,920</b>	<b>160,805</b>	<b>157,599</b>

#### 5. Operational Boundary for External Debt

##### Definition

A boundary for total external debt based on the estimate of total projected external debt to be monitored against during the year. It may be breached temporarily for variations in cash flow but a sustained or regular breach would require investigation.

Operational Boundary for External Debt					
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Borrowing	52,046	39,182	91,535	95,516	95,032
Other Long Term Liabilities	46,207	48,688	52,938	50,671	48,240
<b>Total</b>	<b>98,253</b>	<b>87,871</b>	<b>144,473</b>	<b>146,187</b>	<b>143,272</b>

#### 6. Actual External Debt at 31 March 2019

##### Definition

The actual external debt taken from the Balance Sheet as at 31st March 2019.

Actual External Debt	
	31 March 2019 £000
Borrowing	49,202
Other Long Term Liabilities	48,688
<b>Total</b>	<b>97,890</b>

## 7. Upper limit on Interest Rate Exposures

### Definition

Ranges within which the Council will manage its exposures to fixed and variable rates of interest. Whilst the Council could obtain more favourable interest rates with a variable rate, it increases the longer term risk of rates rising beyond a fixed rate.

It is calculated as a percentage of total net outstanding principal sums of debt.

	<b>2018/19 Actual £'000</b>	<b>2019/20 Indicative £'000</b>	<b>2020/21 Indicative £'000</b>	<b>2021/22 Indicative £'000</b>	<b>2022/23 Indicative £'000</b>
Fixed interest rate exposures	100%	100%	100%	100%	100%
Variable interest rate exposures	0%	40%	40%	40%	40%

## 8. Maturity Structure of Borrowing

### Definition

Upper and lower limits to assist the Council to avoid large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time. This is the fixed rate debt maturing in each period as a percentage of total projected borrowing that is fixed rate.

	<b>2018/19 Actual</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	0.08%	0%	25%
12 months and within 24 months	0.07%	0%	30%
24 month and 5 years	0.17%	0%	50%
5 year and within 10 years	22.45%	0%	70%
10 years and above	77.23%	0%	100%

## CIPFA Code of Practice

- 7.01 The CIPFA Code of Practice for Treasury Management in the Public Services (2017) states as a key principle, “Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.”
- 7.02 The following four clauses as recommended by the CIPFA Code were adopted by the Council on 21st March 2012 (Min Ref: 25/12). These clauses reinforce the Code’s key principle for effective management and control. As per the CIPFA Code it is recommended that these clauses are reviewed annually.

### Clauses

1. This organisation will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code’s key principles.

2. Shetland Islands Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
3. Shetland Islands Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Resources Committee, and for the execution and administration of treasury management decisions to the Executive Manager – Finance, who will act in accordance with the organisation’s policy statement and TMPs and, if he/she is a CIPFA member, CIPFA’s Standard of Professional Practice on Treasury Management.
4. This organisation nominates the Policy and Resources Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.



## Treasury Management Policy Statement

- 8.01 As part of the adoption of the CIPFA Code of Treasury Management in the Public Services the Council is required to produce and approve a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities. This policy statement follows a form of words as recommended by CIPFA in its Code of Practice for Treasury Management in the Public Services, and is subject to annual review.
- 8.02 The Shetland Islands Council defines its treasury activities as:
- “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 8.03 The Shetland Islands Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 8.04 The Shetland Islands Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 8.05 The Prudential Code removed limits on Council’s on borrowing to finance capital expenditure, though this is balanced by additional responsibility to act prudently, and to take account of affordability when making decisions on borrowing. The Shetland Islands Council in compliance with the Prudential Code has set borrowing indicators at section 6.08.
- 8.06 All investments are held for the purpose of achieving an investment return. To this end all investments are managed in a way that minimises the risk to the capital sum, and optimises the return on the investments consistent with those risks.

## Statement of Treasury Management Practices

- 9.01 The Council Adopted the CIPFA Code of Treasury Management in the Public Services on the 21 March 2012 (Min Ref: 25/12), along with this code were four clauses, which were also formally adopted. Within these clauses the following was stated that this organisation will create and maintain, as the corner stones for effective treasury management, suitable treasury management practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities."
- 9.02 The following TMP's are recommended by CIPFA as relevant to an organisations treasury management powers and the scope of its treasury management activities.

### TMP1 Treasury Risk Management

The Executive Manager – Finance will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting Requirements and Management Information Arrangements*.

In respect of each of the following risks the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

#### 1. Credit and Counterparty Risk Management

The risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document.

#### 2. Liquidity Risk Management

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

This Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

### 3. Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

This Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with TMP6 reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

### 4. Exchange Rate Risk Management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

This Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### 5. Legal and Regulatory Risk Management

The risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

#### 6. Fraud, Error and Corruption and Contingency Management

The risk that a Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

This Council will ensure that it has identified the circumstances that may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

#### 7. Market Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect the Council from the effects of such fluctuations.

### **TMP2 Performance Measurement**

This Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated service objectives. There will be regular review of the scope for potential improvements.

### **TMP3 Decision-Making and Analysis**

This Council will maintain full records of its major treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

#### **TMP4 Approved Instruments, Methods and Techniques**

This Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Treasury Risk Management.

#### **TMP5 Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements**

This Council considers it essential, for the purposes of effective control and monitoring of its treasury management activities, for the reduction of risk of fraud and error and for the pursuit of optimum performance that these activities are structured and managed in a fully integrated manner and that there is at all times clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with the implementing and controlling of these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions and the audit and review of the treasury management function.

If the Council intends as a result of lack of resources or other circumstances to depart from these principles, the Executive Manager – Finance will ensure that the reasons are properly reported in accordance with TMP6 Reporting Requirements and Management Information Arrangements, and the implications properly considered and evaluated.

The Executive Manager – Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. They will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The Executive Manager – Finance will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

#### **TMP6 Reporting Requirements and Management Information Arrangements**

This Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum the Executive Committee will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's Treasury Management Policy Statement and Treasury Management Practices.

#### **TMP7 Budgeting, Accounting and Audit Arrangements**

The Executive Manager – Finance will prepare, and this Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute and regulation, together with such information as will demonstrate compliance with TMP1 Treasury Risk Management, TMP2 Performance Measurement, and TMP4 Approved Instruments, Methods and Techniques.

The Executive Manager – Finance will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

This Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force.

This Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

#### **TMP8 Cash and Cash Flow Management**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Executive Manager – Finance, and will be aggregated for cash flow and investment management purposes. Cash Flow projections will be prepared on a regular and timely basis to ensure that these are adequate for the purposes of monitoring compliance with TMP1 (1.2) Liquidity Risk Management. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

### **TMP9 Money Laundering**

This Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

### **TMP10 Staff Training and Qualifications**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

Training may also be provided on the job and it will be the responsibility of the Executive Manager – Finance to ensure that all staff under their authority receives the level of training appropriate to their duties. This will also apply to those staff who, from time to time cover for absences from the treasury management team. The Executive Manager – Finance will recommend and implement the necessary arrangements.

### **TMP11 Use of External Service Providers**

This Council recognises that responsibilities for treasury management decisions remain with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such services providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed and properly agreed, documented, and subjected to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Executive Manager – Finance, and details of the current arrangements are set out in the schedule to this document.

### **TMP12 Corporate Governance**

This Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be

achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This Council has adopted and has implemented the key principles of the CIPFA Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Executive Manager – Finance will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

The Executive Manager – Finance will maintain, separate from this document, schedules specifying the systems and routines to be employed and the records to be maintained to ensure adherence to these principles.





<b>Meeting(s):</b>	Environment & Transport Committee Policy & Resources Committee Shetland Islands Council	9 March 2020 11 March 2020 11 March 2020
<b>Report Title:</b>	Strategic Outline Case: B9082 Cullivoe Road Update & Strategic Outline Programme Methodology	
<b>Reference Number:</b>	RD-02-20-F	
<b>Author / Job Title:</b>	Dave Coupe Neil Hutcheson	Executive Manager – Roads Team Leader – Roads Asset and Network

### 1.0 Decisions / Action required:

That the Environment & Transport Committee:

- 1.1 **NOTES** that the Strategic Outline Case (SOC) for the Cullivoe Road has been prepared and was submitted to Assets, Commissioning and Procurement earlier in February and that the Asset Investment Group (AIG) recommendations will be reported to the Policy and Resources Committee; and
- 1.2 **RECOMMENDS** that the Policy and Resources Committee **RECOMMENDS** that the Council **APPROVES** the ranking process and timeline, as detailed in the report for taking forward the remainder of the strategic road network improvements that are listed in the Strategic Roads Network Outline Programme (“the Programme”); and the inclusion in the 5 Year Asset Investment Plan of a new capital budget of £100k per year to enable advanced design of the schemes in the Programme.

### 2.0 High Level Summary:

The purpose of this report is to provide an update on the Cullivoe Road improvements, and to seek approval for the ranking process and timeline in relation to the Strategic Outline Programme.

#### 2.1 Cullivoe Road

The Strategic Outline Case (SOC) has been produced using the specific investment objectives and critical success factors set out in the Strategic Outline Programme that was approved on 27 November 2019 (min ref 68/19). These objectives and factors have been used to determine and appraise a long list of options for the improvement of the route between Cullivoe, Cullivoe Pier and the A968 Ulsta to Gutcher Road, Yell. Should the SOC be approved then the next stage would be the preparation of an Outline Business Case (OBC).

#### 2.2 Strategic Outline Programme Methodology, Ranking Process and Timeline

There is a need for an additional capital budget of £100k to enable the advanced design, land acquisition, etc. of the various schemes on the Programme. This is

necessary to ensure that the Programme is progressed and to enable the accessing of external funding which may be available and that would otherwise be lost due to the time constraints of the design and land purchase process. A ranking process for the improvements listed in the Programme has been developed and used to determine a timeline as requested by Council at its meeting on 27 November 2019. The process uses the specific investment objectives and critical success factors from the Programme to score each of the proposed improvement schemes.

### **3.0 Corporate Priorities and Joint Working:**

#### **3.1 Shetland Islands Council Improvement Plan 12/13**

Area 11.3 – The development of long term maintenance strategies based on sustainable use of physical resources and whole life costing.

#### **3.2 The road network, including the B9082 Gutcher to Cullivoe Road, is used extensively by services, commercial businesses, residents and visitors to allow goods and people to move between places and is directly important in delivering key “place” priority outcomes in;**

- the Shetland Partnership Plan,
- the Councils “Our Plan”,
- the Shetland Transport Strategy,
- the Local Housing Strategy,
- the Local Development Plan and
- the 10-Year Plan.

### **4.0 Key Issues:**

#### **4.1 Cullivoe Road**

4.1.1 The Strategic Outline Case (SOC) has been produced using the specific investment objectives and critical success factors that were set out in the Strategic Outline Programme, approved on 27 November 2019 (min ref 68/19), to determine and appraise a long list of options for the improvement of the route between Cullivoe, Cullivoe Pier and the A968 Ulsta to Gutcher Road, Yell. Should the SOC be approved then the next stage would be the preparation of an Outline Business Case (OBC).

4.1.2 Following a meeting with road users and the community this appraisal has discounted a number of these options resulting in a “short list” of options for further investigation. This Strategic Outline Case has been submitted to Assets, Commissioning and Procurement for consideration by the Asset Investment Group. Their recommendations will be reported to the Policy and Resources Committee. Should the SOC be approved then the next stage would be the preparation of an OBC. The purpose of the OBC is to identify the investment option which optimises value for money, to prepare the scheme for procurement and to identify the necessary funding and management arrangements for its successful delivery.

#### **4.2 Strategic Outline Programme Methodology, Ranking Process and Timeline**

##### **4.2.1 Background**

The “Strategic Outline Programme – Strategic Roads Network,” approved by Council on 27 November 2019, was developed to provide information on current

and projected needs, issues and opportunities around large-scale potential projects which might be required to maintain or develop the capability of the core road network in Shetland. It will help inform the identification of issues and options and will assist in evidence based planning and decision making. It will ensure that economic and social needs for roads transport are met efficiently, effectively and economically to support key outcomes for Shetland and its residents.

#### 4.2.2 Methodology

In order for this programme of schemes to progress each scheme will need to be designed, have land purchased before tendering and the final construction phase. The Programme would be delivered as self-contained projects with each requiring its own strategic, outline and full business cases before implementation. The benefit of considering these projects together as a programme is that it is a structured method of comparing the relative merits of each scheme against a consistent set of objectives, creates a better understanding of the overall scale of the potential works and helps identify a timeline for future assessment and delivery. Given that the programme is to be implemented sequentially, it would be likely to take at least 15 years to deliver the seven schemes currently identified.

#### 4.2.3 Design Funding

The design process required for the various stages of each business case is a key element in progressing the Programme. Additional resources will be required to undertake the necessary designs, land acquisition and tendering procedures. Although these services could be outsourced it is considered that for a strategic programme of schemes, over a number of years, the recruitment of two staff would be more cost effective for the Council to ensure actioning of the Programme. Were consultants to be hired then the Roads Service would still have a duty to prepare design briefs then supervise and check the designs prepared by the consultants. It is estimated that a capital budget of £100k per year would be required to employ the necessary additional staff. The advance design of the Programme would enable access to available external funding which may otherwise be lost due to the time constraints of the design and land purchase process. Typically each scheme on the Programme would take 3 to 4 years to get in place prior to construction. It would also enable the Roads Service to provide resources for the design of other major schemes of strategic importance to the Council, such as the roads required for the Knab Redevelopment, as well as continuing design, tendering and contract supervision work for other Council services alongside the Roads Services usual design requirements.

#### 4.2.4 Ranking Process

A ranking process for the improvements currently listed in the Programme has been developed and implemented to determine a timeline as requested by Council at its meeting on 27 November 2019. The process builds on the Prioritisation of Road Improvement Schemes Matrix already approved by the Environment and Transport Committee on 20 March 2014 (item minute 07/14) and uses technical criteria plus the specific investment objectives and critical success factors from the Programme to score each improvement scheme. The details of how the scores were calculated are described in Appendix 1. The ranked list is attached in Appendix 2.

#### 4.2.5 Programme Timeline

The estimated timeline for the development and construction of the improvement schemes is enclosed as Appendix 3.

#### 5.0 Exempt and/or confidential information:

5.1 None.

#### 6.0 Implications :

##### 6.1 Service Users, Patients and Communities:

The road network is the largest community asset for which Shetland Islands Council is responsible. It is vital and fundamental to the economic, social and environmental well being of the community. It helps to shape the character of an area, the quality of life of the local community and makes an important contribution to wider Council priorities including growth, regeneration, education, health and community safety. Roads also make a wider contribution to society, providing access to ferry terminals, ports and airports.

The contribution of the road network to communities is recognised by the Audit Commission in their report Going the Distance, 2011. The report states “Councils must use their road maintenance to support the economic competitiveness of their area. Roads play a critical role in public service delivery and economic growth – both through the increased mobility of citizens, goods and services, and through building and maintaining infrastructure.”

##### 6.2 Human Resources and Organisational Development:

Two additional staff would be required for the advanced design of the schemes on the Strategic Outline Programme, and for arranging acquisition of the required land, for the tendering process and for supervision of the construction phase.

The estimated timeline for the design and construction of the schemes on the SOP runs from April 2021 to April 2036. Given the age profile of the Road Service staff it is expected that the number of employees will, over this period, balance due to natural reduction from retirements. There is therefore no expectation of a need for redundancy payments.

##### 6.3 Equality, Diversity and Human Rights:

No implications.

##### 6.4 Legal:

The Council’s statutory duties are defined by Section 1 of the Roads (Scotland) Act 1984 which requires that “a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their “list of public roads”).”

	<p>The Council has a statutory duty under the “Road Traffic Regulation Act 1984” to “secure the expeditious, convenient and safe movement of vehicular and other traffic.” Among other duties under the Road Traffic Act 1988 the Council “must prepare and carry out a programme of measures designed to promote road safety”; “must carry out studies into accidents arising out of the use of vehicles ..... on roads or parts of roads ..... within their area”; and “must, in the light of those studies, take such measures as appear to the authority to be appropriate to prevent such accidents.....”</p>
<b>6.5 Finance:</b>	<p>A capital budget of £100k per year has been provisionally included in the 5 year Asset Investment Plan 2020-25 from 2021/22 onwards, to fund the advanced design function expressed in this report. A provisional budget for the Cullivoe Road project has also been included in the 5 Year Asset Investment Plan 2020-25. The Asset Investment Plan 2020-25 is also being reported to this cycle of Committees for approval.</p>
<b>6.6 Assets and Property:</b>	<p>Any widening of a road listed in the Programme for improvement will increase the road area. The increase will be greater for a two-lane road than a single track road with the value of the road network increasing accordingly. However, the improved road structure and increased carriageway width would result in a significant reduction in maintenance costs.</p>
<b>6.7 ICT and New Technologies:</b>	<p>No implications.</p>
<b>6.8 Environmental:</b>	<p>Improvements to the road network may have implications for a range of environmental issues such as noise, air quality, carbon emissions, water quality, biodiversity/habitats, visual amenity and cultural heritage. All proposals for the development of the road network will evaluate the environmental and climate change impacts during both the construction and operational phase. A planned and structured approach to these evaluations will allow any environmental implications to be considered alongside other issues.</p>
<b>6.9 Risk Management:</b>	<p>Failure to manage and maintain the road network carries a significant risk of asset deterioration which may result in substantial unplanned revenue and capital costs.</p> <p>Should there be insufficient investment in managing and maintaining the strategic road network there is a risk of significant negative economic and social impacts that would affect large areas of Shetland. Given the nature of the network the more isolated rural areas are the most vulnerable to this risk.</p>
<b>6.10 Policy and Delegated Authority:</b>	<p>Environment and Transport Committee In accordance with Section 2.3.1 of the Council’s Scheme of Delegations the Environment and Transport Committee has functional responsibility for the Roads Service to advise Policy and Resources Committee and the</p>

	<p>Council in the development of service objectives, policies and plans concerned with service delivery within its remit.</p> <p>Policy and Resources Committee In accordance with Section 2.2.1(2) advise the Council in the development of its strategic objectives, policies and priorities; and 2.2.1(7) secures the co-ordination, control and proper management of the financial affairs of the Council.</p> <p>Shetland Islands Council In accordance with Section 2.1.3(6) the Council has the power of incurring any expenditure not provided for in the Annual Estimates of Revenue and Capital Expenditure.</p> <p>The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;</p> <p>“Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring – (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.</p> <p>(b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”</p>
<b>6.11 Previously considered by:</b>	None.

#### **Contact Details:**

Dave Coupe, Executive Manager – Roads  
Neil Hutcheson, Team Leader – Asset & Network  
5 February 2020

[dave.coupe@shetland.gov.uk](mailto:dave.coupe@shetland.gov.uk)  
[neil.hutcheson@shetland.gov.uk](mailto:neil.hutcheson@shetland.gov.uk)

#### **Appendices:**

Appendix 1: Proposed Prioritisation method for Road Improvement Schemes  
Appendix 2: Strategic Outline Programme Ranked List.  
Appendix 3: Estimated Programme for the Development and Construction of the Improvement Schemes.

#### **Background Documents:**

1. Strategic Roads Network – Strategic Outline Programme - RD-06-19-F (Min Ref 68/19)

**PROPOSED PRIORITISATION METHOD FOR ROAD IMPROVEMENT SCHEMES**

The following method is presented to the Environment & Transport Committee for approval.

- 1.1 The prioritisation method is made up of a Technical score and a Corporate score.
- 2.1 Technical Score  
The Technical score is made up of a Cost score, Safety score, Roads Hierarchy score and a Road Authority Ranking.
  - 2.1.1 The cost score provides a measure of cost analysis by looking at likely scheme costs and the effect on future asset maintenance.
  - 2.1.2 The Safety score provides a measure of safety improvement likely to be provided by the scheme.
  - 2.1.3 The Roads Hierarchy score provides a measure of the importance of the road by looking at such factors as the Maintenance Hierarchy class, traffic volumes and population served.
  - 2.1.4 The Road Authority rankings allow Roads Engineers to apply their thoughts on scheme importance. This differs from the technical score as it allows a subjective but professional view of scheme importance to be expressed.
- 3.1 Strategic Outcomes Score  
The Strategic Outcomes Score is made up of an “Investment Objectives” score and a “Critical Success Factors” score.
  - 3.1.1 The “Investment Objectives” section scores the improvement scheme against each of the following objectives:
    - Road connections that cater for the vehicles and communities that need to use them so that people and businesses can achieve key outcomes;
    - Roads that make journeys as safe as possible;
    - Roads that minimise journey times;
    - Roads that support low energy travel and active travel; and
    - Roads that strike the best balance between investment costs and ongoing maintenance costs

3.2.1 The “Critical Success Factors” section scores the improvement scheme against each of the following factors:

- CSF1: business needs – how well the option satisfies the existing and future business needs of the organisation.
- CSF2: strategic fit – how well the option provides holistic fit and synergy with other key elements of national, regional and local strategies.
- CSF3: benefits optimisation – how well the option optimises the potential return on expenditure – business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation) – and assists in improving overall VFM (economy, efficiency and effectiveness).
- CSF4: potential achievability – the organisation’s ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also the organisation’s ability to engender acceptance by staff.
- CSF5: supply side capacity and capability – the ability of the market place and potential suppliers to deliver the required services and deliverables.
- CSF6: potential affordability – the organisation’s ability to fund the required level of expenditure – namely, the capital and revenue consequences associated with the proposed investment.

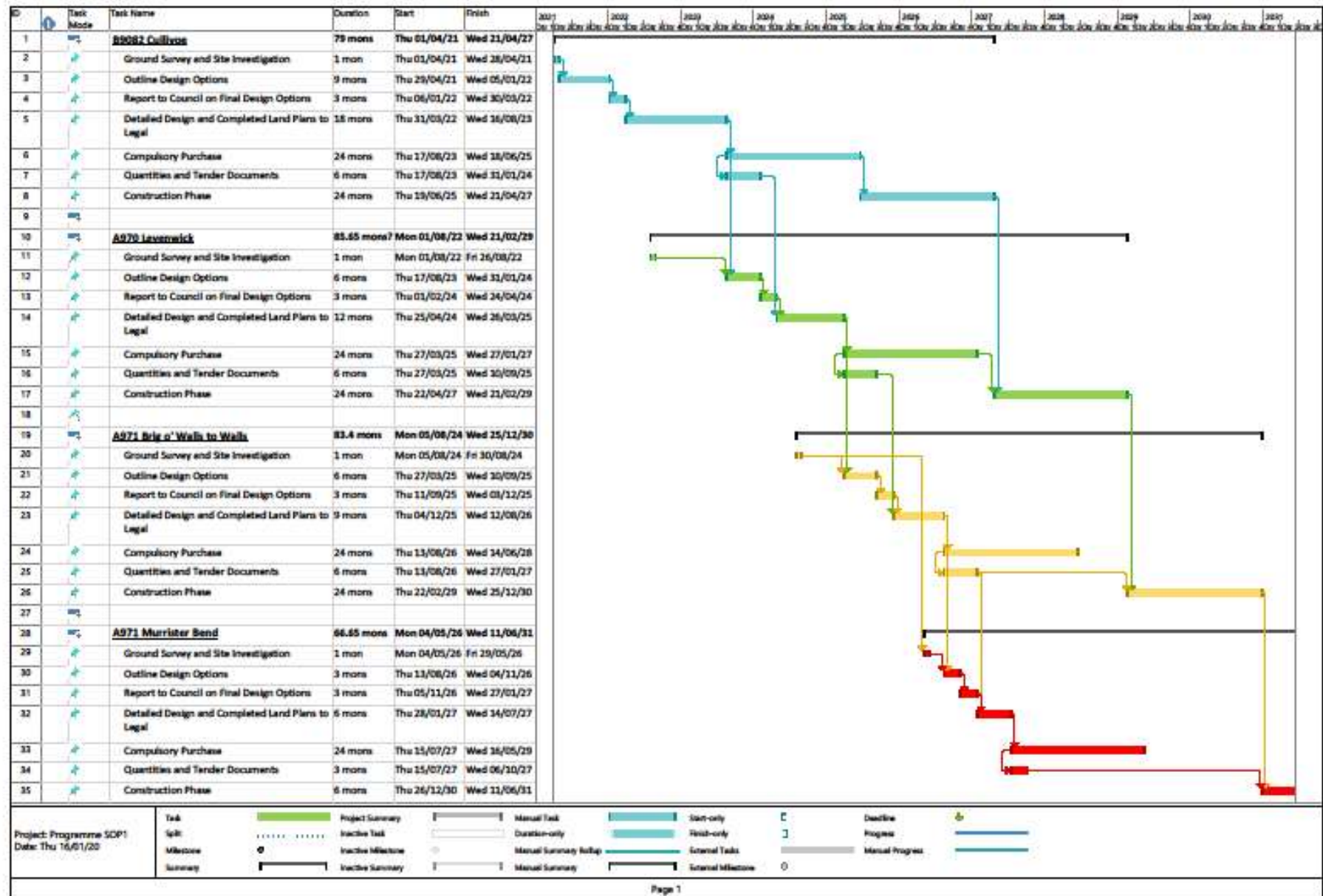


## APPENDIX 2 - STRATEGIC OUTLINE PROGRAMME RANKED LIST

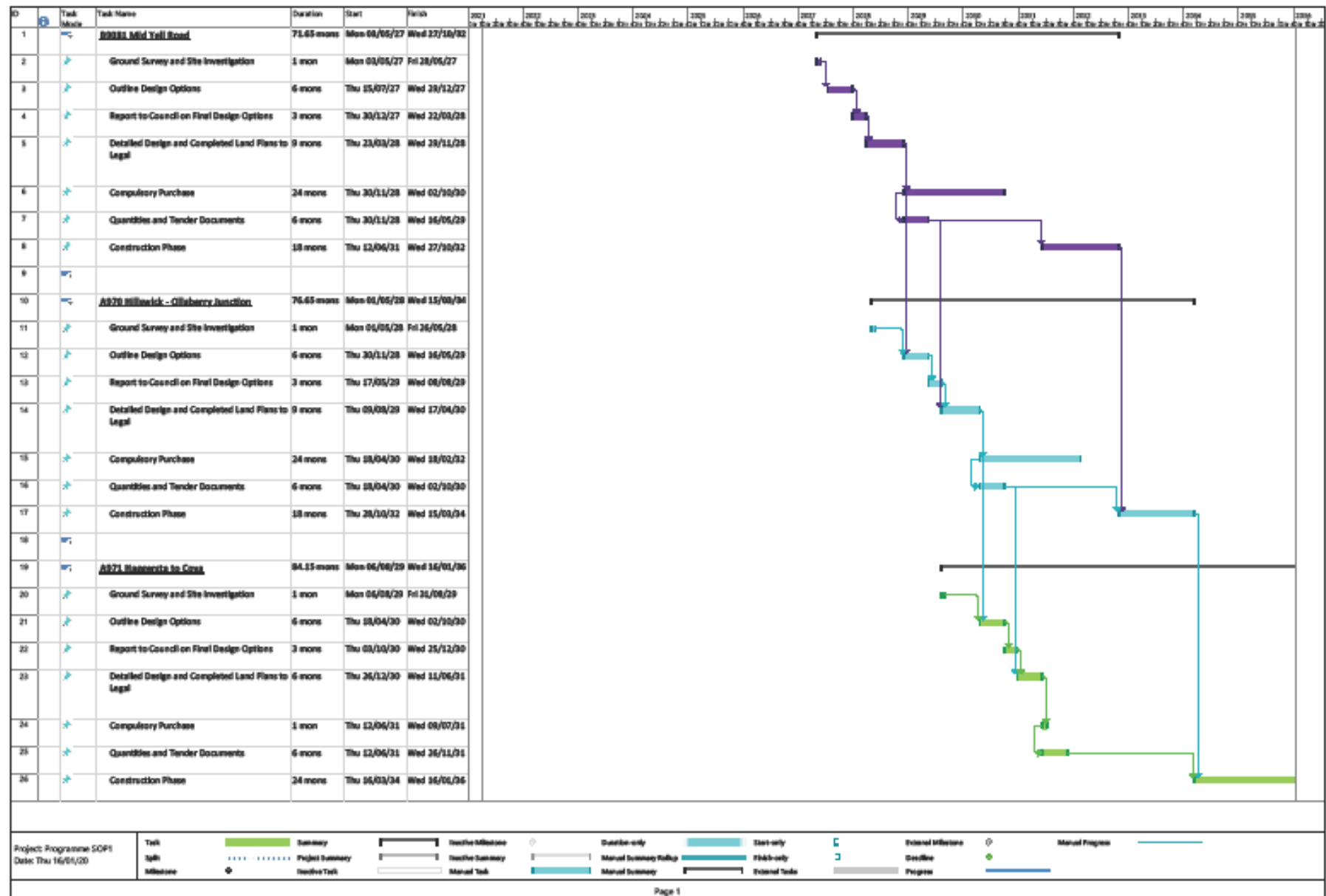
Project			Road				OVERALL SCORE (INCLUDING TECHNICAL, SOA and CP SCORES)
Location	Scheme Type	Description	Road	Ward	Community Council	Division	
B9082 Cullivoe Road	LARGE SCHEME	Two-lane widening to Cullivoe Pier	B9082	NORTH ISLES	YELL	YELL	318
Dunrossness - A970 and Blind Summit between North & South Levenwick Jcns	LARGE SCHEME	Widening, Visibility Improvement and safety barrier	A0970	SHETLAND SOUTH	DUNROSSNESS	SMAI	236
A971 WestBurrafirth Jcn to Walls	LARGE SCHEME	Major Scheme to widen and re-align A971	A971	SHETLAND WEST	WALLS & SANDNESS	WMAI	232
A971 Murraster Taper Visibility Improvements	LARGE SCHEME	Visibility/safety improvement at transition between single-track and two-lane sections	A0971	SHETLAND WEST	WALLS & SANDNESS	WMAI	176
B9081 Mid Yell Link Road	LARGE SCHEME	Two-lane widening from A968	B9081	NORTH ISLES	YELL	YELL	173
A970 Ollaberry/Hillswick Junction to Urafirth	LARGE SCHEME	Two-lane widening to the Clave	A0970	SHETLAND NORTH	NORTHMAVINE	NMAI	169
A971 Haggersta to Cova	LARGE SCHEME	Widening and realignment. Also the provision of a footway/cycleway behind a safety barrier from Cova to Whiteness School.	A971	SHETLAND WEST	WALLS & SANDNESS	WMAI	157



# APPENDIX 3: ESTIMATED PROGRAMME FOR THE DEVELOPMENT AND CONSTRUCTION OF THE IMPROVEMENT SCHEMES



## APPENDIX 3: ESTIMATED PROGRAMME FOR THE DEVELOPMENT AND CONSTRUCTION OF THE IMPROVEMENT SCHEMES





# Shetland Islands Council

Agenda  
Item

**6**

<b>Meeting(s):</b>	<b>Shetland Islands Council</b>	<b>11 March 2020</b>
<b>Report Title:</b>	<b>Appointment of Councillors to the Integration Joint Board (IJB)</b>	
<b>Reference Number:</b>	<b>GL-06-20-F</b>	
<b>Author / Job Title:</b>	<b>Executive Manager – Governance and Law</b>	

<b>1.0</b>	<b>Decisions / Action required:</b>
1.1	That the Council appoint three Members to the Integration Joint Board for a period of 3 years, by the method set out in Section 4, and RESOLVE, in the event of a vote, to elect by secret ballot;
1.2	That the Council appoint one of these three Members to serve as Chair/Vice-Chair of the Integration Joint Board, noting that this Member will also serve as a member of the Council's Policy and Resources Committee;
1.3	That the Council appoint another of these three Members to the Council's Policy and Resources Committee in order to complete its membership.
1.4	That the Council appoint two substitute Members to the Integration Joint Board for a period of 3 years, by the method set out in Section 4, and RESOLVE, in the event of a vote, to elect by secret ballot;
<b>2.0</b>	<b>High Level Summary:</b>
2.1	This report seeks the appointment of three Members to the Integration Joint Board (IJB), and seeks the appointment of one of these Members to serve as Chair/Vice Chair of the IJB.
2.2	The IJB is the governing body of the Health and Social Care Partnership under the body corporate model of integration in terms of the Public Bodies (Joint Working)(Scotland) Act 2014. The Parties (Shetland Islands Council and NHS Shetland/Health Board) agreed the Integration Scheme for Shetland Islands Health and Social Care Partnership, which sets out the delegation of functions by the Parties to the OJB. For ease of reference, the relevant extract setting out the main role and responsibilities of the IJB is set out in Appendix 1.
2.3	In making these appointments, the Council should note that the Chair/Vice-Chair will serve for a period of 3 years acting as Chair of the IJB as the Chair has rotated and falls to the Council for the next term of office until 31 March 2023. The appointed member will also serve as a member of the Council's Policy and Resources Committee, along with one other Council appointed IJB member.
2.4	As set out in paragraph 4.1, the Council may wish to consider reappointing the Members that were appointed on 18 May 2017 (Min. Ref. 35/17) for a further term

of 3 years. The current council appointed voting members are:

Mr Allison Duncan – Chair/Vice-Chair  
Mrs Emma Macdonald  
Mr Robbie MacGregor

- 2.5 On 17 January 2018 (Min. Ref. 02/18) The Council decided to appoint 2 substitute voting members to the IJB for a period until 17 May 2020, which mirrored the substantive appointments made on 18 May 2017. The current substitute Members are:

Ms Andrea Manson  
Mr Stephen Leask

### **3.0 Corporate Priorities and Joint Working:**

- 3.1 The recommendation in this report is not linked directly to any of the Corporate Priorities, but will support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

### **4.0 Key Issues:**

- 4.1 Voting members of the Integration Joint Board comprises three persons appointed by the Shetland NHS Board, and three persons appointed by the Shetland Islands Council. There are also non-voting members, nominated by both parties, and the IJB may also appoint such additional members as it sees fit. Such additional members may not be a councillor or non-executive director of the Health Board. All appointments to the IJB are limited to a period of 3 years in office, but are eligible for re-appointment at the end of that period.
- 4.2 The term of office of Chair/Vice-Chair will be for a period not exceeding three years, and will be carried out on a rotational basis between the appointments made by the Council and NHS Board. As the last Chair of the IJB was appointed by the NHS, appointment of the Chair for the current term falls to the Council. Accordingly the Council's appointment will act as Chair.
- 4.3 The Vice-Chair may act in all respects as the Chair of the IJB if the Chair is absent or otherwise unable to perform his/her duties.

#### Method of Election/Voting

- 4.4 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.
- 4.5 The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has been custom and practice for the Council to undertake such voting by secret ballot.

4.6	The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.
4.7	Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.
4.8	In the case of an equality of votes the Members of the IJB shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.
<b>5.0</b>	<b>Exempt and/or confidential information:</b>
5.1	None
<b>6.0</b>	<b>Implications :</b>
<b>6.1 Service Users, Patients and Communities:</b>	Health and social care integration contributes to achieving the following outcomes in the Shetland's Single Outcome Agreement (SOA): "We have tackled inequalities by ensuring the needs of the most vulnerable and hard to reach groups are identified and met, and that services are targeted at those most in need."; "People are supported to be active and independent throughout adulthood and in older age"; and "We live longer healthier lives".
<b>6.2 Human Resources and Organisational Development:</b>	There are no implications arising directly from this report.
<b>6.3 Equality, Diversity and Human Rights:</b>	The proposals in this report support the responsibilities of the Council with regard to equalities, health and human rights.
<b>6.4 Legal:</b>	The IJB is a body corporate, established by Order under Section 9 of the Public Bodies (Joint Working)(Scotland) Act 2014. The Integration Scheme came into effect on 27 June 2015, the date on which the Parliamentary Order formally established the IJB.
<b>6.5 Finance:</b>	As an approved duty, any appointed elected Members will be entitled to claim expenses for attendance at meetings. This will result in expenditure in relation to the Members' Expenses budget.
<b>6.6 Assets and Property:</b>	There are no implications arising directly from this report.

<b>6.7 ICT and new technologies:</b>	There are no implications arising directly from this report.	
<b>6.8 Environmental:</b>	There are no implications arising directly from this report.	
<b>6.9 Risk Management:</b>	The main risks associated with this report are failure to support the Integration Scheme which would impact on service developments and work on the integration of health and social care.	
<b>6.10 Policy and Delegated Authority:</b>	In terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to any body which is part of the political management framework. A decision of the Council is therefore required.	
<b>6.11 Previously considered by:</b>	N/A	

**Contact Details:**

Jan Riise, Executive Manager - Governance and Law [jan.riise@shetland.gov.uk](mailto:jan.riise@shetland.gov.uk)  
Finalised – 6 March 2020

**Appendices:**

Appendix 1 - Role and responsibilities of the IJB

**Background Documents:** Integration Scheme and IJB Scheme of Administration

[http://www.shetland.gov.uk/Health\\_Social\\_Care\\_Integration/IntegratedJointBoard.asp](http://www.shetland.gov.uk/Health_Social_Care_Integration/IntegratedJointBoard.asp)

END



...

2.3 The responsibilities of the IJB and local operational arrangements agreed by the Parties are as follows:

- The planning of the Integrated Services, which will be achieved through the Strategic Plan.
- Operational oversight of Integrated Services, and operational management of Integrated Services through the Chief Officer.
- Planning of Acute Hospital services delegated to the IJB (the Health Board will be responsible for the operational oversight of Acute Services and through a responsible Director for the operational management of all Acute Services. The Health Board will provide information on a regular basis to the Chief Officer and the IJB on the operational delivery of Acute Services).
- The Chief Officer and Director responsible for Acute Services will establish joint arrangements to ensure effective working relationships across the whole Health & Care system. These will be built on the existing joint working arrangements including joint acute and community strategic meetings and co-location of senior managers from acute and community services.
- The detailed commissioning and operational delivery arrangements will be set out in the Strategic Plan.
- The Parties will support the IJB to work closely with Shetland's Community Planning Partnership as required by the Scottish Government.
- The development and maintenance of a set of performance measures including the Outcomes, national targets, the national inspection processes and locally developed targets.
- The establishment of a Strategic Planning Group which will develop the Strategic Plan for the IJB.
- The Strategic Plan will include the nationally determined performance measures and targets to meet the Outcomes, other national targets and local targets relating to the integrated functions. These will be developed and articulated through the process of preparing the Strategic Plan.
- The maintenance and development the Strategic Plan, updating the Strategic Plan at least every three years as required by the legislation.
- The preparation and publishing of an Annual Report as required by the legislation.

2.4 The matters reserved to the IJB are as follows, although it should be noted that matters that are not reserved may be delegated, in accordance with the provisions of the Integration Scheme:

- To change the name of the Integration Joint Board
- To receive any certified abstract of the Integration Joint Board's annual accounts
- Approval of the any investment strategy and annual investment report
- Any other functions or remit which is, in terms of statute or other legal requirement bound to be undertaken by the Integration Joint Board itself
- To establish such committees, sub-committees and working groups as may be considered appropriate to conduct business and to appoint and remove Chairpersons, Vice Chairpersons and members of committees and working groups

- The approval annually of the Revenue Budget
- The approval annually of the Capital Plan
- The incurring of any net new expenditure not provided for in the estimate of capital or revenue expenditure unless, such expenditure is reported to and approved by the Board
- The approval or amendment of the Scheme of Administration regulating the constitution, membership, functions and powers of Committees of the Integration Joint Board
- The approval or amendment of the Standing Orders regulating meetings proceedings and business of the Integration Joint Board and Committees
- The approval or amendment of the Scheme detailing those functions delegated by the Integration Joint Board to its Officers
- The appointment and the dismissal of the Chief Officer or the S95 Financial Officer
- The decision to co-operate or combine with other Integration Joint Boards in the provision of services other than by way of collaborative agreement
- The approval or amendment of the Strategic Plan
- To fix and amend a programme of Board and committee meetings
- To deal with matters reserved to the Integration Joint Board by Standing Orders, Financial Regulations and other Schemes approved by the Integration Joint Board

**END**