



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Finance

**Long Term Financial Planning –
COUNCIL RESERVES AND BUDGET STRATEGY, 2008/09 AND BEYOND**
Report No: F030-07-F

1. Introduction

- 1.1 This report looks at the wider implications of the council's financial circumstances upon its main reserves (Capital Fund, Reserve Fund, Repairs and Renewals Fund) and opens up some policy issues for consideration. It also draws conclusions from that analysis to give direction to the budget exercise for the coming year (2008/09).

2. Background

- 2.1 The financial background to this exercise was the subject of an informal seminar to Members on 17 October, and the papers discussed at that seminar are attached as Appendix A. The key points of that presentation are set out below.
- 2.2 **General Fund revenue expenditure**, net of service fees and charges, amounts to £92.4 million in the current year (2007/08). Funding for that mainly comes from the Scottish Government (£78.5 million), at least some of which is in some jeopardy for the future as a result of Government reviews and a very tight settlement from Westminster for the next few years. The remaining funding comes from Council Tax (£8.1 million, which it would appear the Scottish Government has some intention to freeze for 2008/09), profits from Council trading operations (£0.8 million), and Council Reserves (£5.0 million). The draw from Reserves is a key Council policy target, which we are on track to meet in the current year. The current policy objective is to reduce that draw on Reserves to £4.0 million in 2008/09, and by £1 million per annum thereafter, down to zero in 2012/13.
- 2.3 The **Council's Reserves** grew from under £200 million in 1995 to an all time high of £330 million in 2003, despite a very serious decline in the international investment markets in the period 2000-2003. Since then the Reserves have declined to £287 million in March 2007, despite a very strong recovery in the markets over the last four years. This major decline

in the Reserves in a rising market is a trend that is completely new in the history of the Council, and must be seen as a major factor in Council policy deliberations. The decline has been to some extent recognised and built into Council financial policy, but that policy requires the decline to be halted at a minimum level of Reserves of £250 million, which has major implications for Council spending plans. Current Council policy requires the Council to achieve the planned reductions in draw upon Reserves to support revenue expenditure, and limits the Capital Programme's draw on Reserves to £20 million per annum

- 2.4 The current view of the **General Fund's revenue prospects for 2008/09** is as follows. The target draw on Reserves is £4.0 million, as already stated. A simple no growth projection of spending already in the budget suggests that an extra £1.5 million will be required. There is already significant spending growth in prospect, according to Heads of Service (especially in Education from the ending of some current income streams from the Scottish Government, and Social Care from increasing client groups and their expectations), which might amount to an extra £4.0 million per annum. Details of these growth items will be presented to members during the budget setting process. And there is also the Single Status exercise, where it has already been indicated that solving the loss of earnings for all staff may cost another £4.0 million per annum. All of these figures are highly provisional but the current indication is that if nothing is done the draw on Reserves for 2008/09 could be as much as £13.5 million (£9.5 million more than the £4.0 million target).
- 2.5 The **Reserve Fund programmes** are another ongoing draw on Reserves, and will total £8.0 million in 2008/09. This is made up of Economic Development staffing (£1.1 million), Economic Development and other discretionary grants (£4.9 million), and the support grant to the North Atlantic Fisheries College £2.0 million).
- 2.6 The **total draw on Reserves for 2008/09** might therefore be as follows:

	£ million
General Fund revenue support	13.5
Reserve Fund programmes	8.0
Capital Programme	20.0
TOTAL	<hr/> 41.5 <hr/>

- 2.7 A projection of the effect of drawing £41.5 million per annum from Reserves forecasts (see the graph on slide 8 in Appendix A) that the Council's Reserves would fall to £125 million in 2016. While this is better than the Bad Case projection made in 2005 (which shows that there has been positive progress since then) it still suggests that unless remedial action is taken our Reserves will only be at half the target level in eight years time.
- 2.8 The case for remedial action is therefore strong. Council policy requires it, as does any prospect of the Council achieving a financially sustainable position.

- 2.9 The following section looks at where spending growth has come from, and is coming from, before the options for remedial action are considered.

3 Spending Growth: Past and Future

- 3.1 Controllable Council revenue expenditure is roughly 70% employee costs and 30% net operating costs. Over the five years from 2002-2007 there has been major growth in a number of areas.
- 3.2 **Social Care** controllable revenue spending is up by £6.3 million since 2002, or a massive 52%. This reflects a period in which the Council has attempted to meet the service demands of an increasing client group for Social Care services. These demands continue to grow, and are reflected in further estimated growth of £2.0 million in Community Care costs for 2008/09.
- 3.3 **Education** controllable revenue spending is up by £6.3 million since 2002, or 13%. This was primarily down to the introduction of the McCrone settlement for teachers' remuneration and development, which was only partially compensated for by extra funding from the Scottish Government. Further growth of £2.0 million is forecast for 2008/09, primarily due to the scheduled end of special funding from the Scottish Government in areas such as the National Priorities Action Fund financing streams.
- 3.4 **Ferries/Transport** controllable revenue spending is up by £2.9 million since 2002, or 15%. This is mainly due to expansions of service (especially ferries and air services), reductions in income (free fares on Bluemull Sound) and increased unit costs (especially fuel).
- 3.5 **Community Development** controllable revenue spending is up by £2.4 million since 2002, or a massive 57%. The main factors are the transfer of Islesburgh from the Charitable Trust and the increased running costs of the Museum and Archives service in new premises.
- 3.6 **Environment** services controllable revenue spending is up £2.3 million since 2002, or 26%. The biggest single factor has been growth in the Police and Fire service requisitions, over which we have little influence.
- 3.7 Controllable revenue spending in **Housing and Roads** is marginally down since 2002, and in the case of **corporate overheads** (departmental management and headquarter costs) there has been a reduction of 3%.
- 3.8 The big areas of spending growth are concentrated in a few major areas of service delivery (especially Social Care and Education). These are also the areas where substantial future growth is expected.

4. Possible Remedial Action / Cost Savings

- 4.1 The Council has been successful over the past number of years in continuing to reduce costs without having to impact significantly on front line service delivery. This has been done through a continuing squeeze on Council overheads, together with downward pressure on budgets to extract greater efficiencies. More may be achieved through these means

for the future. However, it will no longer be possible to meet the Council's policy on limiting the use of Reserves and maintaining financial sustainability using these means alone. The levels of service we provide will also need scrutiny, with a view to setting priorities and examining structural alteration to the services provided.

- 4.2 The evidence in this report suggests there is a need to reduce the 2008/09 draw upon the Council's Reserves by £9.5 million in order to meet the Council's financial policy objectives, and thereby to maintain a financially sustainable future for Council services. This can be achieved either by reducing expenditure or increasing income in the areas of General Fund capital or revenue expenditure and in the Reserve Fund programmes. These three inter-related areas need to be explored as a matter of some urgency.
- 4.3 Below are options for remedial action, which the Council may wish to consider, together with comments on the issues concerning any such action. Officers need direction on these and any other options the Council wishes to consider, so that they can build these into their preparation of the budgets for 2008/09.
- 4.4 **Education** spending reductions, in particular **Schools** expenditure, could be pursued to reflect the falls in primary/secondary school rolls (down 8% between 1996 and 2005) and by reviewing staffing levels and reorganising the school estate into larger schools with lower unit costs. Such reductions are potentially very substantial, but are controversial and will take a significant amount of time to implement. Previous attempts by successive Councils have been difficult in practice to implement, but the falls in pupil numbers and the pressure for spending cuts mean that the issue is not going to go away. Controllable expenditure in this area amounts to some £32 million per annum.
- 4.5 **Social Care** savings could be pursued by aligning services and charges with statutory requirements and the norms which are applied elsewhere, but this is highly contentious, has failed in the past, and will still have to deal with growing client groups for the foreseeable future. Recent attempts to introduce charges were the subject of considerable political unrest and debate and were ultimately thwarted. But such a big area of spending will have to be among the options for members to consider. Controllable expenditure in this area amounts to some £16 million per annum.
- 4.6 **Ferries** expenditure could be reduced by adjusting operating hours and frequency (perhaps reflecting service levels in other Scottish islands) and income could be raised by increasing fares. Any such adjustments would meet resistance from island communities who have grown accustomed to the present services and fares. But this remains the biggest single spending area after Education and Social Care and will therefore have to be scrutinised. Controllable expenditure in this area amounts to some £9 million per annum.
- 4.7 **Roads and building maintenance** expenditure could be reduced with little initial impact (other than on the employment of service providers), but it is likely that such reductions would have long term impact on the condition of these assets, possibly leading to increased future

expenditure. Having said that, current standards of maintenance are very high, and may need to be reviewed. Controllable expenditure in this area amounts to some £7 million per annum.

- 4.8 **Discretionary grants budgets** could be cut in fields such as Economic Development, Community Development and Community Councils. A reduction in discretionary grants will bring focus on a number of programmes that have been successfully applied over many years through provision of assistance for social and economic purposes. However, these programmes were largely funded in the past through earnings at the Port of Sullom Voe, which have been reduced as oil volumes decline. Recipient bodies and individuals can be expected to vocally campaign against such cuts. Controllable expenditure in this area amounts to some £8 million per annum.
- 4.9 **Percentage cuts across the board** have been applied in the past, and are an effective tool if the Council is unable to set priorities. This is, however, an unselective approach which doesn't recognise areas of increasing demand, and nor does it recognise areas which have made major contributions to cost reduction in the past. It's a very blunt weapon, which will be seen to be unfair in some areas. Controllable expenditure across the board amounts to some £92 million per annum.
- 4.10 **Efficiency drives** have also been effective in the past, and have driven down corporate overheads in some areas. The pursuit of efficiency and best value is a statutory duty, which applies to budget responsible officers around the Council and will therefore continue, but experience suggests that the law of diminishing returns is setting in, with areas which have achieved substantial efficiencies in the past unable to go much further in future. One potentially promising area, however, is in the procurement of **goods and services**, where the present very devolved approach doesn't achieve consistent unit costs and could therefore be improved. The Chief Executive is exploring options to centralise the procurement approach and pursue significant savings (possibly in the order of £1 million per annum). Controllable expenditure on goods and services amounts to some £36 million per annum.
- 4.11 **Real service reductions and charge increases** are one of the most direct ways of tackling overspending, and are a commonplace among other local authorities in Scotland, and have been for many years. This Council, however, has no history of identifying low priority areas of service and implementing such cuts.
- 4.12 **Reductions in the Capital Programme** would be as valuable in protecting the Reserves as any cuts in General Fund net revenue expenditure. The Council could use these as the regulator to ensure that financial policy goals are met, simply by saying that any failure to make the necessary cuts in revenue will be deducted from the money available for the Capital Programme. This may well need to be used as a back stop control, but it has to be recognised that this will affect projects on the Programme (delaying or cancelling them), will affect the local construction industry, and will reduce the capacity to meet the many aspirations which have not yet found a place in the Programme.

- 4.13 Doubtless there are other targets which could be identified for attention, and any contributions to that from members will be welcome. What is needed over the course of the budget exercise is the opinion of the Council on these various target areas, so that officers can respond to that in preparing the 2008/09 budget and pursuing the £9.5 million reduction in the draw on Reserves.

5 Revenue Support Grant Effects of Net Expenditure Reductions

- 5.1 In some areas net expenditure reductions may adversely affect Scottish Government support. This latter point obviously has to be taken into account in determining whether the necessary reductions have been achieved.
- 5.2 The two main areas where this applies are Ferries and Planning/Economic Development.
- 5.3 In the case of inter-island ferries the 2007/08 Grant Aided Expenditure assessment (GAE) of £6.7 million is based on 51.8% of 2005/06 gross expenditure by the SIC on this service. If the GAE translates directly into Revenue Support Grant (which in theory it should, but in practice it rarely does, due to “floor mechanisms” and other transitional arrangements designed to limit changes in RSG), a cut in ferry spending of £1 million in 2008/09 would result in a reduction in RSG of £518,000 in 2010/11, giving a long term net benefit to the Council of £482,000 per annum for every £1 million saved.
- 5.4 In the case of Planning/Economic Development the 2007/08 GAE of £2.6 million is based on 62.4% of the average of Provisional Outturn 2005/06 and Budget Estimate 2006/07. If the GAE translates directly into RSG a cut in economic development spending (for example on the Reserve Fund discretionary economic development grants) of £1 million in 2008/09 would result in a £624,000 reduction in RSG in 2009/10, giving a long term net benefit to the Council of £376,000 for every £1 million saved.
- 5.5 This seemingly poor long term rate of return on savings might be thought to make it inadvisable to seek savings in these areas. However, the short term saving benefit is 100%, and it is by no means clear whether the long term reductions in savings will ever actually materialise, given the uncertain workings of the RSG mechanism. I would conclude that savings need to be pursued in these areas, while recognising the longer term risk of reduced RSG.
- 5.6 The financial settlement for local government will be announced by the Scottish Government in late November/ early December 2007. It is expected to embody the new concept of a “single outcome agreement”, with fuller flexibility to Councils to deploy resources, much reduced ring-fencing and, perhaps, a breaking of the link between certain forms of expenditure and RSG. The settlement will therefore need to be carefully analysed to see if it in fact reduces or eliminates the risk of losing RSG if cuts are made in certain types of expenditure.

6. General Fund Budget Strategy

- 6.1 The current strategy for the General Fund revenue budget is to continue to reduce the demand upon the Reserves year on year. The specific targets are to reduce the demand on Reserves to £4 million in 2008/09, and to steadily reduce the demand thereafter, achieving zero in 2012/13.
- 6.2 The target for 2008/09 is demanding, because the Budget Forecast for that year suggests that without remedial action the draw on Reserves would be £13.5 million (see 2.4). This means that the proposed target of £4 million from Reserves will require budget reductions of £9.5 million.
- 6.3 The current strategy for the General Fund Capital Programme is to limit the drawings upon Reserves to £20 million per annum. This target could be varied (increased one year, decreased the next, for example) to help accommodate a large project such as the Anderson High School, but is the long run average which is affordable under current Council policy.

7 Reserve Fund Budget Strategy

- 7.1 The ongoing Reserve Fund Programmes, which are mainly made up of the Council's contribution to Economic Development, total £8.0 million in 2008/09.
- 7.2 Budget Responsible Officers should recognise the general need to put downward pressure on all spending programmes, and should reflect that in their Reserve Fund proposals as well. It is worth pointing out that any decrease in Reserve Fund Programme spending would (all other things being equal) allow greater spending from Reserves on either the General Fund Capital Programme or the General Fund revenue budget. It follows that increases on Reserve Fund Programmes would require decreases on the General Fund. Councillors and officers should bear these possibilities in mind.
- 7.3 It is possible that some of the Reserve Fund's burdens of spending on economic development could be carried in 2008/09 by the Shetland Community Development Trust. For example, the deficit grant to the North Atlantic Fisheries College of £2.0 million (which SDT did meet in the past) could be transferred from Reserve Fund to SCDT. This possibility should be fully explored.

8. Harbour Account Budget Strategy

- 8.1 Efficiency savings, especially the potential unlocked by the merger of Harbour and Towage operations, need to be pursued to drive down operating costs at the Port of Sullom Voe. Charging levels also need to be looked at in the context of realistic throughput forecasts from the oil industry. Both these measures need to be pursued with a view to striking a balance between the viability of the Sullom Voe Terminal and restoring a higher level of profitability at the Port.
- 8.2 The profitability of the Port of Sullom Voe is very important to the Reserve Fund and the forecast for the Council's Reserves assumes that higher profitability is achieved by 2009/10. If that is not achieved further cuts in spending elsewhere will be required to compensate.

9. Housing Revenue Account Budget Strategy

- 9.1 The big HRA financial problem (which was the inspiration for housing transfer) is the very high level of Housing debt and the long term prospect that Housing Support Grant will cease to partially support it. The Council should therefore continue to discuss debt settlement mechanisms with the Scottish Government with a view to achieving debt relief (with or without stock transfer) in the long-term interest of the HRA tenants and social housing provision in Shetland.
- 9.2 While that dialogue goes on the key budgetary objective of the HRA should be to minimise the adverse effect on tenants by containing revenue and debt burdens upon house rents. This means constraining revenue expenditure to the fullest possible extent. There has been effective progress on this strategy in the last few of years under the Head of Housing's effective budgetary management of the service, and that work should continue.
- 9.3 The HRA Capital Programme will be dominated, over the next few years, by the Council decision to invest £13 million from HRA Reserves to acquire extra housing stock. This policy will help address the major problem of housing waiting lists in Shetland. It will not adversely affect revenue (the rents on newly acquired stock should at least meet the supervision and maintenance costs). And it will not adversely affect debt levels (being financed from Reserves, and therefore not adding to outstanding debt).

10. Policy and Delegated Authority and Links to the Corporate Plan

- 10.1 Responsibility for overall budget strategy stands referred to the Council. It is ultimately for Council to consider this report and its recommendations and to decide upon the budget strategies for 2008/09 and beyond.
- 10.2 The financial policies discussed in this report are of major significance for the Council's Corporate Plan, which will need to reflect the decisions taken on this report.
- 10.3 The policies set by this report should also provide the foundation for 2008/09 Service Plans, and will be the basis on which Budget Responsible Officers must prepare the 2008/09 budgets.

11. Conclusions

- 11.1 The Council's **£250 million Reserve Floor** policy should be reaffirmed, the prime reason being to provide sustainable future funding for the General Fund Capital Programme and Reserve Fund Programmes.
- 11.2 Up to now, the target for 2008/09 for use of Reserves has been expressed in three parts (£4 million funding for General fund revenue support, £20 million for the General Fund Capital Programme, £8 million for the Reserve Fund Programme), totalling £32 million. The prospects are for drawings of £41.5 million, requiring cuts of £9.5 million. Officers can only achieve so much by themselves (this report identifies possible savings of £1 million on procurement of goods and services, and possibly £2 million of reduced drawings on Reserves if the SCDT meets the

NAFC deficit for 2008/09), and will therefore need guidance from the Council as to which other areas to target.

- 11.3** A new approach to achieving the financial policy goal needs to be determined by members, pursuing the necessary cost savings in the following areas:

11.3.1 Reduced Capital Programme expenditure

11.3.2 Reduced Reserve Fund Programme expenditure, especially in the field of discretionary grants;

11.3.3 Reduced revenue spending on Council services via long-term reductions in those services.

- 11.4** Over the course of the 2008/09 budget exercise, which ends in February 2008, members will be presented with more detailed information on these three areas to help determine priorities regarding where cuts should be focussed. It is likely that this will be very challenging politically, but must be addressed if this Council is to protect the long-term position of the Council and the Shetland community. It is proposed that members will take the lead in engaging with Executive Management Team and Heads of Service to develop policy and determine the necessary actions.

- 11.5** The **Harbour Account** should continue to pursue efficiency savings on its operations at Sullom Voe, and should also review charges with a view to restoring the profitability of the Port.

- 11.6** The **Housing Revenue Account** should continue to explore debt relief measures with the Scottish Executive, while tightly controlling revenue costs and concentrating on the additional housing stock programme which will be funded from its own Reserves.

12. Recommendations

- 12.1** I therefore recommend that the Council considers this report and:

12.1.1 reaffirms the existing £250 million Reserve Floor policy (i.e. that Council discretionary Reserves will be maintained at or above that level);

12.1.2 establishes a single overall limit for drawings on Reserves in 2008/09 of £32 million (based on the current limits of £4 million of General Fund revenue support, £20 million General Fund Capital Programme support, £8 million Reserve Fund Programme support);

12.1.3 provides guidance to Executive Management Team and to Heads of Service over ways to achieve the necessary £9.5 million reductions in drawings upon Reserves in 2008/09, with reference to the ideas set out in Section 4 and any other proposals which may emerge in debate;

- 12.1.4 pursues efficiency savings and appropriate charging levels to restore a higher level of profitability at the Port of Sullom Voe by 2009/10;
- 12.1.5 pursues Housing Revenue Account debt relief while tightly controlling revenue spending and investing £13 million of Reserves over several years in additional housing stock.

Ref: Date:
 GJ/F/1/1

24 October 2007

Report No: F-030-07-D1

Finance Seminar Oct. 2007- Background

- New Council May 2007
- New Corporate Plan 2007-2011
- Financial Position/Implications/Required Actions
- Options

How the Income is Made Up

£ Million

100.0

90.0

80.0

70.0

60.0

50.0

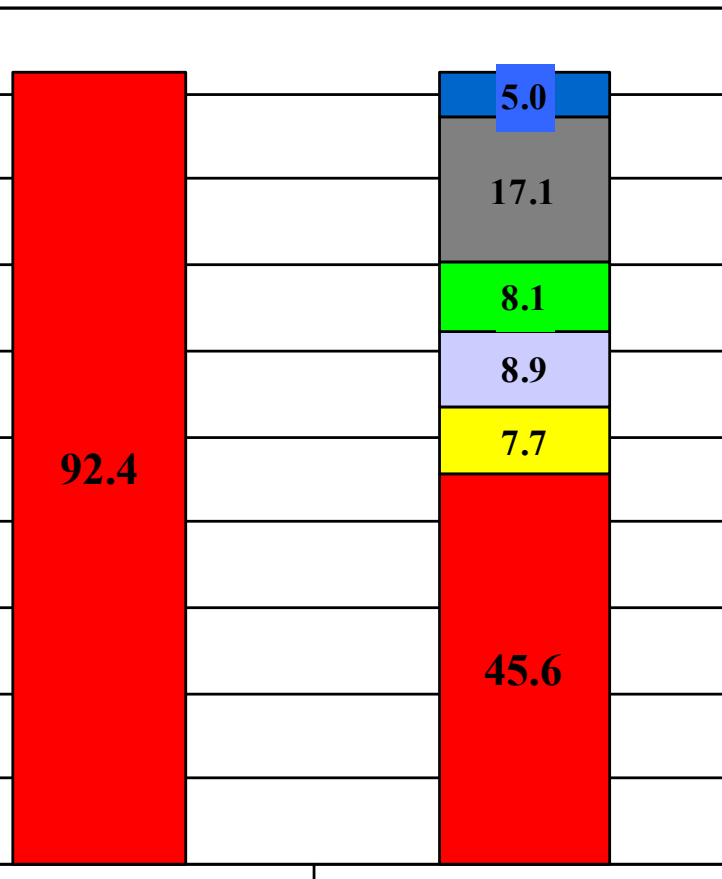
40.0

30.0

20.0

10.0

0.0



2007/2008

- Council Reserves
- Special Deal Capital Charges Support
- Council Tax
- Other Funding Income
- Special Island Needs (SINA)
- Scottish Government (RSG)

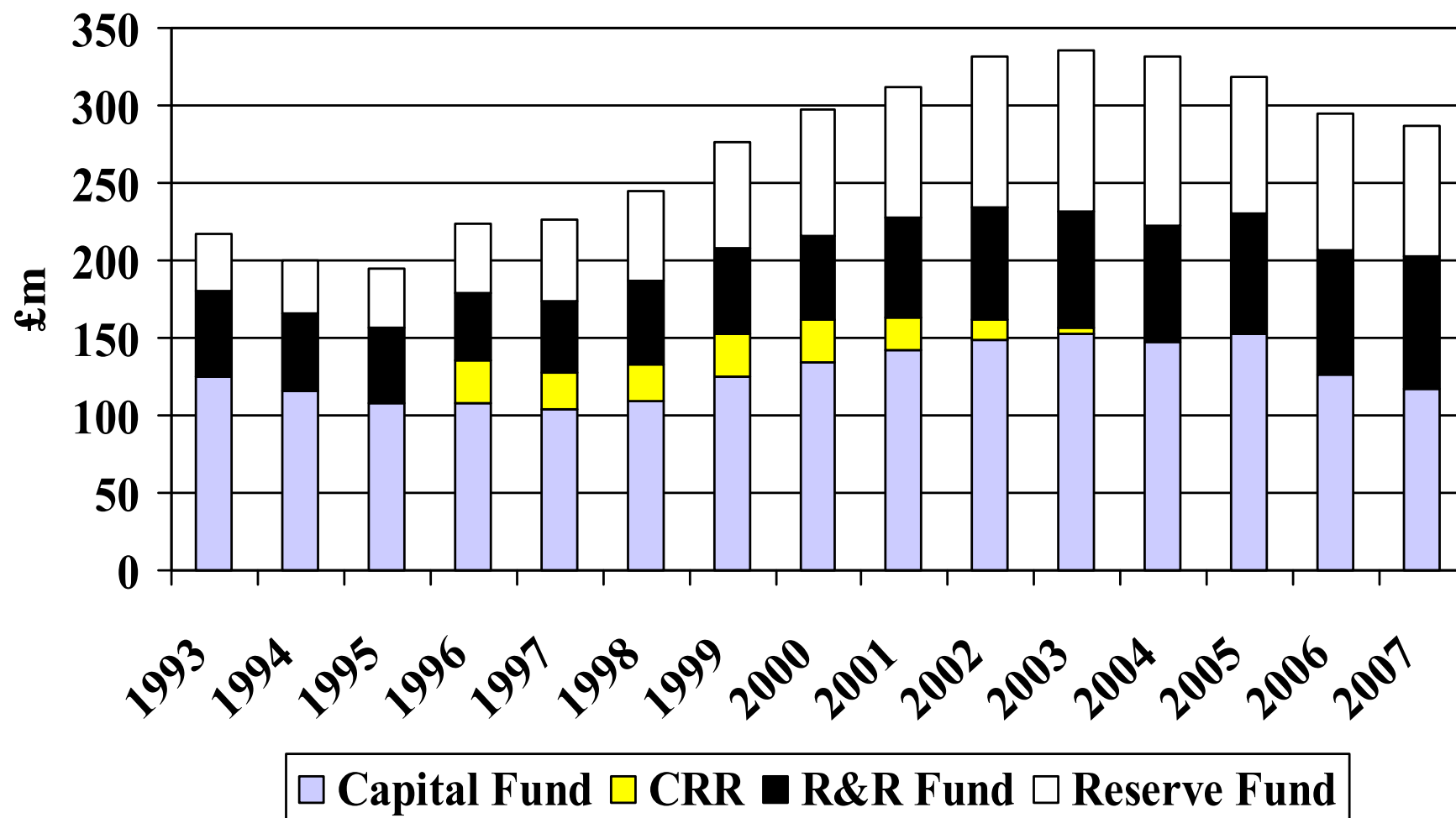
Net Expenditure Funding Income

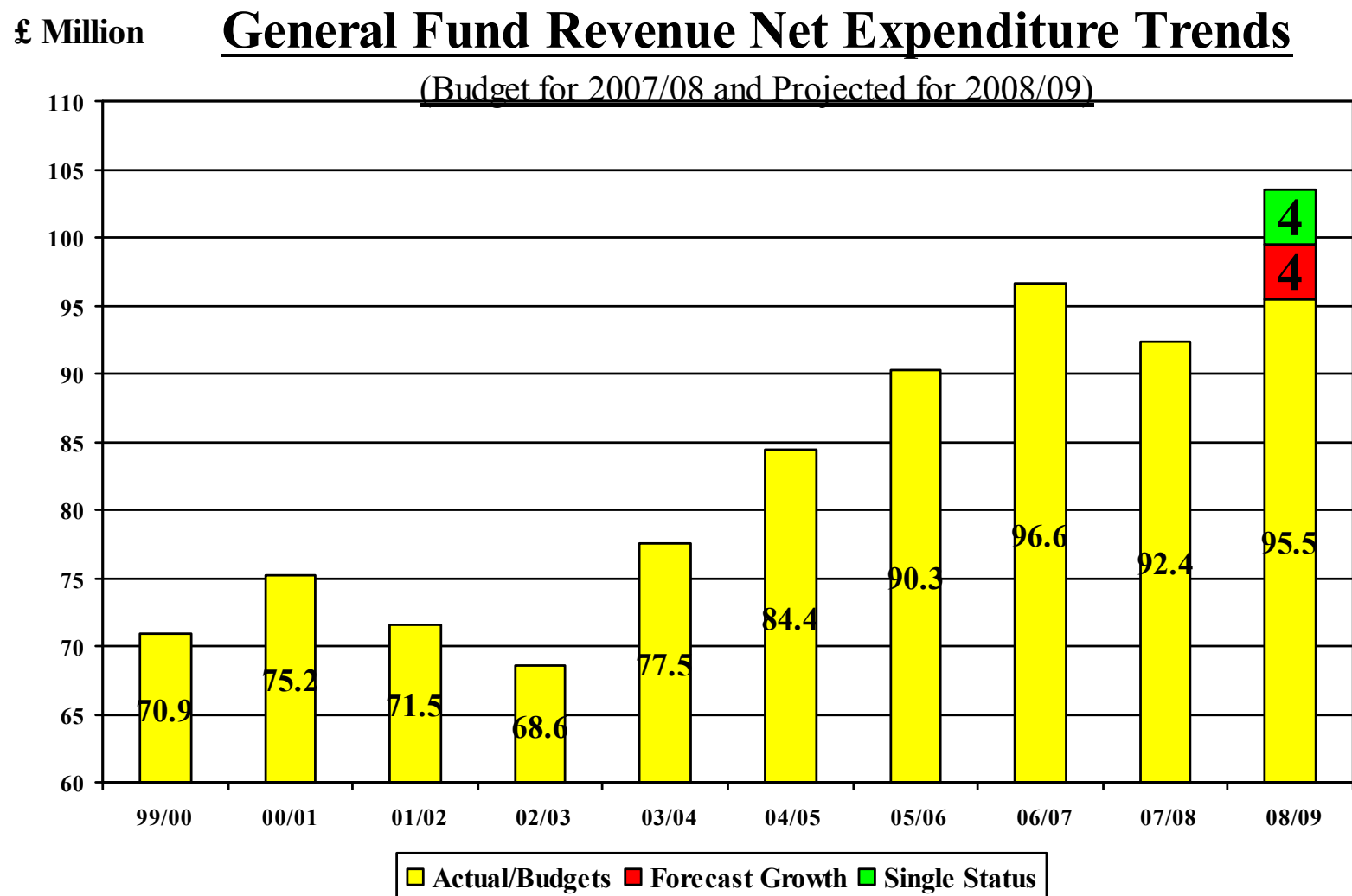
RISKS:

‘Special Deal’ Capital Charges Support – Calculation Mechanisms at an end 2005/2006 – Finance Review Underway

Councils Discretionary Reserves

(Values at Balance Sheet Costs)

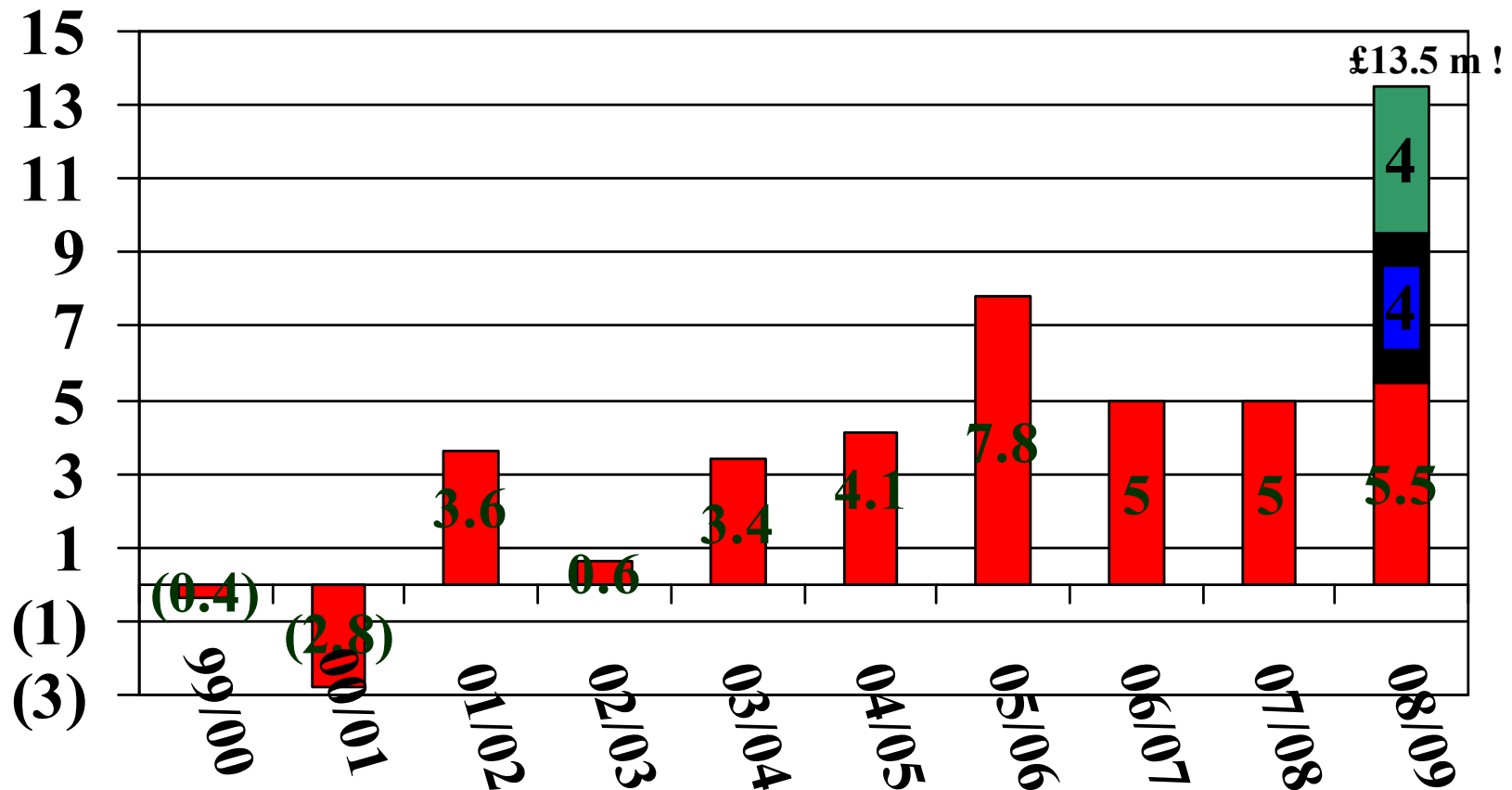




Revenue 'Top Ups' Required From Own Reserves

(Budget for 2007/08 and Projected for 2008/09)

£ Million



■ Budget/Actual ■ Forecast Additional (Social Work/Education) ■ Single Status

General Fund Prospects 2008/09

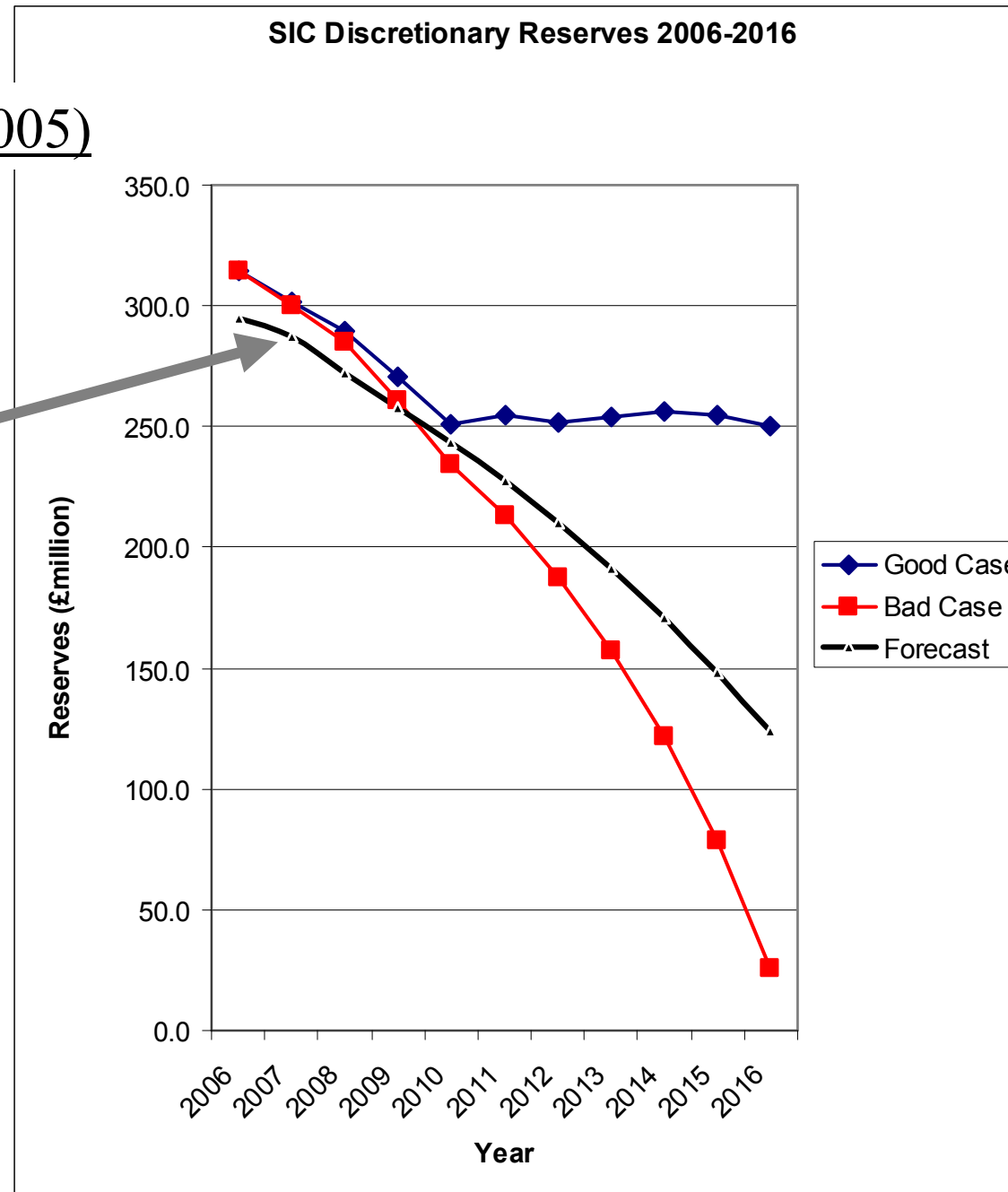
	2008/09 Draw from Reserves £million
Target	4.0
No-Growth projection	1.5
Predicted growth (Education/Social Care)	4.0
Sub-Total	9.5
Single Status Current Estimate	4.0
TOTAL DRAW FROM RESERVES	13.5
EXCESS DRAW FROM RESERVES	9.5
Possible Reductions?	
Improved procurement	(1.0)
REDUCTIONS STILL REQUIRED TO MEET BUDGET STRATEGY	8.5

Expected Reserve Fund Budget Requirements

	2008/09 Draw from Reserves £million
Development Staffing	1.1
Development Discretionary Grants	2.7
NAFC Grant	2.0
	5.8
Other Discretionary Grants	2.2
TOTAL ANTICIPATED DRAW FROM RESERVES	8.0
Possible Reductions 2008/2009	
Request Development Trust Fund from their own reserves balances and surpluses ?	

Long Term Plan (2005)

We are now here !



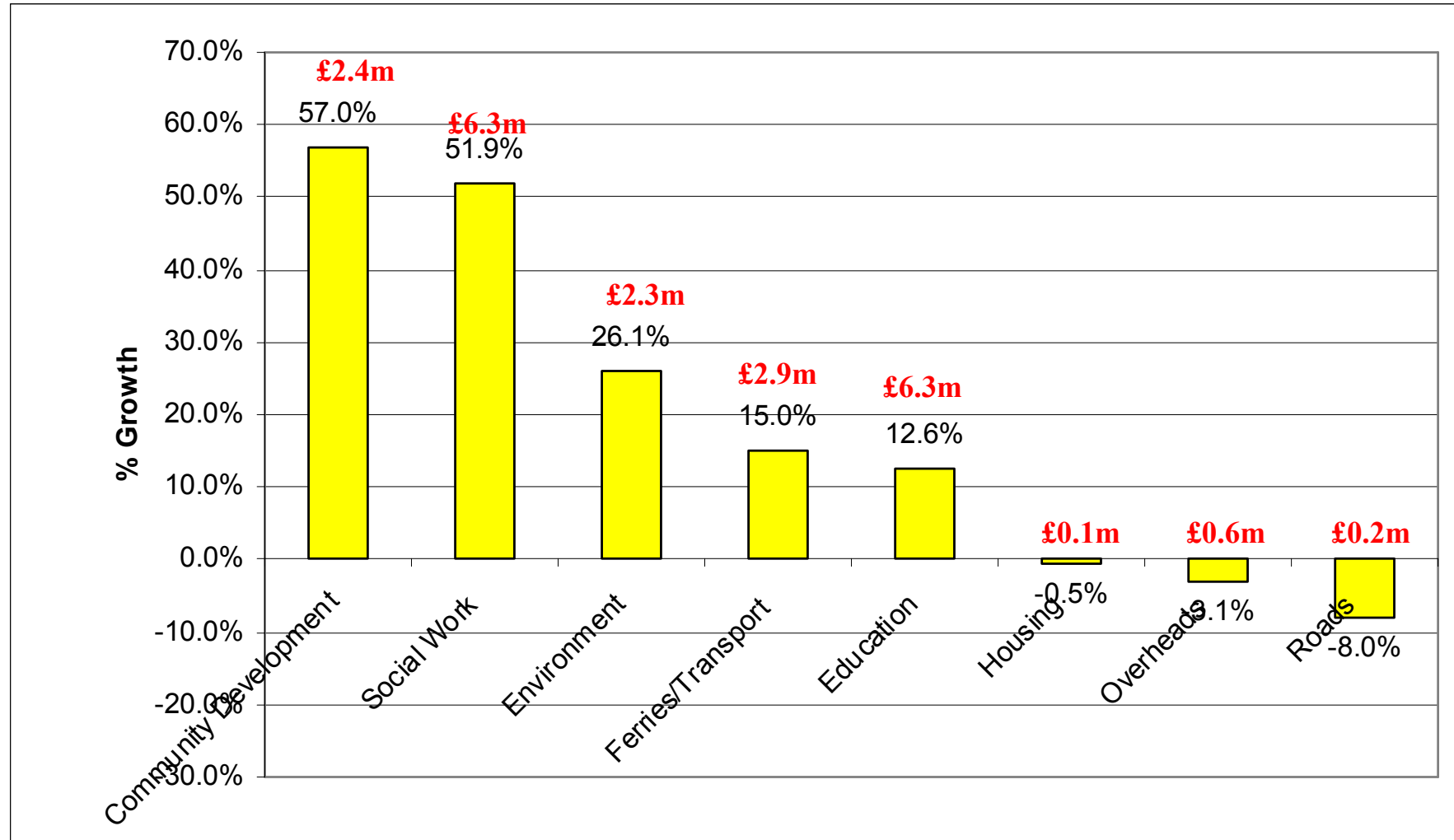
Appendix A **2007/08 Controllable Budgets for the General Fund, Support
and Recharged Ledgers Combined**

2007/08 GENERAL FUND/SUPPORT/RECHARGED BUDGETS

(approved budget figures)

SERVICE AREA	Employee Costs £000	Net Operating Costs (controllable) £000	Total Net Controllable Costs £000	
Chief Executive & Members	467	871	1,338	
Organisational Development	1,676	935	2,611	
Legal & Administration	1,558	1,474	3,032	
Finance	1,908	842	2,750	
Capital Projects	871	121	992	
Housing	1,852	(153)	1,699	
Executive Services	8,332	4,090	12,422	
Education & Social Care Directorate	3,459	1,329	4,788	
Social Care	13,369	(1,939)	11,429	
Schools	25,638	5,498	31,136	
Children's Services	3,557	1,107	4,664	
Criminal Justice	227	(218)	9	
Lifelong Learning	1,381	1,379	2,760	
Education & Social Care Services	47,631	7,156	54,786	
Infrastructure Directorate	920	161	1,080	
Environment	3,051	5,430	8,481	
Planning	1,067	(101)	966	
Roads	1,343	5,274	6,617	
Transport	7,250	6,230	13,480	
Infrastructure Services	13,631	16,994	30,625	
Economic Development Unit	805	183	988	
Ports & Harbours	1,431	3,320	4,751	
Costs Recharged to Other Ledgers			(11,172)	9
TOTAL GENERAL FUND	71,829	31,743	92,400	

Departmental Growth Relative to Inflation 2002-2007



Options for Action

<u>Option</u>	<u>Pro's</u>	<u>Con's</u>
Balance Revenue Demands with Capital Budget	Maintain service levels	Reduced capital programme spend
Across the board % budget cuts	Proven effectiveness, avoids setting priorities	Non selective, often 'unfair' and controversial
Continued drive for greater efficiencies	On going action	Diminishing levels of returns
Real Service Reductions	Effective long term fix	Very unpopular with negative community impact

Selected Service Reduction Options

(no means exhaustive)

<u>Option</u>	<u>Pro's</u>	<u>Con's</u>
Discretionary grants budgets	More than £2m savings possible if grants reduced	Impact on recipient bodies i.e. business and social sectors
Schools	Largest budget, significant on going savings potential, background of declining pupil numbers	Contentious, unpopular, negative community impacts, job losses
Social Work	Significant savings possible through alignment of services with statutory requirements	Growing demands, failures of previous attempts, most contentious area in community.
Ferries	Significant savings possible through reflecting other islands area service levels.	Likely to be rioting in the Islands
Roads	Easy to achieve savings from reducing maintenance.	Possible future implications regarding roads quality



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Legal and Administration

Review of Appointments to Outside Bodies – Update

Report No. LA-74-F

1.0 Introduction

- 1.1 The purpose of this report is update Members with regard to the review of appointments to outside bodies, and recommends appointments to be made at this meeting.

2.0 Links to Corporate Priorities

- 2.1 The recommendations in this report are important factors in the way the Council organises its business in terms of communication and partnership working, and supports Corporate and Community priorities relating to social, economic, environmental and cultural goals.

3.0 Review Update

- 3.1 A letter was sent to all outside organisations which had Member appointments during the Council term 2003/2007. A number of responses have been received, and Appendix 1 provides details of progress to date. We have been advised in some instances that responses will not be provided until late November, due to the scheduling of Trust or Management Board meetings.
- 3.2 It is my recommendation that where responses have been received, that these be considered in detail by the Committee Structure Review Etc Member/Officer Working Group at their next meeting, with a view to reporting back to the Council on 12 December with a further update.

4.0 Appointments Required

- 4.1 ASCC/SIC Joint Liaison Group

The Association of Shetland Community Councils/SIC Liaison Group, is a partnership body which was initially set up in 1996, with a remit to continue discussions on the relationship, powers and functions of Community Councils in relation to Shetland Islands Council, and to take forward consultation on the review of the Community Councils Scheme of Arrangements. Over the years, the Liaison Group has been active in debating matters relating to Community Council constitutions, funding, codes of conduct, consultations, review of electoral boundaries and, in 2006, contributing to a national consultation exercise regarding the future of Community Councils in Scotland. This latter topic has resulted in a Scottish Government Working Group being established. The agreed remit of the Working Group is to take forward key recommendations arising from the review of community councils, focussing on the following 3 outcomes: Produce a Model Community Council Scheme for Local Authorities; Produce Good Practice Guidance for both Community Councils and Local Authorities; and Produce a Code of Conduct for Community Councillors. This Working Group is actively proceeding to draft its proposals, and is likely to report its findings early in 2008.

- 4.2 It is important to ensure that the Shetland Islands Council and Shetland Community Councils work together on responding to this wider review and to take forward any proposals which arise from it. Accordingly, the ASCC, at its meeting on 6 October, made interim appointments to the Liaison Group. Final appointments will be made at their AGM in April. It is hoped that a meeting of the Liaison Group can be held in early course in order to consider the national review topics, as well as considering the requirement to produce an ASCC/SIC Code of Practice. The Code of Practice is a key document requirement stated in the Scheme, and is intended to formally establish the ground rules for communication and participative consultation between Community Councils, the Shetland Islands Council and other public bodies. In this regard, the Council is asked to appoint 1 Member from each Ward to the Liaison Group. Appointment to this Group has previously been authorised as an approved duty.

4.2 Shetland Aquaculture Trust

The Shetland Aquaculture Trust have advised that they wish to review the future composition of the Trust, and other aspects of its operation. However, in order to do so, the Trust has asked the Council, as a priority, to appoint at least 2 Councillors as Trustees in order that their review can commence. Appointment as a Trustee has previously been authorised as an approved duty.

5.0 Financial Implications

- 5.1 In the event of approval of approved duty status, attendance at meetings will be met by the Council from existing Members' budgets.

6.0 Policy and Delegated Authority

- 6.1 Appointments and nominations to external organisations can only be made by the Council, unless the Council has delegated such authority to a Committee.

7.0 Conclusions

- 7.1 The review of external appointments is now proceeding and detailed consideration will have to be given to the information being received, as well as further time given to some organisations to respond. Detailed consideration is best carried out at this stage by the Committee Structure Review Etc Member/Officer Working Group, and regular progress will be reported to the Council. In the meantime, appointments to the ASCC/SIC Liaison Group and the Shetland Aquaculture Trust are required for the reasons set out in section 4.0 above.

8.0 Recommendations

- 8.1 I recommend that the Council:
- 8.1.1 Note the progress on the review of external organisations and agree that detailed consideration be carried out by the Review Group, and reported back to the next Council;
 - 8.1.2 Appoint 2 Members to the Shetland Aquaculture Trust, with approved duty status; and
 - 8.1.3 Appoint 1 Member from each Ward to the ASCC/SIC Liaison Group, with approved duty status.

18 October 2007
AC

Trusts	Progress as at 23 October 2007	Action Required
Arthur Anderson Trust (Shetland Widows Fund)	No response received	
Broonies Taing Pier Trust	No response received	
Eliza Charlotte Harper Bequest Trust	Response received 18/9/07 – No documentation exists – no meetings – financial/administrative only	MOWG to consider further Report update to SIC 12/12/07
Fair Isle Bird Observatory Trust	No response received	
Foula Electricity Trust	No response received Appointed at SIC 4 July 07	
Georgeson Charitable Trust	No response received	
Germatwatt CentreTrust	No response received	
Gilbertson Trust	Response received 18/9/07 – No documentation exists – no meetings – financial/administrative only	MOWG to consider further Report update to SIC 12/12/07
Hunter Morrison Trust	No response received	
Samuel Mullay Bequest	Response received 18/9/07 - No documentation exists – no meetings – financial/administrative only	MOWG to consider further Report update to SIC 12/12/07
Shetland Alcohol Trust	Appointments made at SIC Response received 2/10/07. Trust reviewed and merged with Shetland Community Drugs Team – now called Community Alcohol and Drugs Services Shetland (CADSS). Trustees of SAT will cease when Trust is dissolved.	MOWG to consider further Report update to SIC 12/12/07
Shetland Amenity Trust	Appointed at SIC 4 July 07 Response received 23/10/07	MOWG to consider further Report update to SIC 12/12/07

Shetland Aquaculture Trust	Response received 15/10/07 - Trust to review its constitution and membership – interim appointments required	Interim appointments to be made by SIC 31/10/07 MOWG to consider further Report update to SIC 12/12/07
Shetland Fisheries Training Centre Trust	Appointments made at SIC 23 May 07 No response received	
Shetland Fishermen's Trust	Appointed at SIC 4 July 07 Response received 17/10/07	MOWG to consider further Report update to SIC 12/12/07
Shetland Recreational Trust	No response received	
Textile Working Museum Trust	Response received 12/10/07. Further clarification required.	MOWG to consider further Report update to SIC 12/12/07
The Shetland Trust	No response received	
Voxter Centre Trust	Response received 28/9/07. Discussion ongoing with Trust officer.	MOWG to consider further Report update to SIC 12/12/07
William Strong Bequest	Response received 17/9/07	MOWG to consider further Report update to SIC 12/12/07

Outside Organisations	Progress as at 23 October 2007	Action Required
Association for Public Service Excellence (APSE)	No response received	
Atlantic Frontier Environment Forum	No response received Appointment made at SIC 12/9/07	
Careers Scotland	No response received	
Citizens Advice Bureau Board of Management	Appointed at SIC 4 July 07 Response received 18/9/07 – awaiting further info	MOWG to consider further Report update to SIC 12/12/07
Community Leadership Forum	No response received	
CPMR	Appointed at SIC 23 May 07 No response received	
Dounreay Stakeholder Group	Appointed at SIC 4 July 07 No response received	
Highlands and Islands Conveners' meeting	No response received	
Highlands and Islands Film Commission	No response received	
Highlands and Islands Nuclear Policy Discussion Group	No response received	
KIMO	Appointed at SIC 23 May 07 No response received	

Local Advisory Board - Careers Scotland	No response received	
Nuclear Free Local Authorities (NFLA)	Appointed at SIC 23 May 07 No response received	
Scottish Accident Prevention Council	Response received – 26/9/07	MOWG to consider further Report update to SIC 12/12/07
Scottish Liaison Group on Radioactive Waste Management	No response received	
Scottish Museums Council	Response received – 21/9/07 – awaiting further info, although no requirement to appoint	MOWG to consider further Report update to SIC 12/12/07
Shetland Area Waste Group	No response received	
Shetland Alcohol and Drug Action Team (SADAT)	Appointments made at Services Committee 18/10/07 Response received 2/10/07	MOWG to consider further Report update to SIC 12/12/07
Shetland Childcare Partnership	Appointed at Services Committee 30 August 07 No response received	
Shetland Crofting, Farming and Wildlife Advisory Group (SCFWAG)	Appointed at SIC 4 July 07 No response received	
Shetland Island Games 2005 Ltd	Company no longer in existence – wound up March 2006	None
Shetland Oil Terminal Advisory Group (SOTEAG)	Appointed at SIC 23 May 07 No response received	
Shetland Shellfish Management Organisation	Appointed at SIC 4 July 07 Response received 27/9/07	MOWG to consider further Report update to SIC 12/12/07

Shetland Youth Information Service	Response received 20/9/07	MOWG to consider further Report update to SIC 12/12/07
Shetland/Vagsoy Twinning Association	No response received	
Sullom Voe Association (SVA)	Appointed at SIC 23 May 07 No response received	
Sumburgh Airport Consultative Committee	Appointed at SIC 23 May 07 No response received	
Tenant Participation Advisory Service (TPAS)	No response received	
The Highland Territorial Auxilliary and Volunteer Reserve Association	Appointed at SIC 4 July 07 Response received 12/9/07	MOWG to consider further Report update to SIC 12/12/07
TIGHRA	No response received	
University of the Highlands and Islands (UHI)	Response received - currently reviewing their constitution and membership – will revert to us when that has been finalised	MOWG to consider further Report update to SIC 12/12/07

No Reviews required

Statutory Appointments/Nominations

Northern Community Justice Authority	Appointed at SIC 23 May 07
O&S Valuation Joint Board	Appointed at SIC 23 May 07
Northern Joint Police Board	Appointed at SIC 23 May 07

Highlands and Islands Fire Board	Appointed at SIC 23 May 07
Childrens Panel Advisory Committee	Appointed at SIC 23 May 07
Visiting Committee for Legalised Police Cells	Appointed at SIC 23 May 07
ZetTrans	Appointed at SIC 23 May 07
Lerwick Port Authority	Nominations at SIC 23 May 07

Organisation	Progress	Action
ASCC/SIC Joint Liaison Group	ASCC interim appointments 6/10/07	SIC appointments 31/10/2007
Community Planning Board	Appointed at SIC 23 May 07	Awaiting review by CPB
CoSLA	Appointed at SIC 12/9/07	None required
NHS Shetland Board	Nomination at SIC 4 July 07	None required
Shetland Charitable Trust	Nominations at SIC 23 May 07	None required
Shetland Development Trust	Nominations at SIC 23 May 07	None required
Scottish Local Government Forum Against Poverty	Agreed not to appoint 4 July 07	None required
Mayors for Peace	Agreed not to appoint 4 July 07	None required
Shetland Energy Forum	Response received 20/9/07 – has not met for some years and no longer required	None required
Lerwick Town Centre Management Group	Response received 24/9/07 - Group has dissolved – may be re-instated in future.	None required
Convention of Highland and Islands	Response received 14/9/07 SIC has membership, but no named appointments required – invitation to attend meetings	None required



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Legal and Administration

Councillors' Declarations of Interests at Meetings – Prior Notice Report No. LA-72-F

1.0 Introduction

- 1.1 The purpose of this report is to recommend the introduction of giving prior notice of an interest in an agenda item at formal meetings of the Council and its Committees.

2.0 Link to Council Priorities

- 2.1 The recommendation in this report supports the Council's commitment towards setting and promoting excellent standards, in order to fulfil its leadership role, as set out in the Council's Corporate Plan 2004-08. The recommendation also supports the Council's requirement to uphold the principles contained in the Councillors' Code of Conduct.

3.0 Background

- 3.1 As part of a pilot project, the Planning Board undertook to include, as an agenda item, prior notification of declarations of interests. The reason for this was to assist Members in meeting the requirements of the Councillors' Code of Conduct, by focussing attention on the need for consideration of possible conflicts of interest that may arise from a meeting. Prior notification at the beginning of the meeting as to which agenda items a Member may declare an interest, also assists the Chairperson in ensuring that Members' declarations are properly made before any debate.
- 3.2 The practice has been in place at meetings of the Planning Board since its first meeting in June, and the Chairperson has commended the procedure for adoption by the Council as standard practice. The procedure was discussed at a recent meeting of the Committee Structure Review Etc Member/Officer Working Group, and it was agreed that the procedure should be recommended to the Council for formal adoption. It should be noted that this procedure is adopted by many Councils in the UK, and is regarded by the Standards Commission as good practice, for the reasons mentioned in paragraph 3.1 above.

3.3 This report therefore recommends adoption of this procedure for all formal meetings of the Council. Members should note that this procedure does not preclude any additional declarations being made during the meeting.

3.4 It is important that declarations are made in a proper form, and this issue is addressed in a separate report

4.0 Financial Implications

4.1 There are no financial implications associated with the terms of this report.

5.0 Policy and Delegated Authority

5.1 Section 4.3 of the Council's Administrative Regulations for the Management and Conduct of Meetings sets out the order of business for meetings of the Council. Changes to the Regulations can only be made by the Council in accordance with Section 8 of the Council's Scheme of Delegations.

6.0 Conclusions

6.1 The procedure for ensuring prior notification of declarations of Members' interests has operated successfully at meetings of the Planning Board, and is recommended by Members, and officers, for formal adoption as part of the Administrative Regulations for meetings.

7.0 Recommendations

7.1 I recommend that the Council adopt, as standard procedure, the inclusion of prior notification of declarations of interests on all meeting agendas with immediate effect, and that Section 4 of the Administrative Regulations be amended accordingly.

8 October 2007
AC



REPORT

To: Shetland Islands Council

1 October 2007

From: Head of Legal and Administration
Monitoring Officer

Standards Commission for Scotland: Decision Notice Report No. LA-78-F

1.0 Introduction

- 1.1 Following a decision of the Hearing Panel of the Standards Commission held in Lerwick on 1 August 2007, a formal decision notice was issued to the Council and the purpose of this report is to enable the Council to receive and thereby consider its terms.

2.0 Background

- 2.1 The decision of the Commission is attached as Appendix 1 and is referred to for its terms. The circumstances arose from a complaint that Mr Cluness, a Councillor during the term 2003 – 2007 breached the Councillors Code of Conduct during that term of office by not registering properly and timeously appointments with Smyril Line and Shetland Fisheries Training Centre Trust in respect of which an honorarium or fee became payable. The decision focuses only on these two areas which were acknowledged as administrative failures by Councillor Cluness from the outset and he apologised unreservedly for those omissions. The complaint had gone much further. Mr Cluness could not accept those other elements of complaint as they were unfounded in fact and or based on speculation on the part of the complainant. This led to further investigations for a period of 8 – 9 months. After investigation by the Chief Investigating Officer he found these other elements of complaint to be incapable of being upheld and were rejected in the course of his investigation.
- 2.2 The failure to register interests noted that at times the registration of interest had been made but either in the wrong category or outwith the one month period allowed for registration. This occurred when circumstances in relation to the two bodies concerned changed. There is a key learning point

for Members in that it is not sufficient to assume that a registration once made, does not require to be altered should the status of that appointment change during the term of office. In both cases concerning Smyril Line and SFTCT the circumstances concerning payment arose after the initial appointment but the intimation of the change and the details required to make sure it was properly registered were delayed beyond the timescale required for such intimation to be made to Officers of the Council.

- 2.3 The consequence of the omission as stated by the Standards Commission was a loss of openness and transparency given that any member of the public wishing to scrutinise the register after the point when the registration should have been made would either not have found the correct details or if registered would not have located the details in the correct part of the register.
- 2.4 One of the key consequences of the proper registration is a requirement on Members to follow that up with a full and adequate declaration of interest coupled with, when appropriate, departure from the meeting at which an item concerning the organisation named in the registration, is being considered. Although the complaint had included allegations that there had been failure to declare interest, the Chief Investigating Officer concluded that that was not the case. Indeed he had identified by reference to reports and minutes of Council meetings that Mr Cluness had properly declared his interest on every occasion. Without diminishing the importance of the requirement to register interests, the Chief Investigating Officer in the course of his investigation and in his report to the Commission Hearing made it clear that he viewed the declaration of interests following on from any registration of interest to be of significant importance.
- 2.5 In the course of his submissions to the Commission the Chief Investigating Officer drew attention to the early acknowledgement and apology by Mr Cluness for the failures to register, that any failures were in the form of omissions rather than being wilful or deliberate and that he was in no doubt as to the personal integrity of Mr Cluness which was not to be in question. These observations were adopted and declared as findings by the Commission as set out in full in pages 3 & 4 of their Note of Decision.
- 2.6 The Commission also noted steps being taken by the Council to learn from this experience which are listed in this report.

3.0 Considerations

Improved Administration of Registration of Interest

- 3.1 This complaint rumbled on for the best part of a year, eight months of which were at the end of the term of the last Council. During that period my staff were able to identify steps which could be undertaken to improve the administration and capture of information from Members in terms of required registration and it also helped inform a detailed induction on ethical standards – delivered to all of the new and re-elected Members at the beginning of the term of this Council.
- 3.2 A recent update to the Council's Committee Information System (ColnS) with links to the Council's website have improved handling of information and the retention of historic details regarding registrations made. As part of the induction and also in periodic prompts from my administrative services unit, Members are repeatedly reminded of the requirement to make amendments to existing or make new appointments known so that the registers are constantly being updated in line with the requirements of the regulations. Members are also assisted on request with guidance on the types of information which should be included within a registration entry and all Members are provided with not only the Councillor's Code of Conduct but also with the guidance and dispensation notes supplied by the Commission as part of the induction process.
- 3.3 What has become clear from the handling of this complaint is that even non-deliberate technical breaches of the Code where those exist give rise to the potential for complaint and on admission, the Commission after a Hearing and a conclusion relating to that breach has no discretion other than to impose one of three sanctions of which censure is the lowest order available. This is therefore an opportunity to reaffirm the importance to Members of ensuring that their registrations are always up to date and accurately reflect the circumstances which affect appointments made.

Dispensations

- 3.4 By the time of the Hearing in August we were able to report to the Commission that the Council had already picked up on one of the recommendations of the Chief Investigating Officer which was to establish and identify the circumstances in which the Council could pursue Dispensations. Such Dispensations, if granted, would allow Members who would ordinarily find themselves in a position to have to register and then declare their interest and take no part in decisions the opportunity at meeting certain conditions to still participate when important

matters concerning the relevant organisations came before the Council for deliberation.

- 3.5 In March 2007 the Council agreed that a Member Officer Group would be appointed by the Council after the elections to take forward a review of all of the Council's appointments. It was intended that this review would identify those cases where, if the Council decided that appointments were to continue, applications for dispensation in appropriate cases would also be submitted to the Standards Commission for consideration.
- 3.6 The review is ongoing and the submissions received thus far from external organisations include suggestions for no continuing requirement for Member participation to requests for increased participation. The submissions made by organisations identify that some of the appointments are more amenable to the pursuit of dispensations than others. The review process continues to be managed by the Working Group and will be reported back to this Chamber.

Procedures for Declaring Interests

- 3.7 As part of the work of the Member Officer Group a pilot has also been run seeking to approve the method of declaration of interests at Council meetings. Given that the Standards Commission found that the Convener's conduct in this regard, notwithstanding the complaint, had been scrupulous, it was nevertheless the feeling of the group that more could be done to assist chairmen in directing Members attention to the requirement for declarations at the outset of all Council meetings. A separate report on this agenda addresses the outcome of that pilot and given its success, recommends rolling out the practice to all meetings of the Council.

4.0 Financial Implications

- 4.1 There are no spending requirements arising from the terms of this report.

5.0 Policy and Delegated Authority

- 5.1 In terms of Section 18 of the Ethical Standards in Public Life etc (Scotland) Act 2000 the Commission, having given the Council a note of its decision concerning any one of its Councillors, requires consideration to be given to the content of that decision. Such consideration cannot be delegated by the Council to a committee, sub-committee or officer and therefore requires to be notified in the form of a report to a meeting of the Council.

- 5.2 After consideration of its terms, it is open for the Council to note the contents of this report.

6.0 Conclusions

- 6.1 This report gives intimation of the Standards Commission's decision in respect of case number LA/SI/490 and describes the steps the Council has taken to seek to avoid similar recurrences, in the future regarding registration of interests by Members in terms of the Councillors Code of Conduct.

7.0 Recommendations

- 7.1 I recommend that the Council note the contents of this report and give consideration to its terms, including awaiting the output from the Member Officer Working Group regarding pursuit of dispensations from the Standards Commission in relation to the wide range of appointments to various organisations made by the Council and other public bodies where those appointments carry Councillor involvement.

Head of Legal and Administration
23 October 2007

**Standards Commission for Scotland ("The Commission")
Decision of the Hearing Panel of the Commission following the
Hearing held at the Shetland Hotel, Lerwick on 1 August 2007**

Panel Members: Mrs Wendy Goldstraw, Chairman
Mr John Dowson
Mr Okain McLennan

In respect of a Report by D Stuart Allan, Chief Investigating Officer ("the CIO") further to Complaint No. LA/SI/490 ("the Complaint") concerning an alleged contravention of the Councillors' Code of Conduct ("the Code") by Councillor Alexander Cluness of Shetland Island Council ("the Respondent"). The CIO was accompanied by Jon Miller, Investigating Officer.

The Respondent was present at the Hearing. He was represented by Mr Murray McCall.

The Complaint

The Complainant was Mr Michael Peterson. The Complainant alleged, as part of a wider complaint, that the Respondent breached the provisions of the Councillors' Code of Conduct by failing to register interests in companies or other bodies from which he received remuneration as a nominee director or trustee. Particular reference was made to the Respondent's directorship of Smyril Line p/f and the complaint contained a specific request that there should be an investigation of any remuneration or additional payments made to the Respondent in respect of all undertakings of which he was a director or trustee. Accordingly, it was alleged that the Respondent breached paragraphs 4.1, 4.2, 4.3 and 4.10, which are contained in Section 4 of the Code and which deal with Registration of Interests, including financial interests.

Registration of Interests

Para 4.1 The following paragraphs set out the categories of interests, financial and otherwise, which you have to register. These are "Registerable Interests", and you must ensure that they are registered, when you are elected and whenever your circumstances change.

Para 4.2 Regulations made by Scottish Ministers describe the detail and timescale for registering interests. It is your responsibility to comply with these regulations and you should review regularly and at least once a

year your personal circumstances. Annex B contains key definitions and explanatory notes to help you decide what is required when you register your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse, or cohabitee.

Category One – Remuneration

Para 4.3 You have a registerable interest where you receive remuneration by virtue of being:

- *employed*
- *self-employed*
- *the holder of an office*
- *a director or an undertaking*
- *a partner in a firm; or*
- *undertaking of a trade, profession or vocation, or any other work*

Para 4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and detail the nature of its business

The CIO's Report ("the Report") (in full at Appendix I) was submitted to the Commission in accordance with Section 14.2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 ("the Act"). The Code came into effect on 01 May 2003 and the Commission accordingly had jurisdiction to hear the Complaint, as the alleged breaches of the Code occurred after the Code came into operation.

The CIO's findings were that Councillor Cluness contravened the provisions of the Code by:

- failing to register properly the category of his directorship of Smyril Line p/f by not specifying that it was remunerated nor the nature of the company's business
- failing to register timeously his directorship of Smyril Line p/f
- failing to register his chairmanship of the Shetland Fisheries Training Centre Trust (SFTCT) as Category One (remunerated) interest
- failing to register timeously his chairmanship of SFTCT.

Joint Statement of Facts

The Chief Investigating Officer and the Respondent's Representative lodged as a production a Joint Statement of Facts signed on 28 and 29 June 2007 respectively. In the agreed Joint Statement of Facts, the totality of the CIO's report was accepted as not being in dispute, subject to some matters being noted on behalf of the Respondent. An Inventory of Productions had also been agreed as an accurate record of the matters they purport to record.

The Decision

The Hearing Panel considered all the evidence, submissions given in writing and orally at the Hearing and found as follows:

1. The Councillors' Code of Conduct applied to the Respondent.
2. That the report and evidence presented by the CIO, and accepted unreservedly by the Respondent, established that Councillor Cluness had failed to register properly and timeously his remunerated interests in Smyril Line p/f and SFTCT.
3. That the actions of the Respondent, in failing to register properly and timeously his remunerated interests in Smyril Line p/f and SFTCT, constituted clear breaches of Section 4.1, 4.2, 4.3 and 4.10 of the Code.

Sanction

The Panel decided to censure Councillor Cluness under the terms of the Ethical Standards in Public Life etc (Scotland) Act 2000 Section 19 (1) (a).

Reasons for Sanction

In reaching their decision, the Panel had taken into account:

1. In failing to register properly and timeously the remunerated appointments with Smyril Line p/f and SFTCT, Councillor Cluness did not demonstrate the openness and transparency required by the Code and as such did not adhere to key principles of ethical standards.

2. Councillor Cluness made full and early admissions of, and apologies for, his failures. He has accepted sole personal responsibility for his actions.
3. Although Councillor Cluness failed to register those interests properly and timeously, he did make the appropriate declarations of interest and correctly withdrew from Council meetings on occasions when matters relating to both Smyril Line p/f and SFTCT were being discussed.
4. Councillor Cluness has been re-elected as a Councillor and Convener of Shetland Islands Council.
5. Their (the Panel's) conclusion that his actions were due to carelessness and negligence rather than being wilful or deliberate, and as such his personal integrity was not put in question.
6. Their (the Panel's) recognition that Councillor Cluness has subsequently taken a lead in ensuring that the recommendations of the CIO contained in his report are being taken forward within Shetland Islands Council and the Code of Conduct being given the importance it requires.

Conclusion

The attention of the Respondent is drawn to Section 22 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 which details the Right of Appeal in respect of this Decision.

The Panel determined that there be no award of expenses under Rule 13(1) of the Commission's Hearing Rules.

Date:10 August 2007.....

.....Wendy Goldstraw.....

Wendy Goldstraw
Chairman of the Hearing Panel



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Legal and Administration

Appointments – Employees Joint Consultative Committee and Staffing Appeals Committee Report No. LA-73-F

1.0 Introduction

- 1.1 The purpose of this report is primarily to report on use of the Chief Executive's emergency powers to temporarily increase the Councillor membership of the Employees' Joint Consultative Committee (EJCC). Secondly, the report is seeking to permanently increase the membership of the Staffing Appeals Committee.

2.0 Links to Corporate Priorities

- 2.1 The recommendations in this report support the Council's commitment towards setting and promoting excellent standards, in order to fulfill its leadership role, as set out in the Council's Corporate Plan 2004-08.

3.0 Employees JCC – Use of Emergency Powers

- 3.1 The EJCC was scheduled to meet on 25 September 2007. However, on the day of the meeting it was apparent that due to other Council business and personal commitments, the meeting would be inquorate as only one Member of the Executive Committee (which makes up membership of the EJCC) was able to attend. The quorum required is three.
- 3.2 Two other Councillors were available at the Town Hall, and in order not to delay the meeting further, the Chief Executive was asked to use his emergency powers and temporarily appoint Mr J Henry and Mr G Robinson. The Chief Executive agreed, and nominated the Service Manager – Administration to ensure the necessary formalities. In the absence of the Convener and Vice-Convener, Mrs I J Hawkins, as the only available member of the Executive Committee, was consulted, and agreed that the temporary appointments should be made. The meeting was duly held, and

thanks given to those Members for agreeing to the temporary appointments.

4.0 Staffing Appeals Committee – Membership

- 4.1 The Staffing Appeals Committee deals with the hearing and determination of appeals and grievances by employees, excluding Teaching Staff, in terms of the Council's approved grievance and disciplinary procedures. Membership is made up of all members of the Executive Committee, with the exception of the Chairman of the Shetland Charitable Trust. This leaves a panel of six members, from which four must be appointed to a hearing. There are a number of hearings which require to be held before the end of this calendar year, and therefore training was made available to members of the Committee on 3 October.
- 4.2 The training was also provided to members of the Education Sub-Committee, whose remit is to determine appeals and grievances lodged by teaching staff. There are 10 Members of the Sub-Committee, 6 substantive and 4 substitutes. The Sub-Committee has rarely met, and no hearings are due at present.
- 4.3 Again, due to other commitments, only one Member of the Staffing Appeals Committee was able to attend the training on 3 October, although 7 Members of the Education Sub-Committee were able to attend.
- 4.4 At the training, the issue of Members' availability was discussed. Members agreed that it was important to ensure as many Members as possible were available for hearings whilst ensuring that the existing experience of some Members in hearing appeals is utilised, as well as now ensuring full benefit can be made of the training received. In this regard, it was recommended that membership of the Staffing Appeals Committee should be augmented by all Members of the Education Sub-Committee, including the substitutes.
- 4.5 In summary, and if approved by the Council, membership of the two groups from which a panel of four can be drawn for any meeting, would be as follows:

Staffing Appeals Committee

L Angus	L Baisley
A J Cluness	A Duncan
C B Eunson	B Fullerton
F B Grains	I J Hawkins
A Hughson	C Miller
F Robertson	J G Simpson
C Smith	A Wishart

Education Sub-Committee

Substantive:

L Baisley	A Duncan
F B Grains	A Hughson
C Miller	F Robertson

Substitutes:

C Smith

I J Hawkins

C B Eunson

A J Cluness

5.0 Financial Implications

- 5.1 In the event of appointment, attendance at meetings will be deemed an approved duty, and any expenses incurred will be met from existing Members' budgets.

6.0 Policy and Delegated Authority

- 6.1 Section 23.3 of the Council's Scheme of Delegations states that "in the event of an urgent matter arising which requires an immediate decision, the Chief Executive, or his nominee, may take action on behalf of the Council, having consulted with the Convener or Vice-Convener, whichever is appropriate and available. A report of the action taken shall be submitted to a meeting of the Council as soon as possible, but within the terms of the Administrative Regulations."
- 6.2 The appointment of Members to Committees and Sub-Committees can only be made by the Council, in terms of Section 8 of the Council's Scheme of Delegation.

7.0 Conclusion

- 7.1 The temporary appointments to the EJCC were necessary in order to ensure no delay in the formal consultation process. This report fulfils the requirement of the Scheme of Delegation by providing a report of the action taken. Augmenting membership of the Staffing Appeals Committee will increase the numbers from which a panel can be drawn, but will also utilise the experience held by some Members, and training given to those Members.

8.0 Recommendation

- 8.1 I recommend that the Council
- 8.1.1 note the emergency powers used by the Chief Executive; and
- 8.1.2 approve the appointment of members to the Staffing Appeals Committee, as set out in Section 4 above.

9 October 2007
AC



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Legal and Administration

Appointment of Independent Persons to the Harbour Board Report No. LA-77-F

1.0 Introduction

- 1.1 The purpose of this report is to allow the Council to consider recommendations from the Harbour Board in respect of the appointment of independent persons to the Board.

2.0 Links to Corporate Priorities

- 2.1 The recommendations in this report support the Council towards its priorities regarding the way it organises its business in terms of communication and partnership working.

3.0 Background

- 3.1 In accordance with the decision by the Council on 12 September 2007 (SIC Min. Ref. 118/07), the Council agreed that to augment the membership of the Harbour Board with harbour users in addition to the Council membership.
- 3.2 There were 2 applications returned after the closing date on 10 October. The Harbour Board considered the applications received, having particular regard to the criteria sought, and agreed to recommend appointment of Mr Neil McCracken, Sullom Voe Terminal Manager, and Mr Colin Smith, Regional Manager OBC Shipping Ltd (Shipping Agents), to the Harbour Board. Mr McCracken and Mr Smith were both previous members of the Harbour Board.
- 3.3 The Harbour Board went on to consider how the remaining 2 vacancies should be filled. It was agreed that it would be useful to have representatives from the fishing and aquaculture industries, and the Board agreed to recommend to the Council that nominations be sought from the Shetland Fishermen's Association and from Shetland Aquaculture, with a view to the Harbour Board considering

any such nominations, and making a recommendation to the Council on 12 December 2007.

4.0 Financial Implications

- 4.1 Attendance at meetings of the Harbour Board by any independent persons formally appointed by the Council on 31 October 2007, will be entitled to claim expenses, which will be taken from the Members' budgets.

5.0 Policy and Delegated Authority

- 5.1 In terms of Section 8.0 of the Council's Scheme of Delegation, only the Council may appoint persons who are not Council Members, to a Committee, Sub-Committee or Board.

6.0 Recommendation

I recommend that the Shetland Islands Council:

- 6.1 consider and if so minded, approve the appointment of Mr N McCracken and Mr C Smith to the Harbour Board; and
- 6.2 agree the recommendation from the Harbour Board regarding the remaining vacancies, as set out in 3.3 above.

17 October 2007
AC



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Legal and Administration

Review of Polling Districts and Places - Consultation

Report No. LA-76-F

1.0 Introduction

- 1.1 The purpose of this report is to advise the Council of the statutory review of polling districts and places currently taking place.

2.0 Links to Corporate Priorities

- 2.1 The recommendations in this report support the Council's commitment towards setting and promoting excellent standards.

3.0 Consultation

- 3.1 The Electoral Administration Act 2006 (the "2006 Act") places a duty on the local authority to review its Parliamentary polling districts and polling places, with completion required by the end of December 2007.
- 3.2 The aims of the review are: (a) to ensure that all the electors in the constituency have such reasonable facilities for voting as are practicable in the circumstances; and (b) to ensure that so far as is reasonable and practicable, the polling places are accessible to all electors, including those who are disabled.
- 3.3 Accordingly, the consultation process has begun. A notice, placed on the Council's website and in offices throughout the Council, is attached as Appendix 1. All Community Councils, Disability Shetland, Shetland Council of Social Services, and Presiding Officers employed during the last elections on 3 May, are being consulted. The current and proposed polling arrangements are shown in Appendix 2.
- 3.4 Consultation commenced formally on 16 October 2006, and is due for completion by 16 November. A report on the outcome and final polling arrangements for approval, will be submitted to the Council at its meeting on 12 December 2007.

4.0 Polling Schemes – Other Elections

- 4.1 The 2006 Act requires the local authority to conduct a review of its polling districts and polling places every four years. It should be noted that these legislative requirements only pertain to the UK Parliamentary polling arrangements.
- 4.2 It is important to ensure that there is no return to the situation a few years ago, when a Parliamentary polling place and/or district did not match with the Local Government place or district. Therefore, I am seeking delegated authority to ensure that the polling arrangements for all other elections will apply the outcome of this review, and all future reviews.

5.0 Financial Implications

- 5.1 There are no financial implications associated with the terms of this report.

6.0 Policy and Delegated Authority

- 6.1 The final determination of Parliamentary Polling Districts and Places, must be made by the local authority in terms of the Electoral Administration Act 2006. This requirement has not been delegated to any Committee or officer, therefore a decision of the Council is required.

7.0 Conclusion

- 7.1 The requirement to undertake a review of the Parliamentary polling arrangements is a statutory one, and the timetable outlined in the notice is scheduled to meet the required timescale. The outcome will be reported back to the Council on 12 December for approval. Any changes to the current polling arrangements should be reflected in the arrangements for all other elections, in order to ensure there is no voter confusion.

8.0 Recommendation

- 8.1 I recommend that the Council:
 - 8.1.1 Note the consultation process and timetable; and
 - 8.1.2 delegate authority to the Head of Legal and Administration, as Returning Officer, to ensure that any change in the Parliamentary polling arrangements is reflected in the arrangements for all other elections in Shetland.

AC

Review of Polling Districts and Places - Consultation Orkney and Shetland Parliamentary Constituency – Shetland Islands Area

In accordance with Section 18C of the Representation of the People Act 1983, as amended by the Electoral Administration Act 2006, notice is hereby given that Shetland Islands Council is undertaking a review of polling districts and polling places within the Shetland Islands Area of the Orkney and Shetland Parliamentary Constituency.

The Council would welcome any comments from electors who are registered within the above parliamentary constituency and those persons or bodies who have particular expertise in relation to premises or facilities for persons with any type of disability. Representations should, if possible, suggest alternative arrangements to be considered.

Over a period of a number of elections, the Council has progressively moved away from using schools as polling places to, more than usually modernised, local community halls. The Council has conducted various audit surveys, and has been classed amongst the top local authority areas in Scotland for accessibility to polling places.

The view is that the electorate are reasonably happy with the existing facilities, but a public consultation has been scheduled to allow comments on the current polling district and polling place arrangements. This commenced on Tuesday 16 October 2007 and will end on Friday 16 November 2007 (see the Consultation Timetable below).

Who can respond to the consultation?

The Council would welcome any comments from electors who are registered within the above parliamentary constituency and those persons or bodies who have particular expertise in relation to premises or facilities for persons with any type of disability. Representations should, if possible, suggest alternative arrangements to be considered.

Consultation Timetable

Tuesday 16 October 2007: Commence public consultation

Friday 16 November 2007: Public consultation ends

Monday 19 November - Friday 23 November 2007: Analysis of submissions and consultation with Returning Officer

Wednesday 12 December 2007: Submission of final proposals to Shetland Islands Council

How to Respond

You can submit a response to the Review of Polling Districts and Polling Stations Consultation. Responses should be sent to the undernoted address or e-mailed to returning.officer@shetland.gov.uk no later than **Friday 16 November 2007**. If you have any queries, please telephone **01595 744554**, or write to: Legal & Administration, 4 Market Street, LERWICK, Shetland, ZE1 0JN

Reference Material

The current polling arrangements are available for inspection during normal office hours at the above address, or click on the link below.

www.shetland.gov.uk/elections

SHETLAND ISLANDS COUNCIL – REVIEW OF POLLING DISTRICTS AND PLACES - CONSULTATION

Ward Name	Polling District	Current Polling Place (as at 3 May 2007 elections)	Returning Officer's Recommendation / Proposed Polling Place
Ward 1 North Isles	UNST NORTH	North Unst Public Hall	No change
	UNST SOUTH	Uyeasound Public Hall	No change
	FETLAR	Fetlar Community Centre	No change
	YELL NORTH	Sellafirth Public Hall	No change
	YELL SOUTH	Mid Yell Public Hall	No change
	WHALSAY & SKERRIES	Symbister Public Hall	No change
Ward 2 Shetland North	NORTHMAVINE NORTH	North Roe Public Hall	No change
	NORTHMAVINE CENTRAL	Hillswick Public Hall	No change
	NORTHMAVINE SOUTH	Sullom & Gunnister Public Hall	No change
	MUCKLE ROE & BUSTA	Brae Community Hall	No change
	DELTING WEST – NORTH	Voe Hall	No change
	DELTING WEST – SOUTH		
	DELTING EAST – SOUTH		
	DELTING EAST – NORTH	Mossbank Public Hall	No change
	LUNNASTING	Lunnasting Hall	No change
	NESTING	South Nesting Public Hall	No change
Ward 3 Shetland West	WALLS	Germatwatt Centre	No change
	SANDSTING & AITHSTING – WEST		
	SANDNESS	Sandness Hall	No change
	CLOUSTA	Aith Hall	No change
	AITHSTING EAST		No change
	SANDSTING EAST	Skeld Hall	No change
	WEISDALE	Whiteness & Weisdale Public Hall	No change
	WHITENESS		

SHETLAND ISLANDS COUNCIL – REVIEW OF POLLING DISTRICTS AND PLACES - CONSULTATION

Ward Name	Polling District	Current Polling Place (as at 3 May 2007 elections)	Returning Officer's Recommendation / Proposed Polling Place
Ward 4 Shetland Central	GIRLSTA & GOTT	Tingwall Public Hall	No change
	SCALLOWAY	Scalloway Public Hall	No change
	TRONDRA	Burra Public Hall	No change
	BURRA		
Ward 5 Shetland South	QUARFF	Quarff Public Hall	No change
	CUNNINGSBURGH	Cunningsburgh Village Club	No change
	SANDWICK	Carnegie Hall	No change
	LEVENWICK & BIGTON	Levenwick Hall	No change
	DUNROSSNESS	Dunrossness Public Hall	No change
Ward 6 Lerwick North	NORTH LERWICK	Gilbertson Park Games Hall	No change
	BRESSAY	Bressay Public Hall	No change
Ward 7 Lerwick South	SOUTH LERWICK	Gilbertson Park Games Hall	No change
	GULBERWICK	Gulberwick Community Hall	No change



REPORT

To: **Shetland Islands Council**

31 October 2007

From: **Head of Organisational Development**

CE-38-F

Population Study: Progress Report and Nominations

1. Introduction

- 1.1 This Report asks Members to agree to note the programme of work in place to deliver the population study and to nominate a Member to be part of the Steering Group to help direct the work.

2. Links to Corporate Priorities

- 2.1 The Report supports the prime Corporate vision “to ensure the long term vitality and well being of Shetland” by providing research based evidence for understanding the key driver of community needs into the future, and provide a sound basis to assist the Council, and others, in planning service development.

3. Background

- 3.1 The study is designed to establish how the population in Shetland, and in different areas of Shetland, is changing; to make projections to 2030 and to develop a model for predicting population change in the Islands. The study will be a valuable piece of research, which will assist local service agencies in responding appropriately to the challenges posed by demographic trends in Shetland. An appropriately qualified firm has been appointed to carry out this work. More details on the study are included at Appendix 1.
- 3.2 Over the next few months, a significant amount of consultation work will be done with communities and stakeholder groups, to find out the reasons as to why people choose to live and work in particular communities, and what might make them move. Key stakeholder groups will be people who have recently moved to Shetland, people in full time education on the mainland (university, college or in training programmes) and senior school pupils. The firm of consultants intend to use focus groups to consult with the key groups. The study will also research the reasons for people leaving Shetland. This will be achieved by undertaking an email survey that people will be asked to forward on around the globe.

3.3 The provisional timetable for the project is:

- | | |
|---|--------------------|
| ▪ Production of draft report | Early January 2008 |
| ▪ Presentation of draft findings | Early January 2008 |
| ▪ Production and presentation of final report | February 2008 |

4. **Proposal**

- 4.1 I invite Council to nominate a Member to participate on the Steering Group to help direct this work. At the moment, the Steering Group consists of staff representatives from the SIC, NHS Shetland and HIE Shetland. The purpose of the Steering Group is to oversee the work programme, direct the consultants and provide guidance and information on the Shetland factors which might influence the study. The Steering Group is purely advisory and has no executive powers. With regard to any business concerning the Council, any proposals arising from the work of the group must be referred by a report for decisions. It is envisaged that the Steering Group will meet monthly for the duration of the work programme.

5. **Financial Implications**

- 5.1 There are no significant financial implications arising from this Report. Any expenses incurred by Members in attending meetings of the Steering Group will be classed as an approved duty and met from the Members' Expenses budget head.

6. **Policy and Delegated Authority**

- 6.1 As this is a Council corporate initiative linked to Community Planning and the developing Corporate Plan, it is appropriate to ask Council to nominate a Member representative to the Steering Group.

7. **Conclusions**

- 7.1 This Report provides background information on the current research being undertaken into population movements and projections and invites a Member to become involved on the Steering Group, to help direct the work.

8. **Recommendations**

- 8.1 I recommend that Council note the provisional timetable for the project and appoint one Member to participate in the Population Research Steering Group.

Population Study - Objectives

OBJECTIVES OF THE STUDY

This study will involve detailed research into current and historic population trends, projections of likely future trends, identification of the factors which may influence these future trends, and development of a model that is different from that used by the General Registrar's Office (GROS) and can be used to produce more accurate population projections. Details of specific objectives are as follows:

- A. Use GROS data to analyse population trends since 2001 and the current population characteristics for each locality in Shetland*, Shetland as a whole and Scotland, in terms of:
 - Total population
 - Age and gender
- B. Use GROS data to analyse trends in the components of population change since 2001 for each locality in Shetland*, Shetland as a whole and Scotland, in terms of:
 - Natural change - overall numbers of births and deaths
 - Net migration
 - Other change
- C. Contact relevant agencies and undertake survey work to gather more detailed information on migrants and the factors that influence migration to and from Shetland and within Shetland as well as the retention of population within Shetland. More specifically:
 - Numbers, characteristics and factors which influence the decisions of in-migrants (including a specific analysis of the age, origin, qualifications and economic activity of in-migrants to Shetland), including their experiences of relocation and settling into communities;
 - Numbers, characteristics and factors which influence the decisions of returners (including a specific analysis of the age, origin, qualifications and economic activity of in-migrants to Shetland);
 - Numbers, characteristics and factors which influence the decisions of out-migrants (including a specific analysis of the age, destination, qualifications and economic activity of out-migrants from Shetland and from more rural and island areas of Shetland);
 - Factors which influence the retention of people within Shetland and within more rural and island areas of Shetland.
 - Consideration must be made of equalities strands, in particular ethnicity and disability.
- D. Produce a model capable of producing population projections on an annual basis going forward and provide population projections for each locality in Shetland* and Shetland as a whole until 2030. Identify how this

model and these projections differ from the GROS model and projections and explain the reasons for this. The model should provide information on:

- Total population
- Age and gender
- Natural change
- Net migration
- Other change

Scenarios should be run of the implications of:

- Continuing as is;
- Moderate success of policies to influence population change; and
- Meeting population targets.

E. Consult communities and relevant agencies to identify key levels of population required for community and service sustainability within each locality in Shetland*, and as a result identify the key sustainability issues highlighted by the population projections. In particular:

- Identify the cultural, social, economic and infrastructure characteristics communities feel are necessary to ensure a sustainable community (in terms of services, culture, social issues, language and history networks, employment patterns, transport links, ICT etc). This should include experiences of relocation;
- Identify levels of population and key population characteristics required for community and service sustainability in each locality in Shetland* and Shetland as a whole.
- Identify discrepancies between levels of population and key population characteristics required for community and service sustainability and population projections for each locality in Shetland* and Shetland as a whole.

F. Provide recommendations for population growth and community and service sustainability throughout Shetland. In particular:

- Identify key factors from the research that are identified as influencing population growth.
- Highlight particular geographical areas of concern within Shetland where community and service sustainability is projected to be at threat.
- Recommend policies and support mechanisms to counter this threat in these areas.
- Provide examples of successful population growth policies implemented in other areas.
- Recommend policies and support mechanisms to improve net migration as well as population retention in Shetland.
- Highlight any other key policies or support mechanisms that could influence population growth in Shetland.

*Where locality is mentioned, this should be read as:

- a. South
- b. Central
- c. West
- d. Lerwick and Bressay
- e. North Mainland
- f. North Isles
- g. Whalsay and Skerries

And the following settlements: Brae, Scalloway and Lerwick.

The GROS provides data at the level of datazones and intermediate zones:

Population Research Steering Group

1. REMIT

The purpose of the Steering Group is to oversee the work programme, direct the consultants and provide guidance and information on the Shetland factors which might influence the study. The Steering Group is purely advisory and has no executive powers. With regard to any business concerning the Council, any proposals arising from the work of the group must be referred by a report for decisions. It is envisaged that the Steering Group will meet monthly for the duration of the work programme.

2. MEMBERSHIP

Laura Saunders, Shetland Islands Council (Policy)
 Allison Christie, Shetland Islands Council (Housing)
 Tommy Coutts, Shetland Community Economic Development Trust
 Wolfgang Weiss, Shetland Islands Council (Education and Social Care)
 David Kerr, NHS Shetland
 Emma Perring, Zettrans
 Ralph Throp, Communities Scotland
 Victor Hawthorne, Shetland Islands Council (Planning)
 Douglas Irvine, Shetland Islands Council (Economic Development)
 Hazel Sutherland, Shetland Islands Council (Education and Social Care)
 Katrina Wiseman, HIE Shetland
 Fiona Stirling, HIE Shetland
 Scherie Nicol, HIE

3. AUTHORITY AND REPORTING

The Group is purely advisory and has no executive powers. Any proposals arising from the work of the group must be referred by report from the LEAD OFFICER to the Services Committee for decision.

4. ADMINISTRATION

Administration will be provided by the Education and Social Care Department.

5. GENERAL

It is envisaged that the Steering Group will meet monthly for the duration of the work programme.



REPORT

To: Shetland Islands Council

31 October 2007

From: Head of Organisational Development

Report No - CE-22-F

Sustaining Shetland; Second Annual Monitoring of Social, Economic, Environmental and Cultural Trends; Autumn 2007

1 Introduction

- 1.1 The purpose of this report is to present to the Shetland Island Council, Shetland's second annual report setting out trends in social, economic, environmental and cultural data for Shetland, capable of measuring Shetland's quality of life and sustainability (see Appendix A). It includes an overview of how far Shetland, as a community, has achieved in relation to reaching the targets and priorities derived from Sustaining Shetland and the Shetland Resolution.

2 Link to Corporate Priorities

- 2.1 The Community Planning priorities and targets set the high-level objectives for Shetland to aspire to over the medium to long term and have been adopted by the Council. As a key Community Planning partner, the Council is therefore committed to contributing to their delivery.
- 2.2 This report, which introduces the latest Sustaining Shetland update, provides the Council with a mechanism for monitoring the impact that is being made towards achieving these targets and to take this data into account when developing its current corporate priorities.

3 Background

- 3.1 The Community Planning Board meeting on the 6th March 2006 outlined ten key measures and indicators relating to the most important aspects of Shetland Life with which to assist in the delivery and monitoring of the Shetland resolution. Sustaining Shetland 2007, which is now in its second year, uses these ten key measures decided in March 2006, however the indicators are broken down in more depth.

4 Recent Progress

- 4.1 Work has been ongoing throughout summer 2007 on Sustaining Shetland and the seven community profiles. The community profiles have been circulated. Shetland Community Planning Board approved priorities and targets for the sustainable future of Shetland on 2nd April 2007;
- ❖ We will increase employment opportunities, by 1,000 full-time equivalents by 2025, and increase average personal and household income by 15% above 2005 in real terms¹
 - ❖ We will increase the supply of housing to 12,000 by 2025²
 - ❖ We will place more effort on stimulating demand for living in the remoter areas of Shetland by ensuring that the ratio of jobs to people and housing is the same³
 - ❖ We will continue to improve quality of life: ranking in the top 5% on a European stage⁴ as well as decreasing inequalities
 - ❖ We will be world renowned for being clean and green islands, decreasing our CO2 emissions by 30% by 2020⁵
 - ❖ We will increase the population of Shetland to 25,000 by 2025⁶

The following recommended changes to the priorities have been made following input from Council and other Community planning partners.;

We will continue to increase Quality of life in Shetland:

- ❖ We will increase employment opportunities, by 1,000 full-time equivalents by 2025, and increase average personal and household income by 10% above 2005 in real terms⁷
- ❖ We will increase the supply of housing to 12,000 by 2025; subject to fair dismissal⁸
- ❖ We will place more effort on stimulating demand for living in the remoter areas of Shetland by ensuring that the ratio of jobs to people and housing is the same⁹
- ❖ Ranking in the top 5% on a European stage¹⁰ ensure that equal opportunities exist for all, no matter an individual's age, race, gender, faith, sexual orientation or disability.

¹ In line with Successful Highlands and Islands. Current FTE is 9,200 (2003)

² Current housing is 10,200 (2005)

³ Population ratio: 20:80 Peripheral/Central where Peripheral (Isles, Parish of Northmavine, Walls and Sandness Community Council Area), 2001 Census; Employment ratio: 12:88; Housing ratio: 15:85.

⁴ To be completed

⁵ The same as the UK's current commitment

⁶ In line with Successful Highlands and Islands. Current population is 22,000 (census, 2001)

⁷ In line with Successful Highlands and Islands. Current FTE is 9,200 (2003)

⁸ Current housing is 10,200 (2005)

⁹ Population ratio: 20:80 Peripheral/Central where Peripheral (Isles, Parish of Northmavine, Walls and Sandness Community Council Area), 2001 Census; Employment ratio: 12:88; Housing ratio: 15:85.

¹⁰ To be completed

- ❖ We will be world renowned for being clean and green islands, decreasing our CO2 emissions by 30% by 2020¹¹
- ❖ We will increase the population of Shetland to 25,000 by 2025¹²

5 Progress on Implementation; Toward Targets and Priorities

5.1 Priority 1 – Employment & Income

In 2006 there were 111 new start-ups in Shetland, an increase of 31% on 2005 (85 start-ups). However in 2004 there were 109 start-ups¹³. There is currently no information available on number and scale of business failures. Between July 2005 and June 2006, 86.0% of the working age population were in employment, compared to 75% in Scotland, however the SIMD suggests that 6.7% of Shetland population are income deprived. That equates to an average of 1500 people. Lerwick Fish Traders' current expansion project is likely to employ a further 50 people and after a period of depression the whitefish industry is picking up, therefore the target of 25+ vessels within four years could be achieved.

5.2 Priority 2 - Housing

It is generally recognised that external forces are driving the housing market, with individuals from the UK mainland wishing to move to Shetland. Contributing to the difficulty for first time buyers to purchase their first home. Application for Social housing remains high. The mean price of Housing has increased 44% between 2001-2005. Between July 2004 and June 2006 the statistical probability of being offered a council house was 0% in Aith, 2% in Lerwick, 5% in Sandwick, 15% in Bigton, 31% in South Nesting, 64% in Skeld, 77% in Vidlin and 88% in Firth. In Fetlar, Burravoe, Uyeasound and Brough (Whalsay) there is more than 100% probability, because of existing voids¹⁴.

Presently, 2007, there are 10,313 houses on the council tax valuation list.

Therefore we must increase the housing stock in Shetland by 1,687 by 2025 to meet the target set in 2006.

Shetland Islands Council and Partnership agencies do need to look at further development of housing within the central mainland and in particular Lerwick, however this must be combined with options such as, to introduce a maximum reasonable time that single/couple, employed, with no dependant/s can be on housing list. This may alleviate the number of individuals, particularly young people moving away due to lack of available accommodation. Another could be to promote and develop areas where there do exist housing voids especially when combined with specific employment opportunities.

5.3 Priority 3 – Rural - Lerwick Balance

Proportions employed in the different industries are fairly similar for Shetland and Scotland. Shetland has a higher proportion (10.0%) employed in transport and communications than Scotland (5.4%) while Scotland has a higher percentage (18.5%) employed in Finance, IT and other business

¹¹ The same as the UK's current commitment

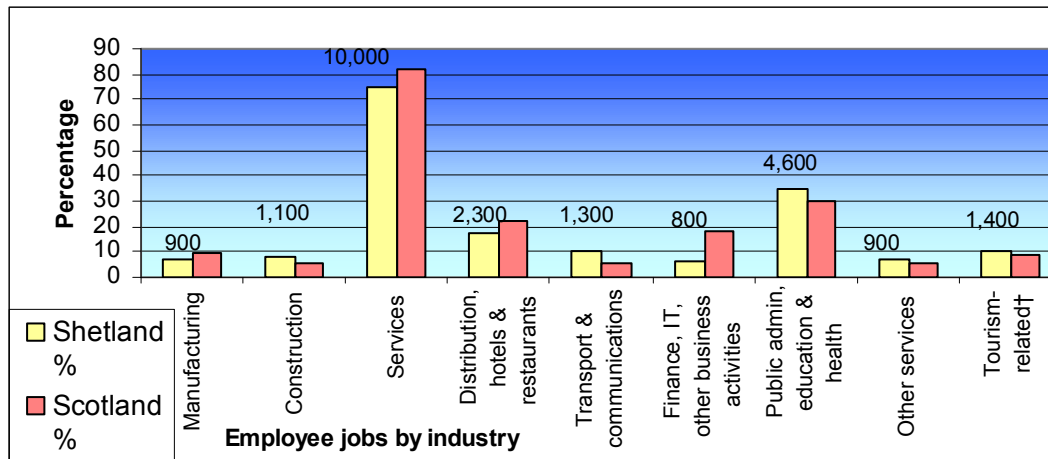
¹² In line with Successful Highlands and Islands. Current population is 22,000 (census, 2001)

¹³ Scottish Clearing Bankers quarterly statistics

¹⁴ Average of the statistical probability of being offered any type of SIC accommodation between July 04 and March 06 (based on number of void properties and number of times each area was selected)

activities, and services (82.0%) than Shetland (6.2% and 75.1% respectively)¹⁵, refer to figure 1.

Figure 1; Employment by Sector: 2005¹⁶



A large percentage of the Shetland population are employed within Public administration, Education, and health service, leading to the centralisation of the working population, mostly Lerwick. Lerwick, Scalloway and Delting account for 75% of jobs in Shetland, with 61.9% of Shetlands population living in those three areas.¹⁷

A recent study into deprivation and social exclusion in Shetland concluded that

‘The greatest issue in terms of access in Shetland is people’s inability to afford to run a car (or two cars if a partner has the car each day). Although the public transport system is appreciated, it delivers for full-time commuters and is not able to alleviate access issues for those without a car sufficiently for people to feel they are able to access opportunities. This restricted people’s ability to learn; find employment or better employment; purchase more healthy food at a reasonable cost; take part in community events and access social opportunities, for example. Reliance on others for transport is common, hindering people’s feeling of independence and increasing humiliation.’¹⁸

Therefore for priority 3, further promotion of available employment and services, development and infrastructure are needed into the more remote areas of Shetland to ensure that people are not isolated, that all have the chance to benefit from and access services. Development of a responsive public transport system is necessary for in many rural locations at present the public transport system does not cater for the needs of its Shetland citizens and this is combined with closures of local shops, post offices and pubs which often leads to feelings of isolation and exclusion.

¹⁵ Nomis, Official Labour Market Statistics, 2006 (See Figure 19)

¹⁶ Nomis, Official Labour Market Statistics, 2006

¹⁷ Shetland patients registered with GP by practice area, 14th June 2006

¹⁸ Research into Deprivation and Social Exclusion in Shetland, 2006

5.4 Priority 4 – Ranking

In a recent survey conducted by the Federation of Small businesses, entitled Index of success 2007, Shetland was listed as 5th within the Scottish regional ranking. Orkney was 4th.¹⁹ The indicators used to measure this were income, mortality, education and employment.

On further Investigation it can be estimated that of the 24 FSB indicator countries (excluding less developed countries), Shetland would sit between Finland and the Netherlands (or 9th).

It is important to state that all of the countries measured are part of the OECD (Organisation for Economic Co-operation and Development), it was not a study of the full European Union.²⁰ However this gives the Shetland Islands Council and the Shetland Citizens a solid foundation from which to build.

5.1 Priority 5 – Carbon Emissions

Shetland relies on oil and waste gas for 93% of its energy production and this is not sustainable in the longer term. Reliance on oil must be reduced and the use of local resources, including renewable technologies, maximised.

In 2005 Gremista emitted 91,221 tonnes of CO₂ and Sullom Voe emitted 49,689 tonnes of CO₂.²¹

- *Therefore to meet the target set in 2006, Gremista will have to decrease its carbon dioxide emissions 63,854.7 tonnes per year by 2025.*
- *Sullom Voe will have to decrease its Carbon dioxide emissions to 34782.3 tonnes per year by 2025.*

The estimated total CO₂ emissions for the housing stock in Shetland are an average of 14 tonnes per property per year.²²

- *Therefore to meet the target set in 2006, carbon dioxide emissions per property must decrease by 4.2 tonnes per year for the Housing Stock in Shetland.*

The 5-turbine windfarm at Burradale has a **total** output of 6.68MW, which can power 2000 homes and saves 6,200 tonnes of carbon dioxide emissions per year²³.

5.6 Priority 6

Shetland's population has fallen by 4% over the last twenty-five years, an average of around 35 people a year. However there are signs that this trend of decline may be stabilising. Shetlands population fell from 21,988 in 2001²⁴ to 21,940 in 2004, rising to 22,000 in 2005²⁵, and falling again to 21,880 in 2006. The closure of the Radar base at RAF Saxa Vord in early 2006 resulted in the relocation of 72 service personnel and their families, a loss of 135 residents to Unst.²⁶

- *Therefore to meet the target set in 2006, Shetlands population must increase by 3,120 citizens by 2025.*

¹⁹ FSB Scotland Index of Success 2007

²⁰ FSB Scotland Index of Success, 2007

²¹ Electricity generation in Shetland, SIC Infrastructure, 2007

²² SIC, Local House Condition Survey, 2005/06

²³ Burradale Windfarm, 2007

²⁴ Census, 2001

²⁵ GROS estimates, 2006

²⁶ Removal of Radar Base impact Analysis, 2005

The trend towards centralisation of the population towards Lerwick and a 15-20 minute commute of Lerwick continues. Around 41% of the population now lives in Lerwick.

Since 1991, Shetland's population aged over 65 has risen by 31% and the progression of an ageing population looks set to continue, with the population of over 50s increasing by 1.9% in the last year.

In the 10 years between 1996 and 2006 there has been a net emigration from Shetland of 1,333 people, however the number of National Insurance registrations steadily increased, particularly for individuals from EU accession and EEA states.

6 Policy & Delegated Authority

- 6.1 Given the importance of the conclusions and recommendations held within Sustaining Shetland for the council and the citizens of Shetland, it is vital for the future delivery of these recommendations through all the Council's services and monitoring of implementation requires Council approval.

7 Financial Implications

- 7.1 The financial implications of implementing improvement within each service will fall to the consideration of individual Heads of Service and Service Managers. There is potential to make financial savings, this must be researched further, especially to meet target for reduction of carbon emissions. As work progresses in this area, there are likely to be costs associated with implementing the Council's response to the recommendations within Sustaining Shetland, but these would be considered as individual projects and services.

8 Conclusion

- 8.1 The importance of addressing the issues raised in this report cannot be under-estimated, to ensure a good quality of life for current and future generations living in Shetland.
- 8.2 Shetland Islands Council already has much good practice in the move towards a sustainable Shetland and a co-ordinated approach is now being achieved. However, it remains important that the Council continues to be proactive in this area.

9 Recommendation

- 9.1 I recommend that Council;
- 9.1.1 Discusses and comments on the data and analysis contained in this report and the Sustaining Shetland appendix.
- 9.1.2 Commit to these targets, continue to prioritise and implement these 6 targets across service areas wherever possible.
- 9.1.3 Encourage partner agencies to support the data gathering process and the implementation of these Shetland priorities/targets.

9.1.4 Continue to engage with Community Planning Board partners in further developing key strategic priorities and targets for Shetland.

9.1.5

Date:

Our Ref: LS/JRS

Report No: CE-22-F

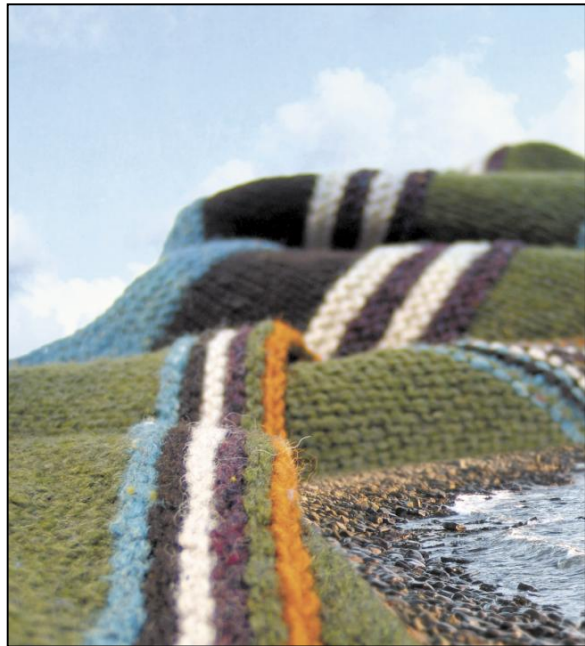
SUSTAINING SHETLAND



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Annual Monitoring of
Social, Economic,
Environmental and
Cultural Trends

Autumn 2007



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Cover photograph by Economic Development; Shetland Islands Council

INTRODUCTION

This document sets out social, economic, environmental and cultural data for Shetland, capable of measuring Shetland's quality of life and sustainability.

The Shetland Resolution was developed as part of the Long Range Forecast project in Shetland in late 2004. This was a first attempt at gathering the views of the Shetland public on the future of the islands for the next 20 or 30 years or so. This analysis will help public agencies in Shetland to work with business and communities towards that future.

Shetland Resolution

We shall work together for a future that's better and brighter. In particular, we aim to create a secure livelihood, look after our stunning environment and care well for our people and our culture.

We recognise that we can only succeed in any of these aims by succeeding in all of them.

In our economy,

- We want to be known for carefully crafted products and excellent service.
- We shall nurture creativity, build skills and encourage enterprise.
- We'll promote fine quality and unique origin because they're vital to our customers.
- We'll seek to create fulfilling, well-paid jobs for all, whatever their talent.
- We'll use the natural resources at our disposal responsibly and seek more control over them.
- Public sector resources will be used to stimulate a stronger private sector.

In our environment, we shall...

- Take pride in our heritage, natural or manmade, and respect it for its own sake;
- Recognise that our livelihood depends on our environment;
- Work with nature in all its diversity, not against it;
- Restore our environment where it has been damaged;
- Use the gifts of nature responsibly; and
- Play our part as responsible members of the world community.

In our community, we shall...

- Cherish and promote our traditions and our values;
- Keep Shetland's people safe and encourage them to be healthier;
- Foster confident, thriving communities across Shetland;
- Welcome visitors and new Shetlanders from wherever they may come;
- Promote justice and equality, here and overseas; and
- Expand knowledge, extend opportunities and improve access.

And...

We may be a small place, but if we're clever we can be more successful.

We may have few people, but we can welcome more.

We may be modest, but we can take pride in our achievements.

We may be remote, but we can be distinctive.

But in everything we do, we must seek excellence.

The Resolution is a statement about quality of life and sustainability to which Shetland can aspire. In order to ensure the words are used to guide policy development in Shetland, data is collated on an annual basis in order to measure and evaluate progress towards this aspiration.

This document provides baseline data, and, where possible, highlights trends. This set of information should help us observe whether things are improving or getting worse over time in certain areas and help us to compare and contrast the situation in Shetland with other places. These trends will help to inform policy and decision-making and provide Shetland with an informed picture of the effects of policy and decision on the islands.

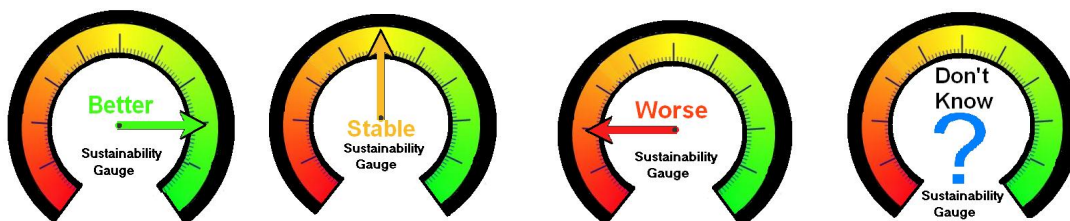
Indicators exist in ten key areas:

	Measure	Indicators
1	Population	Population Size & Structure
2	Health	Avoidable Deaths, Life Expectancy, Drug and Alcohol Use
3	Education	Opportunity, Participation, Attainment
4	Crime	Incidents of Crime and Fear of Crime
5	Housing	Quantity, Quality, Appropriateness and Affordability
6	Transport & Communications	Access to Services, Social Facilities, Employment and ICT
7	Natural Resources	Resource Usage and Impact
8	Economy	Economic Activity, Employment & Business Performance
9	Social Welfare	Income Levels and Costs of Living
10	Community	Breadth and Depth of involvement

These indicators are updated on an annual basis and the type of data available is improved, where possible, each year. Autumn 2006 was the first year in which data was collected in this format:

www.shetland.gov.uk/communityplanning

In this, the second year of publication, a sustainability gauge has been introduced to provide an indication of current sustainability in Shetland. The three categories 'Better', 'Worse' and 'Stable' correspond to the most recent information available, and provide a simple assessment on the changes seen in different indicators:



Some indicators are new and lack time series data needed to see if change has occurred, whilst some changes are difficult to interpret as 'better' or 'worse.' A 'Don't Know' gauge represents these areas.

As a result of this first publication a set of key priorities and targets for Shetland were developed. To achieve these everyone in Shetland will have a part to play, beginning with them being incorporated in the delivery plans of agencies.

To allow people to provide for themselves and their families:

We will increase employment opportunities, by 1,000 full-time equivalents by 2025, and increase average personal and household income by 15% above 2005 in real terms¹

The Shetland economy is becoming more diversified. However there is a need to accelerate this process in order to provide a secure future. Key to this is increasing the opportunities for employment in the private sector. By stimulating the economy we will increase the sustainability of our community's critical services.

In order to ensure people are able to stay where they want, and move here:

We will increase the supply of housing to 12,000 by 2025²

Currently centralisation forces are in play. This is pressurising delivery of services in central areas, whilst delivery of services in more remote areas is requiring increased subsidy:

We will place more effort on stimulating demand for living in the remoter areas of Shetland by ensuring that the ratio of jobs to people and housing is the same³

Some will want to live in and around Lerwick to enjoy the benefits of a busy thriving town; others will prefer the alternative attractions of rural and remote locations. Different challenges will apply in different areas, and will require different solutions.

To make sure we are all able to enjoy living in Shetland as fully as possible:

We will continue to improve quality of life: ranking in the top 5% on a European stage⁴ as well as decreasing inequalities

Shetland already ranks highly in Scotland for social welfare, health and safety. However, we are aiming to be high ranking on an international stage. We also recognise that not everyone in Shetland shares this good experience.

Shetland has a very attractive natural environment and a good reputation for caring for it, we will enhance that and:

We will be world renowned for being clean and green islands, decreasing out CO2 emissions by 30% by 2020⁵

Overall the retention of existing residents and attraction of new and returning population will depend on success across the above factors that affect quality of life. By maintaining and enhancing a society that appeals to people who are already here and in faraway places:

We will increase the population of Shetland to 25,000 by 2025⁶

Information covering the same ten key areas has been collected at a more local level, and communities are being involved to incorporate their views.

These community profiles cover the following seven localities:

- North Isles
- Whalsay and Skerries
- North Mainland
- West Mainland
- Central
- Lerwick and Bressay
- South

And are available at <http://www.shetland.gov.uk/datashare//default.asp>

Thanks to all those involved in the development of these indicators and production of this year's report.

¹ In line with Successful Highlands and Islands. Current FTE is 9,200 (2003)

² Current housing is 10,200 (2005)

³ Population ratio: 20:80 Peripheral/Central where Peripheral (Isles, Parish of Northmavine, Walls and Sandness Community Council Area), 2001 Census; Employment ratio: 12:88; Housing ratio: 15:85.

⁴ To be completed

⁵ The same as the UK's current commitment

⁶ In line with Successful Highlands and Islands. Current population is 22,000 (census, 2001)

OVERVIEW

The Shetland Islands are the most northerly local authority area in the UK, 298 miles north of Edinburgh and 211 miles north of Aberdeen. Our closest neighbours are Orkney, the nearest part of which lies some 25 miles from Fair Isle and about 50 miles from the Shetland mainland. Shetland is only 228 miles from Torshavn in Faroe and a similar distance from Bergen in Norway. Shetland comprises more than 100 islands, 15 of which are inhabited, and the total population is around 22,000. We lie further north than Moscow and southern Greenland.

Population

- ◆ Shetland's population has fallen by 4% over the last twenty-five years, an average of around 35 people a year. However there are signs that this trend of decline may be levelling off and although the population dropped by 120 between 2005-06 it is likely that this can be attributed to the closure of the Radar Base at Saxa Vord.
- ◆ The trend towards centralisation of the population towards Lerwick and a 15-20 minute commute of Lerwick continues. Around 41% of the population now lives in Lerwick.
- ◆ Since 1991, Shetland's population aged over 65 has risen by 31% and the progression of an ageing population looks set to continue, with the population of over 50s increasing by 1.9% in the last year.
- ◆ In the 10 years between 1996 and 2006 there has been a net emigration from Shetland of 1,333 people, but the number of National Insurance registrations has steadily increased, particularly for individuals from EU accession and EEA states. The birth rate has been consistently higher than death rate.
- ◆ Research into population trends and future projection is being developed.

Avoidable Death and Life Expectancy

- ◆ Shetland's life expectancy is slightly above the Scottish average. Levels of avoidable deaths in Shetland are fairly stable at around 100 a year.
- ◆ Drug misuse is increasing, with a rise in use of more dangerous drugs such as heroin and cocaine, while the age of starting drug use is decreasing. The numbers of young people presenting with self-harm is also increasing.

Education

- ◆ Attainment levels in schools are high and well above the Scottish average, with 47% of pupils going on to higher or further education and a similar number into employment and training. Secondary school enrolment remains stable, while primary school enrolment continues to fall.
- ◆ An estimated 2500 working age adults in Shetland have low levels of literacy. For those without suitable skills for employment barriers to learning include access, lack of childcare and cost.
- ◆ The number of NEETs decreased by 20% in the last year, due to the way data was collated.

Crime

- ◆ Both reported offences and registered offences have been slowly increasing over the past few years, with a fairly large increase between the years 2004 and 2005. There has also been an increase in the amount of road accidents and offences.

- ◆ Between 95 and 99% of people feel the area they live in is safe or very safe. The proportion of people worried about becoming a victim of crime is lower in Shetland (30%) than the Northern Constabulary area as a whole (47%).

Housing

- ◆ The number of houses continues to increase, however, build does not appear to be keeping up with demand, as the numbers waiting for social housing continue to increase, as does private house prices.
- ◆ Housing in the private sector appears to be of poorer quality than social rented stock for a variety of reasons. Just under half the population have problems heating their homes, while it is estimated a quarter are at risk from fuel poverty.
- ◆ The number of homeless presentations is fairly consistent. There were 193 in 2005/06.

Transport and Communications

- ◆ Vehicle ownership and inter-island ferry and bus usage in Shetland continues to rise, as does usage of external air and sea routes. The cost of fares is also increasing across the board.
- ◆ Shetland has high uptake of SDL and ADSL Internet connection.

Natural Resources

- ◆ Existing data available to measure the quality of the environment in Shetland, such as air and water quality, paint a good picture. However, further measures are required to ensure the situation is fully understood.
- ◆ Recycling opportunities continue to expand and diversify and new renewable energy possibilities are being explored.

Economy

- ◆ The Gross Regional Domestic Product per capita of Shetland is lower than the rest of the UK. Fisheries output, oil and the Council remain the three largest sectors in the economy, considerably higher than agriculture, tourism and knitwear.
- ◆ 85.2% of the working age population is in employment, with the public sector dominating. 14% of household income is derived from self-employment, compared to 8% for Scotland as a whole.
- ◆ Shetland continues to have one of the lowest unemployment rates in the country.

Social Welfare

- ◆ The average wage per week decreased by £30 between 2005 and 2006, falling below the Scottish average, whilst the cost of living is higher, particularly for essential items. This makes it particularly difficult for those on low income and/or national benefits, whilst uptake of national benefits is felt to be lower than entitlement.
- ◆ Fuel poverty remains high and decreasing numbers of registered child minders is restricting people's access to learning and employment opportunities.

Community

- ◆ Community groups and volunteering continue to flourish and there are signs of increased involvement in leisure activities.

POPULATION

Shetland's population has fallen by 4% over the last twenty-five years, an average of around 35 people a year. However there are signs that this trend of decline may be levelling off and although the population dropped by 120 between 2005-06 it is likely that this can be attributed to the closure of the Radar Base at Saxa Vord.

The trend towards centralisation of the population towards Lerwick and a 15-20 minute commute of Lerwick continues. Around 41% of the population now lives in Lerwick.

Since 1991, Shetland's population aged over 65 has risen by 31% and the progression of an ageing population looks set to continue, with the population of over 50s increasing by 1.9% in the last year.

In the 10 years between 1996 and 2006 there has been a net emigration from Shetland of 1,333 people, but the number of National Insurance registrations has steadily increased, particularly for individuals from EU accession and EEA states. The birth has been consistently higher than death rate.

Research into population trends and future projection is being developed.

What is measured

The total number of people resident in Shetland, population density, population of areas of Shetland and the ethnic population are measured using data from the census⁷. The next census is planned for 2011. For intervening years data is sourced from the General Register Office for Scotland (GROS) mid-year estimates. Trends in the structure of the population are monitored through age and gender distribution levels. These are measured using the census and GROS mid-year estimates.

The total population of Shetland is a function of the number of births minus the number of deaths (the natural increase) and the difference between immigration and emigration (net migration).

- ◆ Births and deaths are monitored using GROS
- ◆ There is currently very little information on migration⁸, with estimates being made by GROS. The number of National Insurance numbers issued to people in Shetland can also provide an indication.

⁷ Census, 2001. The next census will be carried out in 2011 with results not available until 2013. In the intervening period it is difficult to monitor and forecast population change with any degree of accuracy or certainty. Patient records and the GROS national population estimates and biennial forecasts provide useful information but they need to be interpreted with care as neither source can be considered to be a surrogate for the census.

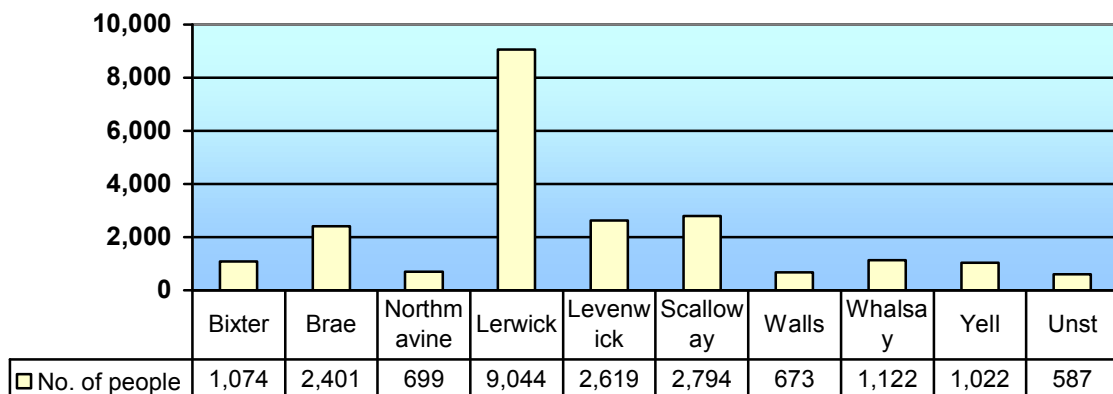
⁸ Currently, there is no comprehensive system that registers migration in the UK, either moves to or from the rest of the world, or moves within the UK. Nationally, estimates are based on the National Health Service Central Register (NHSCR) for moves between health board areas within the UK, and the International Passenger Survey (IPS). There are problems with the NHSCR as there are thought to be problems with people not deregistering with a GP. Anecdotal evidence also suggests that migrant workers are less likely to register with a GP.

- ◆ A new study is being developed which will look at current population trends and future projections.⁹

Shetland's population level (See Figure 1)

- ◆ Current population estimates suggest that Shetland's usually resident population is currently fairly static, falling from 21,988 in 2001¹⁰ to 21,940 in 2004, rising to 22,000 in 2005¹¹, and falling again to 21,880 in 2006. The closure of the Radar base at RAF Saxa Vord in early 2006 resulted in the relocation of 72 service personnel and their families, a loss of 135 residents to Unst.¹²
- ◆ This compares to a population of 26,502 in Eilean Siar in 2001 decreasing by 152 to 26,350 by 2006 and a population of 19,245 in Orkney in 2001 increasing by 525 to 19,770 by 2006¹³.
- ◆ After decades of decline the population of Shetland, which had fallen to nearly 17,000 in the mid-1960s, rose by 35% between 1971 and 1981 as a direct result of oil related activity.
- ◆ In the early 1980s the population fell due to out migration after the end of oil construction activity. Shetland's usually resident population fell by 4% between 1981-1991, from 23,392 to 22,493.
- ◆ In the latter half of the 1980s and the early 1990s the population level became fairly stable. However, the 2001 Census recorded a ten-year decrease to 21,988¹⁴
- ◆ GROS estimate a decline in population to 19,553 by 2024. However, NHS Shetland predicts an increase to 22,214 by 2024 (but a decline in the proportion of young people).

Figure 1: Population, 2006¹⁵



Population density of Shetland

- ◆ Shetland has a fairly constant population density of 15 people per square kilometre. It is less densely populated than Orkney (at 19) but more dense

The IPS contacts a small percentage of migrants for the survey, particularly for Scottish migrants, and therefore estimates derived from the IPS are subject to larger sampling and non-sampling errors and is considered less reliable than UK level estimates.

⁹ policy@shetland.gov.uk

¹⁰ Census, 2001

¹¹ GROS estimates, 2006

¹² Removal of Radar Base impact Analysis, 2005

¹³ GROS estimates, 2006

¹⁴ Census, 2001

than Argyll & Bute, Eilean Siar and Highland (at 8)¹⁶. Shetland's population density is much lower than that of Guernsey (950) and substantially lower than that of Scotland as a whole (65).

- ◆ The density of population within Shetland varies from 1571 people per square kilometre in Scalloway and 1328 in Lerwick to 5 in the North Isles, 6 in the North Mainland and 7 in the West Side¹⁷.

Shetland's population by area (See Table 1)

- ◆ The centralisation of the population continues, with substantial increases in recent times in Quarff, Gulberwick, Tingwall and Trondra, as well as Bressay and Sandwick/Cunningsburgh.
- ◆ Rural areas with particular decline in population are Delting, most of the Outer Isles, Northmavine, Yell and Unst. The closure of RAF Saxa Vord, Unst, in early 2006, has seen the loss of one fifth of the islands population.

Table 1: Population by Area 1971- 2001¹⁸

	1971	1981	1991	2001	10 Yr % pop change	20 Yr % pop change
Bressay	258	334	352	384	9	15
Burra	565	850*	929	850	-9	0
Delting	718	2,211	1,976	1,734	-12	-22
Dunrossness	907	1,591	1,502	1,471	-2	-8
Fair Isle	65	69*	67	69	3	0
Fetlar	96	101	90	86	-4	-15
Foula	33	45*	42	32*	-24	-29
Gulberwick/Quarff	171	579*	398	662	66	14
Lerwick	6,028	6,899	7,336	6,830	-7	-1
Nesting	426	506	512	570	11	13
Northmaven	734	898	878	841	-4	-6
Papa Stour	24	35*	35*	24	-31	-31
Sandsting	912	1,002	891	945	-6	-6
Sandwick/Cunningsburgh	1,120	1,303*	1,352	1,432	10	10
Scalloway**	N/a	1,160	802	812	1	-30
Skerries	100	88*	87	76	-13	-14
Tingwall	1,680	1,080	1,431	1,722	24	64
Trondra	17	88	117	133	14	43
Unst	1,163	1,140	1,055	720	-32	-37
Walls and Sandness	516	573	554	601	8	5
Whalsay	871	1,025	1,041	1,034	-1	1
Yell	1,178	1,191	1,075	957	-11	-20
Total	17,582	22,768	22,522	21,988	-2	-3

Age breakdown of the Shetland population (See Figure 2)

- ◆ Since 1991 there has been a gradual increase in the proportion of older people relative to younger people within the Shetland population; a trend that is replicated across Scotland¹⁹. Between 1991 and 2006 the under 50

¹⁶ GROS estimates, 2006

¹⁷ GROS estimates, 2006

¹⁸ Census, 2001

*estimated

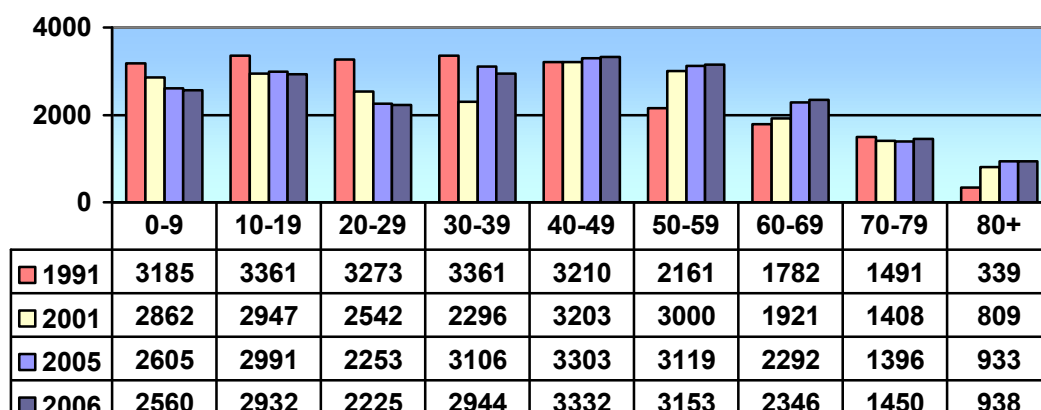
**from 1931 to 1971, the population figures for Scalloway are included in the figures for Tingwall

Populations were enumerated on a slightly different basis at the 1981 and 1991 Censuses, and are therefore not strictly comparable

¹⁹ GROS, 2006

population has decreased by 14.6%, falling 1.9% between 2005 and 2006. Between 1991 and 2006 the over 50 population has increased by 36.6%, rising 1.9% between 2005 and 2006.²⁰

Figure 2: Age structure of the Shetland population 1991-2006²¹

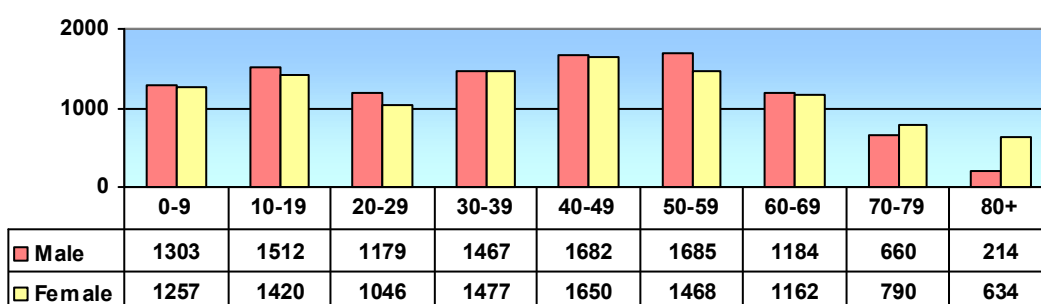


- There is anecdotal evidence that younger members of this age group are moving to Shetland for an improved quality of life. The population study will provide accurate information.
- The total proportion of young people in Shetland is slightly higher than the national average²². For example the proportion of residents aged 0-19 was 25% compared to the Scottish average of 23%. However, the proportion continues to decrease, particularly age ranges 0-9 and 20-29 and on many of the islands of Shetland this proportion was below these levels, for example, in Fetlar and Yell only 20% were aged 0-19²³.

Gender breakdown of the Shetland population (See Figure 3)

- In 2006 the ratio of males to females was fairly even with 10,976 males (50.16% of the total population) and 10,904 females (49.84% of the total population)²⁴.

Figure 3: Gender breakdown of the Shetland population, 2006²⁵



²⁰ Figure 2.

²¹ Census and GROS, 2001/2006

²² Census, 2001

²³ Census, 2001

²⁴ GROS, 2006

²⁵ GROS, 2006

- ◆ From the age of 70 females make up 62% of the population, because females living longer than males. There are a higher proportion of males between the ages 0-59.
- ◆ Scotland as a whole has a higher proportion of females, with a higher proportion of males in the population up to 30.

Births, deaths and natural population increase

- ◆ Shetland's birth rate is steadily higher than the death rate: between 1995 and 2005 there were an average of 29.6 more births than deaths a year. The 2006 natural increase of 78 has now brought the average up to 34.
- ◆ In the year 2005-06 there were 183 registered deaths (down 12 on the previous year) and 261 births (up 38)²⁶.
- ◆ The 2005/06 natural increase of 78 was well above the Scottish average, which, in 2006, experienced a natural increase for the first time since 1998.

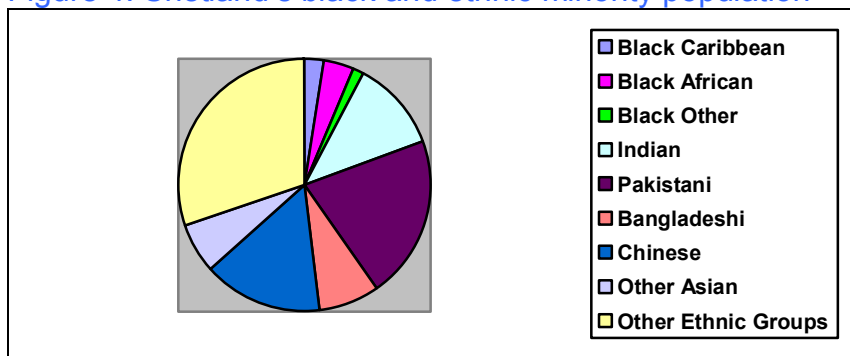
Immigration and emigration

- ◆ In the 10 years between 1996 and 2006 there has been a net emigration from Shetland of 1,333 people. 2004-05 was the only year of net immigration, of 32. 2005-06 saw a net emigration of 166²⁷.
- ◆ This is unlike the trend in Orkney and Eilean Siar where net immigrations of 194 and 100 respectively were seen for the year 2005-06.
- ◆ Numbers of national insurance number registrations is steadily increasing, from 20 to 100 a year between 2001/02 and 2004/05 compared to 25 a year in Orkney. Applications are from individuals from EU accession and EEA states²⁸.
- ◆ The data suggests that locals and UK citizens are moving away but incoming EU accession and EEA citizens are keeping population numbers higher than they may have been.

Population Ethnicity (See Figure 4)

- ◆ Data from the 2001 census shows Shetland has a very low black and ethnic minority population, just 1%. However, between 1991 and 2001 the population of Shetland decreased but, the black and ethnic minority population doubled over the 10-year period.
- ◆ When the census 2001 figures are broken down by ethnic group, it can be seen that although low numbers are involved, Shetland has a diverse black and ethnic minority population, with all census categories represented.

Figure 4: Shetland's black and ethnic minority population²⁹



²⁶ GROS, 2005/06

²⁷ GROS, 2006

²⁸ HIE Economic Update, 2007

²⁹ Census, 2001

LIFE EXPECTANCY AND AVOIDABLE DEATHS³⁰

Shetland's life expectancy is slightly above the Scottish average but below the EU average. Levels of avoidable deaths in Shetland appear to be decreasing.

Drug misuse is increasing, with a rise in use of more dangerous drugs such as heroin and cocaine, while the age of starting drug use is decreasing. The numbers of young people presenting with self-harm is also increasing.

What is measured

The General Register Office for Scotland measures average life expectancy for men and women.

Rates of deaths considered to be avoidable are available from NHS Shetland (cancer, coronary heart disease, stroke and suicide) and the Northern Constabulary (deaths resulting from car accidents).

Indicators of other health issues, such as drug and alcohol misuse include hospital discharges, while some issues such as obesity, have no indicators as of yet.

'Your Voice' is a questionnaire being used to collect information including people's healthiness and sense of wellbeing.

Life expectancy

- ◆ Shetland's life expectancy continues to increase. Life expectancy at birth (2003/05) was 75.3 years for men (an increase of 1.1 year from 2002/04) and 81.0 for women (an increase 0.7 years from 2002/04)³¹.
- ◆ This is above the Scottish average of 74.2 for men and 79.2 for women, but below the Orkney averages of 76.3 for men and 81.4 for women.
- ◆ The overall life expectancy for males and females was 78.1 years.
- ◆ This is just below the EU average of 78.5, below countries such as Germany (79.4), Finland (79.0) and Iceland (81.2) and above other European countries such as Bulgaria (72.6) and Latvia (71.3).³²

Rates of avoidable deaths³³ (see Figure 5)

CHD

- ◆ The incidence of Coronary heart disease (CHD) in Shetland has decreased in recent years, from 256 incidents and a standardised rate (per 100,000 population) of 5328.6 in 2002, to 147 incidents and a standardised rate of 2745.4 in 2005.³⁴
- ◆ Incidence of CHD for men has been greater decreased in comparison to women, although men still have greater incidence.
- ◆ The number of deaths accountable to CHD increased from 89 in 2000, to 126 in 2003, and then fell to 51 in 2005. The mortality rate (per 100,000 population) fell from 3455.3 in 2003, to 1525.0 in 2005.³⁵

³⁰ "Undetermined death" covers all accidental deaths with undetermined cause/intent, as defined by GROS

³¹ GROS, 2006

³² NHS, 2007

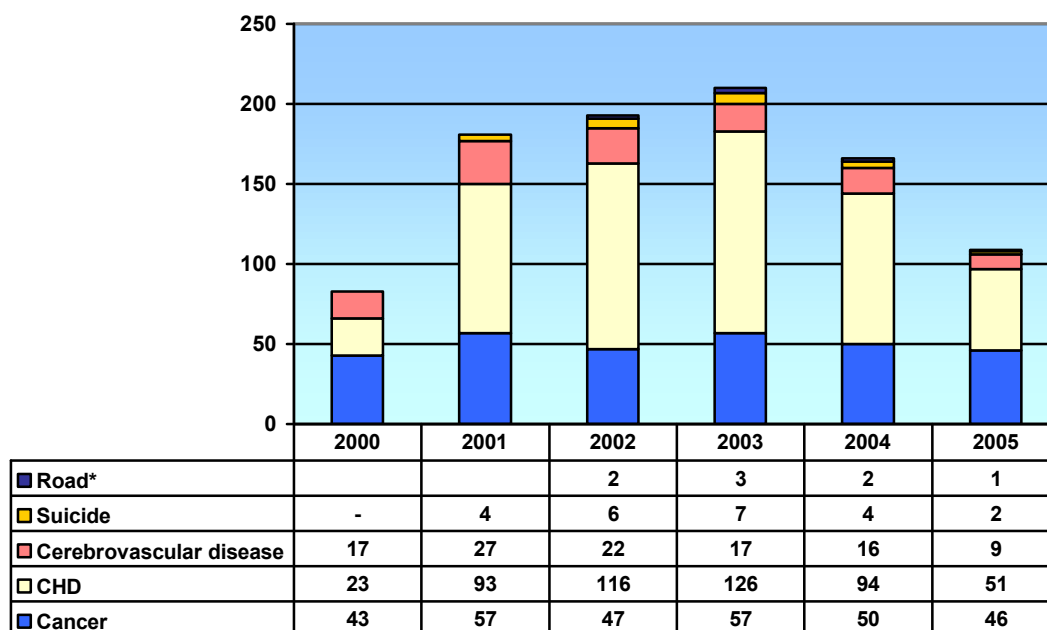
³³ With all these figures, numbers are small, making assessment of trends difficult.

³⁴ NHS health board, 2007

³⁵ NHS health board, 2007

- ◆ CHD accounted for 26.2% of total deaths in 2005, higher than the Scottish average of 19%.³⁶

Figure 5: Rates of avoidable death³⁷



Cerebrovascular disease

- ◆ Incidence of cerebrovascular disease³⁸ has fluctuated between 58 and 36 cases, and a standardised rate (per 100,000 population) of 211.8 and 118.9, in the last decade, reaching an all time low of 24 cases, and a rate of 82.0 in 2005.³⁹
- ◆ Cerebrovascular disease mortality has been falling since 2001, from 27 deaths in 2001 to 9 deaths in 2005. Before 2001 the mortality rate was greater for females, but since 2001 it has been fairly equivalent for both sexes.⁴⁰
- ◆ Cerebrovascular disease accounted for 4.6% of total deaths in 2005.

Cancer

- ◆ Deaths from cancer average at 51 for the past decade, with 46 deaths in 2005.⁴¹
- ◆ In 2005 cancer accounted for 24% of all deaths, while in Scotland the figure higher at 27%.⁴²
- ◆ The crude rate (per 100,000 population) for 2005 was 235.1 for males and 182.8 for females. The male rate is lower than the Scottish average of

³⁶ GROS, 2006

³⁷ NHS Shetland and Northern Constabulary

³⁸ Cerebrovascular disease is any disease affecting an artery within the brain, or supplying blood to the brain

³⁹ Scottish health board, 2007

⁴⁰ NHS health board, 2007

⁴¹ NHS health board, 2007

⁴² GROS, 2006

310.9, but the female rate is higher than the Scottish average of 282.3 for females.⁴³

Road accidents

- ◆ The number of people who have died as a result of a car accident has remained low (between 1 and 3), with 2 in 2004/05, 1 in 2005/06 and 1 in 2006/07.

Suicide

- ◆ Suicide rates have decreased from 7 suicides in 2003, to 4 in 2004, to 2 in 2005 and to 1 in 2006.

Drug and Alcohol Misuse

- ◆ There is evidence that drug use in Shetland is on the increase. The number of new drug users registering with the Shetland Community Drugs Team (SCDT) has increased from 22 in 2004/05, to 31 in 2005/06, to 50 in 2006/07.⁴⁴
- ◆ Of all the NHS board areas the largest rise in discharges with a diagnosis of drug misuse between 2001/02 and 2005/06 was seen in NHS Shetland, which saw an increase from 6 to 24 discharges within 5 years⁴⁵.
- ◆ In recent years more dangerous drugs have been becoming more widespread. There has been an increase in the use of heroin, cocaine, crack and methamphetamine, while there has been a decrease in the use of cannabis, ecstasy and valium. In the past year the Shetland Community Drugs Team have seen a drop of a 1/3 in the use Cannabis.⁴⁶
- ◆ Three quarters of SCDT's new clients in 2006/07 declared heroin as their main problem drug, up from half the previous year.⁴⁷
- ◆ The average age clients start using is falling. The SCDT found a trend present in drug use for females, in that females tend to start using drugs at a younger age however present themselves for help at a lower age.⁴⁸
- ◆ The average age of SCDT clients in 2006/07 was 26, down from 28 the previous year, while the average age of newly registered clients was 19.⁴⁹
- ◆ There were 146 alcohol related discharges from hospital in 2004/05, a rise of 38 a year since 1999 to 2005⁵⁰.
- ◆ In a recent Shetland survey of 820 10-18 year olds: 8% were smokers; 50% were drinkers and 10% were drug takers⁵¹.
- ◆ In 2002, numbers of 13 and 15 year olds drinking alcohol more frequently than once a fortnight was consistently higher than the Scottish average⁵².
- ◆ Sheriff Graeme Napier has expressed "significant concern" as to how easy it was for youngsters in Shetland to get access to alcohol.⁵³

⁴³ NHS health board, 2007

⁴⁴ Shetland Community Drugs Team, 2007

⁴⁵ Drug misuse information Scotland, 2006

⁴⁶ Shetland Community Drugs Team, 2007

⁴⁷ Shetland Community Drugs Team, 2007

⁴⁸ Shetland Community Drugs Team, 2007

⁴⁹ Shetland Community Drugs Team, 2007

⁵⁰ NHS Shetland

⁵¹ Young Person's Drugs Worker, Research Study, July 2006

⁵² Scottish Schools Adolescent Lifestyle and Substance Use Survey, 2002

⁵³ Alcohol Profile UK, 2006



- ◆ Nearly 4,500 adults in Shetland smoke; an average of 20% of the population. 6.2% below the Scottish average of 26.2%⁵⁴.
- ◆ The smoking rate varies between different areas of Shetland. Brae and Lerwick have the highest rate at 29%, with Whalsay the lowest at 15%.
- ◆ With the introduction of the smoking ban, the number of clients attending the drop in clinics in Lerwick increased rapidly⁵⁵.
- ◆ The 2004 Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS) estimated that 6% of 13-year-olds and 19% of 15-year-olds were regular smokers, with up to a quarter of 15-year-old girls smoking.⁵⁶ The most up-to-date information on child smokers in Shetland is from 2002, and shows similar figures.
- ◆ Although it is an offence to sell tobacco to children under 16 the 2002 SALSUS survey showed that 70% of regular smokers under the age of 16 in Shetland had obtained cigarettes from shops.

Obesity

- ◆ NHS Shetland estimate that over half the population of Shetland are at risk from the effects of being overweight and obese⁵⁷.

Mental Health (See Table 2)

- ◆ Recent research into deprivation and social exclusion found that 75% of respondents who are deprived and/or socially excluded experienced anxiety and depression. This was found to be as a result of the daily pressures of making ends meet and feelings of isolation. Some living with deprivation were reaching crisis point, with serious mental health issues, suicidal thoughts and/or a dependency⁵⁸.
- ◆ The contracted client group is supported by Shetland Youth Information Services (SYIS), which is mainly engaged in counseling. In 2006 there were 17 contracted clients, 5 of whom identified self-harm issues. Up to the end of June in 2007 there had been 8 clients with one presenting with self-harm.⁵⁹
- ◆ Hard figures for SYIS's more chaotic and vulnerable group are difficult to collate, but experienced workers recognize that the incidence of self-harm is higher in this group.⁶⁰
- ◆ The rate of death caused by self-harm has increased rapidly since the mid 80s, and is higher than the Scottish average: 23.7 for 2000-04 compared to 17 for Scotland.

Table 2: Deaths caused by intentional self-harm and events of undetermined intent.

Year	1980-84	1985-89	1990-94	1995-99	2000-04	2005 (single year)
Number of deaths	19	9	17	23	26	2
Rate	15.7	8.1	15.0	20.2	23.7	9.1

⁵⁴ Scottish Executive Statistics, 2007.

⁵⁵ Scottish Executive Statistics, 2007.

⁵⁶ NHS Shetland annual report, 2007

⁵⁷ NHS Shetland annual report, 2007

⁵⁸ Research into Deprivation and Social Exclusion in Shetland, 2006

⁵⁹ Shetland Youth Information Service, 2007

⁶⁰ Shetland Youth Information Service, 2007



EDUCATION

Attainment levels in schools are high and well above the Scottish average, with 47% of pupils going on to higher or further education and a similar number into employment and training. Secondary school enrolment remains stable, while primary school enrolment continues to fall.

An estimated 2500 working age adults in Shetland have low levels of literacy. For those without suitable skills for employment barriers to learning include access, lack of childcare and cost.

The number of NEETs (Young People not in Education, Employment or Training) decreased by 20% in the last year, due to the way data was collated.

What is measured

The state of education in Shetland is measured by opportunity (availability of different types of education, participation rates and pupil to teacher ratios); attainment (of school pupils and estimate of the number of adults with low levels of literacy and desire to access educational opportunities (from a survey of learning of 55 respondents from across Shetland)).

Opportunity⁶¹ (See Figure 6-10)

- ◆ There are 29 pre-school centres, providing places for all 3 and 4 year olds.
- ◆ The nursery school roll increased slowly between 1996 and 2005 but there has been a marked decrease between the years 2005 and 2006.
- ◆ There are 33 primary schools and none have a ratio of pupils to available places of over 100%.
- ◆ The primary school roll in Shetland has seen an overall fall since 1981. The roll fell from 1941 in 2005 to 1846 in 2006.
- ◆ In 2006 there was an average of 9.9 pupils per primary teacher, which is well below the Scottish average of 16.3 pupils per teacher.
- ◆ There are 9 secondary schools, in none of which is the ratio of pupils to available places over 100%.
- ◆ The school roll has been fairly stable over the last 15 years as more young people stay on at school.
- ◆ The number of secondary teachers in Shetland has fluctuated either side of 200, but remains fairly steady.
- ◆ In 2006 on average there were 8.3 secondary pupils per teacher. This is again lower than the Scottish average of 12.0 secondary pupils per teacher.
- ◆ There are two further education colleges, Shetland College and the North Atlantic Marine Centre. Shetland College has seen an increase in student enrolments in recent years, particularly in part-time courses.
- ◆ In the year 2006/07 1358 people took part in SIC Adult Learning classes (an increase of 206 on the previous year.) The scheme involved 56 evening class tutors and 32 volunteer literacy tutors.

⁶¹ Figures from SIC, Education and Social Work

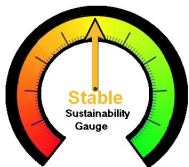


Figure 6: Nursery Education Roll⁶²

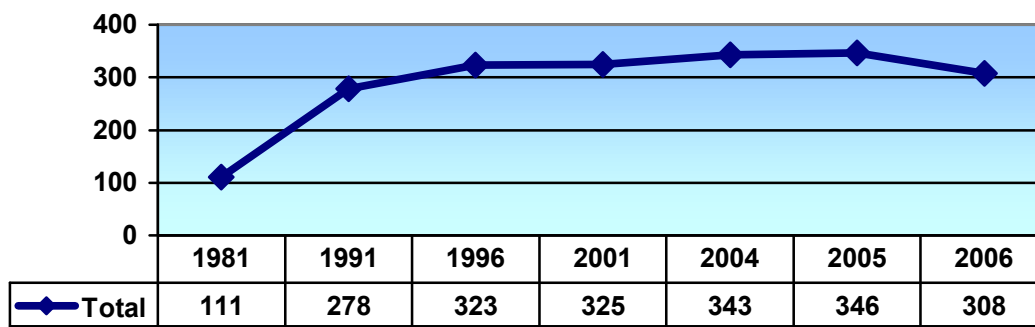


Figure 7: Primary School Roll, 1971-2006⁶³

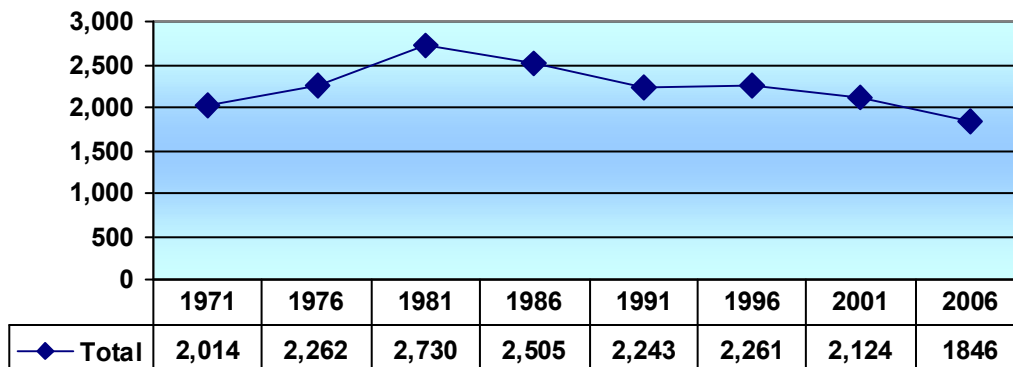
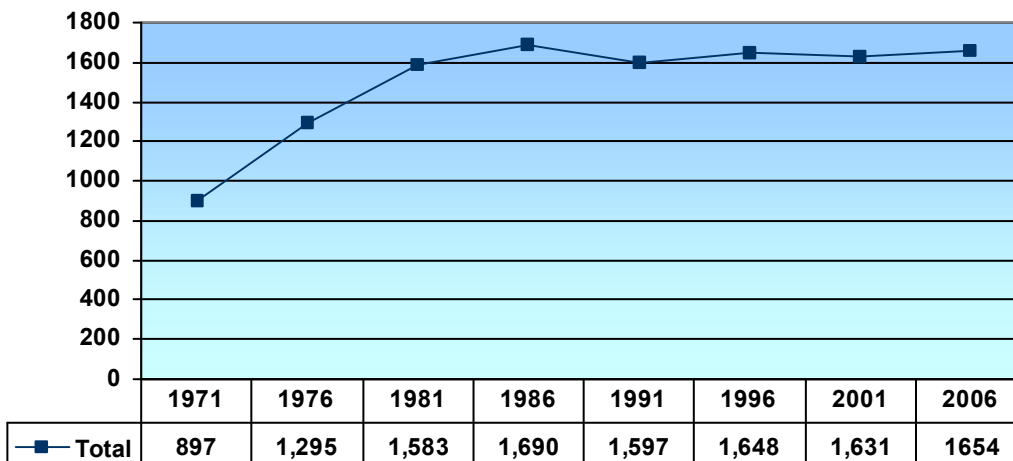


Figure 8: Secondary School Roll, 1971-2006⁶⁴



⁶² SIC, Education and Social Work

⁶³ SIC, Education and Social Work

⁶⁴ SIC, Education and Social Work

Figure 9: Students Enrolled in Shetland College, 1996-7 to 2004-05⁶⁵

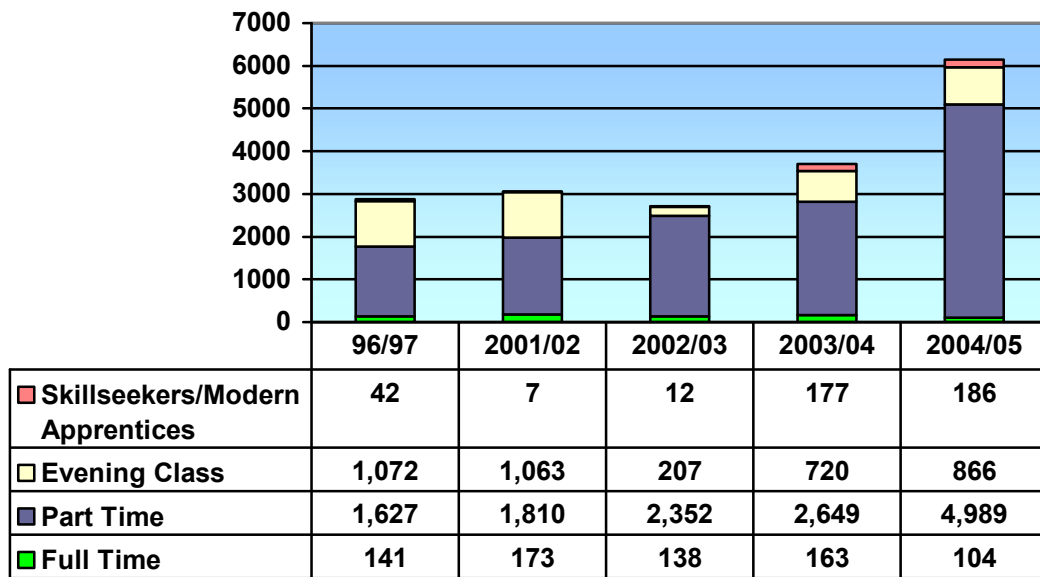
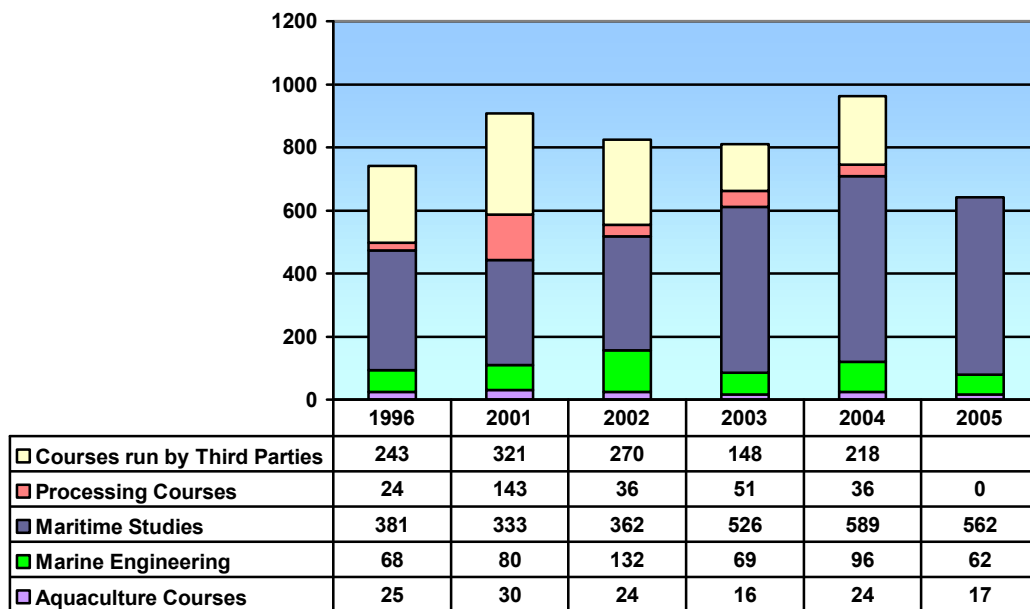
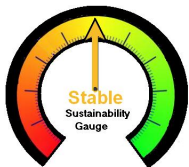


Figure 10: Students Enrolled in North Atlantic Maritime Centre, 1996 to 2005⁶⁶



⁶⁵ Shetland college, 2007

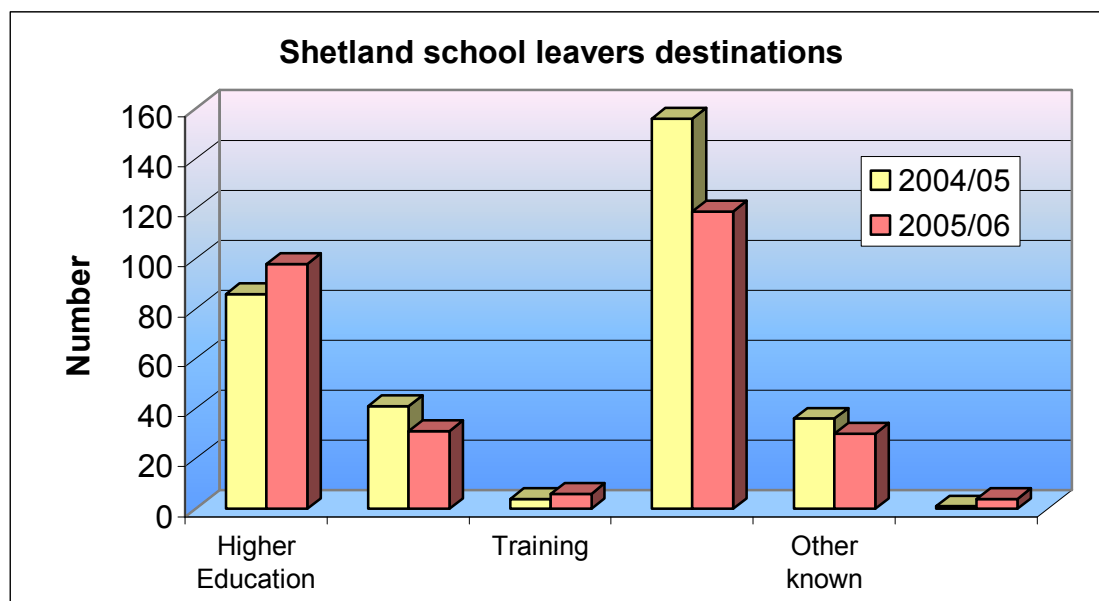
⁶⁶ NAFC, 2007



Attainment (see Figure 11)

- ◆ The Adult Literacy Partnership estimates that approximately 2500 working age adults in Shetland may have low levels of literacy.
- ◆ The percentage of S4 group achieving 5+ awards at SCQF level 4 (Standard Grade General or better) has declined from 90% to 85% from 2003 to 2005, but still remains above the Scottish average of 76%⁶⁷.
- ◆ Those achieving 5+ awards at SCQF level 5 (Standard grade credit or better) has remained steady between 43% and 45%, and well over the Scottish average of 34%, during this period⁶⁸.
- ◆ There are an estimated 80 young people in Shetland between the ages of 15-18 who are not in education, employment or training (NEET) compared to 100 last years⁶⁹.

Figure 11: School Leavers' Destinations 2004 - 2006⁷⁰



Desire to access educational opportunities

- In 2004 a survey found the following barriers to learning in Shetland: personal lifestyle; confidence; financial; provision; and motivation⁷¹.
- The survey also suggested that awareness of learning providers and groups in Shetland is not high.
- A recent study into deprivation and social exclusion in Shetland concluded that *'Learning tends to be seen as a luxury: something that people would like to participate in, to improve their employability, for enjoyment, and for confidence, but not a priority. In general access (via transport, childcare or cost) is difficult, although health and self-confidence are also important.... [However learning] is very often the single most important factor in assisting people to improve opportunities and access to a better life'*⁷².

⁶⁷ Scottish executive statistics, 2007

⁶⁸ HIE economic update, 2007

⁶⁹ Scottish Executive figures

⁷⁰ Careers Scotland, 2007

⁷¹ Barriers to Learning Within Shetland Report, Adult Literacy, 2004

⁷² Research into Deprivation and Social Exclusion in Shetland, 2006

CRIME

Both reported offences and registered offences have been slowly increasing over the past few years, with a fairly large increase between the years 2004 and 2005. There has also been an increase in the amount of road accidents and offences.

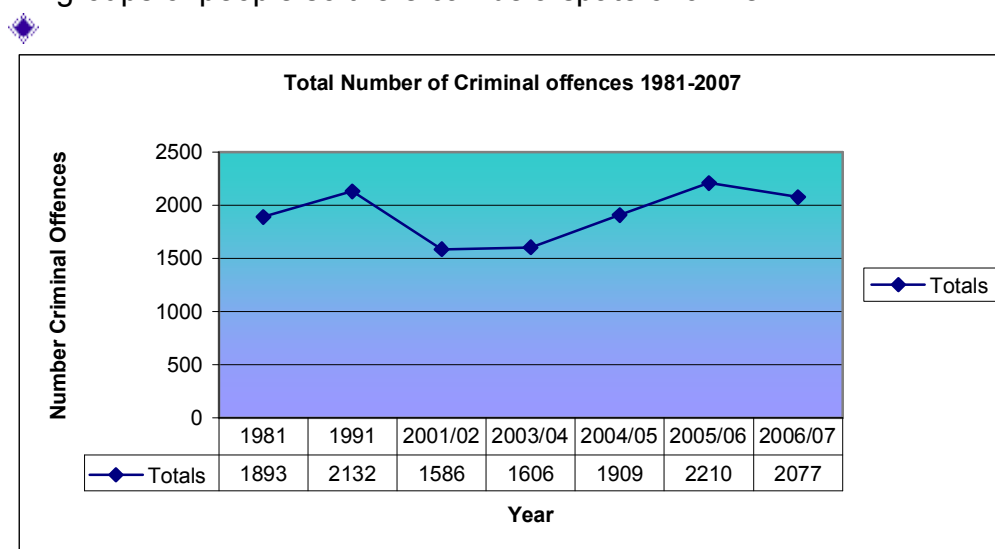
Between 95 and 99% of people feel the area they live in is safe or very safe. The proportion of people worried about becoming a victim of crime is lower in Shetland (30%) than the Northern Constabulary area as a whole (47%).

What is measured

Crime levels are measured using crime rate figures from Northern Constabulary, whilst fear of crime is measured using a survey undertaken by the Northern Constabulary on a two yearly basis.

Crime levels (See Figure 12 and Table 3)

- Crime levels in Shetland appear to be rising; however the low numbers of incidents, particularly for serious crimes, make analysis less meaningful. Crime in Shetland tends to happen in peaks and troughs as it depends on groups of people so there can be a spate of crime⁷³.



- The number of criminal offences has increased fairly steadily since 2002, rising from a total of 1586 offences in 2001/02 offences to a total of 2077 offences in 2006/07⁷⁴.
- The total number of crimes has been increasing since 2002/03, and increased considerably (by 22%) between 2004/05 and 2005/06. There have been increases in theft, malicious mischief, and dangerous driving.
- However, the clear up rate has recently averaged between 65% and 70%, and for the year ending 31 March 2007 it was 71.1%⁷⁵.

⁷³ Northern Constabulary annual report, 2006

⁷⁴ Northern Constabulary annual report, 2007 (subject to change)

⁷⁵ Northern Joint Police Board, Crime Situation, 2007

- ◆ The total number of road accidents also increased noticeably between 2004/05 and 2005/06, by 20%, although there was only one death in 2005/06.
- ◆ In 2004 there were 31 reported incidents of domestic abuse, increasing to 53 in 2005⁷⁶. National research shows there are many more cases of domestic abuse than reported.

Table 3: Crime rate figures: Breakdown for crime type⁷⁷

Crime	2002/3	2003/4	2004/5	2005/6
Assaults	22	15	20	8
Rapes	2	1	4	1
Indecent assaults	2	3	2	8
Theft by housebreaking	18	16	15	23
Theft	129	85	125	152
Theft of motor vehicles	13	18	16	14
Theft by shoplifting	5	9	21	20
Fraud	58	54	22	40
Culpable & reckless fire-raising	3	3	10	12
Malicious mischief, vandalism etc	224	290	230	308
Dangerous drugs	91	135	107	113
Carrying offensive weapons	12	4	20	19
Petty assault	134	155	167	154
Breach of the peace	188	206	217	236
Drunkenness	44	30	47	48
Reckless & careless driving	32	35	28	43
Driving when unfit through drink & drugs	2	3	1	6
Driving with excess blood alcohol	58	58	49	35
Driving whilst disqualified	6	7	4	8
Total number of road accidents involving death or injury	27	33	38	45
Number of persons killed in road accidents	2	3	2	1
Number seriously injured in road accidents	13	4	8	12
Number of persons slightly injured in road accidents	24	42	43	56
Total number of Criminal offences	669	706	700	851
Total number of road accidents	145	148	160	192

Fear of crime

- ◆ The Northern Constabulary reported that the number of people who rated the area within 15 minutes of their home as safe or very safe rose from 96% in 2003 to 99% in 2005. The 2005 questionnaire 'Your Voice' found the number to be 95%.
- ◆ The number 'Your Voice' respondents claiming to be slightly worried about becoming a victim of crime has increased from 28% in Autumn 2005 to 33% in Spring 2007, and the number very worried from 1% to 2%.⁷⁸ As many respondents saw rubbish and littering as a major concern in their area as those concerned about drugs.⁷⁹
- ◆ Northern Constabulary found data fairly consistent with 'Your Voice'; 30% of respondents (within the Shetland Islands Area Command) were *very worried* or *slightly worried* about becoming a victim of crime. This is a drop from 40.3% in 2003 and compares with 47% of respondents in the Northern Constabulary area as a whole⁸⁰.

⁷⁶ Northern Constabulary

⁷⁷ Northern Constabulary Annual Report, 2006

⁷⁸ Your Voice 2005/07

⁷⁹ Your Voice, 2005

⁸⁰ Northern Constabulary *Excellence in Community Policing Survey*



HOUSING

The number of houses continues to increase, however, build does not appear to be keeping up with demand, as the numbers waiting for social housing continue to increase, as does private house prices.

Housing in the private sector appears to be of poorer quality than social rented stock for a variety of reasons. Just under half the population have problems heating their homes, while it is estimated a quarter are at risk from fuel poverty.

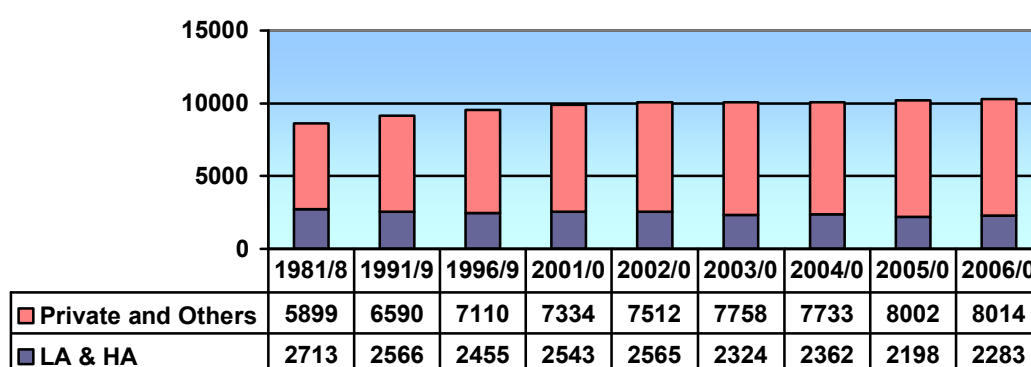
The number of homeless presentations is fairly consistent. There were 193 in 2005/06.

What is measured

Housing is measured by the quantity of housing available in Shetland (the number of homes and type); quality of housing (from both the National and Local Housing Condition Survey; and appropriateness and affordability of housing (cost of private housing and local authority rents, compared to average income; the supply versus demand ratio and homelessness figures).

Quantity of housing (See Figure 13, 14 and Table 4)

Figure 13: Ownership of Dwelling Houses in Shetland, 1981-2005⁸¹



- ◆ The number of local authority/housing association properties has fluctuated, increasing 3.9% between 2005/06 and 2006/07.
- ◆ The number of private and other housing has generally increased; up 0.15% between 2005/06 and 2006/07.
- ◆ As of April 2005 council tax discount for empty properties fell from 50% to 10%, pushing more people to have second homes evaluated as being uninhabitable. This accounts for a lowered net increase of private dwellings in 2006/07.
- ◆ Demand for socially rented housing is steadily high, (received by HHA and SIC, who share a housing register) with 908 applications in 2006-07, a decrease from 1155 the previous year. 38 council social rented properties were sold in 2006/07, a decrease of 11 from the previous year.⁸²

⁸¹ Assessors Office

⁸² Local Housing Strategy, 2006/07

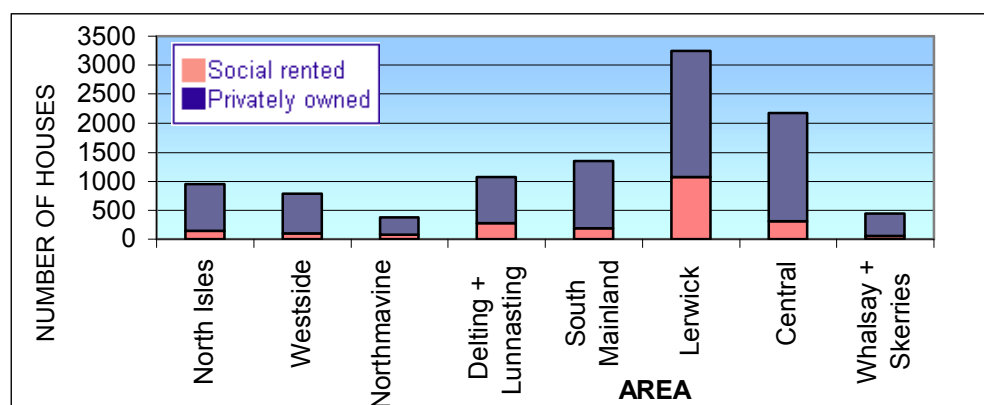
- ◆ The number of Shetland Islands Council Social Rented properties allocated in the year 2006/07 was 179.⁸³
- ◆ The average probability of being offered any type of SIC housing varies greatly between areas. For example between July 2004 and June 2006 the statistical probability of being offered a council house was 0% in Aith, 2% in Lerwick, 5% in Sandwick, 15% in Bigton, 31% in South Nesting, 64% in Skeld, 77% in Vidlin and 88% in Firth. In Fetlar, Burravoe, Uyeasound and Brough (Whalsay) there is more than 100% probability, because of existing voids⁸⁴.
- ◆ Results from the 2001 census are used to quantify homes by type. The private rental market accounted for 7.27%, in line with Scotland as a whole. The social rental market was 25.83%, slightly lower than the Scottish figure of 27.15%. The number of properties that are owned, at 63.37%, was in line with Scotland as a whole, at 62.59%⁸⁵.

Table 4: Number of homes by type⁸⁶

Tenure	Shetland	Scotland
Total number of households (with residents)	9,111	2,192,246
% Owned	63.37	62.59
% Rented from council	22.88	21.57
% Other social rented	2.95	5.58
% Private rented (unfurnished)	3.67	3.1
% Private rented (furnished)	3.6	3.61
% Living rent free	3.52	3.55

- ◆ The majority of social rented homes are located in Lerwick while the majority of private homes are spread between Lerwick and Central Shetland.

Figure 14: Housing ownership by area⁸⁷



Quality of housing

- ◆ The Scottish Executive have defined that in order to meet The Scottish Housing Quality Standard (SHQS) dwellings must be:
Compliant with the tolerable standard;

⁸³ SIC, Local Housing Strategy Update, 2006/07

⁸⁴ Average of the statistical probability of being offered any type of SIC accommodation between July 04 and March 06 (based on number of void properties and number of times each area was selected)

⁸⁵ Census, 2001

⁸⁶ Census, 2001

⁸⁷ Assessors Office, 2006



- Free from disrepair;
- Energy efficient;
- Provided with modern facilities and services;
- Healthy, safe and secure.

The Local House Condition Survey, 2005/06 estimated 90% of Shetland's private sector housing (6,800 homes) failed to meet SHQS. Approximately £15.66 million would be required to bring this housing up to standard⁸⁸.

- ◆ The Scottish Local House Condition Survey in 2005/06 estimated that 3.7% of Shetland's private sector housing (a total of 282 homes) fell Below the Tolerable Standard (BTS). The local study estimated the value higher, at 356⁸⁹.
- ◆ The local study also estimated that 47% of households in Shetland had difficulties in heating their home⁹⁰. It is thought this is mainly due to a combination of poor weather and high fuel costs along with the need to make improvements to the energy efficiency of homes, particularly in the private sector. And that 23.9% (1,824) of households in Shetland are at risk of fuel poverty⁹¹. Fuel costs exceed 10% of income in 1,824 homes, 20% of income in 526 homes, and 30% of total income in 191 homes⁹².
- ◆ Properties occupied by residents over 60 years have worse energy ratings than average and the elderly are at greater risk of fuel poverty⁹³.
- ◆ Condensation problems affect an estimated 14.7% of all Shetland housing, particularly detached, older stock,⁹⁴ but only an estimated 10% of all Scottish housing.⁹⁵
- ◆ 75% of 'Your Voice' respondents agreed somewhat or strongly with the statement: If I were buying a new house, I would be prepared to pay 10% more at the outset for energy-saving equipment and features⁹⁶.
- ◆ The social rented stock in Shetland continues to be of a high standard. Planned maintenance programmes of approximately £3m per year are continuing to maintain the standard of the housing stock.⁹⁷.

Appropriateness/ Affordability of housing (see Table 5)

- ◆ At August 2007, it is estimated that house prices are being procured at 14% above the asking price.⁹⁸
- ◆ 331 private properties were sold in Shetland in 2005, an increase on 32 on the previous year.
- ◆ Mean house price in Shetland has increased 44%, from £52,587 to £75,727 between 2001 and 2005, half the increase seen in Orkney.



⁸⁸ SIC, Local House Condition Survey, 2005/06

⁸⁹ SIC, Local House Condition Survey, 2005/06

⁹⁰ Scottish House Condition Survey, *Fuel Poverty in Scotland*, 2004

⁹¹ A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use, where 'satisfactory heating regime' is defined as one that achieves 21° C in the living room, and 18° C in other occupied rooms

⁹² SIC, Local House Condition Survey, 2005/06

⁹³ SIC, Local House Condition Survey, 2005/06

⁹⁴ SIC, Local House Condition Survey, 2005/06

⁹⁵ Scottish House Condition Survey, 2004

⁹⁶ Your Voice, 2007

⁹⁷ Scottish Housing Quality Standard submissions from SIC Housing, 2006/07

⁹⁸ Local Housing Strategy, 2006/06 update subject to change – data incomplete for this area

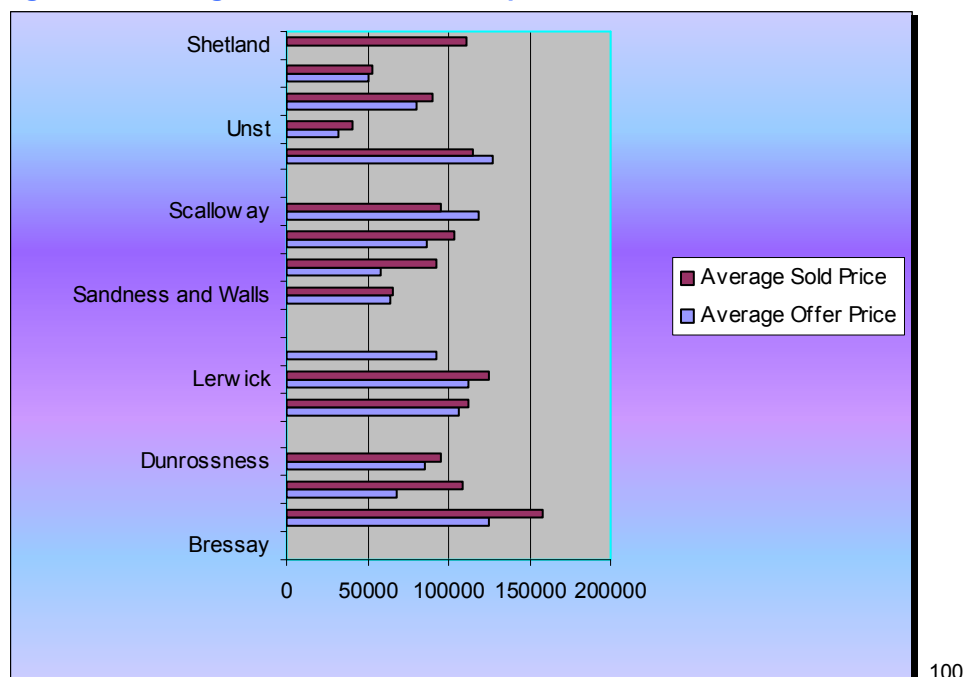
- ◆ It is generally recognised that external forces are driving the housing market, with people from the UK mainland wishing to move to Shetland. A fall in the house market in the UK may, therefore, have a knock-on effect on the Shetland market.
- ◆ The price of land is going up with house sites in the central mainland selling for as much as £40,000.
- ◆ The average income of households in Shetland is just under £33,000⁹⁹.

Table 5: Average sales prices for private property in Shetland by area

Area	1999	2000	2001	2002	2003	2004	2005
Outer Isles	£10,200	£22,000	£27,550	£18,550	-	£30,050	-
North Isles	£27,559	£26,077	£24,389	£35,610	£40,500	£37,730	£46,556
West Mainland	£37,112	£42,245	£42,577	£30,684	£62,278	£66,084	£71,498
South Mainland	£39,318	£42,880	£41,753	£41,342	£49,073	£66,911	£70,975
North Mainland	£39,601	£54,172	£46,843	£61,780	£55,131	£56,539	£60,437
Central Mainland	£54,328	£65,268	£59,324	£73,849	£78,557	£75,595	£86,253
Lerwick	£63,933	£66,518	£65,531	£71,717	£75,078	£82,159	£83,971
Shetland	£50,748	£54,657	£54,587	£61,945	£66,623	£67,600	£75,727

- ◆ The highest average sales price for 2006 was in the Central Mainland, closely followed by Lerwick. The lowest was in the North Isles, Yell and Unst predominantly.

Figure 15: Average Private House sales prices CCA, 2006



- ◆ It is increasingly difficult for first time buyers to purchase their first home. Applications for social housing remain high.

⁹⁹ Shetland Face to Face Household Survey

¹⁰⁰ Housing Department, SIC;

Data gathered from house sales in Shetland August 2006 - December 2006

Figure 16: Top 5 most expensive areas based on asking price

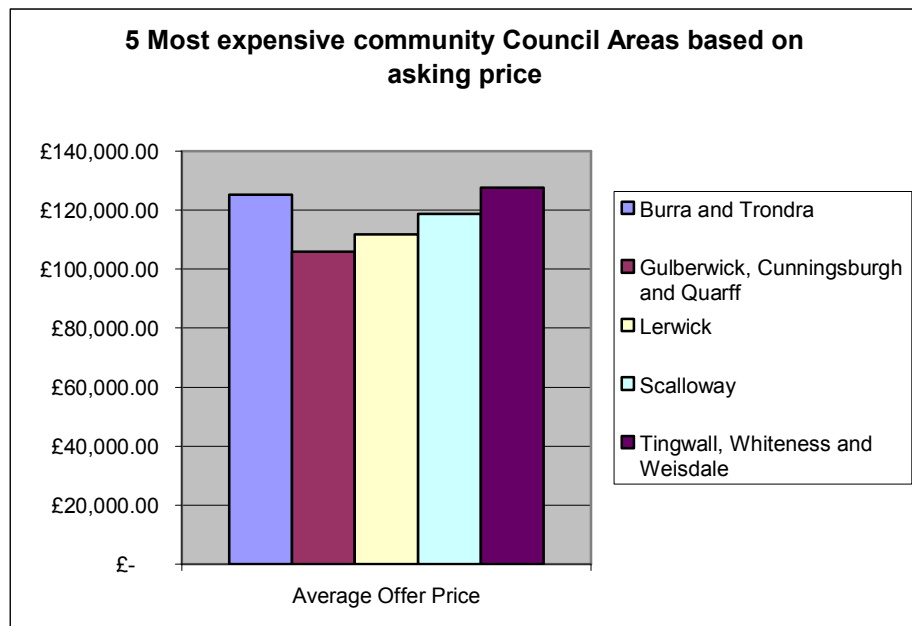
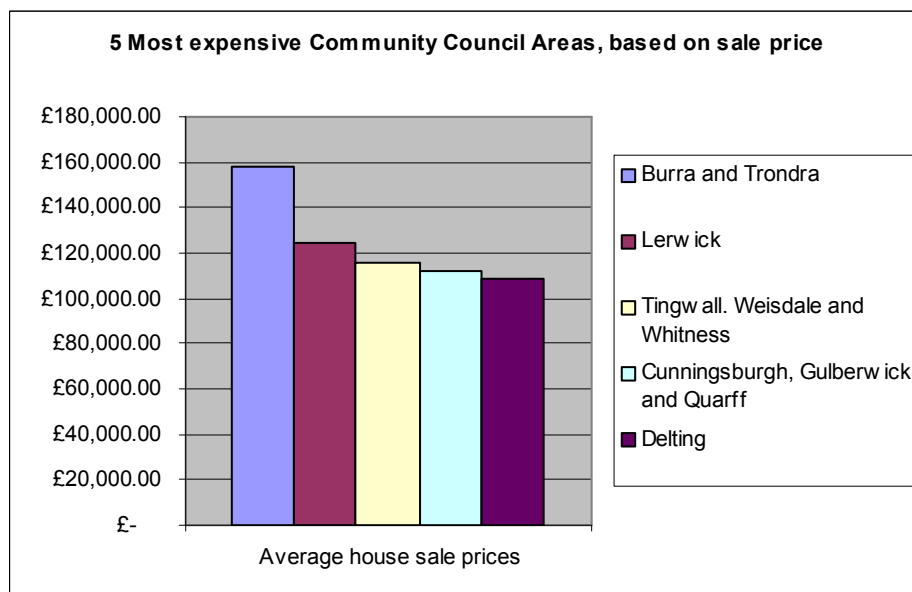
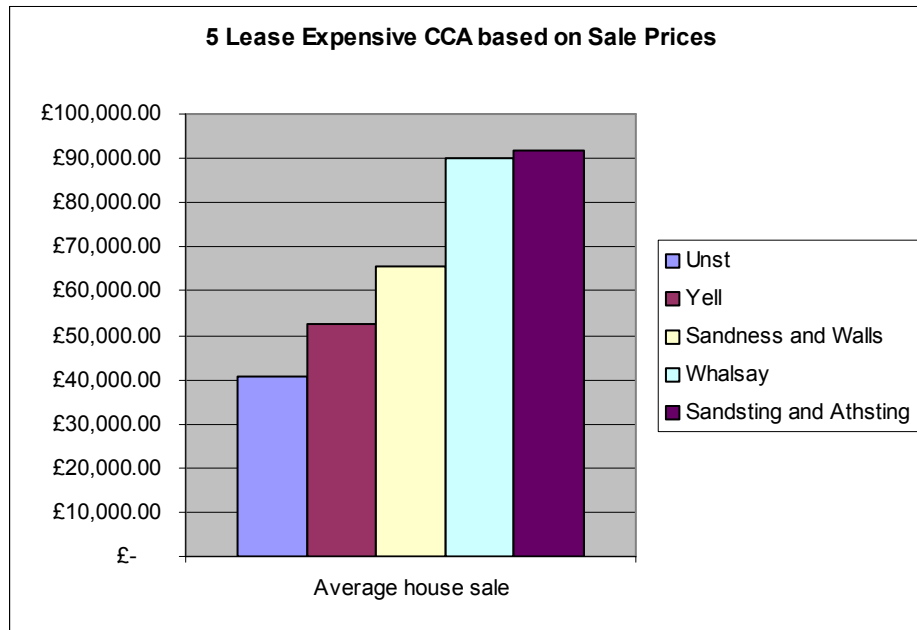


Figure 17: 5 most expensive CCA areas in Shetland for house sale



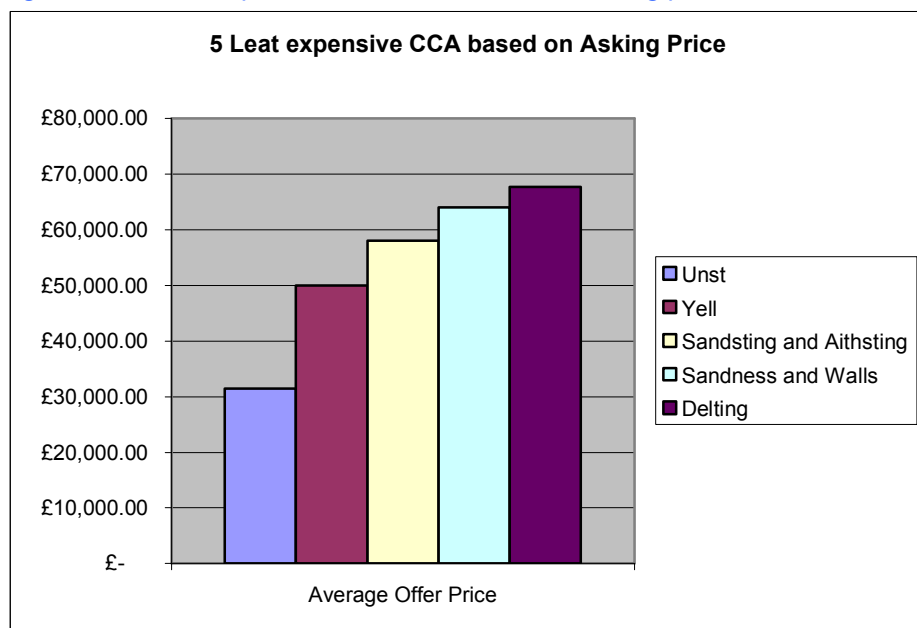
- ◆ As can be seen from figure 16 and 17, the asking price does not necessarily compare to the sale price.
- ◆ Burra and Trondra remain top rank of the most expensive areas, with house sales going for 25% above the asking price
- ◆ Rankin 2nd in the most expensive CCA area is Lerwick with the average house sale going for 13% above the asking price
- ◆ Gulberwick , Cunningsburgh, and Quarff are 3rd with houses selling for 7% above the asking price
- ◆ 4th is Tingwall, Whithess and Weisdale with houses going for 15% **below** the asking price, however it still remains in the top 5 of the most expensive areas
- ◆ Lastly it is Delting, with houses selling for on average 42% above the asking price.

Figure 18: 5 least expensive CCA in Shetland for house sale



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Figure 19: 5 least expensive CCA in Shetland for asking price



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◆ The only change between the asking price and house sales within the 5 least expensive community council areas is that Delting is listed as one of the least expensive Community Council Areas based on Asking Price, however it does not feature on the least expensive when relating to house sales, Whalsay takes its place.

¹⁰¹ Housing Department, SIC;

Data gathered from house sales in Shetland August 2006 - December 2006

¹⁰² Housing Department, SIC;

Data gathered from house sales in Shetland August 2006 - December 2006

Table 6: total number of Dwellings in Council tax bands, years 07, 06, 05¹⁰³

Total number of dwellings on valuations list(Excluding free - standing lock -ups)

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
Council tax base 2007	3,096	1,781	2,549	1,573	1,073	196	44	1	10,313
Council Tax base 2006	3,149	1,781	2,517	1,524	1,023	183	41	1	10,219
Council Tax base 2005	3,170	1,774	2,499	1,502	991	180	39	2	10,157

- ◆ Band A - Property up to the value of 27,000
- ◆ Band B – Property value between 27,001 and 35,000
- ◆ Band C – Property value between 35,001 and 45,000
- ◆ Band D – Property value between 45,001 and 58,000
- ◆ Band E – Property Value between 58,001 and 80,000
- ◆ Band F – Property Value between 80,001 and 106,000
- ◆ Band G – Property Value between 106,001 and 212,000
- ◆ Band H – above 212,000

Since April 2006 until end of March 2007, there have been a total Of 142 new property builds throughout Shetland. 34 of these were Hjalatland housing Association builds. Of these 108 private builds, the majority of them were to be found in bands, D, E and F.¹⁰⁴

There are also deletions of property stock, which can be due to¹⁰⁵

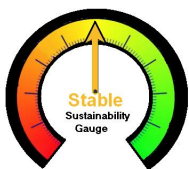
- Winter or summer let, which means the property moves from the council tax on to the valuation role
 - Demolition Work
 - Property becomes uninhabitable
- ◆ The potential fragility of the Shetland economy, the declining population and the concentration of job opportunities and new house building in the areas around Lerwick means negative equity is a real prospect in many areas¹⁰⁶.
- ◆ The Council's rent levels increase to cover inflation only while Hjalatland housing association set an annual Minimum Increase on existing rents of Inflation plus 1%.

¹⁰³ Finance, Shetland Islands Council 2007(based on 1991 valuations)

¹⁰⁴ Shetland and Orkney Assessors Office, 2007

¹⁰⁵ Shetland and Orkney Assessors Office, 2007

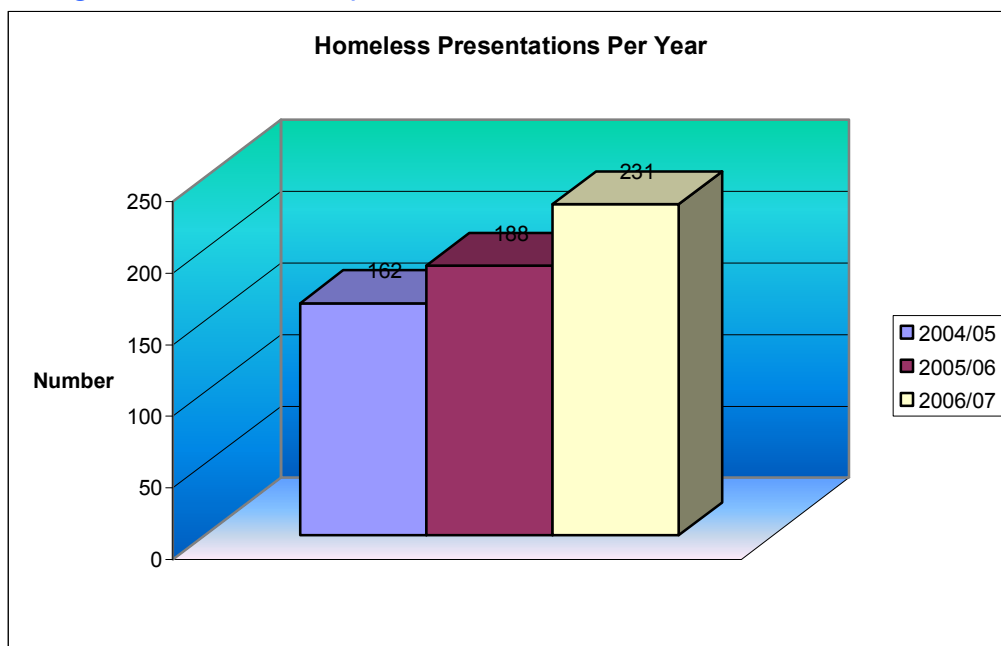
¹⁰⁶ SIC Population and Housing, 2001-16



Homelessness¹⁰⁷ (See Figure 20 and 21)

- ◆ 184 households were assessed as homeless or potentially homeless during the year 2003/04, falling to 169 in the next year, then rising to 193 in 2005/06¹⁰⁸.
- ◆ 37% of 'Your Voice' respondents did not think homelessness was an issue in Shetland¹⁰⁹.
- ◆ The biggest group to become homeless are males above the age of 25 (24.4%), whilst 59 (30.6%) involve children. Refer to Figure 16.

Figure 20: Homeless presentations¹¹⁰



- ◆ As can be seen from figure 15, Homeless presentations have been increasing on a yearly basis, with an increase of 69 in 2 years.

¹⁰⁷ A Person is defined in current legislation as homeless or threatened with homelessness when that person is: without any accommodation in which they can live with their family
Or - unable to gain access to their accommodation.

Or - at risk of domestic violence by living in their accommodation.

Or - they may have accommodation but it is 'unreasonable'; or is overcrowded and a danger to health.

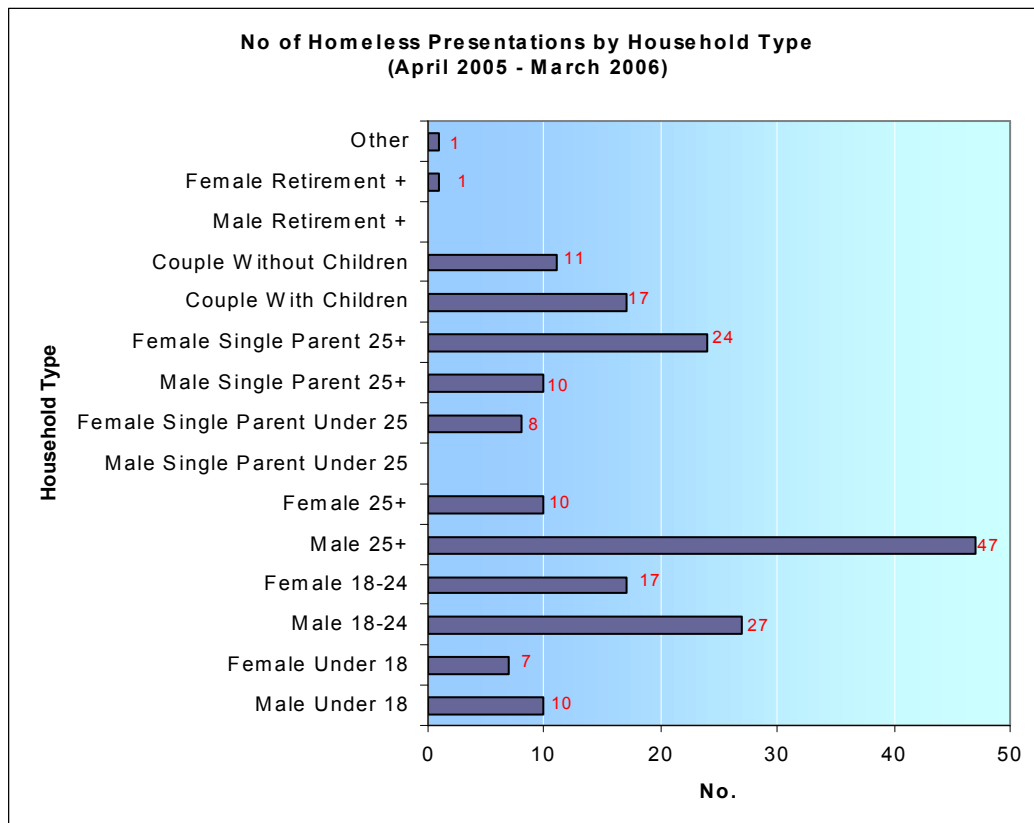
Or - their only accommodation is a caravan or boat and they have nowhere to park it. (SIC Housing leaflet).

¹⁰⁸ SIC Housing, 2007

¹⁰⁹ Your Voice, 2006

¹¹⁰ SIC Local Housing Strategy, 2006 update

Figure 21: Number Homeless Presentations 2005 - 2006



One reason for the increase in homeless presentations could be attributed to the fact that as the demand on affordable housing in Shetland increases, more people may be finding it difficult to access a decent permanent home that meets their needs in terms of size, location and affordability. A further contributing factor to this, the Council has also increased legal obligations to provide accommodation to everyone who is homeless, although in some cases this is only for a short period of time whilst other housing options are investigated. These increasing pressures place further stress on Shetland's housing market, and provide some possible explanation of why the number of people who registered as homeless increased in 2006/07.

TRANSPORT AND COMMUNICATIONS

Vehicle ownership and inter-island ferry and bus usage in Shetland continues to rise, as does usage of external air and sea routes. The cost of fares is also increasing across the board.

Shetland has high uptake of SDL and ADSL Internet connection.

What is measured

Availability, accessibility, usage and cost of internal transport is measured by the numbers of private cars, taxis, buses and ferries; number and frequency of bus and ferry routes; cost of internal transport journeys and usage levels for internal transport.

Availability, usage and cost of external transport are measured by number of external air and sea routes; cost of external transport journeys; and usage levels for external transport.

Broadband access can partly be used as a measure of progressive electronic communications. Other measures are under development.

Availability, accessibility, usage and cost of internal transport (see Figure 17 and 18, and Table 6 and 7)

- ◆ The number of private cars and light goods vehicles continues to rise, increasing 16.7% from 2000 to 2005, while the number of public transport vehicles remains fairly steady.
- ◆ The number of taxis has remained stable at around 76, over the past six years¹¹¹, standing at 77 registered vehicles in 2006¹¹².
- ◆ In 2006 Shetland had 56 private hire cars licensed¹¹³.

Table 7: Number of vehicles licensed in the Shetland Islands on 31st December¹¹⁴

	2000	2001	2002	2003	2004	2005
Private Cars and Light Goods	10,378	10,806	11,135	11,430	11,697	12,114
Public Transport Vehicles	81	81	74	73	75	83
Others	1,473	1,514	1,626	1,688	1,754	1,753
Total	11,932	12,401	12,835	13,191	13,526	13,950

- ◆ Bus usage continues to increase, except in the town where there was a 9.3% drop in passengers between 2001 and 2005. Between 2001 and 2005 there has been a 4.8% increase in total passengers. The

¹¹¹ SIC Transport, 2005

¹¹² Scottish Executive Statistics, 2006

¹¹³ Scottish Executive Statistics, 2006

¹¹⁴ Shetland Datashare, 2007

Scalloway/Burra service has seen a 44% increase and the Yell service a 43% increase.

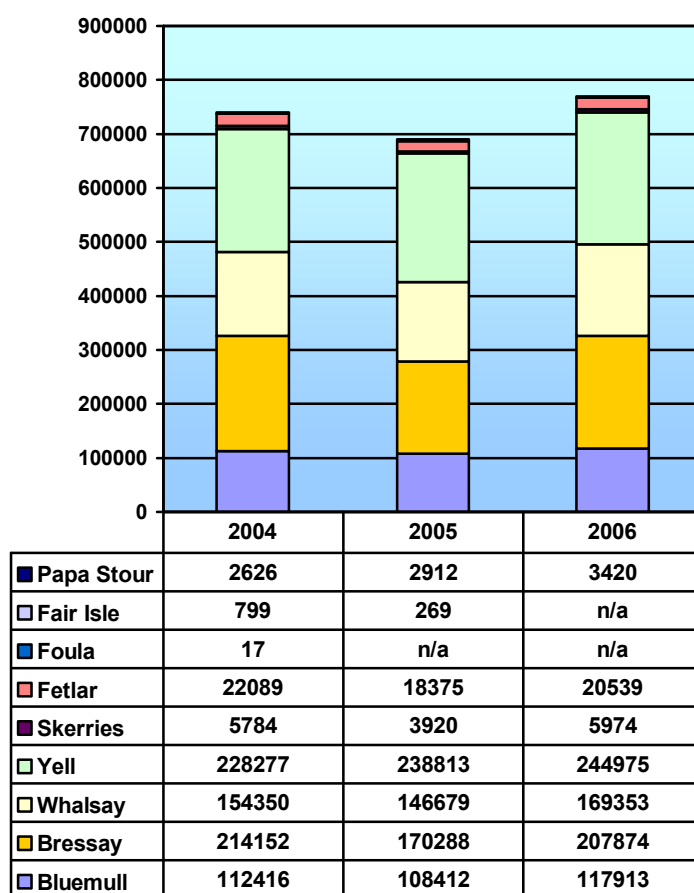
- ◆ The cost of internal transport journeys by bus continues to increase¹¹⁵.
- ◆ In 2006 a return trip between Sumburgh and Lerwick was £4.20, increasing to £4.40 in 2007. A return trip between Sandness and Lerwick was £6.10 increasing to £6.90., and a return trip between Haroldswick and Lerwick was £8.80, increasing to £11.30

Table 8: Bus services usage¹¹⁶

Route	2001	2003	2005
South Mainland	92758	93797	98770
North Mainland	73240	71116	70997
Laxo/ Vidlin	6977	7881	6770
West Mainland	44018	41982	48612
Scalloway/ Burra	42154	54302	60738
Lerwick Town Service	117639	113039	106781
Yell	4936	4653	7062
Unst	1638	1950	2159
Total	383360	388720	401889

Figure 22: Inter-Island Ferry Usage: Passengers¹¹⁷

- ◆ The number of passengers on the inter-island ferries has increased from a total 750,510 in 2004 to 770,048 in 2006 (a 7.6% increase).
- ◆ The total number of vehicles has increased from 336,424 in 2004 to 348,764 in 2006 (a 3.7% increase).



¹¹⁵ SIC Transport, 2007

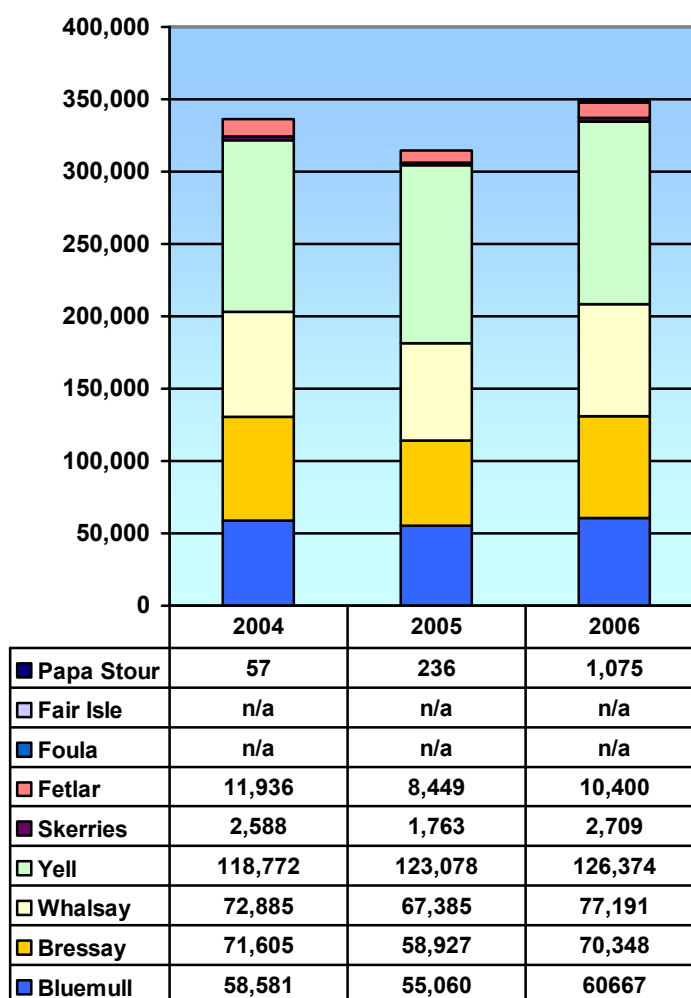
¹¹⁶ Shetland Datashare, 2006

¹¹⁷ SIC Transport, 2007

Figure 23. Inter-Island Ferry Usage¹¹⁸: Vehicles

◆ The total number of vehicles has increased 27%, from 278,925 in 2001 to 354,853 in 2005. Again, vehicles on the Yell crossing in particular have increased from 100,889 in 2001 to 130,258 in 2005, a 29% increase.

◆ Fares for passengers range between £2.70 and £3.10 single adult fare, with concessions available for children and concessionary SIC holders and reductions available when bulk-buying tickets. Return fares for vehicles range between £9 and £142. Travel between Yell and Unst or Fetlar and Unst to Fetlar is free of charge.



◆ A recent study into deprivation and social exclusion in Shetland concluded that *'the greatest issue in terms of access in Shetland is people's inability to afford to run a car (or two cars if a partner has the car each day). Although the public transport system is appreciated, it delivers for full-time commuters and is not able to alleviate access issues for those without a car sufficiently for people to feel they are able to access opportunities. This restricted people's ability to learn; find employment or better employment; purchase more healthy food at a reasonable cost; take part in community events and access social opportunities, for example. Reliance on others for transport is common, hindering people's feeling of independence and increasing humiliation.*

This form of exclusion is predominantly felt by women with family responsibilities, particularly those living in remote areas of Shetland, young people, and those with a disability. For the former, lack of childcare and transport to access childcare in other areas augments isolation. For the latter the situation can be particularly acute as they are physically unable to access any public transport¹¹⁹.

¹¹⁸ SIC Transport, 2007

¹¹⁹ Research into Deprivation and Social Exclusion in Shetland, 2006

It is important to note that any change to transport schedules should consider those who rely on it as their sole means of transport and those who may want to but cannot due to the departure and arrival times. Meaning that schedules routes do not suit early hour workers, late evening workers and shift workers for example.



Availability, usage and cost of external transport (see Figure 19 and 20, and Table 8-10)

- ◆ Flights to Sumburgh operate to and from Aberdeen, Edinburgh, Glasgow, Inverness, Kirkwall, Fair Isle and London, Stanstead. There are connections through Aberdeen, Inverness, Edinburgh and Glasgow to many UK destinations including London (Heathrow & Gatwick), Birmingham and Manchester.
- ◆ There are five weekday services to Aberdeen from Sumburgh (with three flights on Saturday and four on Sunday), and two daily flights to Inverness, via Orkney, Edinburgh and Glasgow¹²⁰.
- ◆ Loganair is looking to increase the number of flights it operates from Sumburgh to Aberdeen and Edinburgh in the near future¹²¹.
- ◆ Between 15th June and 25th September, 2007 Atlantic Airways operates a flight to Stansted, London twice weekly, and web fares start at £161¹²².
- ◆ The Air Discount Scheme was launched on 18 May 2006 and provides a 40% reduction on airfares from eligible areas (including Shetland) to Glasgow, Edinburgh, Aberdeen or Inverness¹²³.

Table 9: 'Costs from' for return flights (economy) from Shetland to Scottish Mainland according to the length of time booked ahead, including figure with air discount scheme applied in brackets¹²⁴

Sumburgh to....	Aberdeen	Edinburgh	Glasgow	Inverness	Orkney
1 day	£344.00 (£220.00)	£382.00 (£142.00)	£382.00 (£142.00)	£318.00 (£202.00)	£194.00 (£126.00)
1 week	£324.00 (£208.00)	£362.00 (£230.00)	£362.00 (£164.00)	£298.00 (£190.00)	£180.00 (£120.00)
1 month	£86.00 (£64.00)	£362.00 (£164.00)	£362.00 (£164.00)	£298.00 (£126.00)	£62.00 (£58.00)
6 months	£86.00 (£48.00)	£132.00 (£110.00)	£132.00 (£128.00)	£80.00 (£76.00)	£62.00 (£48.00)
11 months	£86.00 (£48.00)	£132.00 (£110.00)	£132.00 (£128.00)	£80.00 (£76.00)	£62.00 (£48.00)

- ◆ The total number of airport passengers has fallen since 1991, as Sumburgh passenger numbers decline and Scatsta numbers rise. The airport at Scatsta, operated by the oil industry, has seen an increase in passengers from 15,000 in 1991 to 255,000 in 2006¹²⁵.
- ◆ There has also been an increase in numbers employed at the airport during this period, from 11 to 100.

¹²⁰ British Airways website, Summer 2006

¹²¹ Aberdeen airport news, 2006/07

¹²² Atlantic Airways, 2007

¹²³ British airways, 2007

¹²⁴ British airways, 2007

¹²⁵ Shetland datashare, 2007

- ◆ Total passenger numbers at Sumburgh Airport have fluctuated over the years, generally decreasing from 1991, but increasing slightly in the past two years. In 1991 the airport had 433,000 passengers but in 2004 this had reduced to 110,000 passengers. This is due to the decline in helicopter passengers through the airport, which declined from 214,000 in 1991 to 18,000 in 2003. Passenger numbers were 133,000 in 2006. Some of this increase may be attributable to the Air Discount Scheme.

Table 10: Airport passengers (000s)¹²⁶

Year	1991	1996	2001	2003	2004	2005	2006
Scatsta	15	79	247	230	229	239	255
Sumburgh	433	401	137	113	110	124	133
Total	448	480	384	343	339	363	388

- ◆ The cost of a sea journey to Aberdeen with Northlink is under half the price of a journey to Faroe or Bergen with Smyril Line for both families and single adults.

Table 11: Cost of sea journeys¹²⁷

	Cost for a family of 4, with cabin, in August (single)	Cost for 1 adult, no cabin, in August (single)
Aberdeen (Northlink)	£179.50	£20.80
Faroe (Smyril line)	£370.00	£43.00
Bergen (Smyril line)	£370.00	£43.00

- ◆ Ferry fares between Aberdeen and Lerwick vary by the season, ranging from £20.80 to £31.80 for adults (single passage) and £10.40 to £15.90 for children (aged 5-15). Infants travel for free. Cars cost between £84.70 and £113.80 (single passage). Cabins cost between £53.90 and £107.80 (single passage), although cheaper berths in shared 2- and 4-berth cabins are also available¹²⁸.
- ◆ The number of accompanied car journeys on the Lerwick-Aberdeen route has increased in recent years, from 11,521 in 1999 to 17,255 in 2005, a 50% increase¹²⁹. The number of passenger journeys has grown even more dramatically, from 62,170 to 101,933, a rise of over 64%.
- ◆ There has been a steady increase in the number of passengers to and from Shetland on Smyril Line, from 1999 to 2004, with a decrease in 2005.

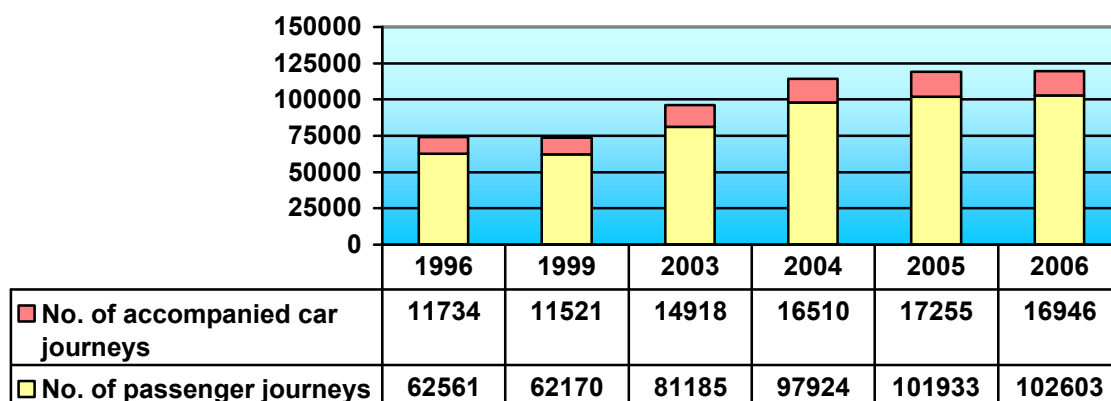
¹²⁶ Shetland Datashare, 2007

¹²⁷ Northlink and Smyril Line, 2007

¹²⁸ Northlink, 2007

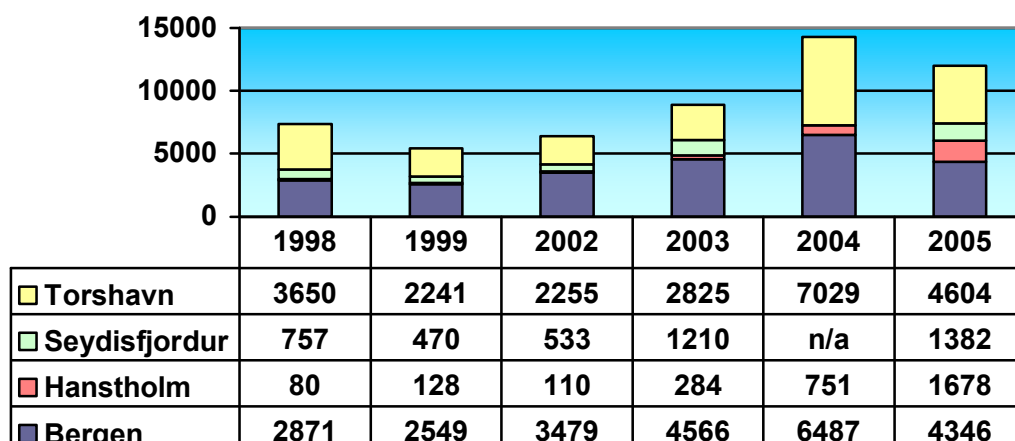
¹²⁹ Shetland in Statistics, 2006

Figure 24: P&O and Northlink passengers¹³⁰



- ◆ The number of passenger journeys has increased 26.4% since 2003. Passengers increased between 2005 and 2006, but to a lesser extent at 0.66%.
- ◆ The number of accompanied car journeys has also been increasing since 2003, but fell by 1.8% between 2005 and 2006.

Figure 25: Smyril Line passengers, inbound and outbound Lerwick, 1998-2005



- ◆ Results from the 2005 questionnaire 'Your Voice' found the main reason people choose air travel rather than the ferry is that air travel is faster, while the main reason people choose to travel by ferry is that it is cheaper.¹³¹

Electronic Communications

- ◆ BT found Shetland and Aberdeenshire to be the first local authority areas in Britain to have more than half their homes and businesses connected to ADSL¹³². In May 2007 Shetland had 50.7% uptake¹³³.
- ◆ Just under 49% of 'Your Voice, spring 2007' respondents with a computer said that they used ADSL Broadband to connect to the internet, a further

¹³⁰ Shetland in Statistics, 2006

¹³¹ Your Voice questionnaire, 2005

¹³² ADSL stands for *Asymmetric Digital Subscriber Line*, which can provide faster digital data transmission over local telephone network wires.

¹³³ UK Broadband user group, 2007



24% used an other broadband connection and 20% used a standard modem.¹³⁴

- ◆ Shetland Broadband has commissioned the initial stages of its Shetland Wide Area Network. This service offers DSL Internet connectivity, private networking and other specialist services without the need of a telephone and will initially be available in Lerwick, Scalloway and Gulberwick¹³⁵.

¹³⁴ Your Voice, 2007

¹³⁵ Shetland Broadband, 2006/7

NATURAL RESOURCES

Existing data available to measure the quality of the environment in Shetland, such as air and water quality, paint a good picture. However, further measures are required to ensure the situation is fully understood.

Recycling opportunities continue to expand and diversify and new renewable energy possibilities are being explored.

What is measured

The quality of the natural environment is measured by air and coastal water quality (fresh water results require further analysis to produce a useful indicator); marine and terrestrial litter, recycling of waste and energy consumption. Biodiversity has been identified as an important natural resource, therefore initial indicators have been identified for its measurement however further study is necessary.

Shetland and its European Ranking

◆ In a recent survey conducted by the Federation of Small businesses, entitled Index of success 2007, Shetland was listed 5th in the Scottish regional ranking. Orkney was 4th.¹³⁶ The indicators used to measure this were income, mortality, education and employment.

On further Investigation it can be estimated that of the 24 FSB indicator countries (excluding less developed countries), Shetland would sit between Finland and the Netherlands (or 9th). It is important to state that all of the countries measured are part of the OECD (Organisation for Economic Co-operation and Development), not the full European Union.¹³⁷ However this gives the Shetland Council and the Shetland Citizens a solid foundation from which to build.

Natural environment (see Table 11 and 12)

◆ Shetland's air quality meets all the criteria set by the national air quality standards.

Table 12: Air quality and pollutant objectives outlined in the NAQS¹³⁸

Pollutant	Concentration	Measured as
	16.25 µg/m ³	Running annual mean
Benzene	3.25 µg/m ³	Running annual mean
1,3-butadiene	2.25 µg/m ³	Running annual mean
Carbon monoxide (CO)	10 mg/m ³	Running 8 hour mean
	0.5 µg/m ³	Annual mean
Lead	0.25 µg/m ³	Annual mean
	200 µg/m ³ not to be exceeded more than 35x a year	1 hour mean
Nitrogen dioxide (NO ₂)	40 µg/m ³	Annual mean
	50 µg/m ³ not to be exceeded more than 35x a year	24 hour mean
	40 µg/m ³	Annual mean
	50 µg/m ³ not to be exceeded more than 7x a year	24 hour mean
Particulate (PM ₁₀)	18 µg/m ³	Annual mean

¹³⁶ FSB Scotland Index of Success, 2007

¹³⁷ FSB Scotland Index of Success, 2007

¹³⁸ SEPA

Sulphur dioxide (SO ₂)	125 µg/m ³ not to be exceeded more than 3x a year	25 hour mean
	350 µg/m ³ not to be exceeded more than 24x a year	1 hour mean
	266 µg/m ³ not to be exceeded more than 35x a year	15 minute mean

- ◆ Coastal Water Quality Standards Criteria are set in bandings between A and D, with A as the highest quality and C and D representing unsatisfactory results. Most of Shetland's coastline is A, with improvements in general quality from 2004 to 2005 and a decrease in the amount of unsatisfactory coastal areas in Shetland.

Table 13: Coastal water quality standards¹³⁹

All waters Class A unless otherwise classified (most of Shetland's coastline)

	Class	2005	2004
Total Length (km)	B	48.1	44.5
Total Length (km)	C	4.2	5.2
Total Length (km)	D	0.2	0.2

◆ Biodiversity is one of Shetland's natural assets. Initial indicators to measure biodiversity have been identified¹⁴⁰:

- trends in populations and productivity of seabirds, croftland and moorland birds;
- seals;
- marine fish (probably shellfish and perhaps other taxa);
- marine benthos (probably impacts of aquaculture);
- condition of protected natural heritage sites;
- extent of land managed under agri-environment schemes;
- trends in grazing pressure;
- trends in area of cropped land;
- changes in phenology (timing of biological events) in relation to climate change;
- energy consumption;
- waste (production, management and recycling)

◆ Shetland has 81 Site's of Specific Interest (SSSI's) making up 11.6% of land area, 3 National Nature Reserves, 1 Ramsar Site (wetland conservation and sustainability) 12 Special protection areas and 7 National scenic areas. There are also 346 listed buildings and 369 ancient monuments.

Shetland's consumption of global resources

The ecological footprint is a sustainability indicator, which expresses the relationship between humans and the natural environment. The ecological footprint accounts for the use of natural resources by a region's population. It is a 'snapshot' measure and typically refers to average annual consumption. To indicate environmental sustainability, the ecological footprint (demand) is compared with the global availability of resources (supply). Results are usually presented on a per capita basis using a standardised unit of area - the global hectare (gha). The average amount of resources available per capita is known as an 'earthshare'. To calculate an earthshare, the total available land and sea area of the planet is divided equally among the current global population. It is estimated that the current earthshare is 1.9 gha. If everyone lived within their earthshare, we would achieve One Planet Living with an equitable sharing of resources.

◆ Shetland's ecological footprint is currently 5.39 global hectares per capita¹⁴¹. In comparison, in 2001, Scotland's residents' ecological footprint

¹³⁹ SEPA

¹⁴⁰ Work is being done to develop results for this year. Various bodies and agencies including SEPA, SNH, SEERAD, Shetland Biological Records Centre, SOTEAG and the NAFC Marine Centre will be involved.

¹⁴¹ This measures the amount of nature's resources Shetland consumes in a given year
^tSIC energy, 2007

was 5.35 gha per capita. If everyone on the planet consumed as much as an average Shetland resident, an additional 1.8 Earths would be required to sustainably support global resource consumption.

Waste and Recycling (see Table 13)

- ◆ Shetland is involved with various projects to clean up waste, such as 'Fishing for Litter' and the Voar Redd Up, while recycling is increasing.
- ◆ A cleanliness index monitoring system is used to measure terrestrial litter, where a higher score represents a better result¹⁴². In 2005/06 Shetland's score was 76, an increase from 75 in 2004/05.
- ◆ The annual Voar Redd Up, supported by the Shetland Amenity Trust, has been increasing in size since it was first started in 1987.

Table 14: Voar Redd Up Statistics¹⁴³:

	Organisations	Volunteers	Bags	Tonnes
1988	60	400	5000	20
1996	125	2800	10000	60
2001	151	3616	10500	60
2005	181	3674	12000	71
2006	185	3787	12000	75
2007	201	4072	12000	55.5

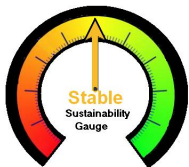
- ◆ Marine litter is considered a significant problem in Shetland waters and its beaches. KIMO has calculated that every tonne of marine litter costs fishing fleets £1,300 in lost time (e.g. cleaning nets)¹⁴⁴. This is before adding in loss of catches, damage to gear or disposal. KIMO recently launched the 'Fishing for Litter' campaign, encouraging fishermen to land litter by-catch, thus helping clear up the North Sea. In 2004, 450 tonnes of litter had been collected¹⁴⁵.
- ◆ From April 2005 - March 2006, Shetland Islands Council recycled/composted 10.9 % of municipal waste.
- ◆ In 2005 4 tonnes of aluminium cans, 18 tonnes of agri-plastics and 1.7 tonnes of Christmas cards were collected, processed and sent for recycling. Shetland Amenity Trust also salvaged an estimated 100 tonnes of building materials from landfill and expanded glass recovery from 300 to 600 tonnes.
- ◆ Kerb side collection of glass and cans was rolled out to 4500 households in Lerwick and Scalloway in 2004–05. There are approximately 40 recycling points in Shetland, giving a ratio of 1 per 150 households, well over the 1/250 set as the original aim. However, these points tend to be concentrated in more densely populated areas making recycling more awkward for those living in remote areas. Also there is little recycling diversity out with Lerwick, as recycling points tend to be bottle banks or aluminium banks only.

¹⁴² SIC, Waste Services

¹⁴³ Shetland Amenity Trust, 2007

¹⁴⁴ KIMO, 2007

¹⁴⁵ Save the North Sea project results, 2004



Energy (see Table 14

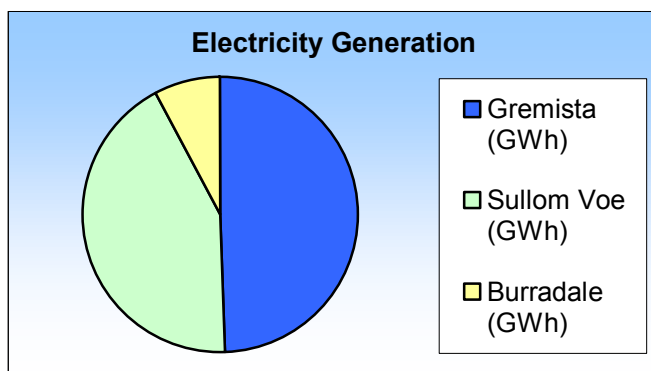
- ◆ The local electricity grid is supplied by Scottish Hydroelectric (SHE) from the oil fired Gremista Power Station and from excess energy produced by gas turbines at the Sullom Voe Terminal. SHE is investigating the future of energy supply, such as the laying of sub-sea cables, which would enable concurrent laying of a fibre optic cable link to the mainland. A cable link would reduce pollution in the islands and lessen Shetland's reliance on imported fuel¹⁴⁶.
- ◆ Shetland relies on oil and waste gas for 93% of its energy production and this is not sustainable in the longer term. Reliance on oil must be reduced and the use of local resources, including renewable technologies, maximised.

Table 15: Electricity generation ('000s)¹⁴⁷

	1971/72	1981/82	1991/92	2001/02	2004/05	2005/06	2006/07
Units Generated (GWh)	32.32	143.54	170.02	230.60	231.28	225.88	217.06
Maximum demand (mw)	11.69	36	41.2	45.2	48.6	47	48.1

- ◆ Shetland now generates 6 times more electricity than in the year 1971/72 and maximum demand has increased around 4 fold, but generation is now fairly stable.
- ◆ Electricity generation in 2006/07 was the lowest it has been since 1999/00. There are a number of reasons for this, including reductions in island demand from Fish Processing, loss of Saxa Ford, increase in District Heating Scheme take up, private renewable generation and a probably a milder winter with less snow and by default less heating load being used.¹⁴⁸

Figure 26: Breakdown of electricity generation in 2006/07¹⁴⁹



- ◆ In 2005 Gremista emitted 91,221 tonnes of CO₂ and Sullom Voe emitted 49,689 tonnes of CO₂.¹⁵⁰
- ◆ The estimated total CO₂ emissions for the housing stock in Shetland are an average of 14 tonnes per property per year.¹⁵¹

¹⁴⁶ SIC energy structure plan

¹⁴⁷ SIC, infrastructure, 2007

¹⁴⁸ Operations Manager Shetland, 2007

¹⁴⁹ Gremista PowerStation/Burradale windfarm/Sullom Voe, 2007

¹⁵⁰ Electricity generation in Shetland, SIC Infrastructure, 2007

¹⁵¹ SIC, Local House Condition Survey, 2005/06

- ◆ Since 2003 two businesses have been assisted with projects to develop renewable energy engineering and 12 community halls and 2 heritage centres have been assisted with projects that allow them to make use of renewable energy¹⁵².
- ◆ The 5-turbine windfarm at Burradale has a total output of 6.68MW, which can power 2000 homes and saves 6,200 tonnes of carbon dioxide emissions per year¹⁵³.
- ◆ Burradale generation continues to rise, though at a decreased rate, increasing over 7-fold between 2000/01 and 2003/04, then a further 7.6% between 2003/04 and 2006/07.

¹⁵² economic policies, 2003-07

¹⁵³ Burradale Windfarm, 2007

ECONOMY

The Gross Regional Domestic Product per capita of Shetland is lower than the rest of the UK. Fisheries output, oil and the Council remain the three largest sectors in the economy, considerably higher than agriculture, tourism and knitwear.

85.2% of the working age population is in employment, with the public sector dominating. 14% of household income is derived from self-employment, compared to 8% for Scotland as a whole.

Shetland continues to have one of the lowest unemployment rates in the country.

What is measured

The state of the economy in Shetland is measured by the level of economic activity in Shetland (overall GVA¹⁵⁴ and GDP¹⁵⁵, public and private sector spending and the value of key sectors); employment (number of jobs, employment rates, employment by sector; percentage of people out of work for more than a year; percentage of women economically active; and percentage of people in permanent training); and business performance (number of new business start-ups; number and scale of business failures; and business profitability).

Economic activity (see Figure 21 and Table 14)

- ◆ The combined total output of all economic sectors in the Shetland economy in 2005 was calculated to be £705,705,000¹⁵⁶. The same survey calculated Shetland's Gross Regional Domestic Product to be £333,403,150. This equates to a GRDP per capita of £15,245¹⁵⁷.
- ◆ This compares with a GRDP per capita for the UK of £18,515 and Guernsey of £23,769, in 2003.
- ◆ In 2003 the value of the Shetland economy was £456mn. Combined fisheries output was the largest sector, with £243.1 million (fish catching, fish processing and salmon farming), continuing to rise since at least 1996. The council is the third largest sector, after oil, with a value of £127 million, decreasing from a high of £150.5 million in 2001. In contrast, the economic output of traditional agriculture and knitwear industries are much lower and fairly stable at £13.1 and £2.5 million respectively. The value of tourism has also been fairly stable, 1996-2003.
- ◆ During the period 2000 to 2004 Shetland's GDP fell by 0.4% and this was the greatest decrease recorded in Scotland during this period.¹⁵⁸ The decrease was a result of decline in throughput at the Sullom Voe oil terminal and the closure of a number of salmon farms.

¹⁵⁴ Gross value added (GVA) provides a more realistic indication of an areas productivity. It is a measure of the market value of all the final goods or services produced after the deduction of input costs incurred in the production process (excluding wages and capital investment costs).

¹⁵⁵ Gross Domestic Product (GDP) provides an indication of areas productivity. It is the market value of all the final goods and services produced, and can be broken down into sectors.

¹⁵⁶ Economic survey, University of Aberdeen Business School and AB Associates Ltd, 2005

¹⁵⁷ Shetland Regional Accounts, 2005

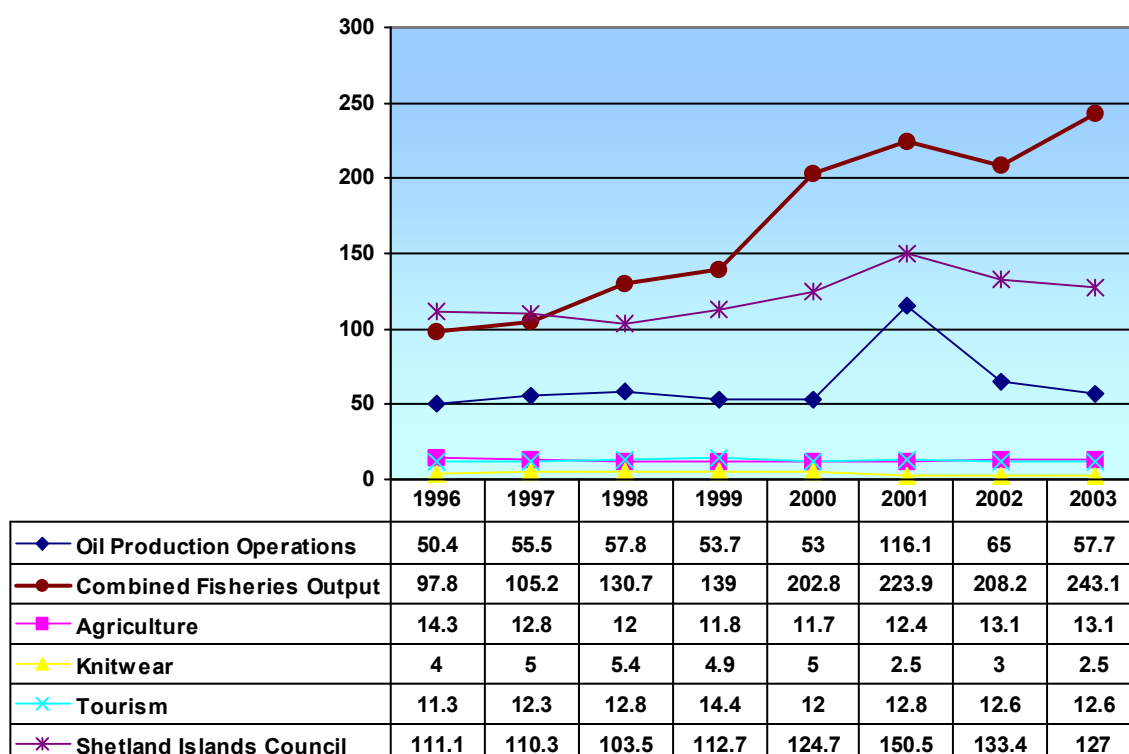
¹⁵⁸ National planning framework for Scotland, 2006

- ◆ GVA is lower in Shetland compared to Scotland, most noticeably in Manufacturing where GVA per full time employee in Scotland is more than double of that in Shetland.

Table 16: GVA per full time employee.¹⁵⁹

GVA per full time employee for the year 2004 (£)			
	Manufacturing	Construction	Services
Shetland	25,876	37,789	27,950
Scotland	52,962	38,574	28,821

Figure 27: Value of key sectors of the Shetland Economy, 1996-2003¹⁶⁰



Employment (see Figure 23 and Table 15)

- ◆ In the year 2005 13,300 jobs were recorded in Shetland; an increase of 30 from 2003.¹⁶¹ Of these 8,200 were full time and 5,100 part time.
- ◆ Between July 2005 and June 2006, 86.0% of the working age population were in employment, compared to 75% in Scotland. 73.9% were employees while 10.2% were self-employed.
- ◆ As of May 2006, 83.4% of working age women was economically active, compared to the Scottish average of 75.2%.
- ◆ Within Shetland, currently (2007) there are 11,500 individuals currently in employment. 5,500 are Female and 6,000 are male employees.

¹⁵⁹ HIE, economic update 2007

¹⁶⁰ Fraser of Allander Institute

¹⁶¹ Nomis, Official Labour Market Statistics, 2006



- ◆ There are 1,400 economically inactive individuals, 700 of whom are seeking further employment and 700 of whom do not want a job.¹⁶²
- ◆ Shetland has a higher percentage deriving income from self-employment than Scotland as a whole and a much lower percentage from social security benefits.
- ◆ Proportions employed in the different industries are fairly similar for Shetland and Scotland. Shetland has a higher proportion (10.0%) employed in transport and communications than Scotland (5.4%) while Scotland has a higher percentage (18.5%) employed in Finance, IT and other business activities, and services (82.0%) than Shetland (6.2% and 75.1% respectively).¹⁶³

Figure 28: Employment by sector, 2005¹⁶⁴.

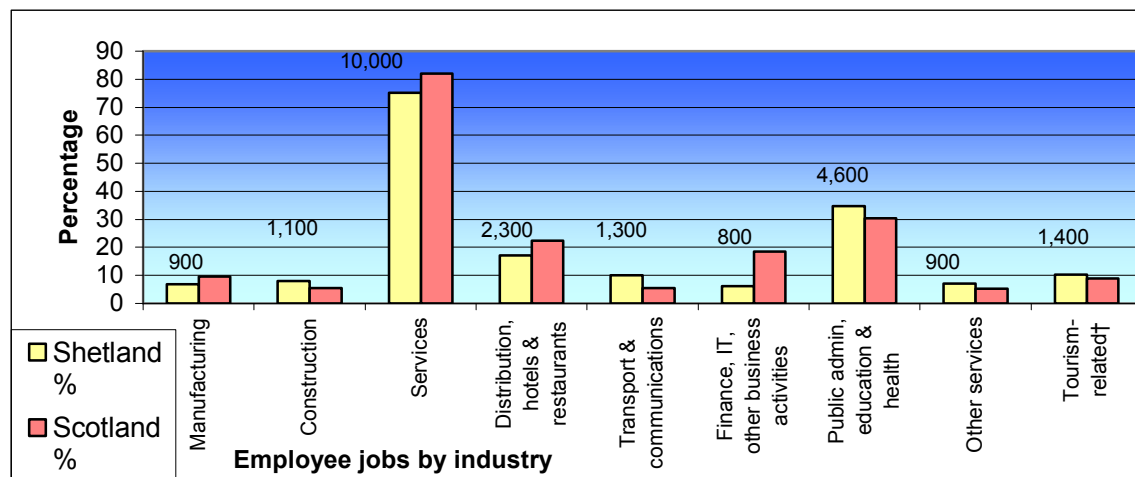


Table 17: Employment by occupation (July 2005 - June 2006)¹⁶⁵

	Shetland Islands (numbers)	Shetland Islands (%)	Scotland (%)
Soc 2000 major group 1-3	3,400	29.8	39.8
1 Managers and senior officials	1,500	12.7	12.7
2 Professional occupations	1,000	8.9	12.9
3 Associate professional & technical	1,000	8.3	14.2
Soc 2000 major group 4-5	3,200	27.5	23.4
4 Administrative & secretarial	1,400	12.3	12.4
5 Skilled trades occupations	1,700	15.2	11
Soc 2000 major group 6-7	1,800	16	16.7
6 Personal service occupations	1,100	9.9	8.3
7 Sales and customer service occs	700	6.1	8.3
Soc 2000 major group 8-9	3,100	26.7	19.9
8 Process plant & machine operatives	1,300	11.5	7.8
9 Elementary occupations	1,700	15.1	12.1
Total	11,400	100	100

- ◆ The main differences between Shetland and Scotland employment by occupation are seen in Soc 2000¹⁶⁶ major groups 1-3 and 8-9. `Scotland

¹⁶² Nomis Official Labour Market Statistics, 2007

¹⁶³ Nomis, Official Labour Market Statistics, 2006 (See Figure 19)

¹⁶⁴ Nomis, Official Labour Market Statistics, 2006

(Figures on the graph show the number of individuals in each industry for Shetland.)

¹⁶⁵ Nomis, Official labour market statistics

has 14.2% employed in-group 3 (associate professional & technical) while Shetland has only 8.3%. Shetland has 11.8% employed in process plant and machine operatives (group 8) while Scotland has only 7.8%.



Sectors

Oil¹⁶⁷

- ◆ Employment figures in 2006 for Sullom Voe terminal show 323 full time and 27 part time employees, and 138 full time and 4 part time employees at SIC Ports and Harbours at Sella Ness.
- ◆ Figures also show that there are 97 full time and 14 part time jobs in Lerwick, which are wholly or partially oil-related.
- ◆ Scatsta airport currently employs 100 people and deals with 255,000 passengers and over 11,000 aircraft movements.
- ◆ In 2005 Sullom Voe handled 8.2% of all foreign and domestic oil & gas traffic in the UK.

Fishing¹⁶⁸

- ◆ In January 2007 a total of 19 boats in the whitefish fleet employed 110 people directly, which is a slight increase on previous years, although employment remains lower than it was in 2003. After a period of depression, the whitefish industry appears to have picked up and the target of 25+ vessels may well be achieved in the next 4 years.
- ◆ Processing operations, which focus on high quality fish products, employ approximately 55 people. Lerwick Fish Traders' current expansion project is likely to employ a further 50 people.
- ◆ The latest figures for aquaculture employment show 207 full time and 67 part time jobs in the sector. The industry is becoming increasingly diverse, with production of mussels, oysters and cod. It is expected that figures for 2005-2006 will show increased employment.

Agriculture^{169, 170}

- ◆ In 2005 the Agriculture sector comprised of 303 employees, 511 occupiers and 1,578 'others' (including occupiers less than half-time, spouses of occupiers and casual/seasonal labour).
- ◆ In 2006 there were 1,972 holdings in Shetland, totaling 80,854 hectares. This can be compared to 2,076 holdings totaling 78,235 hectares in 2000, which suggests the average size of holdings has increased.
- ◆ Figures from the Meat Hygiene Service show that 5,391 sheep were slaughtered in Shetland in 2005, up from 3,520 in 2001, but down from 8,712 in 1991, while 282 cattle were slaughtered in 2005, up from 76 in 2001, but down from 339 in 1991.

Tourism

- ◆ Shetland Visitors survey recorded a total of 104,241 visitors to Shetland in 2006 and estimates direct expenditure of £16.43 million¹⁷¹.

¹⁶⁶ Soc 2000 = Standard Occupational Classification 2000

¹⁶⁷ Economic policies 2003-07

¹⁶⁸ Economic policies 2003-07

¹⁶⁹ Economic policies 2003-07

¹⁷⁰ Economic report on agriculture, 2007

¹⁷¹ Shetland visitors survey, 2005/06

- 59,924 arrived by air and sea, of which 24,744 were holiday travelers and 22,099 were business travelers.
 - 44,327 arrived by liner and yacht.
- ◆ During 2005 Visit Shetland recorded 1740 bed spaces occupied by tourists to the islands, which is above the average for the past 20 years. Accommodating tourists accounted for 372 jobs in 2003 (a 29% decrease since 1991).
 - ◆ In 2005 Lerwick Port Authority recorded 48 cruise liner arrivals and 17,532 cruise liner passengers¹⁷². In 2006 only 43 cruise liners visited, but passenger numbers rose by 45% to approximately 25,470.¹⁷³ 46 cruise liners are due for 2007¹⁷⁴.

Other industries

- ◆ Those employed and self-employed in the knitwear sector fell by 33% between 1999 and 2004, from 128 to 86, while the number of home knitters fell from 960 to 750.

Income (see Table 16)

Table 18: Sources of household income

	Shetland ¹⁷⁵ 2003, %	Western Isles ¹⁷⁶ 2003, %	Scotland ¹⁷⁷ 2003/4, %
Wages and Salaries	68	70	65
Self Employment	14	8	8
Investments	5	1	2
Pensions	11	14	13
Social Security Benefits & other	2	7	12
Total	100	100	100

Business performance

- ◆ In 2006 there were 111 new start-ups in Shetland, an increase of 31% on 2005 (85 start-ups) but almost the same as 2004 (109 start-ups)¹⁷⁸.
- ◆ There is currently no information available on number and scale of business failures and data is awaited on business profitability.

Unemployment

- ◆ During the past 30 years, Shetland has benefited from one of the lowest unemployment rates in the country. Recently this peaked at 2.2% in April 2004 and fell to 1.3% in January 2007¹⁷⁹.
- ◆ The rate tends to rise in winter months due to a reduction in tourism and primary some industries.
- ◆ The unemployment rate for Orkney in January 2007 was 1.7% and the Highland's and Islands average was 2.4%¹⁸⁰.

¹⁷² Shetland in Statistics, 2006

¹⁷³ Lerwick Port Authority, 2006

¹⁷⁴ Lerwick Port Authority, 2007

¹⁷⁵ Shetland Face to Face Household Survey

¹⁷⁶ Roberts, D. (2005) The Western Isles Regional Accounts 2003, University of Aberdeen

¹⁷⁷ Office of National Statistics, Family Resources Survey 2003/4

¹⁷⁸ Scottish Clearing Bankers quarterly statistics

¹⁷⁹ HIE Economic update, 2007

¹⁸⁰ HIE Economic update, Orkney, 2007

- ◆ As of May 2006, 25 people had been out of work for more than a year. This equates to 11.3% of all people seeking Job Seekers Allowance¹⁸¹.

¹⁸¹ Nomis, Official Labour Market Statistics, May 2006

SOCIAL WELFARE

The average wage per week decreased by £30 between 2005 and 2006, falling below the Scottish average, whilst the cost of living is higher, particularly for essential items. This makes it particularly difficult for those on low income and/or national benefits, whilst uptake of national benefits is felt to be lower than entitlement.

Fuel poverty remains high and decreasing numbers of registered child minders is restricting people's access to learning and employment opportunities.

What is measured?

Assessment of social welfare in Shetland is measured by the cost of living, average wage levels, deprivation and average benefit levels; the percentage of families in fuel poverty; the availability of childcare; and pension arrangements available.

Income and the cost of living (see Table 19 and Figure 28)

- ◆ The average income of households in Shetland is just under £33,000, or £2750 a month (gross)¹⁸². Households with children had the highest average income, over £48,000; households without children had an average income of over £36,000; and retiree households had a much lower level of average income, just over £15,000¹⁸³. High-income averages can mask poverty and make this more difficult to identify and tackle¹⁸⁴.
- ◆ The Gross weekly pay for Shetland full time workers fell from £448.40 in 2005 to £418.50 in 2006, while the Scottish average increased from £392.70 to £432.00¹⁸⁵. This has remained.
- ◆ The Gross Weekly pay per residence in Shetland is £399.40 whereas it is £431.40 on the Scottish Mainland.
- ◆ The Scottish Index of Multiple Deprivation (SIMD) 2006 shows that 8.8% of the Shetland population is income deprived, an increase from 6.79% (1572 individuals) from SIMD04¹⁸⁶.
- ◆ A study in 2005 found that mean expenditure for 26 categories of household expenditure in Shetland, totalled £1203.77 per month or £14,445 per annum. Of this monthly expenditure, housing cost £99.79¹⁸⁷.
- ◆ The cost of living in Shetland in 2005 was 0.3% higher than the Scottish average while areas such as Aberdeen, Orkney, and the Western Isles had lower cost of living percentages than the Scottish Urban Average¹⁸⁸.
- ◆ Essential items such as food was considerably higher than the Scottish Urban Average whilst housing and motoring expenses were lower.
- ◆ The cost of essential items makes it more difficult for households on national benefit to make ends meet than in other parts of the country¹⁸⁹.

¹⁸² Shetland Face to Face Household Survey

¹⁸³ Shetland Regional Accounts 2003

¹⁸⁴ Research into Deprivation and Social Exclusion in Shetland

¹⁸⁵ Nomis, Official Labour Market Statistics, May 2006

¹⁸⁶ SIMD website. NB. SIMD06 uses 2004 figures, and SIMD04 uses 2001 figures

¹⁸⁷ Shetland Regional Accounts 2005

¹⁸⁸ Rural Scotland Price Survey 2003

¹⁸⁹ Research into Deprivation and Social Exclusion in Shetland

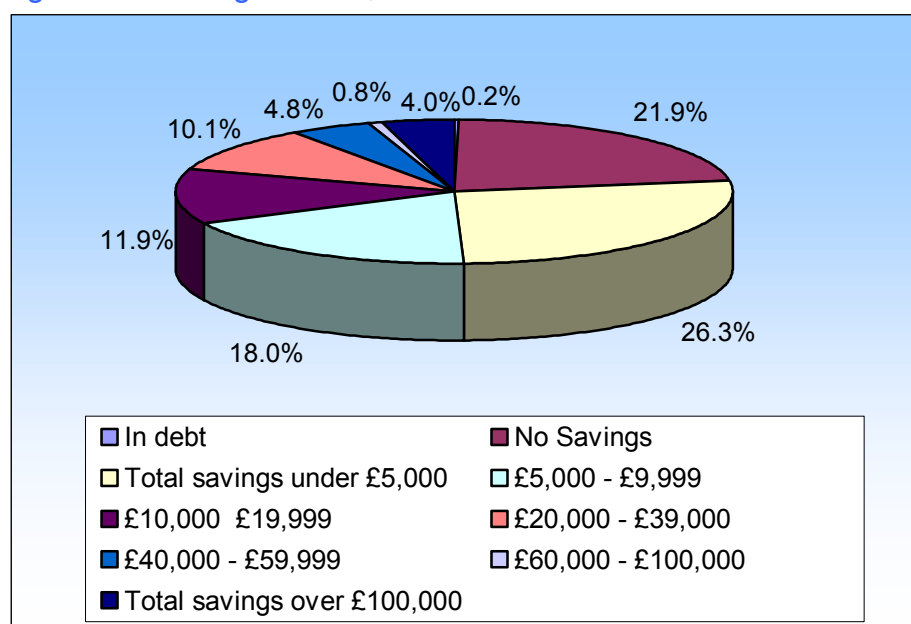


Table 19: Cost of living (figures presented as percentages)

	Food	Housing	Other Goods & Services	Motoring Expenditure	Road Fuel	Total
Shetland	117	83.4	104.2	92.1	95.7	100.3
All Scotland	108.2	86.2	99.3	84.3	106.3	97.7
Scottish Urban Av.	100	100	100	100	100	100
Aberdeen	102.7	88.1	98.9	92.9	101.9	96.8
Orkney	119	79.2	93.5	84.3	94.5	96.4
Western Isles	121.2	81.1	102.6	91.6	95.2	99.9

- Shetland's saving profile shows that although 21.9% claimed to have 'no' savings, 21% said they had savings in excess of £20,000. Only 0.2% claimed to be in debt.

Figure 29: Savings Profile, 2005/06¹⁹⁰



Benefits (see Table 20 and 21)

- Shetland continues to have a low percentage of the working age population claiming key benefits, when key benefits are defined as Job Seekers Allowance, at 2% of the population¹⁹¹. The rate of those eligible may be higher as the complicated national benefit system is a hindrance to people claiming benefits¹⁹².
- The Jobseeker's Allowance (JSA) is payable to people under pensionable age who are available for, and actively seeking, work of at least 40 hours a week. In April 2007 there were 192 JSA claimants; 147 were male and 45

¹⁹⁰ Local House Condition Survey, 2005/06

¹⁹¹ Jobcentre Plus, May 2006

¹⁹² Research into Deprivation and Social Exclusion in Shetland

were female. The majority were between 25 and 49 years. This is a 16.5% decrease from 230 in August 2006¹⁹³.

Table 20: Benefits Claims¹⁹⁴

	Shetland Islands (numbers)	Shetland Islands (%)	Scotland (%)
Total claimants	1,400	10.4	17.1
Job seekers	210	1.6	2.6
Incapacity benefits	740	5.5	9.6
Lone parents	160	1.2	2
Carers	70	0.5	1.1
Others on income related benefits	40	0.3	0.4
Disabled	110	0.8	0.9
Bereaved	70	0.5	0.4

Table 21: Age breakdown of JSA claimants¹⁹⁵

	Shetland Islands (%)	Scotland (%)
Aged 18-24	24	28.6
Aged 25-49	50.5	52.2
Aged 50 and over	24.5	16.7

Deprivation and Social Exclusion

- ◆ Recent research into deprivation and social exclusion in Shetland concludes, in relation to income and employment that *'Despite the apparent absence of poverty in Shetland, a large number of people are in debt and a significant number are struggling to make ends meet. The relatively high cost of living for essential items means that nationally decided benefit levels do not go so far.'*
- ◆ Individuals in Shetland particularly prone and vulnerable to deprivation and social exclusion are:
 - Young people whose parents are not able to ensure they are able to access opportunities and grow up feeling a part of the community within which they live;
 - Adults who have low self-esteem and/or poor mental health.
 - Those who are physically disabled or with a long-term illness and their carers, when they do not receive adequate support.
 - Those looking after a young family without access to their own transport, particularly those living in remote areas of Shetland;
 - Older people unable to access opportunities that would enable them to feel a part of the community.
- ◆ There is also evidence of social exclusion for ethnic minority individuals in Shetland, whether cultural or as a result of employer barriers, and of degrees of social exclusion for white incomers to Shetland¹⁹⁶.
- ◆ It is estimated that 23% of households in Shetland are fuel poor¹⁹⁷. This is almost double the Scottish average of 13%. Shetland has the third highest

¹⁹³ Scottish Neighbourhood Statistics, 2007

¹⁹⁴ National Statistics, 2007

¹⁹⁵ National statistics, 2007

¹⁹⁶ Research into deprivation and social exclusion in Shetland



fuel poverty level in Scotland, with Orkney and the Western Isles at 31% and 34% respectively¹⁹⁸.

- ◆ There is currently no data available on numbers of people in occupational pension schemes or those with no arrangements. In August 2006, 1000 people in Shetland were claiming Pension Credit¹⁹⁹. 1000 were also claiming a year previously, while 940 claimed in 2005²⁰⁰. Local professional opinion indicates there is a low uptake of this benefit locally.

Childcare

- ◆ There is a lack of registered childminders throughout Shetland and there are still gaps in provision, particularly for the 0-3yr age group. Lack of childcare can be influential in restricting people's access to employment opportunities.
- ◆ Recent research into Deprivation and Social Exclusion confirmed that lack of transport to available childcare restricts opportunities.
- ◆ The Shetland Childcare Partnership produced a report highlighting the main priorities for Childcare in Shetland up to 2012. A few examples are, but are not limited to,
 - ◆ To Improve the Sustainability of Childcare in Shetland,²⁰¹
 1. Encouragement of employers to contribute
 2. Improvement of business management skills of childcare providers
 3. Encouraging providers to work toward sustainability
 - ◆ To Improve the Affordability of Childcare in Shetland;²⁰²
 1. Supporting the provision of best value Childcare in Shetland
 2. Ensuring Providers are Aware of all assistance to them
 3. Ensuring Childcare is affordable for all families in Shetland
 4. Ensuring families are aware of all assistance available to them
 5. draw attention to the cost of not providing childcare
 - ◆ The following childcare options are available in Shetland:
 - 39 registered Childminders (10 non-active)
 - 1 Playgroup (non-commissioned), Whalsay
 - 3 Day Care; Unst, Mossbank, Abacus
 - 7 Partner Providers
 - 21 Nursery Classes
 - 1 Out of Nursery Care, Peerie Foxes (private, provides day care and out of hours)
 - 4 Out of School Clubs
- ◆ There are currently 661 preschool education places in Shetland, a drop of 7% since 2003.²⁰³
- ◆ There are currently 181 other preschool childcare places, a drop of 18% since 2003.²⁰⁴

¹⁹⁷ A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use, where 'satisfactory heating regime' is defined as one that achieves 21° C in the living room, and 18° C in other occupied rooms

¹⁹⁸ Scottish House Condition Survey, *Fuel Poverty in Scotland*

¹⁹⁹ Scottish Neighbourhood Statistics, 2007

²⁰⁰ Scottish Neighbourhood Statistics, 2007

²⁰¹ Shetland Childcare Partnership, 2012

²⁰² Shetland Childcare Partnership, 2012

²⁰³ Feasibility Study in relation to Childcare in early years in Lerwick Primarily and Shetland as a whole, July 2007



- ◆ There are currently 63 registered childcare providers in Shetland; a drop of 17% since 2003.²⁰⁵
- ◆ 77% of this decrease is due to fall in the number of childminders.²⁰⁶
- ◆ Access to high quality Childcare was felt to be relevant issue for many parents within Shetland, highlighting that there was felt to be a lack of available child minders, with a child perhaps being on several waiting lists. Furthermore not all parents can afford to pay for private childcare.²⁰⁷

Children's welfare

- ◆ The number of children referred for child protection increased from 42 for the year April 2004 – March 2005, to 58, 2005-06, and 74 in 2006-07²⁰⁸.
- ◆ The number of children on the Child Protection Register during the same period fluctuated between 11 and 13.

Disability

- ◆ In June 2006 the total learning disabled population in Shetland was 181²⁰⁹.
- ◆ 107 (59%) in this population were below the age of 25, 66 (36.5%) were between the ages 25-65 and 8 (4.5%) were above 65 years.
- ◆ The number of disability living allowance claimants has steadily increased since 2002, from 590, to 740 in 2005 and o 760 in 2006²¹⁰.
- ◆ 45 individuals (25%) were receiving supported accommodation care, and this is estimated to rise to 90 in the next 10 years.
- ◆ 51 (28%) were receiving regular day service and this is estimated to rise to 115 within 10 years.
- ◆ An estimated 11.4% of private sector households have at least one member with a long-term illness or disability (this figure includes vision and hearing disabilities)²¹¹.

²⁰⁴ Feasibility Study in relation to Childcare in early years in Lerwick Primarily and Shetland as a whole, July 2007

²⁰⁵ Feasibility Study in relation to Childcare in early years in Lerwick Primarily and Shetland as a whole, July 2007

²⁰⁶ Feasibility Study in relation to Childcare in early years in Lerwick Primarily and Shetland as a whole, July 2007

²⁰⁷ Feasibility Study in relation to Childcare in early years in Lerwick Primarily and Shetland as a whole, July 2007

²⁰⁸ Child Protection Statistics, 2007

²⁰⁹ SIC Social Care, 2006

²¹⁰ Scottish Neighbourhood Statistics, 2007

²¹¹ Local House condition survey, 2005/06

COMMUNITY

Community groups and volunteering continue to flourish and there are signs of increased involvement in leisure activities.

What is measured?

Democracy is measured through the number of people registered on the electoral role and the number of votes cast in recent political elections in Shetland. Community involvement is measured by number of community groups and volunteering. Other elements of community are measured by attendance at sports and cultural facilities. A study into barriers to participation and opportunity provides a current assessment of community cohesion and inclusion.

Democracy/Community Influence

- ◆ The total electorate at Community Council elections has increased from 16,298 to 17,168 between 2002 and 2006²¹².
- ◆ In 2003 the average turnout over the Islands was 57.6%,²¹³ increasing to 58.9% in the 2007 election²¹⁴. This remains lower than the Orkney figure of 60.4%²¹⁵.
- ◆ Turnouts for the 2007 Shetland Islands Council elections ranged between 51.3% for Lerwick North and 64.1% for the North Isles²¹⁶.

Community Involvement/Condition of Voluntary and Community Sector

- ◆ 36% of 'Your Voice' respondents were working as a volunteer in their community and 46% were involved in a community group in their area²¹⁷.
- ◆ There are over 600 community groups in Shetland. Shetland has the greatest number of, and greatest income from, charities per 10,000 resident population in Scotland. Nearly three times the average for Scotland and Shetland's charities have the highest income per 10,000 resident population²¹⁸.
- ◆ In 2000 an audit of the third sector in Shetland estimated the total income of Shetland's 'Third Sector' was valued at £14,700,000.²¹⁹
- ◆ In 2005 there were 200 Charities in Shetland. 107 were working for the benefit of the elderly.
- ◆ In 2005/06 the Grant's Unit within the Educational and Social Care Department of the Shetland Islands Council awarded 296 grants to community groups, rising to 349 in 2006/07²²⁰.

Sport and Cultural Recreation

- ◆ Attendance at all Shetland pools has decreased over the past three years, from 15,901 per 1,000 population in 2004/05, to 15,496 in 2006/07²²¹.

²¹² Shetland Islands Council, 2006

²¹³ Shetland Islands Council, 2003

²¹⁴ Shetland Islands Council, 2007

²¹⁵ Orkney Islands Council, 2007

²¹⁶ Shetland Islands Council, 2007

²¹⁷ Your Voice, 2006

²¹⁸ Office of the Scottish Charity Regulator

²¹⁹ Shetland Social Economy Audit, 2007

²²⁰ SIC, Grants Unit, 2007 (NB. This is not all council grants)

²²¹ Shetland Recreational Trust, 2006/07

- ◆ Attendance at indoor sport facilities (ex. pools) increased from 17,126 per 1,000 population (2004/05) to 19,171 in 2005-06, falling to 17,120 in 2006/07²²².
- ◆ Attendance at the cinema in 2005 was 20,078, and was 13,797 to August in 2006²²³. From 20th January 2007 to 12th July 2007 there have been a total of 12, 299 Garrison Theatre Film Attendances.²²⁴
- ◆ The number of visits to libraries expressed per 1,000 populations was 176,527 in 2006/07. The number of borrowers from libraries (expressed as a percentage of the population) has decreased, from 41.6% in 2003/04 to 35.4% in 2005/06 and to 35.1% in 2006/07²²⁵.
- ◆ The number of learning centre and learning access point users (expressed as a percentage of the population) has steadily increased from 10.1% in 2003/04, to 21.1% in 2005/06, to 26.0% on 2006/07²²⁶.
- ◆ The number of times learning access terminals are accessed has fluctuated, falling from 1,307 in 2004/05 to 1,254 in 2006/07²²⁷.
- ◆ In 2006 there were a total of 55 community halls and centres and 8 youth centres throughout Shetland.

Community Cohesion and Inclusion

- ◆ During 2005/06 32 people took part in English for Speakers of Other Languages (ESOL) classes. In 2006/07 this increased to 92, including 30 Polish, 15 Thai and from over 20 countries. 35 individuals from within this group took part in certificated classes, which incorporated UK citizenship materials.²²⁸
- ◆ There will be an estimated 100 enrolments to ESOL classes in 07/08.²²⁹
- ◆ 35 people took part in certificated classes, which incorporate UK citizenship material.

A 2007 research project into how black and ethnic minority people access services and opportunities within Shetland found²³⁰:

- 11% (5) of the sample were involved with community groups
- 16% (7) of younger people and men were involved with sport locally
- 2 participants (4%) took part in volunteering in a formal setting.
- Another 11% (5) of participants said they took part in informal volunteering, such as helping out neighbours, friends.
- 88% (38) had taken part in English language classes as a form of learning.
- Some 25% (11) had gone on to take part in other college courses, such as the communications course and computer courses.

People who have lived in Shetland for a long period of time were less likely to take part in any type of learning, particularly English language classes.

²²² Shetland Recreational Trust, 2006/07

²²³ SIC, Islesburgh

²²⁴ Shetland Arts, 2007

²²⁵ SIC, Education and Social Work, 2006/07

²²⁶ SIC, Education and Social Work, 2006/07

²²⁷ SIC, Education and Social Work, 2006/07

²²⁸ Adult Learning, SIC, 2007

²²⁹ Adult Learning, 2007

²³⁰ Inclusion Project, 2007

Appendix C: Quality of Life: Young Peoples Consultation (12-17 year olds)

The Analysis

The young people were asked to put indicators in a list in order of most important (refer to appendix B for indicators). Their top 5 priorities were, in order of most important,

- Health
- Sport and Leisure
- People and Society
- Education
- Art and Culture

The things the Young People liked about living in Shetland, in order of most important,

- Safe
- Peaceful
- Scenery
- Friendly people
- Small
- Clean air
- Sport

The main things that the Young People did not like about living in Shetland, in order of most important,

- Poor weather
- Lack of facilities
- Lack of shops
- Boredom
- Drugs and Alcohol problem
- High cost of travel and transport

When asked “ Do you think you would want to come back and live in Shetland if you moved away”?

- 32.4% said no

Some of the reasons given for this were

- Fewer job opportunities
- Experiencing life in other countries/places
- No new complexes
- Lack of action

- Lack of entertainment
- Transport system is not accessible to all
- Too isolated
- Weather
- Drug and alcohol problem
- Miss out on opportunities not missed elsewhere
- Not very eco-friendly
- 67.6% said yes they would come back

Some of the reasons given for this were,

- Family and Friends
- Clean air
- Scenery
- Safe
- Peaceful
- Community Spirit and Friendly people
- Fishing
- Sport
- Freedom
- The food
- Good education

The Young People were asked, “ If you were the Prime Minister of Shetland, what three things would you change to make Shetland a better place to live”

Some of the their answers are listed below,

- Consult with Young People to see if there was a need for more clubs or improvement to their clubs – for example Youth Theatre’s and Youth Clubs
- More Facilities such as: An Ice Rink; music venue; cinema; bowling
- Get some good bands up here, and ask Young people what bands
- Would build shopping complex, especially fashion shops
- Make school 4 hours a day and you can eat while you work
- Bring in more car dealerships
- More parks
- Islander allowance brought in, outside of the council
- Lower travel prices
- Put Money into Viking Energy project
- Cut down on Community Crimes and Drug and Alcohol Issues
- Action on drugs searches
- More Activities for Young People
- Get Schools working together so that young people have the chance to meet who would not normally
- An indoor riding arena for Horses

When asked "If Lerwick was twice the size, making the population of Lerwick 15,000. Would this be an improvement for your quality of life?"

Almost all of the respondents answered no that they did not want this and they felt that it would not be an improvement to their quality of life.

A large proportion of the respondents felt that they were not consulted by the councillors on issues affecting Young People in Shetland.

Quality of life Indicators; Young People

Appendix B

The Shetland Islands Council is committed to work together for a future that's better and brighter. In particular, together we aim to create a secure livelihood, look after our stunning environment and care well for all of Shetlands citizens and our culture.

In order to achieve this, it would be appreciated if you could take a moment of your time to fill in this questionnaire relating to young people and the quality of life in Shetland.

Quality of Life: Pursuit of Happiness

Quality of life of a population is can be measured by many social and economic factors. A large part is standard of living, which can be the amount of money and access to goods and services that a person has, which are quite easy to measure. Others like freedom, happiness, art, environmental, health, and innovation can be more difficult to measure.

All questionnaires and data contained within will be treated confidentially.

Please be as honest as you can, for without your help we cannot respond adequately to meet the needs of young people living Shetland.

Age =

Where in Shetland do you live =

Q1) could you please rate these indicators from 1-11 in order of the most important to you. 1 being the most important, 11 the least.

Arts and Culture

Health

Education and Training

Government and Justice

Community Safety

Housing

Transport and Communications

“Clean and Green”; Environment

Economy

People and Society

Sport and Leisure

Q2) what are the three things you like best about living in Shetland?

Q3) what are the three things that you don't like about living in Shetland?

Q4) what could we do to improve this?

Q5) If you were the Prime Minister of Shetland, what three things would you change to make Shetland a better place to live?

Q6) If Lerwick was twice the size, making the population of Lerwick 15,000. Would this be an improvement for your quality of life? If so why?

Q7) Do you think you will go away to college or University?

Q8) Do you think you would want to come back and live in Shetland if you move away? (Please circle one answer)

Q8a) YES

Q8b) NO

Q9) what three things would make you want to come back and live in Shetland?

Q10) what three things would put you off coming back to live in Shetland?

Q11) What other factors do you feel are important in influencing the quality of your life here in Shetland

Q12) Are you happy with the way are being consulted on issues relating your services in Shetland whether through the NHS/Police/Fire Department or councillors?
(Please circle one answer)

- a) Yes
- b) No

If not, what could be done to improve this, in your opinion?

Thank you for taking the time to complete the questionnaire.
You will be informed of the results and any direct action taken resulting from this.



REPORT

**To: Executive Committee
Shetland Islands Council**

**23 October 2007
31 October 2007**

From: Head of Capital Programme (CPS) & Housing Services

Report No: CPS-11-07-F

Subject: Progress Report – Capital Programme

1.0 Introduction

- 1.1 This report seeks to advise the Council on the progress of the programme with a view to establishing an overview for all projects.
- 1.2 In December 2006 the Council agreed the prioritisation of the Capital Programme (Min Ref: 195/06).
- 1.3 Programming is dependant on existing commitments and funds available into the future. This can only be considered once a priority is decided. Therefore, this report does not attempt to re-programme the prioritised projects
- 1.4 This report presents the objective analysis of the existing programme and seeks discussion amongst Members to principles and weighting for the priority to be used for future programming and delivery of the named projects.
- 1.5 This report is the first in a series of progress reports to be made to Council on a 6 monthly basis.

2.0 Links to Council Priorities

- 2.1 The proposals within this report will link to the Council's corporate plan by enhancement of skills development and learning.
- 2.2 Section 2 of the corporate plan requires the Council to organise its business and administration to make sure the Community and Corporate plans are implemented by finances, consistent planning and action, performance management and communication.

3.0 Background

- 3.1 This is the first report of this kind. In order to provide the background information for new members on how the current programme was constructed, the following documents are attached for information on this occasion:
- 3.1.1 Appendix A – The Summary of projects prioritised in November 2006 (Min Ref: 195/06);
 - 3.1.2 Appendix B – The Summary of ring fenced capital projects (Min Ref: 16/07);
 - 3.1.3 Appendix C – The Committed and Proposed capital projects at the start of 2007/08 (Min Ref: 16/07);
 - 3.1.4 Appendix D – The list of projects awaiting a budget to proceed in order of priority (Min Ref: 87/07 and 131/07).
- 3.2 Ring fencing arises when the money available cannot be spent on anything else other than the project/s specified. For example, the Scottish Executive has set conditions that the education money can only be used on schools. In the case of the HRA, this money is recovered through tenant's rents and so cannot be used for any other purpose across the council. Similarly, the money spent on the Ports and Harbours rolling programmes is funded through the Harbour Account and so has to be accounted for separately, as any Harbour Account funded projects are met from Harbour charges.
- 3.3 Much of the £20m Capital Programme is spent locally using local contractors and consultants. Therefore, it is a vital component of the Shetland economy. The Council should be seeking to utilise as much as possible to avoid damaging the local economy.
- 3.4 Projects and spending can be delayed for a whole range of reasons some desirable some not. Some projects can progress faster than others. However, in order to achieve the required spending each year, it is necessary to have a flexible approach that allows projects to be progressed in whole or in part. Therefore, the management of the Capital programme should be seen as an organic “stepped” process with many projects at various stages. Therefore, if spending is to be achieved it has to be more than a simple stop/start process.
- 3.5 The approach set out in 3.4 means that in practice Members have to agree progress by authorising expenditure on a yearly basis. Thus, projects spanning more than one financial year are automatically subject to a review at least once each year.
- 3.6 Members should note that the projects in *Appendix D* have a total estimated value of £21M+. This figure will increase as other projects are added to the programme.

- 3.7 A Member/ Officer Working Group has been established to review the weighting and points to be used for prioritisation. The results will be applied upon completion of that task/ subject to confirmation by the Council. In the meantime, all new projects continue to be subject to the Capital Programme Review Process (CPRT), (Min Ref: 141/06). Projects that come through this process in the future will be scored and ranked alongside remaining projects for Members to consider into the future.
- 3.8 With a target of £20m per annum to spend (Min Ref: 139/06), and a programme that is heavily over-subscribed, it is necessary for Members to have reached a decision on the order that they would like to see these projects completed. This will aid and facilitate the programming and delivery of all projects into the future. It will also promote sustainability of reserves.
- 3.9 All other committed projects are at various stages. Their progress is outlined in *Appendix E*. The various project teams upon request can provide detail on any of these projects. Note: while expenditure on all projects is tracked by the CPS. CPS does not project manage all projects.
- 3.10 The ongoing detailed programming is expected to be the subject of another report to Council before the end of the financial year.
- 3.11 The same revised programme for the future must also make provision for projects under consideration as part of the Transport Strategy and the projects identified by the social work taskforce, currently subject to feasibility study.
- 3.12 The timescales and dates arising out of the revised programming exercise would in the future supersede any existing dates and timescales.
- 3.13 As a consequence, it is entirely possible (and there are several examples) that some higher priority projects are progressing through design but, not ready to enter the construction phase and so not ready to use significant resources at this stage, for example the Anderson High School.
- 3.14 This means that subject to available funding and readiness of specification and design, those projects stacked up behind them, might be able to proceed in the meantime.
- 3.15 As this is the first report of this kind under these new arrangements, Members are asked to comment on the frequency and detail contained within Appendix E. This can then be incorporated into future reporting.
- 3.16 The management and control of the Capital programme will help to keep expenditure within sustainable limits. Continuation with recommendations would reinforce the best value message and contribute to the change in culture needed to control expenditure.

4.0 Proposal

- 4.1 It is proposed that Members:
 - 4.1.1 Note the progress of the current committed projects;
 - 4.1.2 Note the prioritised projects still to be committed;
 - 4.1.3 Note the requirement to add in many other projects from the Transport Strategy and Social work feasibility study;
 - 4.1.4 Note the Capital programme is heavily over subscribed and must be prioritised in some form to remain sustainable;
 - 4.1.5 Confirm to the Head of CPS, the level of detail they wish to be presented in these reports.

5.0 Financial Implications

- 5.1 There are no direct financial implications arising from this report at this stage.

6.0 Policy and Delegated Authority

- 6.1 The Executive Committee has delegated authority to make decisions on all matters within its remit, as described in Section 10.0 of the Council's Scheme of Delegations.
- 6.2 This report is submitted to the Executive Committee in terms of its remit for financial monitoring, and for them to make comments or recommendations to Council.
- 6.3 However, decisions relating to approval or variation to the Council's Capital Programme requires approval of the Council (Section 8.0 – Scheme of Delegations).

7.0 Conclusion

- 7.1 The ongoing prioritisation of the existing capital projects will greatly assist with the planning and programming of these works. This should then lead to more economic delivery taking into account the resources available and the prevailing market conditions. The programming will also help local contractors and suppliers to plan their business and training requirements to meet the Council's planned objectives.

8.0 Recommendations

- 8.1 It is recommended that the Council:
 - 8.1.1 Note the progress of the current committed projects;
 - 8.1.2 Note the prioritised projects still to be committed;
 - 8.1.3 Note the requirement to add in many other projects from the Transport Strategy and Social work feasibility study;

- 8.1.4 Note the Capital programme is heavily over subscribed and must be prioritised in some form to remain sustainable;
- 8.1.5 Confirm to the Head of CPS, the level of detail they wish to be presented in these reports.

Our Ref: CM/RS/CPS-11-07-F

Date: 12 October 2007

Enclosed:

- Appendix A Prioritisation Nov 06
- Appendix B Ring Fenced Capital Expenditure Feb 07
- Appendix C Agreed Capital Expenditure Feb 07
- Appendix D Prioritised Projects Awaiting Budget Sept 07
- Appendix E Capital Programme Progress Report 11/10/07

APPENDIX A

Summary of Capital Projects Prioritisation Nov 2006

Ref	Project	Net Estimated Capital Cost to SIC £	Gross Estimated Capital Cost £	
1	Burial Grounds Rolling Programme	245,000	245,000	
2	AHS - new build	48,000,000	48,000,000	
3	Social Care rolling programme	874,000	874,000	
4	Play area, Dykes, Paths & Multicourts	267,000	280,000	*
5	A970 Oversund Junction	400,000	400,000	
6	Sandwick - ASN	589,000	589,000	
7	Mid Yell JHS	7,263,000	7,263,000	
8	Community organisation grants	213,000	426,000	*
9	DDA Works	170,000	170,000	
10	Bressay Bridge	22,000,000	22,000,000	
11	Leog house replacement	100,000	300,000	*
12	Enterprise Backup - ICT	250,000	250,000	
13	Cinema & Music Venue	5,125,000	7,125,000	*
14	Office Accommodation review	550,000	550,000	
15	Ferries rolling programme	116,000	116,000	
16	CCTV system Lerwick	170,000	170,000	
17	Housing rolling programme	187,000	187,000	
18	Gilbertson Road Reconstruction	550,000	550,000	
19	Ness of Sound farm	37,000	37,000	
20	A971 Haggersta to Cova	1,600,000	1,600,000	
21	Rova Head reinstatement	3,300,000	3,300,000	
22	P & H Rolling Programme - Nav aids	70,000	70,000	
23	Replacement Esplanade Toilets	422,000	422,000	
24	Architectural heritage programme	265,000	265,000	
25	Roads rolling programme	1,305,000	1,305,000	
26	Risk Management System	90,000	90,000	
27	B9081 Mid Yell (Hillend section)	1,971,000	1,971,000	
28	PC / LAN upgrades	280,000	280,000	
29	Conservation grants	70,000	70,000	
30	Energy conservation	33,000	33,000	
31	P & H Rolling Programme - Plant	70,000	70,000	
32	Replacement workshop Mid Yell	194,000	194,000	
33	Copper pipework replacement	200,000	200,000	
34	Baltasound Library	143,000	143,000	
35	Vehicle & Plant replacement	1,246,000	1,246,000	
36	Uyeasound Pier	3,300,000	3,300,000	
37	Public toilets - rolling programme	100,000	100,000	
38	Education Rolling Programme	1,032,000	1,032,000	
39	Re cladding Gremista workshop	430,000	430,000	
40	Papa Stour Road	400,000	400,000	
41	Germatwatt Footways, Walls	800,000	800,000	
42	A970 Scord to School Scalloway	35,000	35,000	
43	Education MIS - ICT project	205,000	205,000	
44	Happyhansel School Accommodation	600,000	600,000	
45	Scalloway JHS - science block	290,000	290,000	
46	Murrister Replacement Building	150,000	150,000	
47	Sellanes Pier	5,400,000	5,400,000	
48	Olnafirth Primary School	678,000	678,000	
49	AHS - Hostel	9,791,000	9,791,001	
Total Capital Requirement		121,576,000	124,002,001	

* Projects attracting external funding

APPENDIX B

Summary of Ring Fenced Capital Projects (proposed) 2007/08

Ref	Project	Capital Cost £000 funded from SE	Capital Cost to SIC £000
38	Education rolling programme	759	0
Sub Total A			0

Harbour Account

Ref	Project	Capital Cost to SIC £000
22	Ports & Harbours Rolling Programme Nav aids	70
31	Ports & Harbours Rolling Programme Plant	70
Sub total B		140

Housing Revenue Account (HRA)

Ref	Project	Capital Cost to SIC £000
I	Land/Property Acquisition	150
ii	Environmentals General	210
iii	Community Care	125
iv	Feasibility Studies	25
v	Opportunity Conversion	150
vi	Heating Replacement Scheme	30
vii	Re-rendering programme	200
viii	Landward Crudens	530
ix	Lerwick Crudens	450
x	Housing Quality Standard	500
xi	Retentions/Final accounts	120
xii	Tenants Improvement Compensation	5
Sub total C		2495

Total ring fenced expenditure for 2007/08 A + B = C (£000) **2635**

Appendix C

Committed Capital Projects to be Completed in 2007/08

Ref	Project	£000's
a	WAN upgrade	95
b	Computers for Schools	160
c	IP phones	250
d	Photocopiers	75
e	SSDN Infrastructure	70
f	Internet/ Public Information System	80
g	Decentralised Working	140
h	SSIS Upgrade	100
l	Ferry Ticketing System	17
j	AHS Computer Systems	17
k	Water Based Facilities (Marinas)	835
l	Kanterstead Respite Unit New Build	60
m	Care Homes Fire Upgrade	98
n	South Whiteness Burial Ground	25
o	Dunrossness Burial Ground	40
p	Bigton Burial Ground	5
q	Setters Hill to Brook Point	30
u	B9074 Trondra Phase 2	11
r	Scord Quarry Plant	205
s	Peerie Dock Symbister	212
t	Scalloway Oil Support	100
u	Feasability Studies	331
w	Toft Demolition	119
Sub total to be carried forward from 06/07		3,075

Proposed Capital Expenditure for 2007/08 (Year1)

Ref	Project	£000's
n/a	Carry forward from 2006/07	3,075
n/a	Contingency (Transport Strategy)	500
1	Burial Grounds Rolling Programme	245
2	AHS - new build	1,300
3	Social Care rolling programme	874
4	Play area, Dykes, Paths and Multicourts	280
5	A970 Oversund Junction	400
6	Sandwick - ASN	589
7	Mid Yell JHS	1,600
8	Community organisation grants	213
9	DDA Works	170
10	Bressay Bridge	500
11	Leog house replacement	300
12	Enterprise Backup-ICT	250
13	Cinema and Music Venue	300
14	Office Accommodation review	550
15	Ferries rolling programme	116
16	CCTV system Lerwick	170
17	Housing rolling programme	187
18	Gilbertson Road Reconstruction	482
19	Ness of Sound Farm	37
20	A971 Haggersta to Cova	795
21	Rova Head reinstatement	3,000
23	Replacement Esplanade Toilets	350
24	Architectural heritage programme	265
25	Roads Rolling programme	1,305
26	Risk Management System	90
27	B9081 Mid Yell (Hillend Section)	10
28	PC/LAN upgrades	280
29	Conservation grants	70
30	Energy Conservation	33
32	Replacement workshop Mid Yell	180
33	Copper pipework replacement	200
35	Vehicle & Plant replacement	1,246
Total Capital Expenditure		19,962

Appendix D

List of Projects Awaiting Budget (Prioritised list)

New projects are in bold italics

PROJECT	£000's
Leog House Replacement	300,000
<i>Energy Recovery Plant Replacement Equip</i>	<i>98,000</i>
<i>Old Library Centre Roofing</i>	<i>40,000</i>
Replacement Workshop Mid Yell	180,000
Baltasound Library	143,000
Papa Stour Road	400,000
Germatwatt Footways, Walls	800,000
A970 Scord to School Scalloway	35,000
Education MIS - ICT project	205,000
Happyhansel School Accommodation	600,000
Scalloway JHS - Science Block	290,000
Murrister Replacement Building	150,000
A9071 Bixter to Aith	1,670,000
Private Sector Housing Grants	70,000
Sellanes Pier	5,400,000
Olnafirth Primary School	678,000
AHS - Hostel	9,791,000
Bridge Inspection Walkways	155,000
	<hr/>
	21,005,000
	<hr/>

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		ICT PROJECTS								
280,000.00	GCX4300	PC/Lan Upgrade	202,807.00	280,000.00	280,000.00					
95,000.00	GCX4301	WAN Upgrade	56,741.00	95,000.00	95,000.00					
80,000.00	GCX4306	Internet/Public Infrmtn System	17,477.00	80,000.00	80,000.00					
140,000.00	GCX4310	Decentralised Working	60,036.00	140,000.00	140,000.00					
100,000.00	GCX4311	SSIS Upgrade	(5,238.00)	64,750.00	64,750.00				Slippage identified £32,250	Use slippage to fund new projects
160,000.00	GCX4312	Computers for Schools	156,250.00	160,000.00	160,000.00					
17,000.00	GCX4314	Ferry Ticketing System	0.00	17,000.00	17,000.00					
250,000.00	GCX4315	IP Phones	24,692.00	250,000.00	250,000.00					
17,000.00	GCX4316	AHS Computers	11,931.00	17,000.00	17,000.00					
250,000.00	GCX4317	ICT Backup & Recovery Scheme	185,933.00	250,000.00	250,000.00					
75,000.00	GCX4319	LV/MV Photocopiers	26,585.00	75,000.00	75,000.00					
70,000.00	GCX4320	SSDN Infrastructure Project	60,952.00	70,000.00	70,000.00					
90,000.00	GCX4321	Risk Management System	5,184.00	90,000.00	90,000.00					
		Legal & Administration Rolling Programme								
200,000.00	GCB6001	Copper Pipework Replacement	56,592.00	60,000.00	200,000.00					
669,000.00	GCB6002	Office Accommodation Strategy	168,234.00	600,000.00	669,000.00					
170,000.00	GCB6004	DDA Access Audit Construction	43,989.00	35,000.00	170,000.00					
37,000.00	GCB6006	Ness of Sound Farm	1,520.00	37,000.00	37,000.00					
	GCB6007	Capital Receipts, Sale of Assets	0.00	0.00	0.00					
250,000.00	GCB6008	Purchase Quendale House	0.00	250,000.00	250,000.00		Asset & Property progressing		Spend to Save Min Ref 88/07	
40,000.00	GCB6009	Old Library Reinforce Flat Roof	0.00		40,000.00		Building Services progressing		40K required and allocated - Min Ref 131/07 - however no funds available at that time	Allocate slippage when identified.
		Housing Projects								
64,997.00	GCH3100	Staff Accommodation	1,400.00		64,997.00					
29,000.00	GCH3102	Chalets	525.00		29,000.00					
20,000.00	GCH3110	JSAP	0.00		20,000.00					
65,000.00	GCH3120	Homelessness Housing	42,837.00	41,844.00	65,000.00					
8,003.00	GCH3200	Housing			8,003.00					
		Housing & Capital Programme Services Rolling Programmes								
331,000.00	GCK2000	Feasibility Studies: Overall	(441.00)	331,000.00	331,000.00		Over subscribed, but some studies unlikely to go ahead this year		Further funding needed to cover project & fees next year	Increase bid for 08/09
170,000.00	GCK2001	CCTV System Lerwick	0.00	179,000.00	200,000.00	Tender Stage	Tenders received 179K +		Additional funding needed to cover project & fees	Further Scottish Exec funding identified within Infrastructure

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		<u>Redesign Sports & Leisure Grants Rolling Programme</u>								
213,000.00	GCJ3006	Grants Rolling Programme	43,938.00	84,000.00	213,000.00		Anticipate Full Spend		Various applications being processed	
100,000.00	GCJ3016	Islesburgh CC Replace Heating & Ventilation	6,491.00		100,000.00				Spend to Save Min Ref 88/07	
0.00	GCJ3013	NOF-PE Sandwich JHS games Hall	175.00							
735,000.00	GCJ3001	Water Based Facilities	0.00	34,000.00	735,000.00		Funding package reduced.		670K committed to Hamnavoe Marina - anticipate some slippage depending on progress	100K saving allocated to prioritised projects.
65,000.00	GCJ3002	Dyke Repairs	11,480.00	42,000.00	65,000.00		Out to tender		Knab Dyke	Likely to be over budget, review by CPRT
215,000.00	GCJ3003	Play Areas	177,785.00	215,000.00	215,000.00		Sound complete, Gulberwick nearly complete, Mid Yell complete by year end.			
300,000.00	GCL4402	Cinema/Music Venue	141,564.00	300,000.00	300,000.00		Design Ongoing, on programme.		Scottish Arts Council decision anticipated spring 07 (2.1M). Other funding applications made and decision awaited.	
100,000.00	GCL4403	Lerwick Library Design Phase	0.00		100,000.00		New Project - Briefing being finalised and procurement documents commenced	N/A	Min Ref 87/07	Requires prioritisation for future years - anticipate 2.4M
		<u>Schools</u>								
0.00	GCE1610	Kitchen Equipment	(5,763.00)						06/07 Accrual	
0.00	GCE1621	Hamnavoe Boiler	37,969.00				Late invoices CCDP - no accrual made		Report to CPRT required	
350,000.00	GCE1626	Cunningsburgh Nursery	233,078.00	310,000.00	350,000.00		Proceeding well, other than overrun	Progress slow, L&A damages applied	Project due for completion 08/10/07	
250,000.00	GCE1627	Bells Brae Alterations	9,975.00		250,000.00		Scope reviewed to meet budget constraints		Works commencing on site Oct 07	
49,000.00	GCE1630	Access Audit	46,969.00	50,000.00	65,000.00		Project complete - snagging outstanding		Alterations to Burravoe School - overspend in 07/08 due to contract delay & increased scope	Report to CPRT required
10,000.00	GCE1631	Reroofing	0.00		10,000.00		Programmed Jan- Mar 08 - Construction Summer 08		Brae Reroof - Design Work only this year. Budget required next year	Report to CPRT required - Budget required 08-09
100,000.00	GCE1633	Technical Machinery Upgrade	514.00		100,000.00		New PM in post to progress project	N/A	Works being prioritised	
0.00	GCE1222	South Nesting Primary	9,645.00				Complete		Late payment not accrued	Report to CPRT required

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Schools cont								
984,000.00	GCE1304	Anderson High School Replcmnt	105,361.00	984,000.00	1,850,000.00		Now in early contractor involvement process		Procurement route change and Design & Build Contractor appointed. ECI stage payment greater than current budget	Report prepared for Council
600,000.00	GCE1315	Mid Yell J.H.S.	21,861.00	600,000.00			Project redefined following cost reduction exercise	Contract advertised as design and build procurement route	(1M) Slippage	Allocated to prioritised projects.
795,000.00	GCE1500	Maintenance School Buildings	101,515.00	160,000.00	500,000.00		New Project - Anticipate that some projects may not be started until better weather		Min Ref 87/07	May have slippage identified later
0.00	GCE1502	Health & Safety	259.00						Incorrect posting	
0.00	GCE1512	Re-roofing	(8,000.00)		0.00				06/07 Accrual	
0.00	GCE3401	AHS ASN	(2,935.00)		0.00				06/07 Accrual	
589,000.00	GCE3402	Sandwich JHS Add Support Needs	15,209.00	589,000.00			Cost reduction exercise reduced tender cost		Project to commence on site a.s.a.p.	
		Social Care Rolling Programme								
1,813.00	GCA0120	Special Studies			1,813.00			N/A	More funding req 07/08	Increase bid for next year
59,000.00	GCA1000	Special Aids Stock Items	46,488.00	11,670.00	59,000.00			N/A	More funding req 07/08	Increase bid for next year
269,187.00	GCA1001	Specialist Aids	172,596.00	107,857.00	269,187.00			N/A	£100k budget increased within rolling prog	£100k budget increased within rolling prog
36,000.00	GCA1003	Minor Adaptions	15,346.00	4,846.00	36,000.00			N/A	More funding req 07/08	Increase bid for next year
197,000.00	GCA1004	Major Adaptions	117,459.00	63,660.00	197,000.00			N/A	More funding req 07/08	Increase bid for next year
91,850.00	GCA1005	Housing Renovations	86,956.00		92,000.00			N/A	£100k budget decreased within rolling prog	£100k budget decreased within rolling prog
66,000.00	GCA1006	Professional Fees	6,975.00	2,389.00	66,000.00			N/A	More funding req 07/08	Increase bid for next year
19,150.00	GCA1007	Specialist Aids Refurbishment	11,234.00	2,256.00	19,000.00			N/A	More funding req 07/08	Increase bid for next year
24,000.00	GCA0100	Inspection, Health & Safety	11,682.00	14,000.00	24,000.00		Costs need to be transferred from revenue			
20,000.00	GCA0101	Building Fabric	8,855.00	2,354.00	20,000.00		Ditto above			
35,000.00	GCA0102	Electrical Sys Upgrade	5,301.00	10,000.00	35,000.00		Ditto above			
15,000.00	GCA0103	Mechanical Sys Upgrade		8,000.00	15,000.00					
20,000.00	GCA0104	Plant Equip Replacements	255.00	9,000.00	20,000.00					
20,000.00	GCA0105	Safety Surfaces	9,688.00	10,000.00	20,000.00					

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		<u>Social Care Projects</u>								
60,000.00	GCA0221	Kantersted Respite Unit	(93,119.00)	153,119.00	60,000.00		Final A/C being progressed		06/07 Accrual	06/07 Accrual
98,000.00	GCA0231	Care Homes Fire Upgrade	0.00	91,000.00	98,000.00		Wastview awarded to DLO (Pilot Scheme)		Anticipate completion Dec 07	Further funds required 08/09
1,000.00	GCG0232	Leog Replacement	0.00	0.00	0.00		Project delayed.		(299K) Slippage	Allocated to prioritised projects.
		<u>Economic Development</u>								
134,609.00	GCD1570	Wind Farm Development	189,834.00		?					
100,000.00	GCD1575	Old Scatness	0.00		100,000.00		New Project		Min Ref 87/07	
		<u>Environment - General Rolling Programme</u>								
33,000.00	GCY9006	Energy Conservation	3,515.00	33,000.00	33,000.00					
265,000.00	GCY9019	Architectural Heritage Programme	265,000.00	265,000.00	265,000.00					
20,000.00	GCY9030	Replace Power Distribution Gremista	0.00		20,000.00		New Project		Min Ref 87/07	
		<u>Reserve Fund Grants</u>								
80,000.00	GCY9011	Reserve Fund Property Grants	15,154.00	80,000.00	80,000.00		New Project		Min Ref 87/07	
		<u>Private Sector Housing Grants</u>								
918,000.00	GCY9015	Private Sector Housing Grants	540,275.00		918,000.00					
		<u>Public Toilet Rolling Programme</u>								
100,000.00	GCY9016	Public Toilet Rolling Programme	0.00		100,000.00		New Project		Min Ref 87/07	
		<u>Environmental Projects</u>								
0.00	GCY5108	Landfill	134,960.00						Payment not accrued	Report to CPRT required
140,000.00	GCY5114	South Whiteness Burial Ground	147,405.00		137,988.00		Additional costs reported CPRT and spend profile amended		153K required and allocated over programme. Min Ref 131/07 - however no funds available at that time.	Check with BRO spend to date greater than anticipated outturn?
7,500.00	GCY5116	Tingwall Burial Ground	0.00		7,500.00		Ditto		Ditto	Allocate slippage when identified.
28,500.00	GCY5120	Dunrossness Burial Ground	0.00		28,495.00		Ditto		Ditto	Ditto
40,000.00	GCY5121	Fetlar Burial Ground	3,910.00		40,000.00		Ditto		Ditto	Ditto
14,500.00	GCY5122	Bigton Burial Ground	17,673.00		14,406.00		Ditto		Ditto	Ditto GCY5114 above
174,000.00	GCY5123	Lund Burial Ground	144,124.00		170,357.00		Ditto		Ditto	Allocate slippage when identified.
13,500.00	GCY5124	Bixter Burial Ground	5,047.00		13,500.00		Ditto		Ditto	Ditto
34,000.00	GCY5125	Voe Burial Ground	2,927.00		32,000.00		Ditto		Ditto	Ditto
9,500.00	GCY5126	Muckle Roe Burial Ground	2,827.00		9,500.00		Ditto		Ditto	Ditto
6,500.00	GCY5127	Skerries Burial Ground	0.00		6,500.00		Ditto		Ditto	Ditto
98,000.00	GCY5129	Energy Recovery Plant Update Works	0.00		98,000.00				98K required and allocated Min Ref 131/07 - however no funds available at that time.	Allocate slippage when identified.

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Environmental Projects cont								
50,000.00	GCY5131	Contaminated Land Projects	7,740.00		50,000.00				Scottish Exec Funding	
350,000.00	GCY5132	Esplanade Toilets	12,505.00		350,000.00					
2,000,000.00	GCY5133	Rova Head Reinstatement	314,351.00		2,000,000.00		Project reprofiled		(1M) Slippage	Allocated to prioritised projects.
30,000.00	GCY5400	Local Air Quality Management	109.00		30,000.00					
430,000.00	GCY5501	Recladding Gremista Workshop	0.00		430,000.00		New Project		Min Ref 87/07	
75,000.00	GCY5502	Fire Alarm & Emergency Lighting Upgrade	60,624.00		75,000.00				Spend to Save Min Ref 88/07	
100,000.00	GCY5503	Building Management Systems (6 Schools)	136.00		100,000.00				Spend to Save Min Ref 88/07	
		Roads Rolling Programme								
25,365.00	GCY6000	Roads Rolling Programme	0.00		25,365.00		Project recharge at year end			
243,000.00	GCY9200	Minor Works, Roads	42,997.00		287,707.00				Adjustments made for total spend, but overall budgets not changed within programme	
195,000.00	GCY9201	Development Related Roads	123.00		30,358.00				Ditto above	
183,000.00	GCY9202	Bridge Replacements	26,493.00		158,729.00				Ditto above	
194,000.00	GCY9203	Footways & Streetlighting	35,028.00		430,183.00				Ditto above	
49,000.00	GCY9204	Street Lighting Replacements	12,616.00		61,888.00				Ditto above	
20,000.00	GCY9205	Plant Purchases	0.00		0.00				Ditto above	
48,000.00	GCY9206	Traffic Management	10,079.00		28,000.00				Ditto above	
49,000.00	GCY9207	AIP	0.00		69,000.00				Ditto above	
19,000.00	GCY9208	Minor - Airstrips	263.00		19,000.00				Ditto above	
49,000.00	GCY9209	Minor Works & Purchases, Bus Services	45,416.00		49,000.00				Ditto above	
230,635.00	GCY9210	Road Reconstruction	62,693.00		145,590.00				Ditto above	
		Roads Projects								
0.00	GCY6103	Commercial Street Reconstruction	55,439.00				BRO advises that this is a coding error			
200,000.00	GCY6106	Haggersta A971	1,034.00				Land purchase problem		(595K) Slippage	Allocated to prioritised projects.
30,000.00	GCY6112	Setter Hill to Brook Point	6,748.00		30,000.00		Possible slippage			
111,000.00	GCY6116	B9074 Trondra Phase 2	67,191.00		11,000.00		Additional unforeseen costs reported CPRT		100K required and allocated Min Ref 131/07 - however no funds available at that time.	Roads to try and find 100K within programme
0.00	GCY6118	Germatwatt Footways	970.00				No Budget			BRO to advise
540,000.00	GCY6120	A970 Oversund Junction	8,309.00		400,000.00		Increased scope		Additional 140K - Min Ref 87/07	
10,000.00	GCY6121	B9081 Mid Yell Link to A968	0.00		44,000.00					Report to CPRT required?
482,000.00	GCY6123	Gilbertson Road	242,849.00		754,263.00		Full budget requirement not identified at 07/08 bid exercise			Report to CPRT required
400,000.00	GCY6201	Bressay Link	16,062.00		400,000.00		Projected delayed		(100K) to Transport Strategy	
0.00	GCY6298	Advance Design of Schemes	46.00				No Budget			

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Roads Projects cont								
205,000.00	GCY6401	Scord Quarry Plant Purchase	0.00		205,000.00					
250,000.00	GCY6402	Scord Quarry Crusher	0.00		250,000.00		New Project		Min Ref 87/07	
0.00	GCY6403	Mid Yell Workshop	0.00		0.00		Project reprofiled		(180K) Slippage	Allocated to prioritised projects.
		Transport Rolling Programme								
1,246,000.00	GCY7254	Transport - Vehicle and Plant Replacement	115,877.00	157,721.00	1,246,000.00					
		Transport Projects								
0.00	GCY7203	Sumburgh Runway Extension	513.00						Additional work required	Report to CPRT required
260,000.00	GCY7205	Purchase 2 Low Floor Buses	0.00		260,000.00				Spend to Save Min Ref 88/07	
75,000.00	GCY7210	Shetland Transport Strategy	0.00		75,000.00				Money reallocated to STP	
		Planning Rolling Programme								
70,000.00	GCY9010	Conservation Grants	5,000.00		70,000.00					
		Planning Projects								
50,000.00	GCY8400	Water Meters & Waste Control Measures	28,753.00		50,000.00		Project scope increased - more sites added		Spend to Save Min Ref 88/07	
25,000.00	GCY8401	Wind Turbines at 4 Schools	0.00		25,000.00				Spend to Save Min Ref 88/07	
60,000.00	GCY8402	Install District Heating 4 Buildings in Lerwick	0.00		60,000.00				Spend to Save Min Ref 88/07	
		Ferry Operations								
116,000.00	GCY7601	Ferries Rolling Programme	59,619.00	46,000.00	116,000.00					
		Ferry Terminal & Replacement Programme								
0.00	GCY7605	Fetlar Ferry Terminal	(10,688.00)				Complete		VAT receipts from suppliers	
0.00	GCY7606	Papa Stour Terminals	14,623.00						Reported to CPRT	
	GCY7625	Foula Dredging	0.00							
516,000.00	GCY7626	Ferry Terminal Structural Improvements	304,127.00	509,654.00	516,000.00					
		Shetland Transport Partnership								
10,677.00	GCY7504	Ulstal Marshalling Area Signs	0.00		10,677.00					
1,068.00	GCY7505	Ulstal Marshalling Area Grid	0.00		1,068.00					
50,000.00	GCY7508	FS Ext Links OD Survey	0.00		50,000.00					
10,000.00	GCY7509	Fetlar Issues Study	0.00		10,000.00					
25,000.00	GCY7510	FS South Mouth Study	0.00		25,000.00					
15,000.00	GCY7511	FS CT/DRT Audit & Implementation	0.00		15,000.00					
50,000.00	GCY7512	FS Inter Island Service Study	0.00		50,000.00					
10,000.00	GCY7513	FS Initiate SIC/ZPT Travel PI	0.00		10,000.00					
16,719.00	GCY7514	FS Minor Projects	0.00		16,719.00					
75,000.00	GCY7550	Commission Study into Tunnel	2,570.00							
50,000.00	GCY7551	STAG 2 Whalsay Study	0.00							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING) cont.

Projects as at 11/10/07

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Shetland Transport Partnership cont								
100,000.00	GCY7552	Bluemull STAG for Ferries/Terminals	0.00							
100,000.00	GCY7553	Stag for Bressay Link Options	355.00							

CAPITAL PROGRAMME - PROGRESS REPORT - HRA / HARBOUR ACCOUNT / RESERVE FUND

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Port Operations								
70,000.00	PCM2101	Plant Vehicles & Equip	0.00		70,000.00		Budget to be fully utilised this year			
70,000.00	PCM2104	Nava Aids - Sullom Voe	2,636.00		70,000.00		Ditto above			
70,000.00	PCM2134	Shore Power for Tugs	26,877.00	50,000.00	70,000.00		Ditto above		Spend to Save Min Ref 88/07	
		Housing								
1,780,861.00	HCH3303	Land/Property Acq	193,099.00	104,000.00	1,780,861.00					
210,000.00	HCH3404	Environmental Improvements.	144,377.00		210,000.00					
125,000.00	HCH3512	Community Care Projects			125,000.00					
	HCH3516	Lerwick Internals Phase 1	(6,548.00)							
25,000.00	HCH3525	Feasibility Studies HRA	2,834.00		25,000.00					
150,000.00	HCH3526	Opportunity Conversions	75,023.00	67,000.00	150,000.00					
500,000.00	HCH3711	Housing Quality Standard	0.00		500,000.00		Anticipate possible underspend		Savings likely to be used in other areas	
120,000.00	HCH3712	Retentions/Final Accounts	0.00		120,000.00					
5,000.00	HCH3700	Tenants Rights Compensation	0.00		5,000.00					
0.00	HCH3704	Pump Prime	32,010.00							
30,000.00	HCH3706	Heating Replacement Program	0.00		30,000.00					
200,000.00	HCH3708	External Re-Render Programme	44,687.00		200,000.00					
530,000.00	HCH3709	Landward Crudens	221,985.00		530,000.00					
450,000.00	HCH3710	Lerwick Crudens	11,770.00		450,000.00					
100,932.00	HCH3800	Cap Rec/Sale Council Hs	8,981.00		100,932.00					
	HCH3801	Capital Receipt - Sale of Land								
		Port Operations								
25,000.00	RCM2208	Scalloway Dredging Consents	30.00				Budget to be fully utilised this year		Reported to CPRT - Min ref 131/07 - however budget moved from RCM2313	No further action required
32,000.00	RCM2309	Peerie Dock, Symbister	0.00		212,000.00		Project slipped		Planning issues prevent project from going ahead 07/08	Slippage to RCM2312 07/08 Budget required for 08/09
280,000.00	RCM2312	Scalloway Oil Support	170,673.00		100,000.00		Budget to be fully utilised this year			Funding from RCM2309
463,962.00	RCM2313	Tugs for Sellaness	15,534.00		463,962.00		Budget to be fully utilised this year			
1,200,000.00	RCM2314	Uyeasound Harbour Development	8,235.00		1,200,000.00		New Project		Min Ref 87/07. Steel purchase - possible slippage of 600K (to be confirmed).	



REPORT

**To: Employees JCC
LNCT
Shetland College Board
Shetland Islands Council**

**25 September 2007
1 October 2007
4 October 2007
31 October 2007**

From: Head of Finance Services

Officials Travel and Subsistence Allowances Report No: F028–F

1.0 Introduction

- 1.1 The purpose of this report is to seek Council approval on the payments to be made to officials in respect of travel and subsistence expenses.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's Corporate Plan, specifically in relation to managing our financial resources so as to ensure that revenue budgets are kept within agreed limits.

3.0 Background

- 3.1 The current rates paid to officials in respect of car allowances and day subsistence rates are based on the SJC/SNCT rates and in respect of overnight subsistence payments are tied to the statutory rates payable to Members. The current rates payable to all Council officials are attached as Appendix 1.
- 3.2 Recently new legislation has been introduced in respect of the payment of travel and subsistence expenses to Members, namely The Local Government (Allowances and Expenses) (Scotland) Regulations 2007. The payments now being made to members are detailed in Appendix 2.
- 3.3 The Council does have discretion to vary the rates payable in respect of car allowances and day subsistence rates to officials but has not done so therefore the rates payable in respect of car allowances have remained at the same rate since 1 April 1999, and in respect of day subsistence rates have remained at the same rate since 1 January 1997.

4.0 Proposal

- 4.1 To continue to pay the SJC/SNCT rates in respect of car allowances and commence paying the same rates as that currently paid to members in respect of both day subsistence and overnight subsistence rates with payment being made only on the production of receipted costs up to the maximum rates and as detailed in Appendix 3.

5.0 Financial Implications

- 5.1 Whilst the day/overnight subsistence rates being proposed have increased, this does not necessarily mean an increase in subsistence costs as these rates are now based on actual expenditure rather than round sum allowances which were paid irrespective of the cost of the meals taken/accommodation provided. Also, the Council shall be able to re-claim the VAT element of subsistence expenditure because of having available actual receipts.

6.0 Policy and Delegated Authority

- 6.1 Corporate personnel matters stand referred to the Council (minute ref: SIC 70/03) and accordingly a decision of the Council is sought on this matter.

7.0 Conclusions

- 7.1 As officials overnight subsistence payments have been set, in the past, at the same level as that payable to members, this report is necessary seeing members travel and subsistence allowances have recently been reviewed.
- 7.2 It is also an opportunity to further review the current travel and subsistence payments being made to officials and to streamline them as far as possible to be the same as that of members.
- 7.3 It is important to point out that once the Council has decided on the travel and subsistence rates payable, the Expenditure Manager shall have to enter into dialogue with HM Revenue and Customs to review the current dispensation that is in place so as to ensure that reimbursements of travel and subsistence payments agree with their requirements.

8.0 Recommendations

- 8.1 I recommend that the Council adopts the proposal detailed at Section 4.
- 8.2 I also recommend that these new rates only commence with effect from 1 December 2007. This is to allow time to communicate the changes to all Council Staff.
- 8.3 I also recommend that the Head of Finance be given the delegated authority to increase these rates in line with any increases that the

Scottish Ministers apply to the Members Travel and Subsistence payments in the future.

Rep No: F028-D1
Ref: MGS/IS

Date: 11 September 2007

OFFICIALS TRAVEL AND SUBSISTENCE EXPENSES CURRENT RATES

TRAVEL

Car Allowances - with effect from 1 April 1999

Essential Car Users

Annual Lump Sum	All Engine Capacities £822
Mileage Rates –	
First 8500 miles a year	35.1p
After 8500 miles a year	12.6p

Casual Car Users

Mileage Rates –	
First 1000 miles a year	53.65p
Next 7500 miles a year	43.65p
After 8500 miles a year	12.6p

Overseas Travel & Subsistence

Where officials require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense

SUBSISTENCE

Day Subsistence Rates - with effect from 1 January 1997

Day Subsistence – within Shetland - Where an employee is required to be absent from their normal place of work and incurs additional expenditure over and above that which would normally be incurred, the following round sum rates are payable:

Breakfast	£4.48
Lunch	£6.17
Dinner	£7.64

Day Subsistence – outwith Shetland – Where an employee is required to travel outwith Shetland but does not incur an overnight stay, the following round sum rates are payable:

From 4 to 8 hours	£ 6.99
From 8 to 12 hours	£ 9.74
From 12 to 16 hours	£18.44

Overnight Subsistence Rates - (outwith Shetland but within the UK)

The following round sum rates are payable, which are deemed to cover a 24 hour period and cover the cost of accommodation, meals and incidental expenditure such as newspapers)

i) Within Central London	£94.11
ii) Elsewhere	£82.53

Overnight Subsistence Rates – (within Shetland)

Where an employee is required to be absent overnight within Shetland then receipts must be provided for all subsistence claimed (including the cost of meals).

MEMBERS TRAVEL AND SUBSISTENCE EXPENSES CURRENT RATES - WITH EFFECT FROM MAY 2007

TRAVEL

Mileage Rates

i)	Car or Van:	49.3	pence per mile
ii)	Motorcycle:	24	pence per mile
iii)	Bicycle:	20	pence per mile

Overseas Travel & Subsistence

Where members require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll.

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense.

SUBSISTENCE

Meal Rates

i)	Breakfast (where no overnight subsistence is claimed)	£ 8	per day
ii)	Lunch	£12	per day
iii)	Dinner	£25	per day

Only receipted costs will be reimbursed to the prescribed maximum levels when council business is required to be conducted outwith a Councillor's own ward (with the exception of members representing the North Isles (Ward 1) who can claim for a meal taken within their electoral ward), and outwith council premises.

Overnight Subsistence Maximum Rates (away from home and local authority premises within the UK)

i)	Within Central London	£118.63
ii)	Elsewhere	£ 94.82

These overnight rates are maximum rates and are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast. Only receipted costs will be reimbursed to the prescribed maximum levels.

OFFICIALS TRAVEL AND SUBSISTENCE EXPENSES PROPOSED RATES

TRAVEL

Essential Car Users

Annual Lump Sum	All Engine Capacities £822
Mileage Rates –	
First 8500 miles a year	35.1p
After 8500 miles a year	12.6p

Casual Car Users

Mileage Rates –	
First 1000 miles a year	53.65p
Next 7500 miles a year	43.65p
After 8500 miles a year	12.6p

Overseas Travel & Subsistence

Where officials require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense.

SUBSISTENCE

Meal Rates – both within and outwith Shetland

Where an employee is required to be absent from their normal place of work and incurs additional expenditure over and above that which would normally be incurred, the following maximum rates are payable:

Breakfast (where no overnight subsistence is claimed)	£8 per day
Lunch	£12 per day
Dinner	£25 per day

Only receipted costs will be reimbursed up to the above maximum amounts.

Overnight Subsistence Rates – (away from home but within the UK)

i) Within Central London	£118.63
ii) Elsewhere	£ 94.82

These overnight rates are maximum rates and are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast. Only receipted costs will be reimbursed to the prescribed maximum levels.



REPORT

**To: Employees JCC
LNCT
Shetland College Board
Shetland Islands Council**

**25 September 2007
1 October 2007
4 October 2007
31 October 2007**

From: Head of Finance Services

Officials Travel and Subsistence Allowances Report No: F028–F

1.0 Introduction

- 1.1 The purpose of this report is to seek Council approval on the payments to be made to officials in respect of travel and subsistence expenses.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's Corporate Plan, specifically in relation to managing our financial resources so as to ensure that revenue budgets are kept within agreed limits.

3.0 Background

- 3.1 The current rates paid to officials in respect of car allowances and day subsistence rates are based on the SJC/SNCT rates and in respect of overnight subsistence payments are tied to the statutory rates payable to Members. The current rates payable to all Council officials are attached as Appendix 1.
- 3.2 Recently new legislation has been introduced in respect of the payment of travel and subsistence expenses to Members, namely The Local Government (Allowances and Expenses) (Scotland) Regulations 2007. The payments now being made to members are detailed in Appendix 2.
- 3.3 The Council does have discretion to vary the rates payable in respect of car allowances and day subsistence rates to officials but has not done so therefore the rates payable in respect of car allowances have remained at the same rate since 1 April 1999, and in respect of day subsistence rates have remained at the same rate since 1 January 1997.

4.0 Proposal

- 4.1 To continue to pay the SJC/SNCT rates in respect of car allowances and commence paying the same rates as that currently paid to members in respect of both day subsistence and overnight subsistence rates with payment being made only on the production of receipted costs up to the maximum rates and as detailed in Appendix 3.

5.0 Financial Implications

- 5.1 Whilst the day/overnight subsistence rates being proposed have increased, this does not necessarily mean an increase in subsistence costs as these rates are now based on actual expenditure rather than round sum allowances which were paid irrespective of the cost of the meals taken/accommodation provided. Also, the Council shall be able to re-claim the VAT element of subsistence expenditure because of having available actual receipts.

6.0 Policy and Delegated Authority

- 6.1 Corporate personnel matters stand referred to the Council (minute ref: SIC 70/03) and accordingly a decision of the Council is sought on this matter.

7.0 Conclusions

- 7.1 As officials overnight subsistence payments have been set, in the past, at the same level as that payable to members, this report is necessary seeing members travel and subsistence allowances have recently been reviewed.
- 7.2 It is also an opportunity to further review the current travel and subsistence payments being made to officials and to streamline them as far as possible to be the same as that of members.
- 7.3 It is important to point out that once the Council has decided on the travel and subsistence rates payable, the Expenditure Manager shall have to enter into dialogue with HM Revenue and Customs to review the current dispensation that is in place so as to ensure that reimbursements of travel and subsistence payments agree with their requirements.

8.0 Recommendations

- 8.1 I recommend that the Council adopts the proposal detailed at Section 4.
- 8.2 I also recommend that these new rates only commence with effect from 1 December 2007. This is to allow time to communicate the changes to all Council Staff.
- 8.3 I also recommend that the Head of Finance be given the delegated authority to increase these rates in line with any increases that the

Scottish Ministers apply to the Members Travel and Subsistence payments in the future.

Rep No: F028-D1
Ref: MGS/IS

Date: 11 September 2007

OFFICIALS TRAVEL AND SUBSISTENCE EXPENSES CURRENT RATES

TRAVEL

Car Allowances - with effect from 1 April 1999

Essential Car Users

Annual Lump Sum	All Engine Capacities £822
Mileage Rates –	
First 8500 miles a year	35.1p
After 8500 miles a year	12.6p

Casual Car Users

Mileage Rates –	
First 1000 miles a year	53.65p
Next 7500 miles a year	43.65p
After 8500 miles a year	12.6p

Overseas Travel & Subsistence

Where officials require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense

SUBSISTENCE

Day Subsistence Rates - with effect from 1 January 1997

Day Subsistence – within Shetland - Where an employee is required to be absent from their normal place of work and incurs additional expenditure over and above that which would normally be incurred, the following round sum rates are payable:

Breakfast	£4.48
Lunch	£6.17
Dinner	£7.64

Day Subsistence – outwith Shetland – Where an employee is required to travel outwith Shetland but does not incur an overnight stay, the following round sum rates are payable:

From 4 to 8 hours	£ 6.99
From 8 to 12 hours	£ 9.74
From 12 to 16 hours	£18.44

Overnight Subsistence Rates - (outwith Shetland but within the UK)

The following round sum rates are payable, which are deemed to cover a 24 hour period and cover the cost of accommodation, meals and incidental expenditure such as newspapers)

i) Within Central London	£94.11
ii) Elsewhere	£82.53

Overnight Subsistence Rates – (within Shetland)

Where an employee is required to be absent overnight within Shetland then receipts must be provided for all subsistence claimed (including the cost of meals).

MEMBERS TRAVEL AND SUBSISTENCE EXPENSES CURRENT RATES - WITH EFFECT FROM MAY 2007

TRAVEL

Mileage Rates

i)	Car or Van:	49.3	pence per mile
ii)	Motorcycle:	24	pence per mile
iii)	Bicycle:	20	pence per mile

Overseas Travel & Subsistence

Where members require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll.

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense.

SUBSISTENCE

Meal Rates

i)	Breakfast (where no overnight subsistence is claimed)	£ 8	per day
ii)	Lunch	£12	per day
iii)	Dinner	£25	per day

Only receipted costs will be reimbursed to the prescribed maximum levels when council business is required to be conducted outwith a Councillor's own ward (with the exception of members representing the North Isles (Ward 1) who can claim for a meal taken within their electoral ward), and outwith council premises.

Overnight Subsistence Maximum Rates (away from home and local authority premises within the UK)

i)	Within Central London	£118.63
ii)	Elsewhere	£ 94.82

These overnight rates are maximum rates and are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast. Only receipted costs will be reimbursed to the prescribed maximum levels.

**OFFICIALS TRAVEL AND SUBSISTENCE EXPENSES
PROPOSED RATES**

TRAVEL

Essential Car Users

Annual Lump Sum	All Engine Capacities £822
Mileage Rates –	
First 8500 miles a year	35.1p
After 8500 miles a year	12.6p

Casual Car Users

Mileage Rates –	
First 1000 miles a year	53.65p
Next 7500 miles a year	43.65p
After 8500 miles a year	12.6p

Overseas Travel & Subsistence

Where officials require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense.

SUBSISTENCE

Meal Rates – both within and outwith Shetland

Where an employee is required to be absent from their normal place of work and incurs additional expenditure over and above that which would normally be incurred, the following maximum rates are payable:

Breakfast (where no overnight subsistence is claimed)	£8 per day
Lunch	£12 per day
Dinner	£25 per day

Only receipted costs will be reimbursed up to the above maximum amounts.

Overnight Subsistence Rates – (away from home but within the UK)

i) Within Central London	£118.63
ii) Elsewhere	£ 94.82

These overnight rates are maximum rates and are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast. Only receipted costs will be reimbursed to the prescribed maximum levels.



Shetland Islands Council

MINUTE

A & B

Pension Fund Management Consultative Committee
Council Chamber, Town Hall, Lerwick
Thursday 11 October 2007 at 2.15 p.m.

Present:

Employers Side

G Robinson W H Manson
A S Wishart

Employees Side

A Taylor D Marsh
R Polson

In Attendance (Officers):

G Johnston, Head of Finance
M Smith, Expenditure Manager
A Cogle, Service Manager – Administration

Circular:

The circular calling the meeting was held as read.

Minutes

The Minute of meeting held on 31 October 2006, was confirmed on the motion of Mr A Taylor, seconded by Mr D Marsh, subject to "Mr D March" being replaced with "Mr D Marsh" in the first paragraph on page 2.

01/07 **Chairperson**

On the motion of Mr W H Manson, seconded by Mr A Wishart, Mr G Robinson was appointed Chairperson of the Committee.

02/07 **Vice-Chairperson**

On the motion of Mr D Marsh, seconded by Mrs R Polson, Mr A Taylor was appointed Vice-Chairperson of the Committee.

03/07 **Review of Pension Fund Investment Structure**

The Committee considered a report by the Head of Finance (Appendix 1).

Mr W H Manson referred to the proposal to move towards a 2:1 ratio between employers and scheme members contributions, and the proposed average employee contribution of 6.3%. Mr Manson asked whether the proposed 2:1 ratio was achievable and within any reasonable timescale.

The Head of Finance added that he had attended a CoSLA meeting where there had been discussion of the national negotiations on this matter between unions and management. He said that the 2:1 figure was an aspiration that both sides are prepared to head towards and would be achieved through events, but the SIC scheme was nearer to that ratio than other authorities.

The Expenditure Manager referred to the Executive Summary on pages 2 and 3 of Appendix 1, which highlighted the current scheme features and the proposals that would affect them, and summarised the responses being made to the consultation.

With regard to the retirement age, she said that no mention had been made of those members who had protection to retire at 60, and clarification on that was being sought.

Regarding the accrual rates, the Expenditure Manager said the proposed rate of 1/60th was a better accrual rate, but there was no automatic entitlement to a lump sum, and members would have to opt for it, but with no detriment. She said that this proposal would bring the scheme into line with the Police and Fire schemes.

With regard to partner pensions, the Expenditure Manager said that clarification was being sought on whether this was the correct rate, with Members suggesting that it should be 1/120th if it was to be consistent with the other proposals. Members also suggested that the Death in Service arrangements may offset the difference, although it was still unclear as to whether this would apply to post 2009 contributions as well. In any event, Members agreed that clarification had to be sought on these issues.

Members discussed the proposed contribution rates for both employees and employers, and in particular the proposal to set tiered variable rates for employees. The Expenditure Manager said that tiered rates would not be acceptable from an administration point of view. The Head of Finance said that the objective of the exercise was to ensure that the scheme remains affordable, and is consistent with other public sector pension schemes.

Members discussed the proposals in general, and agreed that it was unlikely that any impression would be made on the legislation at this stage with regard to any radical changes, given that the impression gained from the national situation was that there were very hard negotiations with unions at a national level to get this far.

However, Members agreed that there were concerns and issues that required clarification before full costings could be done, and the effects fully understood. It was agreed that scheme members would find it useful at some point over the coming months to have examples of costings in order to improve their understanding as to how the changes would affect their own circumstances.

The Committee approved the recommendations in the report, on the motion of Mr A Wishart, seconded by Mr A Taylor.

5/06

Pension Fund – Performance Update

An update report was tabled at the meeting (Appendix 2).

The Head of Finance advised that this information had been requested at the last meeting, and provided a brief summary which hopefully met the Committee's requirements, and would be on the agenda for future meetings of the Committee.

The Committee noted the report.

The meeting concluded at 3.05 p.m.

.....
G Robinson
Chairperson

.....
A Taylor
Vice Chairperson



REPORT

**To: Employees JCC
Inter Island Ferries Board
Shetland Islands Council**

**25 September 2007
28 September 2007
31 October 2007**

**From: Ferry Services Manager
Transport
Infrastructure Services Department**

PROPOSED CHANGES TO EMPLOYMENT PRACTICE – FERRY SERVICE

1 Introduction

- 1.1 The purpose of this report is to seek the approval of the Council to allow Ferry Services to end the practice of employing sea staff on fixed term (3 year) contracts and to permit Ferry Services to convert all posts presently considered fixed term (3 years) to permanent established posts
- 1.2 It is also proposed to amend the contracts of sea staff currently assigned to these fixed term posts to confirm them as established employees.

2 Links to Council Priorities

- 2.1 This note is consistent with the Corporate Improvement Plan 2004-2008. Section 1, Priority 11: “Improving Internal Transport” states that this will be done by “Sustaining inter island communications”.
- 2.2 And “Strengthening Rural Communities” in Shetland is a priority in the Council’s Corporate Plan – 2004/08.

3 Background

- 3.1 In 2003 The Resources Committee (Report MO-05-03-F) gave approval for the Ferry Service to provide additional services on Yell Sound initially as an interim measure to meet traffic demands while new vessels were being constructed to operate on the Yell Sound route. The staff recruited to provide this service was, with the exception of Masters, employed on 3 year fixed term contracts. Subsequently the interim provision gave way to the present enhanced 24-hour service provided by the new vessels, delivered in 2004.
- 3.2 However, the practice of employing staff on fixed 3 year contracts has continued largely because it identified posts into which the Bressay

Service Sea Staff could be re-deployed should the ferry service to that island be superseded by a Fixed Link. (In August 2003 it was anticipated that a fixed link to Bressay could be in operation by Summer of 2006)

- 3.3 Current employment law requires employees engaged on fixed-term contracts to be treated no less favourably than comparable permanent employees. Employee who are kept on a succession of fixed-term contracts will normally become permanent employees after four years unless the employer can demonstrate a sound objective reason for prolonging the use of fixed-term contracts. These provisions are contained in the Fixed-term Employees (Protection of Less Favourable Treatment) Regulations 2002.

4 Present Position

4.1 The posts concerned fall into two groups:

- Fixed term posts created to coincide with the staffing required for the new vessels and the enhanced 24-hour service.
- Established posts created before report MO-05-03-F but which have since become vacant and to which new appointees have been given 3-year contracts.

Details of these posts are set out in Appendix A, which contains exempt information.

- 4.2 Fixed Term Posts - There are currently 10 Fixed Term Posts. Employees who have been in the post for over 2 years occupy six of these posts.
- 4.3 Established Posts – There are 26 established posts that were created before the 3-year criteria but which have since been recruited to. Ten of these posts have been occupied by the same employee for more than 2 years.
- 4.4 The number of established posts affected continually increases as each new recruit to an established post can only be offered a 3-year contract.
- 4.5 There are currently 5 vacant established posts.
- 4.6 There has been extensive consultation between management and the Sea Staff union and between management and individuals affected by the proposed changes. These consultations have resulted in a consensus on the proposals.

5 Financial Implications

- 5.1 There are no additional staffing costs associated with this report.
- 5.2 There is an opportunity to make savings on administration costs.

- 5.3 There will be costs as yet unidentified in redeploying the crew of the Bressay Ferry should the fixed link project reach fruition. However, it is anticipated that ferry management will enter into dialogue with Bressay Sea Staff and their Union representatives, Human Resources and the Fixed Link Project team to agree resources and methods of post redeployment.

6 Policy and Delegated Authority

- 6.1 The Inter Island Ferries Board has responsibility for oversight of the management and operation of the service in accordance with overall Council policy and agreed budgets as described in Section 17 of the Council's Scheme of Delegation.
- 6.2 Corporate staffing matters are a matter for Shetland Islands Council, minute reference 70/03.
- 6.3 Changes to established posts stand referred to Council and accordingly a decision is sought on this matter.

7 Recommendations

- 7.1 I recommend that the Inter Island Ferries Board recommend to the Council that the practice of making all posts below the rank of Master fixed term ceases and that all the fixed term posts listed in Appendix A are converted to Established Posts.
- 7.2 I also recommend that the Inter Island Ferries Board recommend to the Council that all staff currently in the converted posts are confirmed as Established Staff.

TR-15-07-F