Shetland
Islands Council

REPORT

To: Shetland Islands Council   24 March 2010

From: Depute Chief Executive

Strategic Planning, Service Planning and Budget Savings: A Way Forward

1   Introduction and Key Decisions

1.1   This Report draws together a number of initiatives, to bring together strategic and service planning, with the budget process and securing savings of over £9.9M in the 2010/11 financial year.   It provides the framework for how the work will fit together, and provides focused attention on the areas where the key risks for the Council have been identified.   How Members and officers might work together through that process is highlighted.

1.2   At this stage of the process, I am looking for Members to approve:

- the schedule and process of approving the Corporate Plan for the remainder of this term of office; and
- key priorities for assessing any savings proposals; and
- a timeline for the preparation and reporting of growth items; and
- a system for managing the work to secure savings of £9.9M during 2010/11 and preparing for years ahead.

2   Links to Corporate Priorities

2.1   This report links to the Council's corporate priorities in relation to prioritising and planning so the Council can sustain the services it wants to provide and help develop our economy and, in particular, to keep revenue budgets within sustainable limits.

3   Risk Management

3.1   Establishing an effective framework for linking corporate priority setting with service planning, asset investment, workforce development and financial resources will go a long way to addressing the key risks identified and reported through Audit Scotland's Strategic Audit Risk Assessment and the Annual Audit Plan for 2010/11.

3.2 Specifically in relation to financial matters, securing a balanced budget in accordance with the Council's financial policy framework is one of the most important components of corporate planning, management and governance.

3.3 The Council recognised these difficulties and pressures in December 2009 and appointed a Senior Member/Officer Liaison Group to work towards meeting the challenges.

4 Proposal

4.1 The Council's Executive Team, and the wider Leadership Team which includes all Heads of Service, have been working to develop a more joined up approach to service delivery and budgeting. The focus of this work has been on setting up a process whereby the Council can give a clear political direction, through the Single Outcome Agreement, the Corporate Plan and the budgeting process to help steer where changes should be made going forward. An outline of the framework is set out at Appendix 1, and I will address the key elements below.

4.2 The updated Single Outcome Agreement is the subject of a separate report on today's agenda. The focus has been on identifying the key strategic objective (to maintain an economically active population) and how each of the strategic partnerships can support that broad objective.

4.3 Building on the Single Outcome Agreement, there is a need to update the Council's Corporate Plan to refocus activity over the remainder of this term of office. Initial plans were drawn up to refresh the current plan, and the time is now right to take that forward. It was agreed that this work would be done by spring 2010, and the Senior Member / Officer Liaison Group was tasked to take that forward.

4.4 Implementation of the Council's Service Planning framework is variable. There are differences in the level at which service planning is undertaken (from the Community Health and Care Partnership as a whole, to individual service areas, such as Adult Learning). The Executive Team will look to put in place a more consistent approach, with fewer Service Plans, linked where possible to the Single Outcome Agreement. The high level Service Plans will be reported through Council, with a focus going forward on what needs to change and why. That work will feed into: the budget for next year; capital investment needs; workforce planning, ICT systems and any service reviews which may be required. The timeline will seek to get those plans reported in the June cycle of meetings.

4.5 Budgeting – alongside the service planning process will run the budgeting process, for capital and revenue spending. This Report does not address the capital programme proposals, as that is reported separately on today's agenda. For the revenue budget, there is a need to focus on two key areas:

  (a) securing savings of £9.9M in 2010/11; and
  (b) preparing early for growth items for 2011/12.

I shall deal with each of these in turn.

4.6   <u>Budget Savings 2010/11</u>. Appendix 2 sets out the agreed areas for budget cuts. The figures are presented at £9.9M, which is a combination of all the items identified in the Head of Finance's report from February 2010, which have not yet been actioned in full. There will be four key work streams, namely:

- General Efficiency Savings
- Staffing Changes, including Single Status
- Procurement
- Service Specific Items

4.7   Lead Officers have been identified for each of those workstreams. The union representatives on the Single Status team have offered to participate in work, where staffing changes may be proposed. Equally, communication with service users and staff will be a key component of any changes proposed. Many of the tasks will be interlinked and the projects may merge as the detail is progressed. In essence, however, the task facing the Council is to take costs out of the structure.

4.8   The Leadership Team will meet monthly for an update on all the workstreams. I would now wish to invite the Finance Review Working Group to establish a schedule of meetings, so Members can input into the direction and progress of that work.

4.9   Through agreeing the Concordat the Council has committed to securing efficiency savings in the order of 2% of gross running costs, year on year. The General Efficiency Savings may secure savings through: reducing bureaucracy; improving sickness absence rates; shared services and disposal of surplus assets. The Council has already been approached by the Police and Fire Boards, to work on shared services projects to the mutual benefit of the local community.

4.10   Audit Scotland have recently published a document entitled, "Improving Public Sector Efficiency" which states that, "the need for public bodies to improve productivity and efficiency in public services is becoming ever greater". A Summary of the key messages is set out below and the recommendations for public bodies is contained in Appendix 3:

- *"The public sector has reported £839 million of efficiency savings in the first year of the Efficient Government Programme. This is 57 per cent higher than the £534 million target. Of the reported savings, £254 million (30 per cent) have been delivered through better purchasing, better asset management and shared services, but there is still scope to increase savings from these areas.*

- *Improving the efficiency and productivity of existing services is always important and the public sector should continue to do this. However, planning for two per cent efficiency savings each year will not be sufficient to bridge the gap between projected future spending and future funding.*

- *The scale of the financial challenges facing the Scottish public sector means that a new approach is needed that fundamentally reviews priorities and the delivery of services.*

- *Although public bodies have overall cost information, they still do not have sufficient information on unit costs and costs related to activity and quality of services. This information is needed to demonstrate improvements in efficiency and productivity and to provide assurance that the savings reported through the Programme are being delivered. The public sector needs to understand better the relationship between the costs, volume and quality of services to get improvements in productivity and reductions in cost.*

- *In seeking efficiencies, some public bodies – around a fifth of councils and a third of NHS bodies – have relied on non-recurring savings such as asset sales. It is reasonable to take advantage of opportunities like this as part of longer-term service planning and restructuring, but relying on one-off savings in the short term is not a sustainable option for the future.*

- *While there is a significant amount of joint working, for example between health and social care, there is a continuing need for more and better coordination between public sector organisations to improve productivity and safeguard the quality of service delivery. Better coordination could provide more consistency in reporting efficiency savings and allow better sharing of good practice".*

4.11 A separate Report on today's agenda addresses the issue of cost recover through single status which shows the cost for 2006/07 at £3.5m, this figure increased to £5.3m in 2010/11 estimates due to incremental progression (average increase due to incremental progression is 2%). The average number incrementally increasing each year since 2006/07 is 791 this includes the introduction in 2009/10 of career progression in Social Care. Alongside the headline areas shown in Appendix 2, it is envisaged that savings may be able to be achieved through: the deletion of vacant posts where duties have can be covered elsewhere; a recruitment freeze on non-essential posts; a re-grading downwards of posts as they become vacant; translating increased hours worked into fewer posts; reducing consultancy costs; reducing overtime worked; and removal of certain allowances which are outwith the single status deal. It will be necessary for the Council to put in place a framework within which to consider reducing the Council's workforce, through early retirement, voluntary redundancy, part time working, etc. That work will build on that already developed for the "Ports for the Future" Project and the "Education Blueprint" and this framework will be presented to the May Council meeting.

4.12 There is an ambitious programme of procurement savings of £1m. Work is in hand to recruit to dedicated posts in this area, on a spend to save philosophy, to take forward the change of culture and working practices required to secure significant savings in this area.

4.13 The items listed in Appendix 2 for service specific items will be addressed in detail in future reports. In the short to medium term, there are two significant areas of redesign where it is envisaged that cost savings could be made, if Members are minded to do so. One is the "Ports for the Future" project and the other is the "Education Blueprint". In both cases, the work will have a long lead in time before any service redesign is developed to the point at which Members can make decisions of changes. Members may consider,

as work progresses on this year's budget, that other areas of Council activity should be put forward for structural change, to test the current service delivery models.

4.14   In all this work, it is appropriate for the Council to consider any significant service changes for impact on key strategic priorities.   It would be natural to test any changes against the Single Outcome Agreement, if approved today, and on the refreshed priorities from the update of the Corporate Plan.   In the meantime, I would put forward the following key corporate objectives against which changes should be tested:

- Population – impact on the number of economically active people in Shetland
- Equalities – impact on the fair and equitable distribution of resources in a way which does not widen any equality gap
- Economic – impact on employment opportunities and building economic potential.

4.15   It is then necessary to prepare for growth items in future years.   Members indicated that they wished only to consider growth items at one stage in the year, and not on a piecemeal basis.   Therefore, alongside the service planning process which will Report in June, a list of potential growth items will have to be considered.   The growth in care services is well documented and reported annually, currently estimated to cost an additional £2m per annum.   However, it is recognised that an explicit connection needs to be made with the current high level approach to financial planning to take account of changing patterns of service delivery year on year.   At this stage, Members will be invited to make decisions as to which, if any, growth items they wish to build into the budget going forward, and where any compensatory reductions will come from.   By making explicit choices about services and resources at the same time, it is hoped that Members will feel more able to manage growth going forward.

4.16   For the avoidance of doubt, it will not yet be possible to fully implement a 3 year approach to budgeting, until the Revenue Budget is nearer balanced year on year.

4.17   Finally, Members will receive a Report to each Council meeting, setting out progress against achieving the targets, impact of change on this year and next year's budget plans, and identify any barriers to implementing savings.

4.18   In summary, therefore, Members can expect to see the following activities brought forward:

Council Meeting 19 May 2010

- Corporate Plan Update
- HR policy framework to support staff savings
- Progress Report on Savings Targets

Council Meeting 30 June 2010

- High Level Service Plans
- Growth Items for 2011/12

- Progress Report on Savings Targets

5 Conclusions

5.1 This Report presents a way forward for the Council to take a more joined up approach to strategic and service planning, with the budgeting process. It proposes setting up a system to manage the savings in the current year of £9.9M, and to manage growth items for future years.

6 Financial Implications

6.1 There are no specific financial implications associated with implementing this Report beyond the ambition to secure savings of £9.9M on the running costs of the Council, which represents 7% of the gross annual budget and will be a significant challenge.

7 Policy and Delegated Authority

7.1 Authority to implement the savings required of £9.9M is the responsibility of the Council.

7.2 Responsibility for updating the Corporate Plan rests with the Council.

7.3 Establishing effective management systems, to join up the decision making structure of the Council is the responsibility of the senior staff, supported by clear political direction on corporate priorities and financial resource allocation.

8 Recommendations

8.1 I recommend that the Council:

(a) note that systems have been established at management level to manage the savings required of £9.9M in 2010/11; and

(b) agree that the Finance Review Working Group will oversee that process, from a political level, while work is on hold on the proposals to establish a Finance or Policy and Resources Committee; and

(c) agree the key priorities for assessing the impact of any change, namely:

- Population – impact on the number of economically active people in Shetland
- Equalities – impact on the fair and equitable distribution of resources in a way which does not widen any equality gap
- Economic – impact on employment opportunities and building economic potential.

(d) Agree the overall timeline and activities for taking this work forward, as follows:

Council Meeting 19 May 2010

- Corporate Plan Update
- HR policy framework to support staff savings
- Progress Report on Savings Targets

Council Meeting 30 June 2010

- High Level Service Plans
- Growth Items for 2011/12
- Progress Report on Savings Targets

Ref: HAS/sa   Report no: ESCD-08-F

APPENDIX 1

CO_ORDINATION OF STRATEGIC PLANNING, SERVICE PLANNING and BUDGET PLANNING   **Mar 2010**

Activity	Timing	Event	Involved
Approval of next years plans.	February 2010	Budget Setting Reports	Report prepared by Finance – Approved by Council
	February 2010	Single Outcome Agreement Signed Off	Report prepared by OD – Approved by CPP, Council & Other Partners
	March – April 2010	Corporate Plan Renewal	Event attended by Members & HOS, Co-ord by OD, Output approved by Council.
	March – May 2010	Service Plans approved	Prepared by HoS – Co-ord by OD, Approved by Council.
Early reporting on last years performance.	May	Last Year /SOA Delivery Overview/ Corporate Plan Progress /Capital Plan/ Service Plan Outturn Reviews & Reports	Service Outturns prepared and presented by HoS & Service Managers to A&S. Attended by Executive & Other members. Then reported to Council. Overview co-ordinated by OD / Finance / Cap Prog.
	June	Financial Out-turn report	Prepared by Finance, presented to Council
Communicating this years plans and working on next years plans.	April – August	Further adjustment (if required) and communication of Current Year Service plans.	Exec Dirs & HoS in consultation with members, staff, executive & customers.
	April – August	Development of next years Service Plans – What's staying the same – What might / should / will change. Staff Numbers & Skills / Assets / Money.	Exec Dirs & HoS in consultation with members, staff, executive & customers.
	May	Start of Current Year - Service Plan presentation and Initiation of next year's Service planning discussions.	Service Plan presentations by HoS & Service Managers to Services / Infastruc / Devt co-ordinated by Chief Exec / Exec Directors.
	August	Financial Implications of draft Service changes fed to Finance for consideration in Medium Term Financial Strategy including efficiency proposals.	HoS co-ordinated by Finance

	August	Service & Strategic Implications (including HR & Asset changes fed to OD / Cap Programming).	HoS co-ordinated by OD / Capital Program.
Updating our key Strategies	September	Medium Term Financial Strategy Update Report & Updated Efficiency Strategy	Prepared by Finance – Presented to Council
	September	Asset Strategy Update	Prepared by Capital Program – Presented to Council
	September	Workforce Requirements & Development Strategy Update	Prepared by OD – Presented to Council
	September	SOA Strategy Update	Prepared by OD – Presented to Council
Reporting on this years performance to date, and refining next years plans	October	Mid Year Service Performance Reporting – Progress to Date & Discuss / Refine next Year proposals	Events presented by HoS & Service Managers to Committees co-ordinated by Exec Directors / Chief Exec.
Formally reporting on last years out-turns.	October	Mid Year SOA - Corporate Plan – delivery / progress reporting	Co-ordinated by OD – for A&S & Council
	October	SOA Outturn, Sustaining Shetland, SPIs, Public Data Reporting, Publication of Final Accounts.	Co-ordinated by OD & Finance– for A&S & Council
Detailed refinement of next years plans	October – January	Detailed budget preparation for next year	BROs – Co-ordinated by Finance
	October – January	Detailed Service Plan completion	HoS & Service Managers – Co-ordinated by OD
	October – January	Detailed discussion and update of Next Years SOA & Corporate Plan.	Leadership co-ordinated by Exec Directors
Monitoring progress on developing next years plans	December – January	Progress Reports on Budgets, Service Plans & Capital Program –reports / events.	Prepared by Exec Directors - Co-ordinated by Finance / OD / Capital Program – Presented to Executive and Members
Approving next years plans	February	Budget Setting Reports (Revenue & Capital)	Report prepared by Finance – Approved by Council
	February	Corporate Plan Reaffirmed or Update Signed off	Co-ordinated by OD – Approved by Council
	Feb – March	Rapid adjustments to Service Plans to take account of Budget Decisions	HoS in consultation with Finance

	March	Service Plans Approved	Prepared by HoS – co-ordinated by OD approved by Council
	March	Single Outcome Agreement formally Signed Off	Co-ordinated by OD – Approved by CPP, Council & Other Partners

Approved Savings Areas 2010/11

Area	Agreed Savings Heading	Amount £
General Efficiency Savings	Insurance Cover	100
	Savings Register	291
	Other (Operating Costs)	657
	Reduce Travel and Subsistence Budgets	370
	Other	763
Staffing Changes, including Single Status	Restrict Recruitment	650
	Service Redesign	300
	Targetted Projects (eg using LEAN)	400
	Reduce Overtime Working	240
	Cut allowances (eg essential car users)	398
	Single Status	1,500
Procurement	Reduction in procurement costs	1,000
Services Specific Items	Use of SRT Facilities by Schools	400
	Target Savings across Chief Executive Department	87
	Target Savings across Organisational Development	100
	Target Savings across Finance	160
	Target Savings across Community Care	1,165
	Target Savings across Schools	81
	Target Savings across Childrens Svs	126
	Reduce Discretionary Grants	186
	Curtail Repairs and Maintenance Programme	195
	Schools - Various	216
	Education and Social Care Discretionary Services	484
	Increase Infrastructure Charges	74
Total		9,943

Total Savings not included in budgets	6,724
Total Savings included in budgets but non-specific	2,719
Total Savings specific but still to be actioned	500
Total Savings to be achieved	9,943

Amount £	Progress at March 2010
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
2,181	
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Report in Preparation
	Gathering Information
3,488	
	Recruitment to Posts
1,000	
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Gathering Information
	Partially Implemented
3,274	
9,943	

Appendix 3

Extract from Audit Scotland Report on Improving Public Sector Efficiency

The Scottish Government and public bodies should:

- ensure they have a priority-based approach to budgeting and spending

- continue to improve collaboration and joint working, overcoming traditional service boundaries

- consider using alternative providers of services, if these providers can improve the efficiency, productivity or quality of services

- improve information on costs, activity, productivity and outcomes, including setting baselines to measure performance against

- give greater urgency to developing benchmarking programmes

- maintain the momentum of activities and initiatives to improve purchasing and asset management and extend shared services

- ensure there is a joined-up approach to efficiency savings across the public sector, avoiding duplication

- ensure that plans are in place to deliver savings, clearly setting out what action will be taken, the level of savings to be delivered and how these will be measured

- strengthen the involvement of front-line staff, service providers and users in redesigning public services

- reduce reliance on non-recurring savings to meet financial targets and generally use these as part of a wider and longer-term strategy

- report efficiency savings consistently.

The Scottish Government should:

- collate and share good practice on initiatives to improve efficiency and productivity across the public sector

- challenge the use of non-recurring savings reported by public bodies

- develop clear guidance on how to measure and report savings from the three priority areas of better purchasing, better asset management and shared services to ensure there is no double-counting

Shetland
Islands Council

REPORT

To: Shetland Islands Council   24 March 2010

From: Depute Chief Executive

Audit Arrangements

1   Introduction and Key Decisions

1.1   This Report clarifies the work programme and timeline for reporting on the key audit tasks, by Audit Scotland.   The Report is for noting and two representatives from Audit Scotland will be in attendance at the Council meeting to answer any Members' questions.

2   Links to Corporate Priorities

2.1   Responding appropriately to recommended improvements from Audit Scotland is a key task in ensuring the Council is meeting its statutory obligations and adopting a "Best Value" approach to governance issues.

3   Risk Management

3.1   This report provides information on a number of the key risks identified and reported through Audit Scotland's Report to Members and the Controller of Audit on the 2008/09 Audit and the Annual Audit Plan for 2009/10.   In that regard, it is part of the Council's overall process of ensuring it has all the necessary information to manage strategic risks on behalf of the community.

4   Background

4.1   There are a number of areas of activity within the Council which are subject to a degree of scrutiny, beyond the agreed Annual Audit Plan (reported on today's agenda).   This Report is intended to provide clarity on what work will be done and when that work is likely to be made public.   The scope of the audit work covers:

-   Further Audit Work in response to the Annual Audit 2008/09, as required by the Accounts Commission; and
-   The circumstances surrounding the departure of the previous Chief Executive; and
-   The circumstances surrounding the appointment of the previous Chief Executive, the application of relevant HR policies in this

regard, including the extent of any performance management arrangements put in place

4.2 The Audit Scope and work programme has recently been received from Audit Scotland and forms Appendix 1 to this Report. Staff from the Best Value team at Audit Scotland will be in Shetland to undertake their audit work from 23- 25 March 2010, including attendance at the Council meeting. Thereafter, a visit is planned for the week beginning 29 March 2010 to discuss emerging conclusions, with a Draft Report available for the Council to review by 12 April 2010. Appendix 1 includes a list of individuals whom Audit Scotland would wish to interview. It is Audit Scotland's intention to report the outcome of their work to the Accounts Commission at their meeting on 13 May 2010.

4.3 The circumstances surrounding the departure of the previous Chief Executive will look for evidence that:

- The Council has taken steps to ensure any package complies with relevant legislation; and
- The Council Members are properly informed about the implication of any settlement; and
- The procedures followed in arriving at that package are reasonable and have resulted in a best value solution for the Council.

4.4 The circumstances surrounding the appointment of the Chief Executive will include a review of a range of HR policies, such as recruitment, redeployment, redundancy, appraisal and the disciplinary procedures. The Accounts Commission statutory Report SR99/5, regarding lessons to be learnt following the employment and departure of another Chief Executive, will form part of the context of the review.

5   Conclusions

5.1 This Report presents the additional audit work being undertaken, to address the additional issues identified by the Accounts Commission and requiring specific focus with regard to the appointment and departure of the previous Chief Executive.

6   Financial Implications

6.1 The level of extra costs associated with additional audit work is not yet known, as it depends on the amount of work which needs to be done to complete the brief. The level of risks identified in the Council will impact on the fee that is charged on the annual audit going forward. The cost and budgetary implications of how additional costs will be met, will be reported when the work is complete and the costs are known.

7   Policy and Delegated Authority

7.1 Responsibility for overseeing the Audit Programme rests with the Council, with regard to the additional work covering governance and the previous Chief Executive's appointment and departure.

8   Recommendations

8.1   I recommend that the Council notes the programme of work and timescales for reporting, as detailed in Appendix 1.

Ref: HAS/sa   Report no: ESCD-09-F

Shetland Islands Council: Proposed Scope of Audit Work 2010

Background/ Introduction

At their meeting in January, the Accounts Commission agreed the scope of some further audit work which would provide an update report on concerns raised in the annual report to members arising from the 2008/09 annual audit.

The scope of the further audit work was to focus on issues relating to governance and accountability and leadership and the working relationships between members and officers.

Since the Commission's meeting the situation has changed in that the council has made a negotiated settlement in order to part company with the Chief Executive. Given this process was ongoing Audit Scotland postponed the on site audit originally planned for February 2010.

Revised scope of further audit work

Much of the scope of the further audit work remains as it did before the departure of the Chief Executive.

The audit work will consider the issues which were highlighted as concerns in the annual audit report regarding the qualification of the accounts, shortcomings related to the budget process and other governance issues.

The audit work will consider the strategic leadership of the council, as demonstrated by its ability to take difficult decisions and the effectiveness of working relationships.

In addition, the audit work will consider the recruitment, selection and departure of the Chief Executive, including the terms of the agreement.

Reporting arrangements

The issues noted above will be reported to the Accounts Commission in May 2010. Other issues will be reported, as appropriate, through the annual audit process.

On-site work

Martin Walker – Best Value Portfolio Manager, and Carol Hislop – Audit Manager, will be on-site on 23, 24 and 25 March. In addition to the already scheduled interview with Denise Bell and observing the council meeting on 24 March, members of the audit team would like to interview the people listed below.

Audit Scotland recognises that not all of the people listed below will be available for interview due to other commitments; however, we would like to speak to as many of these people as possible. The interviews will be short, between 30 minutes and an hour in duration. The team will liaise with the council about the timing and practicalities of the interviews.

The proposed interviewees are:

- Councillor Cluness (Convenor, member of Senior member/ officer liaison group)

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- Councillor Simpson (Vice Convenor, Chair Development Committee, member of Senior member/ officer liaison group)
- Councillor Cooper (Vice Chair Development Committee, member of Senior member/ officer liaison group)
- Councillor Angus (Chair Services Committee, member of Senior member/ officer liaison group)
- Councillor Fullerton (Vice Chair Services Committee, member of Senior member/ officer liaison group)
- Councillor Hawkins (Chair Infrastructure Committee, member of Senior member/ officer liaison group)
- Councillor Wishart (Vice Chair Infrastructure Committee, member of Senior member/ officer liaison group)
- Councillor Grains (Chair Audit & Scrutiny Committee)
- Councillor Duncan (Vice Chair Audit & Scrutiny Committee)
- Hazel Sutherland (Executive Director, member of Senior member/ officer liaison group)
- Gordon Greenhill (Executive Director, member of Senior member/ officer liaison group)

Fraser McKinlay – Assistant Director (Best Value) and Fiona Mitchell-Knight – Assistant Director (Audit Services) and Carol Hislop will meet with representatives of the council in the week commencing 29th March to provide initial feedback on the audit conclusions.

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **24 March 2010**

From: **Head of Finance**

Audit Scotland Annual Audit Plan 2009/10
Report No: F-019-F

1. Introduction

1.1 This short report introduces the Audit Scotland work plan in respect of the 2009-10 financial year. The aim of this report is to raise Members' awareness of the work that our external auditor will be carrying out in the coming months and to provide an opportunity to discuss the issues arising.

2. Links to Corporate Priorities

2.1 The activities set out in the attached document links very closely to the "Sustainable Organisation" section of the 2008-11 Corporate Plan, where the Council aims to "live within our means", "ensure we are being efficient in everything we do" and "be an excellent employer".

3. Risk Management

3.1 This is an information report so there are no risks associated with the recommendations.

4. Financial Implications

4.1 There are no financial implications arising from this report.

5. Conclusion

5.1 This report has introduced the Audit Scotland 2009-10 work plan.

6. Policy and Delegated Authority

6.1 Although audit matters are normally referred to the Audit and Scrutiny Committee, this report is put to the Council for the information of all members.

7. Recommendations

7.1 I recommend that members discuss the attached document and comment, as considered appropriate.

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Date: 15 March 2010
Our Ref: DAH/GSP/A/9/32   Report: F-019-F

Shetland Islands Council

Annual Audit Plan 2009/10

February 2010

AUDIT SCOTLAND

Shetland Islands Council

Annual Audit Plan 2009/10

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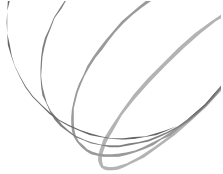
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Summary plan

Summary of planned audit activity

Based on our analysis of the risks facing Shetland Islands Council, our planned work in 2009/10 includes:

- an audit of the financial statements and provision of an opinion on whether:

    - they give a true and fair view of the financial position of the council as at 31 March 2010 and its income and expenditure for the year then ended

    - the accounts have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the 2009 SORP

- reporting the findings of a shared risk assessment process in an assurance and improvement plan (AIP), highlighting the key risks being faced by the council, the action under way or planned in response to these and the work we plan to undertake in relation to these. Our risk assessment work is informed by the Priorities and Risks Framework published by Audit Scotland and work undertaken to identify issues and risks which are unique to the local situation

- a review and assessment of the council's governance and performance arrangements in a number of key areas including: focussed BV work, investments, internal audit, statutory performance indicators, statement on the system of internal financial control and prevention and detection of fraud (including National Fraud Initiative)

- additional audit work requested by the Accounts Commission, as detailed in a separate scoping document shared with the council

- provision of an opinion on a number of grant claims and returns, including Whole of Government Accounts.

Introduction

1. Our audit is focused on the identification and assessment of the key challenges and risks to the council in achieving its business objectives. We also assess the risk of material misstatement in the council's financial statements. This report summarises specific governance and other risks that may affect the financial statements of the council, and sets out the audit work that we propose to undertake in 2009/10 to address these. Our annual audit plan reflects:

- the risks and priorities facing the council

- current national risks relevant to local circumstances

- the impact of changing international auditing and accounting standards

- our responsibilities under the Code of Audit Practice as approved by the Auditor General for Scotland

- issues brought forward from previous audit reports.

2. In addition to this annual audit plan we will prepare an Shared Risk Assessment Assurance and Improvement Plan (AIP) which sets out planned scrutiny activity in Shetland Islands Council for the period from April 2010 to March 2013. The AIP is the product of a collaborative approach developed with input from other scrutiny bodies operating in Shetland. The AIP explains the basis of our risk assessment of the council and sets out the scrutiny response. This risk assessment work is informed by the Priorities and Risks Framework published by Audit Scotland, along with work undertaken to identify issues and risks which are unique to the local situation.
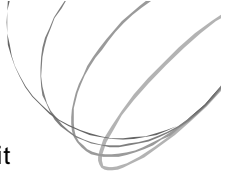
Our responsibilities

3. Our responsibilities, as independent auditor, are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

4. Audit in the public sector goes beyond simply providing assurance on the financial statements and the organisation's internal control environment. We are also required to provide a view on performance and the organisation's use of resources. In doing this, we aim to support improvement and accountability.

5. In carrying out our audit, we seek to gain assurance that the council:

   ▪ has good corporate governance arrangements in place which reflect the three fundamental principles of openness, integrity and accountability

   ▪ has systems of recording and processing transactions which provide a sound basis for the preparation of financial statements and the effective management of its assets and interests

   ▪ prepares financial statements which give a true and fair view of the financial position at 31 March 2010 and income and expenditure for the year then ended, in accordance with the Local Government (Scotland) Act 1973 and other applicable laws and regulations, including the 2009 'Code of practice on local authority accounting in the United Kingdom – A statement of recommended practice' (the SORP)

   ▪ has systems of internal control which provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption

   ▪ complies with established policies, procedures, laws and regulations

   ▪ proactively manages and reviews its performance in line with its strategic and operational objectives

   ▪ has made proper arrangements for securing best value in its use of resources and is complying with its community planning duties.

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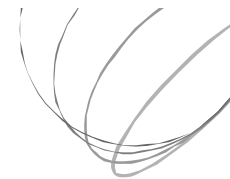
Our approach to the audit of the accounts

6. Our audit approach is based on an understanding of the characteristics, responsibilities and principal activities, risks and governance arrangements of the council, and identification of the key audit risks and challenges in the local government sector generally. This approach includes:

   ▪ understanding the business of the council and the risk exposure which could impact on the financial statements

   ▪ assessing the key systems of internal control, and considering how risks in these systems could impact on the financial statements

   ▪ identifying major transaction streams, balances and areas of estimation, understanding how the council will include these in the financial statements and developing procedures to audit these

   ▪ assessing the risk of material misstatement in the financial statements, in conjunction with our evaluation of inherent risk, the control environment and control risk as part of our risk assessment

   ▪ determining the nature, timing and extent of our testing programmes to provide us with sufficient appropriate audit evidence as to whether the financial statements are free of material misstatement.

7. Through this approach we have also considered and documented the sources of assurance which will make best use of our resources and allow us to focus testing on higher risk areas during the audit of the financial statements. The main areas of assurance for the audit come from planned management action and reliance on systems of internal control. Management action being relied on for 2009/10 includes:

   ▪ comprehensive closedown procedures for the financial statements accompanied by a timetable issued to all relevant staff

   ▪ clear responsibilities for provision of accounts and working papers being agreed

   ▪ delivery of unaudited accounts to agreed timescales with a comprehensive working papers package

   ▪ completion of the internal audit programme for 2009/10.

8. Auditing standards require internal and external auditors to work closely together to make optimal use of available audit resources. We seek to rely on the work of internal audit wherever possible and, as part of our planning process we carry out an early assessment of the internal audit function. Internal audit is provided by an in-house team within the council. Based on our review of internal audit we plan to place formal reliance on the areas of work set out in Appendix D.

9. Our approach to the audit of the financial statements is based on an integrated assessment of risk across the Code of Audit Practice responsibilities in relation to governance, performance and opinion.

10. At the completion of the audit we will provide the Chief Executive with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

Responsibility for the preparation of accounts

11. It is the responsibility of the council and the Head of Finance as Proper Officer to prepare the financial statements in accordance with the SORP. This means:

    ▪ acting within the law by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority

    ▪ maintaining proper accounting records

    ▪ preparing financial statements timeously which give a true and fair view of the financial position of the council as at 31 March 2010 and its expenditure and income for the year then ended

    ▪ preparing an explanatory foreword.

Format of the accounts

12. The financial statements should be prepared in accordance with the SORP which constitutes proper accounting practice for the purposes of section 12 of the Local Government Scotland Act 2003.

13. The council prepares a Whole of Government Accounts (WGA) consolidation pack annually for the Scottish Government under the requirements of the Government Resources and Accounts Act 2000. The Act requires the council to prepare its accounts using common accounting principles and standard formats for summarisation.

Audit issues and risks

14. This annual audit plan focuses on governance and other risks specific to the financial statements of the council. Our shared risk assessment summary will provide a broader analysis of wider risks and issues your council faces, setting out our planned work in relation to performance and other governance issues in more detail.

15. Based on our discussions with staff, attendance at committee meetings and a review of supporting information, we have identified the main financial statements risk areas for your organisation.

Financial management

16. Public sector budgets in the immediate future will need to be managed within a tighter funding regime. There will be significant challenges for public bodies to prioritise spending, identify efficiencies and review commitments to ensure delivery of key targets and objectives, and manage financial pressures.
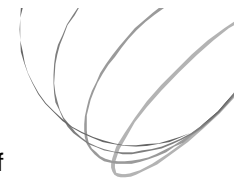
17. For the council to maintain its reserves at £250 million, while ensuring sustainability and quality of services, a comprehensive policy-led approach to budgeting is required. This would demonstrate the council's objectives that could be delivered within the resources available each year. It would provide the information needed by the council to prioritise its objectives if the council's reserves become at risk of falling below the target level in the longer term. Although there has been improvement in the council's budget setting processes, there continues to be a risk that budgets are prepared on an incremental basis with budget savings identified by top slicing without a review of overall priorities and spending needs of the council.

18. Despite the pattern of under-spending by the council in recent years, in December 2009,the estimates for the 2010/11 budget setting exercise, which allies with the service plans, highlighted a £16.3 million funding gap between the spending aspirations of departments and the actual resources available. Following work by officers with budget responsible officers (BROs), the gap was reduced to £5 million. Work is now being progressed to identify the savings necessary to balance the 2010/11 budget.

19. As well as increasing demands from the big spending area of community care, there is significant pressure on the planning function as major developments are taken forward. Specific financial risks for us to follow up through our audit relate to:

- the implementation of the single status agreement will increase the annual pay bill by approximately £4.0 million. Three ring-fenced staff groups were not included in the offer due to particular aspects of some historic terms and conditions that still present specific challenges to resolve. There is a need for the council to progress single status for all council employees and to determine the ongoing risks associated with the lack of agreement with certain groups of employees

- the council has also taken a number of decisions where some services previously provided by SCT funding have been transferred back to the council's control. As these additional costs were unbudgeted, the council needs to review its spending plans and identify efficiency savings to ensure it remains within its current financial strategy

- the council's two significant trading operations, highways and building maintenance are at risk of not achieving the statutory three year breakeven target due to recurring single status costs

- the council purchased Shetland Towage Limited (STL) in February 2006 from SCT with the aim of streamlining operations and generating efficiencies. Approximately 50 staff transferred into the pension fund at an estimated cost of £4.0 million to the council. In August 2009, the head of finance reported that the contribution to the pension fund was not made during 2008/09 and had been deferred until 2009/10. As at 16th June 2009, an independent actuarial valuation indicated a funding shortfall of £8.346 million which is more than double the original estimate. Members requested that payment is delayed until a more detailed report is prepared highlighting the various options for consideration

- in February 2009, the council reported that its capital programme includes projects of £231.28 million to be commenced or completed between 2009/10 and 2013/14. However currently only a year 1 programme of approximately £30 million has been approved by members to finance this programme.

Accounts presentation and disclosure

20. Audit Scotland would expect a best practice council to present its unaudited accounts to members prior to, or shortly after, the statutory submission deadline to the Controller of Audit of 30 June. The Shetland Islands Council unaudited financial statements for 2008/09 were not presented at any time to council members. Although a provisional outturn report for year ending 31 March 2009 was presented to council members in July 2009 there is a risk that members are not being provided with appropriate information on a regular basis to allow them to fully carry out their role in scrutinising the financial performance of the council.

21. Discussions with finance officers highlighted that work on IFRS is ongoing. Like most other local authorities, the council has contracted with CIPFA and PwC for IFRS support, although the council did not sign up until July 2009 and missed the initial training sessions provided in April 2009. It should be noted that although the support will provide training, project management and technical advice, the council needs to allocate sufficient resources to meet the proposed timetable.

22. We issued a qualified opinion on the financial statements of the council for 2008/09 on two issues, the group accounts and the accounting treatment of financial assets.

23. The *Code of Practice on Local Authority Accounting in the United Kingdom – a Statement of Recommended Practice (the SORP)* requires group accounts to be prepared by local authorities where they have interests in entities meeting the definitions of subsidiaries, associates and joint ventures. Group financial statements are required to present a true and fair view of the authority's activity and financial position. The council did not include the results of the Shetland Charitable Trust (SCT) in its group financial statements for 2008/09. In our opinion, the substance of the council's relationship with this body represents a significant interest and its omission results in a material mis-statement of the group accounts.

24. The second qualification relates to the council's failure to account for its financial assets in accordance with accounting requirements. Since 2007/08, the council has used a nominal interest rate in valuing its financial assets and bond calculations instead of the effective interest rate required by the SORP. Despite assurances made during the 2007/08 audit, that the council would apply the effective interest rate in the 2008/09 financial statements, this was not done. Nor did the council produce calculations to enable us to calculate the value of this error at 31 March 2009. We were therefore unable to determine whether the accounts were materially correct.

25. The council is heavily reliant on the financial accountant for the production and submission of the annual financial statements and for dealing with queries throughout the audit. Our review identified
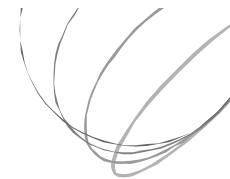
that the council did not complete all the required core financial statements for 2008/09, as well a number of issues which require to be addressed this year.

26. Specific areas for early consideration include:

Fixed assets

- there were a number of errors identified in the manner in which the council accounted for the disposal of assets. Specifically, these were in relation to the entries within the revaluation reserve and capital adjustment account, and the calculation for the loss or gain on disposals.

Investments

- it is necessary to formally calculate an effective interest rate where a bond has been purchased at a premium or discount to ensure that the premium/discount is amortised over the life of the bond. The council did not apply this method for inclusion within the financial statements

- a year end assessment should be made of whether there is evidence that any financial asset or group of financial assets may have suffered a decrease in its value. The council did not carry out a review of its assets to consider whether an impairment review was necessary.

Group accounts
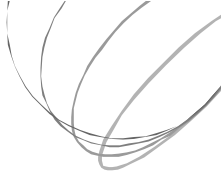
- the preparation of all core financial statements.

Matters brought forward from the 2008/09 audit for consideration in 2009/10:

- explanatory foreword – additional information to be included in note 3, overall comparison of expenditure with budget, and note 5, comment on planned future developments

- additional FRS17 disclosures as introduced by the 2008 SORP

- inclusion of a disclosure note in relation to the community health and care partnership

- inclusion of an annual governance statement (is this now a SORP requirement?)

- to investigate and consider merit for inclusion of a detailed note in respect of the further information college

- capitalisation of expenditure within work in progress

27. As well as issues identified in last years audit, a number of changes are required by the 2009 SORP which need to be actioned by the council for the 2009/10 financial statements. These include:

- the detailed accounting requirements for local taxes (i.e. national non-domestic rates and council tax) which have been included specifically in the SORP for the first time

- the amendment to the note to the accounts requiring disclosure of total members' allowances paid in the year to reflect legislative requirements in Scotland.

- amendments to the disclosure requirements of long term liabilities

- changes to the pension fund section which include amended and increased disclosure requirements, as well as updates to take account of FRSs issued in respect of investments.

Pension fund

28. The introduction of the IFRS based accounting code of practice in 2010/11 is likely to require separate pension fund reports and accounts, something also supported by LASAAC. Although it is unlikely pension funds will be separate audit appointments (as they are not statutory bodies in their own right) it may be necessary for us to treat them separately. This is something we will be discussing with the CIPFA Directors of Finance Group.

Audit committee arrangements

29. In 2009 the planned dates for the audit and scrutiny committee meetings were changed. In 2010 the audit and scrutiny committee meetings will now held on Monday mornings at 10am. Audit Scotland's Audit Guide and CIPFA's "Audit Committee Principles in Local Government" both state the importance of external auditors being regular attendees at audit committees. The change of timing of the audit and scrutiny committee meetings makes it more difficult for external auditors to attend on a regular basis.

Capital accounting system

30. Major weaknesses were identified within the capital accounting system due to ongoing technical difficulties. As a result we were unable to place reliance on the council's system in 2008/09 and had to carry out additional audit work to allow us to provide the audit opinion. This remains a risk area in 2009/10.

Summary assurance plan

31. Within these identified risk areas there is a range of more specific risks and these are summarised at Appendix A. In most cases, actions to manage these risks are either planned or already underway within the organisation. Details of the sources of assurance that we have received for each of these risks and any audit work we plan to undertake is also set out in Appendix A. In the period prior to the submission of the unaudited financial statements, we will liaise with senior officers on any new or emerging issues.

Materiality

32. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

33. International Standard on Auditing 320 states that*, "information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of item or error judged in the particular circumstances of*
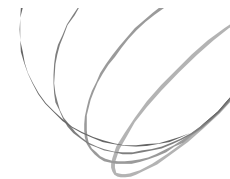
its omissions or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful."

34. When considering, in the context of a possible qualification, whether the misstatement of an item, or a number of items taken together, is material in terms of its monetary value, we use professional judgement, experience and internal guidelines from peers as broad guidance in regard to considering whether the results of tests of detail are material.

35. An item may be judged material for reasons other than its monetary or quantitative value. An inaccuracy, which would not normally be regarded as material by amount, may be important for other reasons. When such an item affects a critical point in the accounts, its materiality has to be viewed in a narrower context (for example the failure to achieve a statutory requirement, an item contrary to law, or areas affected by central government control). Again we use professional judgement, experience and internal guidelines from peers to determine when such matters would fall to be covered in an explanatory paragraph, rather than as a qualification to the audit opinion.

Reporting arrangements

36. Under the Local Government (Scotland) Act 1973, there is a requirement for unaudited financial statements to be presented to the council and the Controller of Audit within 3 months of the financial year end i.e. 30 June. The non-statutory target for audit completion is 30 September. To achieve this target, it is critical that a timetable for the audit of the accounts is agreed with us. An agreed timetable is included at Appendix B of this plan, which takes account of submission requirements, planned audit committee dates and audit resources.

37. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the chief executive/responsible head of service and relevant service manager to confirm factual accuracy. Responses to draft reports are expected within four weeks of submission.

38. A copy of all final agreed reports will be sent to the Chief Executive, Head of Finance, relevant senior manager, the internal audit manager and Audit Scotland's Public Reporting Group.

39. We will provide an independent auditor's report to the council and the Accounts Commission for Scotland that the audit of the financial statements has been completed in accordance with applicable statutory requirements, including an opinion on those financial statements. An annual report to members and the controller of audit will also be produced to summarise all significant matters arising from the audit and overall conclusions about the council management of key risks.

40. All annual reports produced by Audit Scotland are published on our website: (www.audit-scotland.gov.uk).

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41. The full range of outputs to be delivered by the audit team are summarised below:

Planned outputs	Target delivery date
Governance	
Assurance and improvement plan	30 April 2010
Internal controls management letter	31 May 2010
Performance	
PRF position statements	31 January 2010
Financial statements	
Financial statements management letter	30 September 2010
Report to Audit Committee in terms of ISA 260 (Communication of audit matters to those charged with governance)	27 September 2010
Independent auditor's report on the financial statements	30 September 2010
Annual report to the Members and the Controller of Audit	31 October 2010
Audit opinion on Whole of Government Accounts	30 September 2010
Grants	
Audit opinions on DWP/Scottish Government grant claims	As required

Quality control

42. We are committed to ensuring that our audit reflects best practice and demonstrates best value to the council and the Accounts Commission. We operate a strong quality control framework that seeks to ensure that your organisation receives a high quality service. The framework is embedded in our organisational structures and processes and includes an engagement lead for every client; in your case this is, Fiona Mitchell-Knight, who is responsible for ensuring that our work is carried out on time and to a high quality standard.

43. As part of our commitment to quality and continuous improvement, we may periodically seek your views. We would be grateful for any feedback on our services.

Fees and resources

44. Our agreed fee for the 2009/10 audit of the council is £262,850 comprising a local audit fee of £199,650 and a fixed charge of £63,200. Our fee covers:

   ▪ all of the work and outputs described in this plan

   ▪ a contribution towards the costs of national performance studies and statutory reports by the Controller of Audit and the work of the Accounts Commission
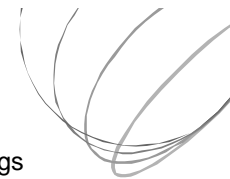
- attendance at the audit and scrutiny committee, full council and other key committee meetings (as appropriate)

- access to advice and information on relevant audit issues

- access to workshops/seminars on topical issues

- travel and subsistence costs.

45. In determining the agreed fee we have taken account of the risk exposure of the council, the management assurances in place, and the level of reliance we plan to take from the work of internal audit. We have assumed receipt of the draft accounts and working papers on 30 June 2010. If the draft accounts and papers are late, agreed management assurances are unavailable, or planned internal audit reliance is not achieved, we reserve the right to charge an additional fee for further audit work.

46. An additional fee will be required in relation to any work or other significant exercises not within our planned audit activity. An additional fee will also be charged for work on any grant claims or returns not included in the planned outputs noted previously.

47. Lynn Bradley, Director, Audit Services (Local Government) is the appointed auditor for all local authorities audited by Audit Scotland. In practice, this operates by delegating management and certification responsibilities to Assistant Directors. For the council, the Assistant Director is Fiona Mitchell-Knight.

48. The local audit team will be led by Carol Hislop who will be responsible for the day to day management of the audit and who will be your primary contact. Details of the experience/skills of our team are provided at Appendix C. The core audit team will call on other specialist and support staff, as necessary.

Independence and objectivity

49. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships within the audit team.

50. We comply with ethical standards issued by the Auditing Practices Board and with Audit Scotland's requirements in respect of independence and objectivity, as summarised at Appendix E.

AUDIT SCOTLAND

February 2010

Appendix A - Summary assurance plan

In this section we identify a range of governance and other risks that may affect the financial statements of the council, the related source of assurance received and the audit work we propose to undertake to secure additional assurance. The management of risk is the responsibility of the council and its officers, with the auditor's role being to review the arrangements put in place by management. Planned audit work, therefore, will not necessarily address all residual risks.

Risk	Source of assurance	Planned audit action
Financial management		
Incremental budgets and savings that are top sliced increase the risk that budgets will not reflect service need.	- Executive will work with the leadership teams, budget responsible officers (BROs) and the financial resources member/officer working group to balance the 2010/11 draft budget. - Chief executive is currently working with heads of service to develop processes to promote efficiencies and the early declaration of under-spends. - A savings register has been established and will be updated throughout the year to capture savings and share good practice across services.	- Review the 2001/11 budget setting process. - Monitor the effectiveness of the budgetary control process. - Provide an update in the annual audit report.
In the current economic climate there is a risk that services may be affected if budgets are not set which allow the council to make the required efficiencies while maintaining its level of resources as detailed in its financial strategy.	- Executive will work with the leadership teams, budget responsible officers (BROs) and the financial resources member/officer working group to balance the draft budget for 2010/11. - Council will monitor general fund expenditure to ensure that overspends are managed and financial targets are met.	- Review the 2001/11 budget setting process. - Monitor progress against budget during 2010. - Provide an update in the annual audit report.
The council's two significant trading operations made a deficit in 2008/09 due to single status back pay. As single status costs are now a recurring annual expense there is a risk that the operations will continue to make a deficit and fail to meet the statutory break even target over a three year period.	Charges will be reviewed to ensure that they are sufficient to cover the additional costs of single status going forward.	- To be reviewed during 2009/10 final accounts audit. - Provide an update in the annual audit report.

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Risk	Source of assurance	Planned audit action
An independent actuarial valuation indicated a funding shortfall of £8.346 million in relation to the cost of absorbing STL employees into the council's pension fund. There is a risk that reserve balances will be used to meet the additional cost.	- Members will consider this issue at a future meeting of the council. - The head of finance will prepare a detailed report highlighting the various options available for consideration.	- Monitor progress throughout the year. - Consider accounting treatment during 2009/10 final accounts audit. - Provide an update in the annual audit report.
The council's capital programme is heavily over-subscribed. Without approval of a long-term capital plan, projects may not be completed and planned services may not be delivered.	- A finance working group has been established to look at the longer term considerations of the council's capital programme. - Years two to five of the capital plan will be considered following further work on the strategy. - The council has moved away from a one year spending target of £20 million, to a five year spending target of £100 million allowing for greater flexibility around annual spending.	- Monitor progress throughout the year. - Provide an update in the annual audit report.
The council is exposed to continuing risks while some groups of staff are excluded from the single status agreement.	- The council recognises the need to progress single status for all council employees or to determine the risks associated with the exclusion of certain groups of employees. - Budget provision made for settlement.	- Monitor progress throughout the year. - Provide an update in the annual audit report.
Without adequate financial information, there is a risk that members are not in a position to make the difficult decisions to ensure that the council remains within its current financial strategy.	- Revenue budget monitoring reports will be presented to the full council on a quarterly basis. - Unaudited financial statements will be presented to members prior to them being submitted to the controller of audit.	- Review of council minutes. - Provide an update in the annual audit report.
Due to the lack of progress made in preparing for IFRS, there is a risk that the authority will be unable to achieve the full implementation by 2010/11.	- The council will identify a lead officer within finance for IFRS implementation. - Key deadlines will be agreed to enable the implementation of IFRS by 2010/11. - Finance staff will be provided with the appropriate training.	- Review IFRS arrangements within the council. - Provide an update in the annual audit report.

Risk	Source of assurance	Planned audit action
Accounts presentation and disclosure		
The council are of the view that the results of the SCT should not be included in the council's group accounts. There is a risk that its omission will result in a material mis-statement of the 2009/10 group accounts.	- There are ongoing discussions between Audit Scotland and the chief executive regarding the issue. - The council will undertake the required annual review to determine its interests in other bodies for group accounts purposes.	- Early financial statements planning meeting. - Consider the annual review by the council of its interests in other bodies for group accounts purposes. - Provide an update in the annual audit report.
By not applying the effective interest rate methodology, there is a risk that the financial statements will be materially mis-stated and that the council will continue to receive a qualified audit opinion.	- The council are to review the accounting practices in place for investments. - The head of finance will ensure that this issue is addressed in 2009/10.	- Early financial statements planning meeting. - Early final accounts work to be undertaken on investments. - Provide an update in the annual audit report.
Responsibility for the preparation of the annual financial statements lies solely with the financial accountant. There is a risk that SORP compliant statements will not be prepared within the required timescales. This could become a more serious issue as the council prepares for the introduction of IFRS.	- The council will review the procedures for preparing the 2009/10 financial statements. - The council will review their arrangements for the implementation of IFRS.	- Early financial statements planning meeting. - Review IFRS arrangements within the council. - Provide an update in the annual audit report.
Procedures are not adequate to ensure financial statements are prepared and presented in accordance with the SORP. Specifically, in 2008/09 recurring issues were raised in respect of fixed assets and investments. There is a risk that the financial statements do not provide a true and fair view of the council's financial position for the year.	- The council will review the procedures for preparing the 2009/10 financial statements. - Issues raised throughout the 2008/09 financial statements audit should be considered and adjusted for accordingly. - Specific areas for early consideration include: fixed assets, investments, new SORP requirements.	- Early financial statements planning meeting. - Early final accounts work in problematic areas. - Provide an update in the annual audit report.
Audit committee arrangements		
The change of timing of the audit and scrutiny committee makes it difficult for external audit to attend on a regular basis. There is a risk that external audit will not have any kind of presence at these meetings, making it more difficult to maintain effective relationships with the audit and scrutiny committee.	- Agendas and associated reports are available in advance of the audit and scrutiny meetings. - Minutes are prepared following the meetings highlighting the key issues and decisions.	- Attend audit and scrutiny meetings where practical. - Attend other committee meetings as appropriate.

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Risk	Source of assurance	Planned audit action
Capital accounting system		
Due to ongoing technical difficulties, major weaknesses have been identified within the capital accounting system. There is a risk that any unidentified errors will result in a mis-statement of the financial statements.	▪ The council is having ongoing discussions with Logotech regarding the technical issues.	▪ Early substantive work to be carried out by external audit in May 2009 to gain assurances for the financial statements. ▪ Provide an update in the annual audit report.

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Appendix B - Financial statements audit timetable
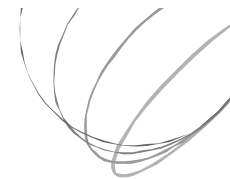
Key stage	Date
Testing and review of internal control systems and transactions	31 May 2010
Provision of closedown procedures to audit	31 March 2010
Meetings with officers to clarify expectations of detailed working papers and financial system reports	31 March 2010
Planned committee approval of unaudited financial statements	30 June 2010
Latest submission of unaudited financial statements with working papers package	30 June 2010
Progress meetings with lead officers on emerging issues	As required during audit process
Latest date for submission of management letter on financial statements audit	30 September 2010
Latest date for final clearance meeting with head of finance	31 August 2010
Agreement of unsigned financial statements for audit committee agenda, and issue of report to the audit committee on the audit of financial statements (ISA 260)	20 September 2010
Audit committee date	27 September 2010
Independent Auditors Report signed	30 September 2010
Latest date for submission of unaudited whole of government accounts return to external audit	30 September 2010
Latest date for signing of WGA return	30 September 2010
Annual report and certified accounts presented to Council	8 December 2010

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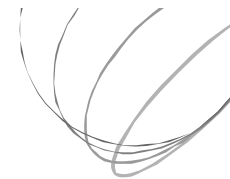
Appendix C - Audit team

A summarised curriculum vitae for each core team member is set out below:

Lynn Bradley BSc CPFA CA
Director

Lynn took up post as Director of Audit in January 2005. Originally trained as an auditor with National Audit Office, Lynn has worked in various senior posts in the public and private sectors in Scotland and England. She spent several years working with local authorities on housing and regeneration projects. Before joining Audit Scotland, she was the Section 95 officer in a Scottish Council. Lynn was the co-author of CIPFA guidance on audit committee principles. She is currently the vice chair of LASAAC and a former CIPFA Council member and the past chair of CIPFA in Scotland.

Fiona Mitchell-Knight BA (Hons) FCA
Assistant Director

Fiona took up post as Assistant Director of Audit in August 2007, following 6 years as the Senior Audit Manager for a number of local authority clients including Glasgow City Council. Fiona trained as an auditor in the private sector in England, and has 16 years experience of public sector audit with Audit Scotland, covering local government, health and the further education sectors.

Carol Hislop BA CA
Audit Manager

Carol has extensive experience in the private and public sectors, including 8 years audit experience across central government, health and local government sectors. Carol is a member of Audit Scotland's professional standards group and has the responsibility of ensuring that Audit Scotland's Audit Guide is updated to reflect changes in technical guidance and statute.

Lynn Brown BA (Hons) CPFA
Senior Auditor

Lynn has almost 5 years experience of public sector audit with Audit Scotland, covering the local government sector. Prior to joining Audit Scotland, Lynn spent two and a half years in an accountancy role within Strathclyde Police.

Carole Grant BSc (Hons) CPFA
Senior Auditor

Carole has 8 years experience of public sector audit with Audit Scotland, covering local government, central government, health and the further education sectors. Carole is a key member of Audit Scotland's professional standards group and learning and development team.

Pauline Gillen BA (Hons) CPFA
Senior Auditor

Pauline joined Audit Scotland in September 2006 as a professional trainee and qualified in July 2009. Pauline has worked on various audits in the health, local government and central government sectors. Prior to joining Audit Scotland, Pauline worked in the private sector as a pension scheme accountant.

John Jordan BSc PGDip
Auditor

John joined Audit Scotland in 2008, having previously worked as a contract compliance officer in the criminal justice sector. John has been involved in a number of council audits and is currently progressing his studies to obtain the CIMA qualification.

Joan Dalgleish, BA (Acc)
Auditor

Joan has 8 years experience of public sector audit with Audit Scotland covering health, central and local government. Joan is currently studying towards the CIPFA qualification.

Pauline Thompson BSc (Hons)
Auditor

Pauline joined Audit Scotland in August 2008 after gaining experience as a property administrator in the private sector, researcher for major charity, policy support for the Northern Constabulary and as a member of the GHA finance team. Pauline is in her second year studying towards the CIPFA qualification.

Adrian Kolodziej MA
Auditor

Adrian joined Audit Scotland in August 2008, having worked previously as a volunteer for Citizen Advice Bureau. Adrian is currently studying towards the CIPFA qualification.

Neil W Robb
Senior Auditor (ICT)

Neil has 17 years experience of public sector ICT audit with Audit Scotland, covering local government, health and the central government sectors. Over the past 4 years Neil has provided technical assistance for data analysis, to support the automated housing benefit grant claim methodology. Prior to working for Audit Scotland, Neil spent 19 years in various IT management, security and operational roles in financial services.

Appendix D - Reliance on internal audit

Auditing standards require internal and external auditors to work closely together to make optimal use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an early assessment of the internal audit function. Our review of the internal audit service concluded that the internal audit service provided by the in-house team operates in accordance with the CIPFA code of practice for internal audit in local government. We therefore plan to place reliance on the work of internal audit in the following areas:

Audit Areas

- performance indicators (partial)

- payments

- pension / payroll.

Control Objectives

- financial management – debtors and creditors

- human resource management – payroll

- general – system access controls.

Appendix E - Independence and Objectivity

Auditors appointed by the Auditor General for Scotland are required to comply with the Code of Audit Practice and standing guidance for auditors, which defines the terms of appointment. When auditing the financial statements auditors are also required to comply with the auditing and ethical standards issued by the Auditing Practices Board (APB). The main requirements of the Code of Audit Practice, standing guidance for auditors and the standards are summarised below.

International Standards on Auditing (UK and Ireland) 260 (Communication of audit matters to those charged with governance) requires that the appointed auditor:

- discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of the fee that the auditor has charged the client

- confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.

The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the council. The auditor reserves the right to communicate directly with members on matters which are considered to be of sufficient importance.

Audit Scotland's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. Appointed auditors and their staff should avoid entering in to any official, professional or personal relationships which may impair their independence, or might lead to a reasonable perception that their independence could be impaired.

The standing guidance for auditors includes a number of specific requirements. The key requirements relevant to this audit appointment are as follows:

- during the currency of an appointment, auditors should not perform non-audit work for an audited body, consultancy or otherwise, without the prior approval of Audit Scotland

- the appointed auditor and key staff should, in all but exceptional circumstances, be changed at least once every five years in line with Audit Scotland's rotation policy

- the appointed auditor and audit team are required to carry out their duties in a politically neutral way, and should not engage in high profile public party political activity

- the appointed auditor and audit team must abide by Audit Scotland's policy on gifts and hospitality, as set out in the Audit Scotland Staff Code of Conduct.

REPORT

To:	**Shetland Islands Council**	**24 March 2010**

From: **Capital Programme Service Manager**

Report No: **CPS-07-10-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 This report also advises on slippage and savings that have occurred within the Capital Programme and makes recommendations on re-allocation.

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 3 of the Corporate Plan commits us to manage the Capital Programme in line with available funds.

2.3 As part of the Council's commitment to sustainability within the Corporate Improvement Plan we have undertaken to define our priorities so we can sustain the services we want to provide and help develop our economy.

2.4 Risk

Financial:

- The main area of risk is financial in terms of over or underspend. Regular progress reports to Committee and the Council enable Members to monitor the capital programme.

3.0   Background

3.1   Tables in Appendix A have been broken down by service area. We have also added programme progress, however this is very much dependant on information provided to Capital Programme Services. Where information is not forthcoming this is highlighted in Appendix A. Future reports to the Council will indicate the stages which each project has reached.

3.2   The management and control of the Capital programme will help to keep expenditure within sustainable limits and would reinforce the best value message and contribute to the change in culture needed to control expenditure.

4.0   Slippage/ Savings and Proposed Re-allocation

4.1   Slippage and Savings
A total of £765,300 has been identified as follows:

- SSIS Upgrade (GCX4311) Slippage   £7,000
  Contractor has not delivered required reports. Site Visits
  delayed into April due to resource issues in the OT Team.

- ICT Planning Project (GCX4329) Slippage   £60,000
  Delay in appointing contractor

- Roads RP Schools Speed Limits (GCY9123) Slippage   £150,000
  Several schemes have been delayed due to severe weather

- Scalloway Water Main (RCM2315) Slippage   £37,000
  Fees slipped into 2010/11 project unable to progress this year

- Mid Yell Work Shop (GCY5505) Slippage   £32,500
  Internal fit out and demolition of existing workshop delayed

- Occupational Therapy (GCA-various) Saving   £26,500
  Various under and over spends on various projects within
  budget but overall saving achieved

- DDA Access (GCB6004) Underspend   £21,000
  Did not get expected slippage from another budget to
  be able to complete construction works

- Peerie Dock Symbister (RCM2309) Saving   £1,300
  Work on this project currently suspended pending
  the Council decision on the Whalsay Link

- Education Maintenance (GCE1500) Saving   £65,000
  Various under and over spends on various projects
  within budget but overall saving achieved

- Tingwall Airport H & S Works (GCY7202) Slippage   £338,000
  Adverse weather has caused delays in both the internal and external contract works

- Ferries Rolling Programme (GCY7601) Transfer   £27,000
  Underspend against this code required to cover overspend on GCY7626.

4.2 It is proposed to allocate £72,500 of the identified slippage as follows:

- Mid Yell B9081 (GCY6121) Additional   £20,000
  Westward extension to project agreed including double cattle grid instead of single.

- Copper Pipework Replacement (GCB6001) Additional   £7,500
  Work completed on 2 schools rather than 1

- TF Facilities Software (GCY5504) Additional   £18,000
  Interface development work greater than expected and installation of Project Management module brought forward from year 3

- Ferry Terminal Structural Improvements (GCY7626)   £27,000
  Additional funding required for emergency repairs following collision at Laxo Terminal.

4.3 Appendix A shows 2009/10 project expenditure and progress by service area as requested by the Audit and Scrutiny Committee.

4.4 Appendix B shows all slippage, savings and additional budget adjustments proposed in 2009/10 and 2010/11.

4.5 Appendix C gives a summary of the Council's 2009/10 funded capital projects with proposed adjustments.

4.6 Appendix D shows the adjusted Capital Programme for 2010/11. The 2010/11 Capital Programme was approved by the Council on 28 October 2009, slippage identified in this and previous reports has been added to this approved programme.

5.0 Proposal

It is proposed that the Council:

5.1 Note the progress of the current committed projects in Appendix A;

5.2 Approve the allocation of slippage, savings and transfers in Appendices B & C and;

5.3   Approve the adjustments to the 2010/11 Capital Programme in Appendix D.

6.0   Financial Implications

6.1   Approved budget strategy for the General Fund Capital Programme is to limit the draw on Reserves to £20 million in 2009/10 (Min Ref 121/08). However with carry forward from 2008/09 the approved General Fund Capital Programme was £21.808m including externally funded projects totalling £335k resulting in total draw on Reserves of £21.473m.

6.2   Previously approved budget adjustments reduced the 2009/10 General Fund Capital Programme budget to £18,556,204. Adjustments proposed in this report will further reduce the budget to £17,863,404 for 2009/10. Further slippage is anticipated.

6.3   On 28 October 2009 the Council approved a Capital Programme of £34,418,329 for all funds in 2010/11 (Min Ref 142/09), this excluded the £15m leasing arrangement for the AHS New Build project as this was approved separately (Min Ref 94/08). The total capital programme budget for 2010/11 was therefore £49,418,329, of which the General Fund element was £31,319,184.

6.4   Previously approved budget adjustments increased the 2010/11 General Fund Capital Programme budget to £35,629,684. Adjustments proposed in this report will further increase the budget to £36,254,184 for 2010/11. Further slippage from 2009/10 is anticipated.

6.5   Council policy is for a General Fund Capital Programme of £100m over 5 years (Min Ref 107/09). If the Council approves the additional budgets in 6.4 above the remaining budget for years 2 - 5 will be £63,745,816. It should be noted that the 2010/11 Capital Programme includes the design of a number of projects, which, if these designs are approved, will be seeking budget to enable them to progress towards construction in years 2 – 5.

7.0   Policy and Delegated Authority

7.1   Decisions relating to approval or variation to the Council's Capital Programme require approval of the Council (Section 8.0 – Scheme of Delegations).

8.0   Conclusion

8.1   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.

9.0   Recommendations

It is recommended that the Council:

9.1   Note the progress of the current committed projects in Appendix A;

9.2   Approve the allocation of slippage and savings in Appendices B & C;

9.3   Approve the adjustments to the 2010/11 Capital Programme in Appendix D;

Our Ref: GMF/RS/CPS-07-10-F   15 March 2010

Enclosed: Appendix A   Capital Programme Progress Report
              Appendix B   Summary of Budget Adjustments
              Appendix C   Proposed Funding Allocations 09/10 Capital Programme
              Appendix D   2010/11 Capital Programme with Adjustments

CAPITAL PROGRAMME PROGESS REPORT
EXECUTIVE SERVICES

ICT Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
231,300	257,000	GCX4300	PC/Lan Upgrade	239,871		257,000	On target		N/A		Further slippage of £7K to be reported to Council
77,666	7,166	GCX4311	SSIS Upgrade	166		166			N/A	Slippage - contract not likely to be awarded until after April 2010	
234,900	261,000	GCX4312	Computers for Schools	244,766		261,000	On target		N/A		
120,000	120,000	GCX4315	IP Phones	120,410		120,000	On target		N/A		
67,500	75,000	GCX4319	LV/MV Photocopiers	59,768		75,000	On target		N/A		
267,300	297,000	GCX4323	Shetland Public Sector Network	273,350		297,000	On target		N/A		Further slippage of £60K to be reported to Council
150,000	60,000	GCX4329	ICT Planning Project	0		60,000			N/A	Slippage - delay in appointing contractor	
1,148,666	**1,077,166**			**938,331**							

Legal & Administration Rolling Programme

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
135,000	148,000	GCB6001	Copper Pipework Replacement	117,340	0	155,500	2 schools completed instead of 1	Ongoing rolling programme		Additional school added to programme this year	Additional funding of 7.5K to be requested from Council
346,500	6,500	GCB6002	Lystina Stonework	234	0	6,500		Shetland Amenity Trust (SAT) to carry out survey/ make stone cutting templates before costs can be firmly established		SAT unable to look at this due to other work committments.	Slippage of 340K previously reported to Council
90,000	90,000	GCB6004	DDA Access Audit Construction	6,848	0	69,000		Ongoing rolling programme		Design work only completed this year, construction unable to proceed	Slippage of 21K to be reported to Council
22,000	27,000	GCB6006	Ness of Sound Farm	21,248	0	27,000		Legal requirement to maintain property		Additional section of dyke repair proposed whilst tools on site	Additional funding of 5K previously requested from Council
593,500	**271,500**			**145,670**							

Capital Programme Services

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
535,000	35,000	GCK2000	Feasibility Studies: Overall	795	35,000	35,000	Ongoing	Islehavn and Bruce Hostel studies complete and to be presented	N/A	Main budget allocated to Eric Gray, 35K for completion of small studies	
0	113,766	GCK2001	CCTV System Lerwick	44,696	113,766	113,766	99% complete, Final A/c to be raised	Scotshield on site Jan / Feb to finalise Police Station works.	N/A	Scottish Government funding c/f from 07/08.	
112,000	92,000	GCK2002	Contingency & Final Accounts	3,876		92,000	Ongoing	Various final A/C's & Housing move to North Ness included here - 20K to Library Study			
647,000	**240,766**			**49,367**							

Finance

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	44,035	GCF1302	Electronic Payments System	40,584	44,035	44,035		Project funded from revenue		Complete	
0	**44,035**			**40,584**							

Sports & Leisure - Grants & Rolling Programme

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
426,000	426,000	GCJ3006	Grants Rolling Programme	188,576	426,000	426,000	Ongoing Programme	Most of budget has now been committed	N/A	Various applications processed throughout year	
30,000	29,618	GCJ3001	Water Based Facilities	21,546	29,618	29,618		382 c/f to 08/10	N/A	Marinas committed, but unable to claim full grants by year end 382 previously c/f to 10/11	
88,000	88,000	GCJ3002	Dyke Repairs	75,633	88,000	88,000	Complete	Complete	Excellent	c/f from 08/09	
210,000	210,000	GCJ3003	Play Areas	192,898	210,000	210,000	On target	Rolling Programme on schedule			
36,000	6,000	GCJ3020	Islesburgh CC Capital Maintenance	2,445	36,000	6,000		Further update from BSU - Tower work requires further investigation and some works held up due to weather conditions		Slippage of 30K previously reported to council	
790,000	759,618			461,098							

Culture Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	20,000	GCL4100	Old Library Centre Maintenance	0				Preport on options for this building to be developed.			
3,278,723	1,912,500	GCL4402	Cinema/Music Venue	2,221,240	2,000,000	1,912,500	Slipped	Works ongoing on site, blockwork commenced. Contractor approx 8 weeks behind programme but anticipates being back on programme by May 2010.	Delay in early ground works part of contract but contractor intends to mitigate this	Project appears to be overspent but previous years expenditure included here without offset invoice shown. Further slippage of 87.5K previously reported to council	
3,278,723	1,932,500			2,221,240							

Education Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
38,300	25,000	GCE1171	Little Tikes	21,683	25,000	25,000	Drawings progressing	Delay due to Architects existing workload, Drawings completed, and project out to tender. Tenders due back end March		Planning Consent obtained. Agreement reached with landowner regarding works access. Slipped to 10/11	
0	0	GCE1240	Bells Brae Alterations	(3,043)		0	Complete	Final Certificate to be processed retention accrued		Complete	
15,000,000	2,000,000	GCE1304	Anderson High School Replacement	1,696,292	2,000,000	2,000,000		Brief and Project development ongoing into 2010 with input from the Blueprint for Education. Work in conjunction with members.		Council opted for Clickimin site as the preferred option following independent review and slippage of 13M from 09/10 identified	
4,172,000	4,422,000	GCE1315	Mid Yell J.H.S.	1,013,450	4,422,000	4,422,000	Construction Stage	Contract commenced 29 October on site. Foundations excavation commenced. Completion indicated as October 2010.		Modules being constructed in Denmark and due to leave Denmark in mid March. One week delay on manufacture of modules due to snow in Denmark disrupting access to factory. Spend on units will be as soon as they arrive safely in Shetland.	Contract ongoing on site and construction of modules ongoing in Denmark. £2m will be spent when modules arrive in Shetland.
1,354,500	1,329,000	GCE1500	Maintenance School Buildings	900,194		1,264,000		BSU have identified an overall underspend of 66K on Education Maintenance		AHS & Bells Brae Air Conditioning slippage to 10./11. Slippage of 230K previously reported to Council	Saving of £65K to be reported to Council
0	0	GCE1512	Re-roofing	(8,000)		0	Complete	Final Certificate to be processed retention accrued			
0	0	GCE3402	Sandwick JHS Add Support Needs	(7,981)		0	Complete	Final Certificate to be processed retention accrued			
20,564,800	7,776,000			3,612,595							

Social Care Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
1,825	1,825	GCA0120	Special Studies	0		1,825	Recharge	No detailed report, but BRO advised that the rolling programme is likely to be underspend by £26.5K.	N/A	Please note budgets can be moved within rolling programme headings.	Slippage of £26.5K to be reported to Council
81,158	111,158	GCA1000	Special Aids Stock Items	117,146		81,158		Ditto GCA0120	N/A	On target	
237,800	237,800	GCA1001	Specialist Aids	205,398		237,800		Ditto GCA0120	N/A	On target	

CAPITAL PROGRAMME PROGRESS REPORT

Social Care Projects cont

Original Budget	Revised Budget	Code	Project	Period 11	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
40,031	48,031	GCA1003	Minor Adaptions	61,454		40,031		Ditto GCA0120	N/A	On target	
196,193	196,193	GCA1004	Major Adaptions	135,502		196,193		Ditto GCA0120	N/A	On target	
124,998	80,998	GCA1005	Housing Renovations	105,795		124,998		Ditto GCA0120	N/A	On target	
21,024	21,024	GCA1006	Professional Fees	11,366		21,024		Ditto GCA0120	N/A	On target	
39,316	45,316	GCA1007	Specialist Aids Refurbishment	25,152		39,316		Ditto GCA0120	N/A	On target	
22,685	22,685	GCA0100	Inspection, Health & Safety	13,929		22,685		Small projects including floor finishes, room refurbishments, toilet and fire upgrades. Please note budgets can be moved around within rolling programme headings.		On target	
35,871	35,871	GCA0101	Building Fabric	26,887		87,248				On target	
33,036	33,036	GCA0102	Electrical Sys Upgrade	2,154		33,036				On target	
14,136	14,136	GCA0103	Mechanical Sys Upgrade	0		14,136				On target	
1,851	1,851	GCA0104	Plant Equip Replacements	1,687		1,851				On target	
18,905	18,905	GCA0105	Safety Surfaces	0		18,905				On target	
225,000	40,000	GCA0106	Care Home Beds	10,478		40,000	Study nearing completion	Richard Gibson Architects appointed to carry out feasibility study - nearing completion		Viewforth - options for redevelopment. Taing House and Edward Thomason House - options for additional beds. St Clements Hall, investigate conversion into additional housing units associated with King Erik House.	
342,000	189,000	GCA0231	Care Homes Fire Upgrade	40,076	242,000	242,000	Ongoing	Leog - complete, ET House - Mechanical 90% complete, Electrical 95% complete, Joinery 40% complete, Taing House - date for start of works to be confirmed, Isleshavn - due to start on site 8 February, Northhaven - due to start on site 1 February, Laburnum, works likely to take place in summer 2010, Viewforth, works likely to start summer 2010.		Joint project CT/SIC. Isleshavn, ET, Laburnum, North Haven, Viewfroth and Taing to be programmed. Materials all ordered in advance to reduce any delay or disruption on site. Smoking rooms, prices submitted and awaiting instruction on how to proceed.	
100,000	50,000	GCA0233	Joint Occupational Therapy Centre	8,202	150,000	50,000	Design Stage	Redman and Sutherland appointed as Architects and CCDP as Services Engineers during September. Other services carried out in-house by CPS. Project now progressing. (Design)		Current aspirations unable to fit on site to the satisfaction of planning. Other options being considered new site identified.	
76,500	0	GCA0234	Taing House Capital Maintenance	0	0	0		Shower works programmed for November	N/A	Works delayed due to unavailability of rooms - slippage of £76.5K to 10/11	
40,500	0	GCA0235	Viewforth Capital Maintenance	0	0	0		Shower works programmed for November	N/A	Works delayed due to unavailability of rooms - slippage of £40.5K to 10/11	
300,030	2,050,030	GCA0236	Montfield Care Home	898,391		2,050,030	Phase 2 started	Works commenced on phase 2 (Care Home) on 17 August 2009, anticipated completion July 2010. Works continuing on site to programme	External QS delaying contractors payments	100% funding from NHS. Phase 1 complete	
0	15,000	GCA0237	Eric Gray Replacement	1,080	15,000	15,000		Tender Documents and EU adverts being prepared for Design Stage Consultants.		Site at Seafield Identified. Awaiting legal advice.	
400,000	105,000	GCG0232	Leog Replacement	0	105,000	105,000	Planning submitted	Agreement to be signed with Hjaltland for works commencing Spring 2010.		Agreement reached with Hjaltland. Slippage of £295K previously reported to Council	
2,352,859	3,317,859			1,664,697							

Housing Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
9,872	9,872	GCH3100	Staff Accommodation	0	9,872	0	Ongoing Programme	Ongoing Programme - provision being reviewed		No Report	
10,958	10,958	GCH3102	Chalets	0	10,958	0	Ongoing Programme	Ongoing Programme		No Report	
14,423	14,423	GCH3120	Homelessness Housing	0	14,423	0	Ongoing Programme	Ongoing Programme		No Report	
35,253	35,253			0							

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CAPITAL PROGRAMME PROGESS REPORT
INFRASTRUCTURE SERVICES

Environmental Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
11,000	2,000	GCY5114	South Whiteness Burial Ground	2,095	2,000	2,000	Snagging work complete				
358,079	265,000	GCY5121	Fetlar Burial Ground	178,611	265,000	265,000	Savings due to lower tender, slippage will be required 10/11			Budget transferred from Muckle Roe to cover this.	
0	4,435	GCY5122	Bigton Burial Ground	4,435			Final A/C				
0	1,000	GCY5123	Lund Burial Ground	170	1,000	1,000	Final A/C				
10,000	20,000	GCY5124	Bixter Burial Ground	0		20,000	Tender works in Dec for Apr start				
5,000	5,000	GCY5125	Voe Burial Ground	0		5,000	No response from land owner				
5,000	15,565	GCY5126	Muckle Roe Burial Ground	1,130		20,000	Land, design and planning almost compete				
10,000	10,000	GCY5127	Skerries Burial Ground	0		10,000	Design and land investigation				
230,000	85,000	GCY5129	Energy Recovery Plant Update Works	20,675		85,000	Contract to be in place shortly	Discussions to take place with contractor	N/A	Slipped to 10/11	
100,000	90,000	GCY5132	Esplanade Toilets	4,663	90,000	90,000	Project Complete	LPA not yet invoiced for balance of works		50% with LPA	
60,000	74,000	GCY5133	Rova Head Reinstatement	71,970		74,000	Work complete, awaiting final A/C				
20,000	20,000	GCY5137	Gremista Landfill Phase 2	11,672		20,000	Project to be tendered in December - anticipated start date of April 2010				
126,000	126,000	GCY5139	Wheelie Bin Purchase	84,606		126,000	Full spend anticipated				
0	82,000	GCY5504	TF Facility Management Software	76,629		82,000	Interface development work greater than expected and installation of Project Management Module brought forward			Budget previously created from slippage on Capital Programme	
205,000	245,000	GCY5505	New Mid Yell Workshop	71,935		212,500	Internal fit out and demolition of existing building delayed				Request additional funding from Council
2,105	2,105	GCY9016	Public Toilet Rolling Programme	480	0	2,105	Fully Committed, but hall committee unable to process final claim before year end (Walls)	Budget c/f from 08/09		Balance of £2,105	Slippage of £32.5K to be reported to Council
1,142,184	1,047,105			529,071							

Roads
Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	130,000	GCY9200	Minor Works, Roads	152,660		152,660	No Report, but Roads Service anticipate an overall underspend on the rolling programme				Transactions incorrectly coded here, Infrastructure to journal to correct codes
0	24,000	GCY9201	Development Related Roads	20,470		24,000	Ditto GCY9200				
315,000	129,000	GCY9202	Bridge Replacements	104,362		129,000	Ditto GCY9200				
0	100,000	GCY9203	Footways	28,591		100,000	Ditto GCY9200				
198,000	168,000	GCY9204	Street Lighting Replacements	104,231		168,000	Ditto GCY9200				
0	17,000	GCY9205	Plant Purchase	16,550		17,000	Ditto GCY9200				

CAPITAL PROGRAMME PROGESS REPORT
INFRASTRUCTURE SERVICES cont
Roads
Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	36,000	GCY9206	Traffic Management	29,906		36,000	Ditto GCY9200				
90,000	90,000	GCY9207	AIP	6,209		90,000	Ditto GCY9200				
18,000	18,000	GCY9208	Minor - Airstrips	380		18,000	Ditto GCY9200				
0	20,000	GCY9209	Minor Works & Purchases, Bus Services	1,052		20,000	Ditto GCY9200				
270,000	182,000	GCY9210	Road Reconstruction	102,541		182,000	Ditto GCY9200				
72,000	49,000	GCY9211	Drainage Improvements	22,029		49,000	Ditto GCY9200				
135,000	135,000	GCY9212	Crash Barrier Replacement	87,754		135,000	Ditto GCY9200				
410,000	410,000	GCY9213	20MPH Speed Limits Schools	188,845		410,000	Several Schemes have been delayed due to severe weather	Slippage require to 10/11			Slippage of £150K to be reported to Council
70,000	70,000	GCY6106	Haggersta A971	33,133	70,000	70,000	Due to protracted consents procedures no funds have been spent on detailed design	Remedial works on the Haggersta rock face have been brought forward			
0	5,000	GCY6117	A971 W Burrafirth - Brig Walls	850	5,000	5,000	Progess to STAG Stage 2	Not in proposed 5-year programme, but Roads are progressing to Stage 2			
0	10,000	GCY6118	Gematwatt Footways	1,221	10,000	10,000		Not in proposed 5-year programme, but Roads are progressing land purchase			
13,000	13,000	GCY6120	A970 Oversund Junction	13,539	13,000	13,000	Complete				
350,000	410,000	GCY6121	B9081 Mid Yell Link to A968	406,328	410,000	430,000	Construction almost complete.	Road extended by 100 metres to rectify various safety hazards, further extension to road completed at an additional 20K		Double cattle grid instead of single	Request additional funding from Council
0	95,000	GCY6122	Papa Stour Road	81,754	95,000	95,000		2009/10 works complete. Resurfacing due in 2010/11.		15K received from Scottish Water	
0	10,000	GCY6124	A970 Scord-School	0	10,000	10,000	Hold up due to Land Purchase	Although scheme is not in proposed 5-year programme, Roads are progressing to design for Planning purposes.			
0	20,000	GCY6125	B9071 Bixter to Aith - Phase 2	980	20,000	20,000		Progressing land acquisition.			
0	5,000	GCY6126	Sletts Road Sea Wall, Lerwick	1,239	5,000	5,000		Preparing tenders for issue shortly. Works due in 2010/11.			
180,000	30,000	GCY6127	Murraster Depot Replacement	0	30,000	30,000		150K slippage to 2010/11 anticipated, and additional 100K required to progress work			
160,000	160,000	GCY6128	Bixter Bus Interchange	136,144	160,000	160,000		Complete apart from minor snagging.			
0	5,000	GCY6129	Parkhall to Sand Junction	0	5,000	5,000	Progess to STAG Stage 2	Not in proposed 5-year programme, but Roads are progressing to Stage 2			

CAPITAL PROGRAMME PROGESS REPORT
INFRASTRUCTURE SERVICES cont

Roads Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturm	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
0	10,000	GCY6130	B9082/3 Gutcher to Cullivoe	0	10,000	10,000		Medium-scale improvements are in proposed 5-year programme. Design will resume shortly.			
0	5,000	GCY6131	Gulberwick Road	0	5,000	5,000		Although scheme is not in proposed 5-year programme, Roads are progressing design meantime for Planning purposes.			
0	8,000	GCY6132	Gremista Footways	653	8,000	8,000		RD-22-09			
0	8,000	GCY6133	Vidlin Shore Road Footway	0	8,000	8,000		RD-22-09			
0	8,000	GCY6134	Scalloway East Voe Footway	0	8,000	8,000		RD-22-09			
0	8,000	GCY6135	Burravoe Yell Footway	0	8,000	8,000		RD-22-09			
0	8,000	GCY6136	Tingwall Footways	0	8,000	8,000		RD-22-09			
0	2,500	GCY6202	Burra Bridge	0	2,500	2,500		Although not in proposed 5-year programme. Roads advise that this scheme may have to be done shortly for safety reasons.			
0	2,500	GCY6204	Trondra Bridge	0	2,500	2,500		Although not in proposed 5-year programme. Roads advise that this scheme may have to be done shortly for safety reasons.			
0	10,000	GCY6205	Laxburn Bridge	0	10,000	10,000		Progressing design of scheme, proposed for construction in 2011/12			
0	10,000	GCY6206	Burnbeach Seawall Scalloway	0	10,000	10,000		Although not in proposed 5-year programme, it may be desirable to build this scheme in collaboration with an adjacent developer.			
0	10,000	GCY6207	Strandloch Bridge Tingwall	0	10,000	10,000		Although not in proposed 5-year programme, Roads advise that thisthis scheme may have to be done shortly for structural reasons.			
0	35,000	GCY6298	Advanced Design of Schemes	0	35,000	35,000	Feasibility work on possible future projects	Evaluating of options for future schemes (including proposed North Staneyhill housing development, which will be externally funded).			
0	7,267	GCY6299	Completed Schemes	7,857	7,267	7,267		Compulsory purchase		West Burrafirth to Parkhall	
250,000	250,000	GCY6401	Scord Quarry Plant Purchase	180,397	250,000	250,000	On Schedule				
0	500	GCY6405	North Mainland Roads Office	435	500	500		Project slipped to 10/11			
2,531,000	2,723,767			1,730,109							

Transport Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturm	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
500,000	500,000	GCY7202	Tingwall Airport	51,696	162,000	162,000	Design complete, tenders issued and contract award end Nov 09	Bad weather has resulted in internal and external delays to project		Lenghty fabrication delays for new for new door and bulk fuel tanks	Slippage of £338K to be reported to Council
0	40,000	GCY7212	Bressay Link	5,170	0	40,000	Work underway and Stage 1 reports due by Mar 2010	No Report			
500,000	500,000	GCY7213	Whalsay Link	362,208	500,000	500,000	Pending location decision, consultation ongoing	No Report			
300,000	300,000	GCY7214	Fetlar Breakwater	19,800	300,000	300,000	Design only this year	No Report			
1,251,600	1,251,600	GCY7254	Transport - Vehicle and Plant Replacement	1,145,518	1,251,600	1,251,600	No Report	No Report			
2,551,600	2,591,600			1,584,392							

CAPITAL PROGRAMME PROGESS REPORT
INFRASTRUCTURE SERVICES cont

Ferry Projects

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
162,000	162,000	GCY7601	Ferries Rolling Programme	49,014	0	162,000	Projects in delivery phase and will be complete by Mar 2010				Request underspend of £27K be allocated to GCY7626 - to be reported to Council
0	121,643	GCY7603	New Ferry - Yell Service	121,643	0	121,643	ISD-07-09 refers, budget previously allocated by council				
261,000	261,000	GCY7626	Ferry Terminal Structural Improvements	287,967		287,967	CPS progressing Vidlin & Ulsta Ferry Terminal repairs, Symbister structural improvements virtually complete			Collision at Laxo required emergency repairs	Additional £27Kfunding required, however underspend on GCY7601 identified, transfer to be reported to Council.
423,000	**544,643**			**458,624**							

CAPITAL PROGRAMME - PROGRESS REPORT PORTS & HARBOURS (RESERVE FUND) 2009/10

Port
Operations

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
7,000	7,000	RCM2309	Peerie Dock, Symbister	5,644		5,700	P&H-01-10			No further work until Whalsay Ferry Terminal Decision made	Saving of £1.3K to be reported to Council
11,152,000	13,246,794	RCM2313	Tugs for Sellaness	9,405,905	13,246,794	13,246,794	P&H-01-10	Project remains on budget	08/09 c/f	Budget allocated for this in 09/10 - debt funding of Tug purchase	
104,000	215,223	RCM2314	Uyeasound Harbour Development	198,253	215,223	215,223	Complete	Site works complete - final instalment due 09/10		Additional 142K HIE funding received, budgets created from this	
50,000	40,000	RCM2315	Scalloway Water Main	0	3,000	3,000	P&H-01-10	Design Works ongoing with slippage to 10/11			Slippage of £37K to be reported to Council
100,000	140,000	RCM2316	Walls Pier	558		140,000	P&H-01-10	Design Works being progressed & Marine Investigation being progressed			
11,413,000	13,649,017			9,610,360							

CAPITAL PROGRAMME - PROGRESS REPORT PORTS & HARBOURS (HARBOUR ACCOUNT) 2008/09

Port
Operations

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
150,000	150,000	PCM2101	Plant Vehicles & Equip	70,420	150,000	150,000	P&H-01-10	Anticipate fully committed budget, but not all expenditure may be through by year end	n/a	Harbour Board Report - replacement flatbed to be purchased	
70,000	70,000	PCM2104	Nav Aids - Sullom Voe	13,133	70,000	70,000	P&H-01-10	Ditto above	n/a	Alternative bouys being considered	
0	0	PCM2135	Mooring Winches	1,584		0	No report	No report			
220,000	220,000			85,137							

CAPITAL PROGRAMME - PROGRESS REPORT HOUSING REVENUE ACCOUNT 2009/10

Housing

Original Budget	Revised Budget	Code	Project	Period 11	Contractual Estimate	Estimated Outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
678,851	678,851	HCH3303	Land/Property Acq	243,979	0	678,851	Ongoing	Property purchase and conversion works	n/a	Engineers appointed to identify site-works for new build proposals. Budget also for design of propoposed Hoofields redevelopment.	
259,266	259,266	HCH3404	Environmental Improvements.	64,199	0	259,266	Ongoing	Ongoing programme		Ongoing works: Staneyhill, North Toogs and Bayview	
107,103	107,103	HCH3512	Community Care Projects	4,770	0	107,103	Ongoing	Several small contracts to mainly improved disabled access.		Unst and North Mainland conversions on site	
25,655	25,655	HCH3525	Feasibility Studies HRA	2,721	0	25,655	Ongoing	Feasibility works in connection with structural issues.	n/a	Ongoing programme	
124,862	124,862	HCH3526	Opportunity Conversions	42,349	0	124,862	Ongoing		n/a	Prioritised projects being progressed.	
157,103	157,103	HCH3706	Heating Replacement Program	66,663	0	157,103	Ongoing	Rolling Programme		Rolling programme - Hamarsgarth.	
387,758	387,758	HCH3708	External Re-Render Programme	132,998	0	387,758	Ongoing	Rolling Programme		Rolling programme - ongoing. Grindahoul, Brae and Steenbrae, Aywick	
1,146,933	1,146,933	HCH3710	Lerwick Crudens	531,790	0	1,146,933	Ongoing			Phase 1 completed, phase 2 consultant appointed	
40,000	40,000	HCH3711	Retentions/Final Accounts	0	0	40,000	Ongoing			Ongoing.	
360,000	360,000	HCH3712	Housing Quality Standard	319,642	0	360,000	Ongoing	Rolling Programme		Rolling programme – ongoing. Kitchen replacement contract agreed	
200,000	200,000	HCH3714	Replacement MIS System	183		200,000		Project approved by full Council 18/02/09.		Proceeding to tender.	
(889,886)	(889,886)	HCH3800	Cap Rec/Sale Council Hs	6,487	0	(889,886)	Ongoing			Estimated capital receipt from Right to Buy sales.	
2,597,645	2,597,645			1,415,781							

09/10 Budgets - General & Reserve Fund

Project	Additional Budget Required £	Budget Slippage / Savings £	Net Budget Totals £
Occupational Therapy GCA-Various (Saving)	0	26,500	26,500
Mid Yell GCY6121 (Additional)	20,000	0	(20,000)
SSIS Upgrade GCX4311 (Slippage)	0	7,000	7,000
ICT Planning Project GCX4329 (Slippage)	0	60,000	60,000
Roads RP Schools Speed Limits GCY9123 (Slippage)	0	150,000	150,000
Copper Pipework Replace GCB6001 (Additional)	7,500	0	(7,500)
DDA Access GCB6004 (Underspend)	0	21,000	21,000
Peerie Dock Symbister RCM2309 (Saving)	0	1,300	1,300
Scalloway Water Main RCM2315 (Slippage)	0	37,000	37,000
Education Maintenance GCE1500 (Saving)	0	65,000	65,000
TF Facility Software GCY5504 (Additional)	18,000	0	(18,000)
Mid Yell Workshop GCY5505 (Slippage)	0	32,500	32,500
Tingwall Airport GCY7202 (Slippage)	0	338,000	338,000
Ferries Rolling Programme GCY7601 (Transfer)	0	27,000	27,000
Ferry Terminal Structural Imp. GCY7626 (Additional)	27,000	0	(27,000)
	0	0	0
	0	0	0
	0	0	0
Totals	72,500	765,300	692,800

10/11 Budgets

Project	Budget Slippage from 09/10 £	Additional Budget Required £	Reduction in Budget Required £	Overall Total Budget Amendments £
SSIS Upgrade GCX4311	7,000	0	0	7,000
ICT Planning Project GCX4329	60,000	0	0	60,000
Roads RP Schools Speed Limits GCY9123	150,000	0	0	150,000
Scalloway Water Main RCM2315	37,000	0	0	37,000
Mid Yell Workshop GCY5505	32,500	0	0	32,500
Tingwall Airport GCY7202	338,000	0	0	338,000
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Totals	624,500	0	0	624,500

09/10 Budgets - General Fund (Externally Funded)

Project	Additional Budget Required £	Budget Slippage / Savings £	Net Budget Saving £
	0	0	0
	0	0	0
	0	0	0
Totals	0	0	0

10/11 Budgets - General Fund (Externally Funded)

Project	Budget Slippage from 09/10 £	Additional Budget Required £	Reduction in Budget Required £	Overall Total Budget Amendments £
	0	0	0	0
	0	0	0	0
	0	0	0	0
Totals	0	0	0	0

Summary of Councils Funded Capital Projects 09/10

General Fund

Service Area	Project Cost Centre	General Fund Projects	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Community Care	GCA****	Social Care Rolling Programme	868,829	(26,500)	842,329
Community Care	GCA0106	Care Homes Additional Beds	40,000		40,000
Community Care	GCA0231	Care Homes Fire Upgrade	189,000		189,000
Community Care	GCA0233	Joint Occupational Therapy Centre	50,000		50,000
Community Care	GCA0234	Taing House Capital Maintenance	0		0
Community Care	GCA0235	Viewforth Capital Maintenenance	0		0
Community Care	GCA0237	Eric Gray Replacement	15,000		15,000
Childrens Services	GCG0232	Leog Replacement	105,000		105,000
Schools	GCE1315	Mid Yell JHS	4,422,000		4,422,000
Schools	GCE1500	Education Capital Maintenance	1,329,000	(65,000)	1,264,000
Schools	GCE1171	Little Tikes	25,000		25,000
Sport & Leisure	GCJ3001	Water Based Facilities (Marinas)	29,618		29,618
Sport & Leisure	GCJ3002	Knab Dyke	88,000		88,000
Sport & Leisure	GCJ3003	Refurbishment of Play Areas/Park Equipment	210,000		210,000
Sport & Leisure	GCJ3006	Community Organisation Grants	426,000		426,000
Sport & Leisure	GCJ3020	Islesburgh CC Capital Maintenance	6,000		6,000
Culture	GCL4100	Old Library Centre Maintenance	20,000		20,000
Culture	GCL4402	Cinema and Music Venue	1,912,500		1,912,500
Housing	GCH3100	Housing Staff Accommodation	9,872		9,872
Housing	GCH3102	Housing Chalet Accommodation	10,958		10,958
Housing	GCH3120	Housing Temporary Accom (Homelessness)	14,423		14,423
Legal & Admin	GCB6001	Copper Pipework Replacement	148,000	7,500	155,500
Legal & Admin	GCB6002	Lystina Maintenance	6,500		6,500
Legal & Admin	GCB6004	Disability Discrimination Act Works	90,000	(21,000)	69,000
Legal & Admin	GCB6006	Ness of Sound Farm Byre Roof	27,000		27,000
CPS	GCK2000	Feasibility Studies	35,000		35,000
CPS	GCK2002	Contingency and Final Accounts	92,000		92,000
ICT	GCX4300	PC & LAN replacement	257,000		257,000
ICT	GCX4311	SSIS Upgrade	7,166	(7,000)	166
ICT	GCX4312	Schools ICT Equipment	261,000		261,000
ICT	GCX4315	IP Phones	120,000		120,000
ICT	GCX4319	LV/MV Photocopiers	75,000		75,000
ICT	GCX4323	Shetland Public Sector Network	297,000		297,000
ICT	GCX4329	ICT - Planning Project	60,000	(60,000)	0
Environment	GCY****	Burial Ground Rolling Programme	323,000		323,000
Environment	GCY5129	Energy Recovery Plant	85,000		85,000
Environment	GCY5132	Replacement Esplanade Toilets	90,000		90,000
Environment	GCY5133	Rova Head Reinstatement	74,000		74,000
Environment	GCY5137	Gremista Landfill Phase 2 (Design)	20,000		20,000
Environment	GCY5139	Wheelie Bins	126,000		126,000
Environment	GCY9016	Public Toilet Rolling Programme	2,105		2,105
Environment	GCY5504	TF Facility Management Software	82,000	18,000	100,000
Environment	GCY5505	New Mid Yell Workshop	245,000	(32,500)	212,500
Roads	GCY6106	A971 Haggersta to Cova	70,000		70,000
Roads	GCY6117	A971 W Burrafirth Jnct to Brig O' Waas	5,000		5,000
Roads	GCY6118	Germatwatt Footways	10,000		10,000
Roads	GCY6120	A970 Oversund Junction	13,000		13,000
Roads	GCY6121	B9081 Mid Yell (Hillend Section)	410,000	20,000	430,000
Roads	GCY6122	Papa Stour Road	95,000		95,000
Roads	GCY6124	Scord to School	10,000		10,000
Roads	GCY6125	B9071 Bixter to Aith Phase 2	20,000		20,000
Roads	GCY6126	Sletts Road Sea Wall	5,000		5,000
Roads	GCY6127	Murrister Depot Replacement	30,000		30,000
Roads	GCY6128	Bixter Bus Interchange	160,000		160,000
Roads	GCY6129	B9071 Parkhall to Sand Junction	5,000		5,000
Roads	GCY6130	B9082/3 Gutcher to Cullivoe	10,000		10,000
Roads	GCY6131	Gulberwick Road	5,000		5,000
Roads	GCY6132	Gremista Footways	8,000		8,000
Roads	GCY6133	Vidlin Shore Road Footway	8,000		8,000
Roads	GCY6134	Scalloway East Voe Footway	8,000		8,000
Roads	GCY6135	Burravoe, Yell Footway	8,000		8,000
Roads	GCY6136	Tingwall Footways	8,000		8,000
Roads	GCY6202	Burra Bridge	2,500		2,500
Roads	GCY6204	Trondra Bridge	2,500		2,500
Roads	GCY6205	Laxaburn Bridge	10,000		10,000
Roads	GCY6206	Burnbeach Seawall, Scalloway	10,000		10,000
Roads	GCY6207	Strand Loch Bridge, Tingwall	10,000		10,000
Roads	GCY6298	Advanced Design of Schemes	35,000		35,000
Roads	GCY6299	Completed Schemes	7,267		7,267
Roads	GCY6401	Scord Quarry Fixed Plant Replacement	250,000		250,000
Roads	GCY6405	North Mainland Roads Office	500		500
Roads	GCY9200	Roads Rolling Minor Works	85,000		85,000
Roads	GCY9201	Roads Rolling Development Related Roads	24,000		24,000
Roads	GCY9202	Roads Rolling Bridge Replacements	191,000		191,000
Roads	GCY9203	Roads Rolling Footways & Streetlighting	100,000		100,000
Roads	GCY9204	Roads Rolling Streetlighting Replacement	168,000		168,000
Roads	GCY9206	Roads Rolling Traffic Management	36,000		36,000

| Roads | GCY9207 | Roads Rolling Accident Investigation & Prevention | 90,000 | | 90,000 |
| Roads | GCY9208 | Roads Rolling Air Service | 18,000 | | 18,000 |

Service Area	Project Cost Centre	General Fund Projects cont...	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Roads	GCY9209	Roads Rolling Works/Purchases Bus Services	20,000		20,000
Roads	GCY9210	Roads Rolling Road Reconstruction	182,000		182,000
Roads	GCY9211	Roads Rolling Roads Drainage Improvements	49,000		49,000
Roads	GCY9212	Roads Rolling Crash Barrier Replacement	135,000		135,000
Roads	GCY9213	Roads Rolling 20mph Speed Limits	410,000	(150,000)	260,000
Transport	GCY7202	Tingwall Airport (H&SE Works)	500,000	(338,000)	162,000
Transport	GCY7212	Bressay Link	40,000		40,000
Transport	GCY7213	Whalsay Link	500,000		500,000
Transport	GCY7214	Fetlar Breakwater	300,000		300,000
Transport	GCY7254	Vehicle & Plant Replacement Programme	1,251,600		1,251,600
Transport	GCY7601	Ferries Capital Rolling Programme	162,000	(27,000)	135,000
Transport	GCY7603	Yell Ferries	121,643		121,643
Transport	GCY7626	Urgent Repairs to Ferry Terminals	261,000	27,000	288,000
		Sub Total	18,153,981	(654,500)	17,499,481

Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour)	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Port Operations	RCM2208	Scalloway Dredging	0		0
Port Operations	RCM2309	Peerie Dock, Symbister	7,000	(1,300)	5,700
Port Operations	RCM2314	Uyeasound Pier	215,223		215,223
Port Operations	RCM2315	Scalloway Water Main	40,000	(37,000)	3,000
Port Operations	RCM2316	Walls Pier	140,000		140,000
		Sub Total	402,223	(38,300)	363,923
		General Fund Total	18,556,204	(692,800)	17,863,404

Externally Funded Projects

Service Area	Project Cost Centre	Capital Budgets created through Revenue Savings / External Grant Funding	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Community Care	GCA0236	Montfield Care Home	2,050,030		2,050,030
CPS	GCK2001	CCTV	113,766		113,766
Development	GCD1570	Wind Farm Development	0		0
Finance	GCF1302	Electronic Payments System	44,035		44,035
		Externally Funded Total	2,207,831	0	2,207,831

Harbour Account

Service Area	Project Cost Centre	Funded directly from Harbour Account	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	PCM2101	Ports & Harbours Plant & Equipment	150,000		150,000
Ports & Harbours	PCM2104	Ports & Harbours Nav Aids	70,000		70,000
		Sub Total	220,000	0	220,000

Service Area	Project Cost Centre	Funded through debt charges from the Harbour Account	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	RCM2313	Sellaness Tugs	13,246,794		13,246,794
		Sub Total	13,246,794	0	13,246,794
		Harbour Account Total	13,466,794	0	13,466,794

Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by financial arrangement.	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Schools	GCE1304	AHS New Build	2,000,000		2,000,000
		AHS Financing Arrangement Total	2,000,000	0	2,000,000

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
HRA	HCH3303	Land/Property Acquisition	678,851		678,851
HRA	HCH3404	Environmental Improvements	259,266		259,266
HRA	HCH3512	Community Care Projects	107,103		107,103
HRA	HCH3525	Feasibility Studies HRA	25,655		25,655
HRA	HCH3526	Opportunity Conversion	124,862		124,862
HRA	HCH3706	Heating Replacement Programme	157,103		157,103
HRA	HCH3708	External Re-Render Programme	387,758		387,758
HRA	HCH3710	Lerwick Crudens	1,146,933		1,146,933
HRA	HCH3711	Retentions/Final Account	40,000		40,000
HRA	HCH3712	Housing Quality Standard	360,000		360,000
HRA	HCH3714	Replacement MIS System	200,000		200,000
HRA	HCH3800	Cap Rec/Sale Council Houses	(889,886)		(889,886)
		HRA Total	2,597,645	0	2,597,645

| | | Total Overall Capital Budget | 38,828,474 | (692,800) | 38,135,674 |

General Fund

Service Area	Project Cost Centre	General Fund Projects	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Community Care	GCA0100	SC RP Inspection Health & Safety	26,465		26,465
Community Care	GCA0101	SC RP Building Fabric	41,850		41,850
Community Care	GCA0102	SC RP Electrical Sys Upgrade	38,542		38,542
Community Care	GCA0103	SC RP Mechanical Sys Upgrade	16,492		16,492
Community Care	GCA0104	SC RP Plant Equip Replacements	2,160		2,160
Community Care	GCA0105	SC RP Safety Surfaces	22,055		22,055
Community Care	GCA0106	Additional Care Home Beds	185,000		185,000
Community Care	GCA0120	SC RP Special Studies	2,129		2,129
Community Care	GCA0231	Care Homes Fire Upgrade	311,000		311,000
Community Care	GCA0233	Joint Occupational Therapy Centre	2,700,000		2,700,000
Community Care	GCA0234	Taing House Maintenance	76,500		76,500
Community Care	GCA0235	Viewforth Maintenance	40,500		40,500
Community Care	GCA0237	Eric Gray Replacement	775,000		775,000
Community Care	GCA0238	Viewforth Replacement	400,000		400,000
Community Care	GCA0239	Isleshavn Replacement	500,000		500,000
Community Care	GCA0240	Maintenance RP - Old Craigielea	50,000		50,000
Community Care	GCA1000	SC RP Special Aids Stock Items	94,685		94,685
Community Care	GCA1001	SC RP Specialist Aids	277,433		277,433
Community Care	GCA1003	SC RP Minor Adaptions	46,703		46,703
Community Care	GCA1004	SC RP Major Adaptions	228,892		228,892
Community Care	GCA1005	SC RP Housing Renovations	145,831		145,831
Community Care	GCA1006	SC RP Professional Fees	24,528		24,528
Community Care	GCA1007	SC RP Specialist Aids Reburbishment	45,868		45,868
Childrens Service	GCG0232	Leog Replacement	295,000		295,000
Childrens Service	GCG0233	Laburnum - Refurbishment/Extension	100,000		100,000
Childrens Service	GCG0234	Childrens Service New Build (Laburnum)	200,000		200,000
Childrens Service	GCG0235	Maintenance RP - Laburnum	20,000		20,000
Schools	GCE1171	Little Tikes	358,000		358,000
Schools	GCE1315	Mid Yell JHS	3,350,000		3,350,000
Schools	GCE1500	Education Capital Maintenance	1,813,000		1,813,000
Sport & Leisure	GCJ3001	Water Based Facilities (Marinas)	382		382
Sport & Leisure	GCJ3003	Refurbishment of Play Areas/Park Equipment	175,000		175,000
Sport & Leisure	GCJ3006	Community Organisation Grants	300,000		300,000
Sport & Leisure	GCJ3020	Islesburgh Maintenance	30,000		30,000
Culture	GCL4100	Maintenance RP - Old Library Centre	85,000		85,000
Culture	GCL4402	Cinema and Music Venue	1,587,500		1,587,500
Culture	GCL6000	Maintenance RP - Train Shetland	100,000		100,000
Culture	GCL TBA	Shetland College Extension	500,000		500,000
Housing	GCH3100	Housing Staff Accommodation	10,969		10,969
Housing	GCH3102	Housing Chalet Accommodation	12,175		12,175
Housing	GCH3103	Maintenance RP - Skerries/Foula School Houses	100,000		100,000
Housing	GCH3120	Housing Temporary Accom (Homelessness)	16,025		16,025
Legal & Admin	GCB6001	Copper Pipework Replacement	150,000		150,000
Legal & Admin	GCB6002	Lystina Stonework	340,000		340,000
Legal & Admin	GCB6004	Disability Discrimination Act Works	100,000		100,000
Legal & Admin	GCB6006	Ness of Sound Farm	12,000		12,000
CPS	GCK2000	Feasibility Studies	400,000		400,000
CPS	GCK2002	Contingency and Final Accounts	100,000		100,000
ICT	GCX4300	PC & LAN replacement	278,000		278,000
ICT	GCX4311	SSIS Upgrade	70,500	7,000	77,500
ICT	GCX4312	Schools ICT Equipment	395,000		395,000
ICT	GCX4319	LV/MV Photocopiers	75,000		75,000
ICT	GCX4323	Shetland Public Sector Network	251,000		251,000
ICT	GCX4329	ICT Planning Project	90,000	60,000	150,000
Development	GCD1576	Fibre Optic Cable	1,100,000		1,100,000
Environment	GCY5121	Fetlar Burial Ground	38,000		38,000
Environment	GCY5124	Bixter Burial Ground	364,500		364,500
Environment	GCY5125	Voe Burial Ground	10,000		10,000
Environment	GCY5129	Energy Recovery Plant	195,000		195,000
Environment	GCY5132	Replacement Esplanade Toilets	18,000		18,000
Environment	GCY5133	Rova Head Reinstatement	140,000		140,000
Environment	GCY5137	Gremista Landfill Phase 2	2,600,000		2,600,000
Environment	GCY5139	Wheelie Bins	59,500		59,500
Environment	GCY5200	Public Toilets Essential Maintenance	60,000		60,000
Environment	GCY5501	Maintenance RP - Recladding Gremista Workshop	564,000		564,000
Environment	GCY5505	New Mid Yell Workshop	10,000	32,500	42,500
Roads	GCY6121	B9081 Mid Yell (Hillend Section)	10,000		10,000
Roads	GCY6122	Papa Stour Road	15,000		15,000
Roads	GCY6124	Scord to School	20,000		20,000
Roads	GCY6125	B9071 Bixter to Aith Phase 2	150,000		150,000
Roads	GCY6126	Sletts Road Sea Wall	250,000		250,000
Roads	GCY6127	Murraster Depot Replacement	250,000		250,000
Roads	GCY6129	B9071 Parkhall to Sand Junction	20,000		20,000
Roads	GCY6130	B9082/3 Gutcher to Cullivoe	50,000		50,000
Roads	GCY6131	Gulberwick Road	15,000		15,000
Roads	GCY6137	Maintenance RP - Weathersta Depot Building	10,000		10,000
Roads	GCY6298	Advanced Design of Schemes	170,000		170,000
Roads	GCY6401	Scord Quarry Fixed Plant Replacement	250,000		250,000
Roads	GCY6405	North Mainland Roads Office	74,500		74,500

- 69 -

Roads	GCY9200	Roads Rolling Minor Works	100,000		100,000
Roads	GCY9201	Roads Rolling Development Related Roads	60,000		60,000
Roads	GCY9202	Roads Rolling Bridge Replacements	350,000		350,000
Roads	GCY9203	Roads Rolling Footways	250,000		250,000
Roads	GCY9204	Roads Rolling Streetlighting Replacement	200,000		200,000
Roads	GCY9206	Roads Rolling Traffic Management	50,000		50,000
Roads	GCY9207	Roads Rolling Accident Investigation & Prevention	100,000		100,000
Roads	GCY9208	Roads Rolling Air Service	20,000		20,000
Roads	GCY9209	Roads Rolling Works/Purchases Bus Services	40,000		40,000
Roads	GCY9210	Roads Rolling Road Reconstruction	300,000		300,000

Service Area	Project Cost Centre	General Fund Projects cont...	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Roads	GCY9211	Roads Rolling Roads Drainage Improvements	80,000		80,000
Roads	GCY9212	Roads Rolling Crash Barrier Replacement	150,000		150,000
Roads	GCY9213	Roads Rolling - Speed Limits for Schools	0	150,000	150,000
Transport	GCY7202	Tingwall Airport (H&SE Works)	0	338,000	338,000
Transport	GCY7213	Whalsay Link	1,000,000		1,000,000
Transport	GCY7214	Fetlar Breakwater	2,600,000		2,600,000
Transport	GCY7215	Skerries South Mouth	200,000		200,000
Transport	GCY7254	Vehicle & Plant Replacement Programme	1,200,000		1,200,000
Transport	GCY7601	Ferries Capital Rolling Programme	180,000		180,000
Transport	GCY7626	Urgent Repairs to Ferry Terminals	290,000		290,000
		Sub Total	**30,979,684**	**587,500**	**31,567,184**

Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour)	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Port Operations	RCM2208	Scalloway Dredging	3,000,000		3,000,000
Port Operations	RCM2315	Scalloway Water Main	250,000	37,000	287,000
Port Operations	RCM2316	Walls Pier	1,400,000		1,400,000
		Sub Total	**4,650,000**	**37,000**	**4,687,000**
		General Fund Total	**35,629,684**	**624,500**	**36,254,184**

Harbour Account

Service Area	Project Cost Centre	Funded directly from Harbour Account	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	PCM2101	Ports & Harbours Plant & Equipment	70,000		70,000
Ports & Harbours	PCM2104	Ports & Harbours Nav Aids	70,000		70,000
		Sub Total	**140,000**	**0**	**140,000**

Service Area	Project Cost Centre	Funded through debt charges from the Harbour Account	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	RCM2313	Sellaness Tugs	361,500		361,500
		Sub Total	**361,500**	**0**	**361,500**
		Harbour Account Total	**501,500**	**0**	**501,500**

Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by financial arrangement.	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
Schools	GCE1304	AHS New Build	15,000,000		15,000,000
		AHS Financing Arrangement Total	**15,000,000**	**0**	**15,000,000**

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure	Existing Budget Allocation	CPS-07-10 Adjustments	Proposed Budget Allocation
HRA	HCH3303	Land/Property Acquisition	678,851		678,851
HRA	HCH3404	Environmental Improvements	259,266		259,266
HRA	HCH3512	Community Care Projects	107,103		107,103
HRA	HCH3525	Feasibility Studies HRA	25,655		25,655
HRA	HCH3526	Opportunity Conversion	124,862		124,862
HRA	HCH3706	Heating Replacement Programme	157,103		157,103
HRA	HCH3708	External Re-Render Programme	387,758		387,758
HRA	HCH3710	Lerwick Crudens	1,146,933		1,146,933
HRA	HCH3711	Retentions/Final Account	40,000		40,000
HRA	HCH3712	Housing Quality Standard	560,000		560,000
HRA	HCH3714	Replacement MIS System	0		0
HRA	HCH3800	Cap Rec/Sale Council Houses	(889,886)		(889,886)
		HRA Total	**2,597,645**	**0**	**2,597,645**

| | | **Total Overall Capital Budget** | **53,728,829** | **624,500** | **54,353,329** |

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **24 March 2010**

From: **Head of Capital Programming**

Report No.:   **CPS-08-10-F**

Subject: **Capital Programme – Way Forward Gateway Process**

1.0   Introduction

1.1   On 28 October 2009 members approved a report setting year 1 of the proposed 5 year Capital Programme, noting progress on a 'gateway' approach.

1.2   Further reports were to be presented from the Finance Review Working Group to the Council. This report was considered by the Finance Review Working Group on 10 March 2010.

1.3   This report develops the principles of the 'gateway' and presents a process and documents that will assist in the assessment of capital projects.

2.0   Links to Corporate Plan 2008–11 and Risk Analysis

2.1   This contributes to the efficient operation of the Council's business. It also develops proposals for a system to ensure that the Council can meet its overall financial objective of maintaining reserves at £250m.

2.2   The Gateway Process is a key step in developing a 5-year Capital Programme. The absence of an agreed Capital Programme has been identified as a strategic risk in recent reports by Audit Scotland.

3.0   Background

3.1   Members of the Finance Review Working Group have been presented with an outline framework to ensure the robustness of capital projects. This is referred to as a 'gateway' process, and draws on national and best practice guidance. It is also complementary to the Council's existing Capital Procurement guidance.

3.2   This report brings forward a method to implement this 'gateway' process at a practical level and it takes into account the views expressed by members at the Financial Resources Member/ Officer Working Group on 10 March 2010.

4.0   Proposal

4.1   Appendix 1 is the gateway process with the Councils current procurement guidance key steps aligned. This shows how existing processes tie into the 'gateway' process stages and shows where the new gateway stages of scrutiny and approval fit in.

4.2   Key tools have been developed to assist the scrutiny and appraisal of projects. These are:

- Service Need Report Template (Appendix 2)
- Service Need Appraisal Template (Appendix 3)
- Feasibility Study Template (Appendix 4)
- Feasibility Appraisal Template (Appendix 5)

The Service Need report template and Feasibility report templates have been in use for some time and are embedded into existing procedures.

4.3   An exercise has been carried out using the Business Case and Feasibility study reports from four previous projects. Appraisal templates were developed and used to assess each of the projects. A team of staff from the Capital Programme Service appraised each of these projects. The results are summarised in the following table. This table illustrates the nature of the issues that may be identified at the appraisal stage and the subsequent actions.

Project	Summary of Appraisal Comments	Additional information required	Recommendation	Result
Replacement Infrastructure Project	The case for this project has been well considered and there is adequate supporting evidence.	External funding to be explored. Risk of doing nothing or delaying project to be presented	Subject to additional information highlighted the project should be funded to enable it to progress to Feasibility	Recommendation to Council to proceed.
Care Facility Redevelopment	In order to fully appraise this project further information is required	The implications of the nothing option need to be described. Exploration of benefits to other services to be explored. Further information on partnership and benefits/ links to other services needed. All options consider retaining the service in this location, needs further information to demonstrate that other proposals have been considered. External funding to be considered. The statutory need for this project, and timescale, to be demonstrated. Work to be done on the brief for the feasibility stage, resources and budget needed for this.	Further information is required before a recommendation can be made.	Refer back to service for further information.

Project	Summary of Appraisal Comments	Additional information required	Recommendation	Result
New Community Facility	In order to fully appraise this project further information, is required.	A full history of this project, and the need for it, has not been adequately addressed. The shortcomings of the current service provision have not been fully described. The benefits of the proposal over the current service provision are not fully demonstrated. The implications of the do nothing option need to be shown. Of the options explored some were discounted at an early stage – need further information on these and evidence of why they are discounted. There appears to be an assumption that this development is required, again information on the shortcomings of the existing service in meeting the statutory provision is needed.	The information presented does not give adequate evidence of the requirement for this service and further work is required before this can be reconsidered.	Refer back to service for further information.
Plant Replacement Project	The case for this project has been well considered.	Funding sources to be considered. Financial implications of taking this project forward, including future years, to be presented.	Subject to additional information, the project should be funded to enable the plant replacement to take place in the timescale necessary to maintain the service. A further study is not required.	Recommendation to Council to proceed.

4.4 The exercise demonstrated that there is likely to be a need for a two way process between the Appraisal team and the Service department with requests for additional information. As the process becomes more familiar it is likely that reports will be completed more thoroughly than in the examples used in this exercise and more detailed information will be provided to the Appraisal team.

4.5 The gateway procedure indicated at the pre-feasibility stage is:

- Report can be initiated for a variety of reasons, for example as a result of a Council aspiration or by a service need identified by an officer;

- Service department prepare Service Need Case (SNC) report;

- These are initially presented to the Appraisal Team;

- The Appraisal team may:
  o Refer the SNC report to the relevant Committee; or
  o Request clarification and/ or additional information from the service department

- SNC reports that have been considered by the relevant Committee would then be presented to the Council with a recommendation from the Committee and from the Appraisal team

4.6 Recommendations to the Council are likely to be:

- To approve the project onto the list of future Capital Projects, subject to programming by the Council or,

- To approve the project onto the list of future Capital Projects, subject to programming by the Council and subject to any other conditions appropriate such as the securing of external funding.

- To reject the project.

4.7 The process will be repeated at the post-feasibility, and subsequent, stages of the project.

5.0 Appraisal Team

5.1 It is proposed that the Appraisal Team scrutinising projects will be the full executive in order to ensure all service and corporate areas are represented. The executive may invite key staff from throughout the Council to contribute to the process where specialist advice is required.

5.2 The team initially meet weekly or fortnightly, as required, to appraise the large number of existing projects. Thereafter there will be a requirement to meet on a regular basis and on some occasions on an as required basis, for example to consider projects where tender prices exceed the approved budget.

6.0   5 Year Capital Programme

6.1   Subject to the approval of the gateway process all future and existing capital projects, including those in years 1 to 5, will be subject to this process. This includes projects which are already ongoing in year 1 but which have gateway points during their development. Projects already in the 2010/11 Capital Programme will progress as normal but will be subject to the gateway process at key milestones.

7.0   Financial Implications

7.1   There are no direct financial implications arising from this report but the principle of using the 'gateway' process will enable appropriate scrutiny of projects and ensure that the Capital Programme is managed to enable the Council to maximise the benefit for use of its financial resources.

8.0   Policy and Delegated Authorities

8.1   Section 8.0 of the Council's Scheme of Delegations state that there is no delegation of matters relating to the approval of the Capital Programme so a decision of the Council is required.

9.0   Recommendations

9.1   I recommend that the Council approves the Gateway Process as described in this report.

Our Ref: RMS/RS/CPS-08-10-F   15 March 2010

Encs. Appendix 1 – Project Flow Chart
          Appendix 2 – Service Need Template
          Appendix 3 – Service Need Appraisal Template
          Appendix 4 – Feasibility Study Template
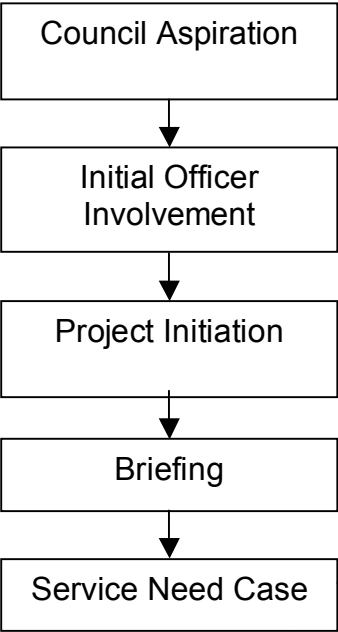   Appendix 5 – Feasibility Appriasal Template
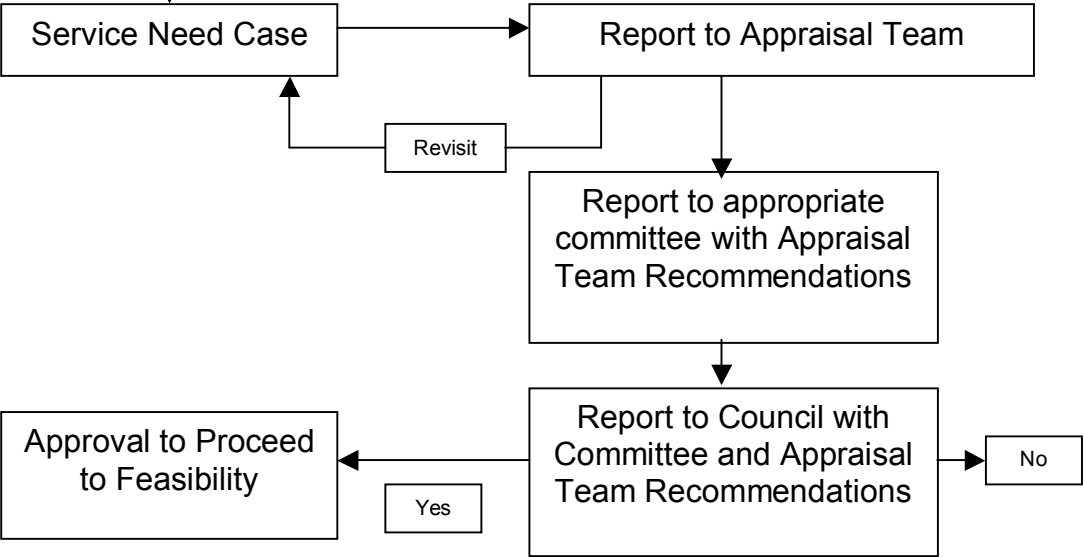
APPENDIX 1

PROJECT FLOW CHART

Gateway Process	**SIC Procedures**	**Gateways**	**Tools**

Specify

Stage 1

Strategic service case
(identify service need)

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                    ┌──────────────────────┐
                    │   Council Aspiration  │
                    └──────────────────────┘
                               │
                               ▼
                    ┌──────────────────────┐
                    │   Initial Officer     │
                    │   Involvement         │
                    └──────────────────────┘
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                    │   Project Initiation  │
                    └──────────────────────┘
                               │
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                    │      Briefing         │
                    └──────────────────────┘
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Service Need Case	→	Report to Appraisal Team

Revisit

Report to appropriate committee with Appraisal Team Recommendations

Report to Council with Committee and Appraisal Team Recommendations

Approval to Proceed to Feasibility

Yes

No

Service Need Case Template

Assessment Criteria

APPENDIX 1

Specify

Stage 2

Develop Full Service
Need Case
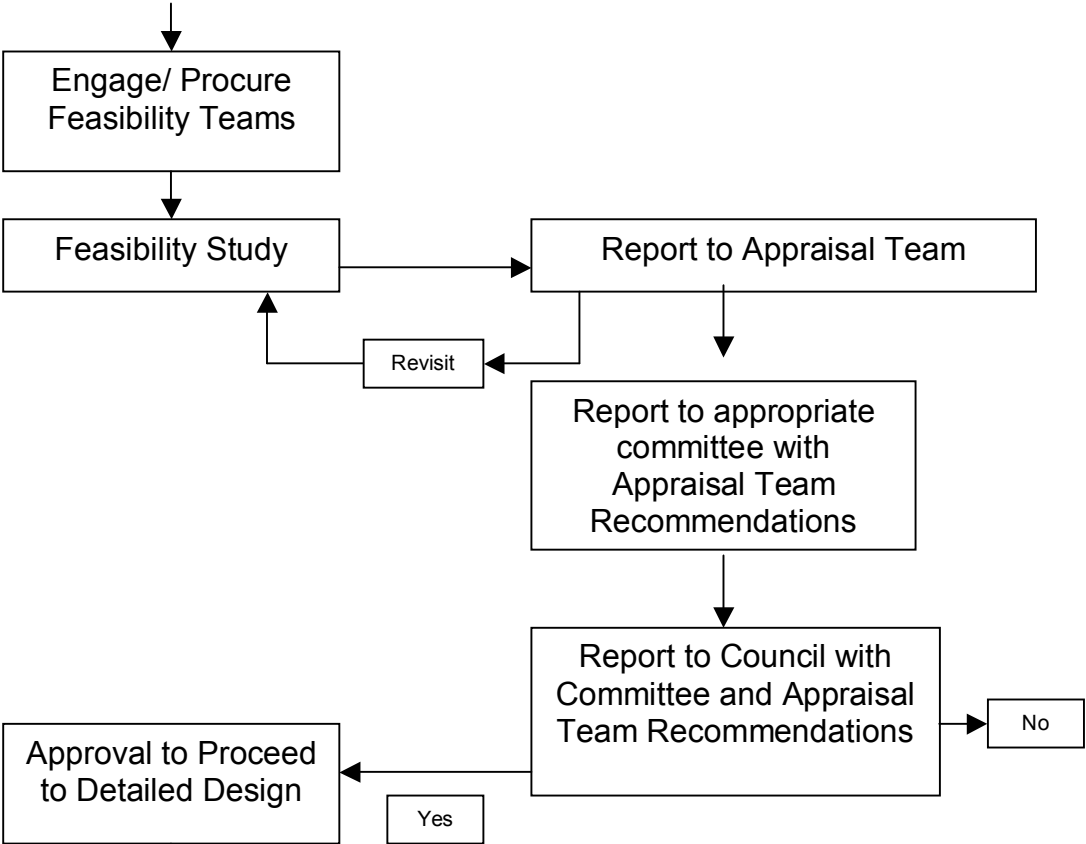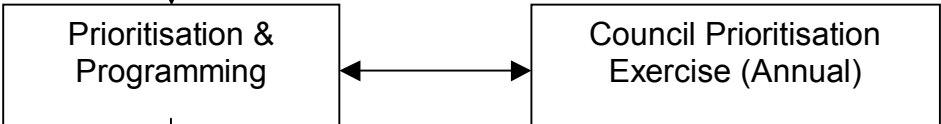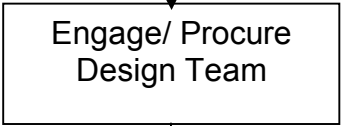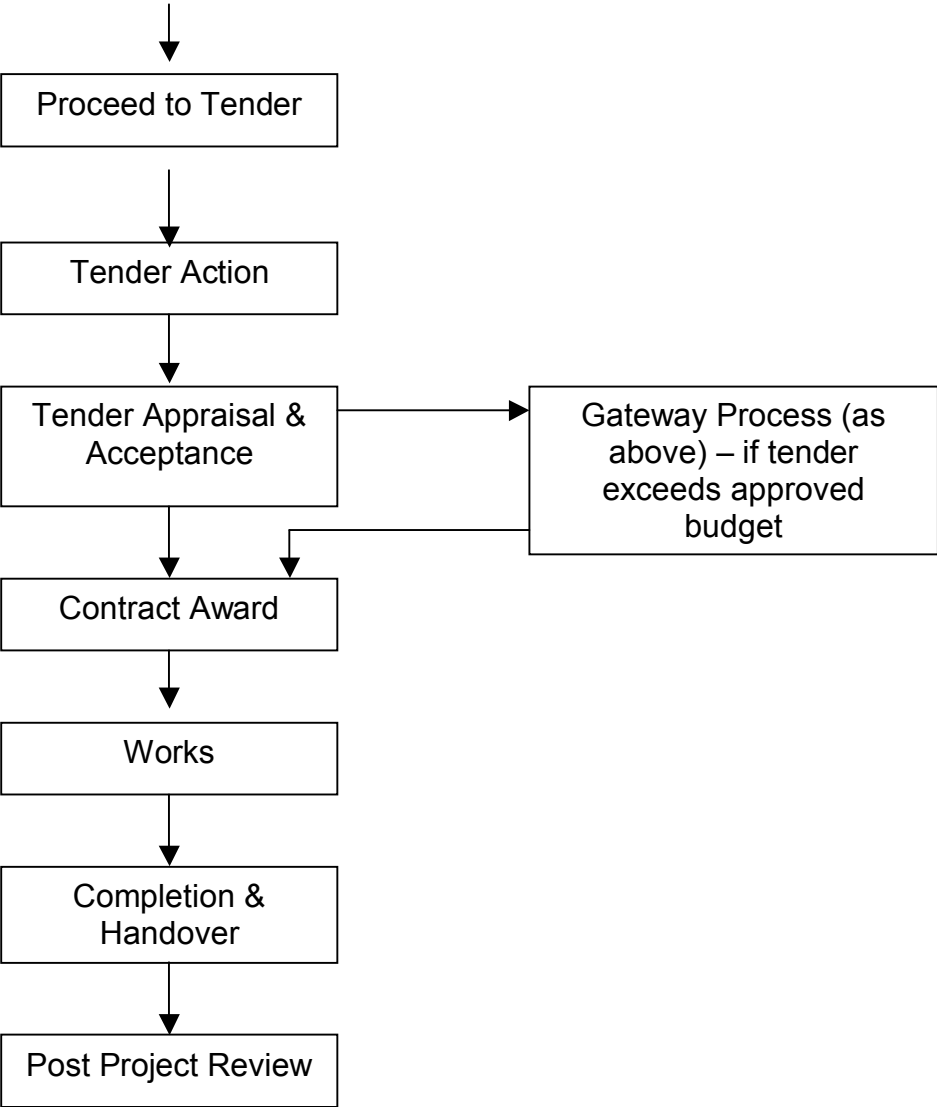
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              ┌─────────────────────┐
              │   Engage/ Procure   │
              │  Feasibility Teams  │
              └─────────────────────┘
                          ↓
              ┌─────────────────┐         ┌──────────────────────┐      ┌──────────────────────┐
              │ Feasibility     │────────→│ Report to Appraisal  │      │ Feasibility Template │
              │ Study           │         │ Team                 │      └──────────────────────┘
              └─────────────────┘         └──────────────────────┘
                      ↑    ┌─────────┐          │
                      └────│ Revisit │←─┐       ↓
                           └─────────┘  │  ┌──────────────────────┐      ┌──────────────────────┐
                                        │  │ Report to appropriate│      │ Assessment Criteria  │
                                        │  │ committee with       │      └──────────────────────┘
                                        │  │ Appraisal Team       │
                                        │  │ Recommendations      │
                                        │  └──────────────────────┘
                                        │          ↓
                                           ┌──────────────────────┐    ┌──────┐
              ┌─────────────────┐          │ Report to Council with│   │  No  │
              │ Approval to     │←─────────│ Committee and Appraisal│  └──────┘
              │ Proceed to      │          │ Team Recommendations  │
              │ Detailed Design │   ┌─────┐└──────────────────────┘
              └─────────────────┘   │ Yes │
                      ↓             └─────┘
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**Plan**

Stage 3

Prioritisation of Project

Stage 4

Allocate Resources and
Finalise Documentation

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              ┌─────────────────┐        ┌──────────────────────┐
              │ Prioritisation &│←──────→│ Council Prioritisation│
              │ Programming     │        │ Exercise (Annual)     │
              └─────────────────┘        └──────────────────────┘
                      ↓
              ┌─────────────────┐
              │ Engage/ Procure │
              │ Design Team     │
              └─────────────────┘
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Page 2 of 4

APPENDIX 1

Execute

Stage 5

Initiate and Review Tender

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                  ┌─────────────────────┐
                  │  Revisit Project Brief │
                  │    & Feasibility       │
                  └─────────────────────┘
                            ↓
                  ┌─────────────────────┐
                  │    Sign Off Brief      │
                  └─────────────────────┘
                            ↓
       ┌─────────────────────┐         ┌─────────────────────┐
       │  Outline Proposals/  │ ──────→ │  Gateway Process (as │
       │  Sketch Design-Cost  │ ←────── │       above)         │
       └─────────────────────┘         └─────────────────────┘
                          [Revisit]               ↓
                                        ┌─────────────────────┐
                    [Yes]               │  Report to Council   │
       ┌─────────────────────┐         │   Appraisal Team     │
       │      Approval        │ ←────── │  Recommendations     │
       └─────────────────────┘         └─────────────────────┘
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       ┌─────────────────────┐
       │  Scheme Design &     │
       │     Consents         │
       └─────────────────────┘
                  ↓
       ┌─────────────────────┐
       │  Detailed Design,    │
       │    Production        │
       │ Information, Further  │
       │     Consents         │
       └─────────────────────┘
                  ↓                      ┌─────────────────────┐
       ┌─────────────────────┐          │  Gateway Process (as │
       │ Pre-tender Estimate  │ ───────→ │ above) – if cost      │
       │                      │ ←─────── │ increased from        │
       └─────────────────────┘          │ approved budget       │
                  ↓      [Revisit]       └─────────────────────┘
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APPENDIX 1

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            ┌───────────────────────┐
            │   Proceed to Tender   │
            └───────────────────────┘
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                        ▼
            ┌───────────────────────┐
            │     Tender Action     │
            └───────────────────────┘
                        │
                        ▼
            ┌───────────────────────┐        ┌───────────────────────┐
            │   Tender Appraisal &  │───────▶│  Gateway Process (as  │
            │      Acceptance       │        │    above) – if tender │
            │                       │        │   exceeds approved    │
            │                       │◀───────│        budget         │
            └───────────────────────┘        └───────────────────────┘
                        │        │◀──────────────────┘
                        ▼        ▼
            ┌───────────────────────┐
            │     Contract Award    │
            └───────────────────────┘
                        │
                        ▼
            ┌───────────────────────┐
            │         Works         │
            └───────────────────────┘
                        │
                        ▼
            ┌───────────────────────┐
            │     Completion &      │
            │       Handover        │
            └───────────────────────┘
                        │
                        ▼
            ┌───────────────────────┐
            │  Post Project Review  │
            └───────────────────────┘
```

Execute

Stage 6

Review Project Progress

Closure

Stage 7

Post Project Evaluation

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Appendix 2

Operational Procedure 1.4.1.1

Service Need Template

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	1.4.1.1

Amendment and Authorisation Record

Service Need Template

Date	Author	Paragraph ref:	Nature of change	Authorised by
		n/a	First dated Revision	

Responsible Officer	Mike Finnie						
Issue No.	**1**	Revision No.		Revision Date:		Doc Ref:	1.4.1.1

QMS Procedure for Service Need Template

Executive Summary

1. Introduction
   - Brief history
   - Background
   - Brief description of issues to be resolved

2. Statutory Requirements
   - Details of any statutory of legal requirements that affect the project

3. Reference to Corporate and Service Plans
   - Quote specific references to sections within the Council's Corporate and Service Plans that support the project aims and objectives

4. Benefits to Other Services (Internal/External)
   - Explain how the project would benefit other services within the Council
   - Highlight potential effects on other projects

5. Definition and Justification of Service
   - Explain why the proposed project is required
   - Quote any supporting studies or reports
   - Explain any timing implications and/ or deadlines

6. *Socio- Economic Considerations*
   - Explain current economic case
   - Identify potential opportunities
   - Describe wider community benefits

7. Stakeholder and Client Consultation
   - Stakeholder list
   - Schedule of consultation to date
   - Minutes of any meetings

8. Participation by Others
   - Describe any partnering arrangements
   - Links with other Council Services

9. Project Options to Meet Identified Service Needs
   - All options to be considered, including 'do nothing'

10. Funding (Capital and Revenue)
    - Statement as to likely source(s) of funding, including external funding, for:
      - Feasibility Study

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	1.4.1.1

Page 1 / 4

- Implementation
- Address Spend to Save issues
- Assessment of revenue implications
  - Will ongoing costs be less than current provision?
  - For new services, how will ongoing revenue costs be funded (growth must be funded by a corresponding reduction/cut elsewhere)?
  - Where revenue costs increase, how will these increased costs be funded (growth must be funded by a corresponding reduction/cut elsewhere)?

11. Risk Analysis
- Identify and list 'high level' risks only (more detailed appraisal is part of Feasibility Study)

12. Timing
- Legislative drivers
- Availability of resources
- Coordination with any linked projects
- Provide an indicative programme and highlight any timing constraints and opportunities

13. Brief for Future Study
- Site investigation
- Preliminary design/ investigation on identified options
- Budget estimates for identified options
- Assessment of likely Planning implications
- Utilities

14. Third Party Review
- Advise whether or not required
- If required, advise as to involved parties

15. Conclusions

16. Recommendations

17. Appendices

Responsible Officer	Mike Finnie					
Issue No.	1	Revision No.		Revision Date:	Doc Ref:	1.4.1.1

Appendix 3

Service Need Appraisal Template

Executive Summary

1. Introduction
   - Brief history
   - Background
   - Brief description of issues to be resolved

Q.   Problem identified?
       Capture full history and no omissions?

2. Statutory Requirements
   - Details of any statutory of legal requirements that affect the project

Q.   Evidence of requirement checked by Legal Services?
       Does the statutory requirement require a capital project or can it me managed out?

3. Reference to Corporate and Service Plans
   - Quote specific references to sections within the Council's Corporate and Service Plans that support the project aims and objectives

Q.   Is this project directly referred to in Corporate/ Service Plans?
       Is there a credible link to Corporate/ Service plan objectives?

4. Benefits to Other Services (Internal/External)
   - Explain how the project would benefit other services within the Council
   - Highlight potential effects on other projects

Q.   Has everything been captured and there are any negative implications to other services?

5. Definition and Justification of Service
   - Explain why the proposed project is required
   - Quote any supporting studies or reports
   - Explain any timing implications and/ or deadlines

Q.   Is adequate evidence provided to support the need and timing?
       Are the service outputs adequately described?

6. *Socio- Economic Considerations*
   - Explain current economic case
   - Identify potential opportunities
   - Describe wider community benefits

Q.   If this is necessary are the results credible?

7. Stakeholder and Client Consultation
   - Stakeholder list
   - Schedule of consultation to date
   - Minutes of any meetings

8. Participation by Others
   - Describe any partnering arrangements
   - Links with other Council Services

Q.   Detail how the relationship would work and what benefits would result

9. Project Options to Meet Identified Service Needs
   - All options to be considered, including 'do nothing'

Q.   Have all options been considered?
Evidence of any bias in options considered?

10. Funding (Capital and Revenue)
    - Statement as to likely source(s) of funding, including external funding, for:
      - Feasibility Study
      - Implementation
      - Address Spend to Save issues
    - Assessment of revenue implications
      - Will ongoing costs be less than current provision?
      - For new services, how will ongoing revenue costs be funded (growth must be funded by a corresponding reduction/cut elsewhere)?
      - Where revenue costs increase, how will these increased costs be funded (growth must be funded by a corresponding reduction/cut elsewhere)?

Q.   Have all likely funding options been explored, including external funding?

11. Risk Analysis
    - Identify and list 'high level' risks only (more detailed appraisal is part of Feasibility Study)

Q.   Evidence required and who has been involved in this process?

12. Timing
    - Legislative drivers
    - Availability of resources
    - Coordination with any linked projects
    - Provide an indicative programme and highlight any timing constraints and opportunities

Q.   Are there benefits of doing it now or later?
Have in house options been considered?
Cost implications?

13. Brief for Future Study
    - Site investigation
    - Preliminary design/ investigation on identified options
    - Budget estimates for identified options
    - Assessment of likely Planning implications
    - Utilities

Q.   May not be necessary
Is there enough detail to inform and justify the feasibility study?

14. Third Party Review
    - Advise whether or not required
    - If required, advise as to involved parties
Q.   Evidence that this has been considered?

15. Conclusions

16. Recommendations
Q.   Identify cost of moving to next stage

17. Appendices

Appendix 4

Operational Procedure 2.2.1.1

Feasibility Report Template

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	2.2.1.1

Amendment and Authorisation Record

Feasibility Report Template

Date	Author	Paragraph ref:	Nature of change	Authorised by
		n/a	First dated Revision	

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	2.2.1.1

QMS Procedure for Feasibility Report Template

Proposed Feasibility Contents (first draft)

1.0   Executive Summary

2.0   Introduction
2.1   Background
2.2   Current Service provision
2.3   Current Accommodation

3.0   Brief
3.1   User requirements
3.2   Recommendations/ Actions from Service Need
3.3   In depth analysis of Service need
3.4   Requirements for service
3.5   Third party Review of Requirements
3.6   Accommodation Schedule
3.7   Relationship diagram
3.8   Room Data Sheets

4.0   Consultations
4.1   Project Team/ Consultants
4.2   CDM Coordinator
4.3   Stakeholder
4.4   Client
4.5   Public
4.6   Statutory
4.7   Other

5.0   Corporate/ Service Plan
5.1   Integration into Service Plans
5.2   Links to Corporate Plan
5.3   Links to Local Plans
5.4   Benefit to Other Services – Internal/External

6.0   Socio/ Economic Benefits
6.1   Refer to Studies

7.0   Participation by Others
7.1   Funding Partners/ External Funding
7.2   Links to other Projects
7.3   Partnering arrangements

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:		Doc Ref:	2.2.1.1

8.0   Project Options
8.1   Summary of Options to meet Service Needs
8.2   Advantages/ Disadvantages
8.3   Proposed sites/ buildings/ options
8.4   Include the 'Do Nothing' option

9.0   Exploring of Options (for Each Option)
9.1   Capital Costs
9.2   Detailed Cost Report
9.3   Cash Flow
9.4   Revenue Costs/ Implications
9.5   Life Cycle Costings
9.6   Net Present Value
9.7   Value for Money
9.8   Timescale/ Programme
9.9   Risk Analysis
9.10   Advantages/ Disadvantages
9.11   Planning and Programme Constraints
9.12   Environmental
9.13   Archaeological
9.14   Listed Building
9.15   Planning
9.16   Climate/ Weather
9.17   Time constraints (holidays etc)
9.18   Budgetary Constraints
9.19   Implications of Option to other Services

        Further studies required:
9.20   Accessibility/ Access Audit
9.21   Sustainability
9.22   Links to Council Policies
9.23   Opportunities/ Proposals
9.24   Health & Safety
9.25   Links to CDM
9.26   Issues raised on option
9.27   Implications to Users
9.28   Management

10.0   Reference to Brief for Design Procurement
10.1   Refer to Feasibility Brief - changes
10.2   Objectives/ Scope of Works
10.3   Specification Quality

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	2.2.1.1

11.0 Procurement and Implementation
11.1 Procurement Options
11.2 Form of Contract
11.3 Requirement for Funding – timescale
11.4 In-house/ External – Appointments required

12.0 Third Party Review (if applicable)

13.0 Conclusions

14.0 Recommendations

15.0 Appendices (to include)
15.1 Drawings
15.2 Structural/ Services Reports
15.3 Land Survey/ Reports
15.4 Statutory Services
15.5 Schedule of Works
15.6 Detailed Programme
15.7 List of Consultations
15.8 Project Team/ Consultants (List)

Responsible Officer	Mike Finnie					
Issue No.	**1**	Revision No.		Revision Date:	Doc Ref:	2.2.1.1

Appendix 5

Feasibility Appraisal Template

1.0   Executive Summary

2.0   Introduction
2.1   Background
2.2   Current Service provision
2.3   Current Accommodation
Q.   Problem identified?
          Capture full history and no omissions?

3.0   Brief
3.1   User requirements
3.2   Recommendations/ Actions from Business Case
3.3   In depth analysis of Service need
3.4   Requirements for service
3.5   Third party Review of Requirements
3.6   Accommodation Schedule
3.7   Relationship diagram
3.8   Room Data Sheets
Q.   Does this reflect the output from the Service Need Case?
          Is the brief adequate?
          Has the brief been subject to a third party review?
          Is all documentation available?

4.0   Consultations
4.1   Project Team/ Consultants
4.2   CDM Coordinator
4.3   Stakeholder
4.4   Client
4.5   Public
4.6   Statutory
4.7   Other
Q.   Has adequate consultation been carried out?
          Evidence/ Minutes/ Consultation diary?

5.0   Corporate/ Service Plan
5.1   Integration into Service Plans
5.2   Links to Corporate Plan
5.3   Links to Local Plans
5.4   Benefit to Other Services – Internal/External
Q.   Is this project directly referred to in Corporate/ Service Plans?
          Is there a credible link to Corporate/ Service plan objectives?

6.0   Socio/ Economic Benefits
6.1   Refer to Studies

7.0   Participation by Others
7.1   Funding Partners/ External Funding
7.2   Links to other Projects
7.3   Partnering arrangements
Q.   Does this project attract external funding?
        Are there synergies which result in financial or programme benefits?

8.0   Project Options
8.1   Summary of Options to meet Service Needs
8.2   Advantages/ Disadvantages
8.3   Proposed sites/ buildings/ options
8.4   Include the 'Do Nothing' option
Q.   Have all options been considered?
        Evidence of any bias in options considered?

9.0   Exploring of Options (for Each Option)
9.1   Capital Costs
9.2   Detailed Cost Report
9.3   Cash Flow
9.4   Revenue Costs/ Implications
9.5   Life Cycle Costings
9.6   Net Present Value
9.7   Value for Money
9.8   Timescale/ Programme
9.9   Risk Analysis
9.10   Advantages/ Disadvantages
9.11   Planning and Programme Constraints
9.12   Environmental
9.13   Archaeological
9.14   Listed Building
9.15   Planning
9.16   Climate/ Weather
9.17   Time constraints (holidays etc)
9.18   Budgetary Constraints
9.19   Implications of Option to other Services

        Further studies required:
9.20   Accessibility/ Access Audit
9.21   Sustainability
9.22   Links to Council Policies
9.23   Opportunities/ Proposals
9.24   Health & Safety
9.25   Links to CDM
9.26   Issues raised on option
9.27   Implications to Users
9.28   Management

Q. Has each option been adequately explored?
Evidence?
Evidence of any bias in options considered?
Not all categories may be relevant to all projects.

10.0 Reference to Brief for Design Procurement
10.1 Refer to Feasibility Brief - changes
10.2 Objectives/ Scope of Works
10.3 Specification Quality
Q. Has this study resulted in a significant change to the original requirements?

11.0 Procurement and Implementation
11.1 Procurement Options
11.2 Form of Contract
11.3 Requirement for Funding – timescale
11.4 In-house/ External – Appointments required
Q. Have all options been considered adequately?
Have in house options been considered?

12.0 Third Party Review (if applicable)
Q. Has a third party review been carried out?
Do the results tie in with the findings above?

13.0 Conclusions

14.0 Recommendations

15.0 Appendices (to include)
15.1 Drawings
15.2 Structural/ Services Reports
15.3 Land Survey/ Reports
15.4 Statutory Services
15.5 Schedule of Works
15.6 Detailed Programme
15.7 List of Consultations
15.8 Project Team/ Consultants (List)

Shetland
Islands Council

REPORT

To: Shetland Islands Council   **24 March 2010**

From: Head of Housing

Report No: HS-13-10D2

Funding of New Build Housing

1.   Introduction

1.1   This report seeks interim funding arrangements for new build housing in Lerwick & Brae.

2.   Links to Corporate Priorities and Risks

2.1   Sustainable Organisation - Help us to make sure that we are making best use of our resources and delivering Services as effectively as possible. The Council has, through its Local Housing Strategy (LHS), a stated aspiration for more affordable housing.

2.2   The 2009/10 Housing Service plan identifies that SIC Housing Service will, "*Work in partnership with others to enable everyone in Shetland to have access to a choice of affordable housing options, across **all tenures** that are warm and safe, energy efficient and in keeping with the Shetland environment, of good quality and in good repair, able to meet demand and the particular needs of households in inclusive and vibrant communities*".

2.3   The 2009/10 Housing Service action plan requires the Head of Housing to, "*Continue to investigate options for increasing housing supply in Shetland*".

2.4   The Sustaining Shetland document endorsed by the Community Planning Board states that, "*We will increase the population of Shetland to 25,000 by 2025. We will increase the supply of housing to 12,000 by 2025*".

2.6   In terms of risk, there is a financial risk associated with this report. However, there are also political, economic, social, educational and health risks associated with high levels of unmet housing need. The consequences of this unmet housing need will have financial implications for those SIC Services supporting housing, social, education and health.

2.7	Further, the lack of affordable housing acts as a disincentive to economic growth and will prevent Shetland competing economically at a micro and macroeconomic level.

2.8	Without appropriate levels of funding, there is an increased risk already highlighted by Audit Scotland that, SIC will not meet its 2012 homeless targets.

2.9	There is a risk that the cost of enabling ground works, detailed design and preparation of contract documents will be lost if the main contracts for the houses does not continue.

**3.	Background**

3.1	In May 2009, Services Committee heard a report indicating that up to £20m might be available for the provision of affordable housing (Min ref 54/09). This £20m would have to be made up of a combination of borrowing, Government grant and use of reserves and possible increase in rents. In the meantime, Services Committee has already agreed to consider the purchase of properties valued at approximately £1m (Min ref 91/09). Therefore, of the £20m originally planned, only £19m worth of development activity could be planned.

3.2	However, since that time we have learned that the SIC bid for a £4.3m grant for new build housing has been turned down by the Scottish Government. This refusal was on the basis that the existing levels of debt were not manageable and so the award of further funding presented a risk.

3.3	As a consequence, a delegation of Council members and officers met with the Housing Minister, Mr Alex Neil on the 4 March 2010. The outcome of that meeting raised concerns from the Minister about the continuation of Housing Support Grant (HSG) and sustainability of the HRA debt. It was stated that if SIC could agree a debt management plan with the Scottish Government, they may in the future be considered for future funding for new build housing.

3.4	During this same period, preliminary design work and consultation has been proceeding with a view to obtaining planning permission at the very earliest opportunity. This was with the intention of proceeding with the contracted works as soon as practicable after the issue of a planning permission.

3.5	Planning permission has already been obtained for the scheme in Brae. A submission for the Hoofields scheme is due to be submitted as this report is written. It was anticipated that ground works for both these schemes would start in the summer of 2010 (subject to planning permission for Hoofields). All other proposals are at the pre planning stage.

3.6	To facilitate progress, it was anticipated that the Head of Finance would be able to prepare an enabling report to seek approval of an overall funding package in March 2010. Unfortunately, the events highlighted in 3.1 to 3.3 have prevented this from happening in the expected timescale. It now

remains unlikely that such a report can be submitted before May 2010 at the earliest.

3.7   Any future reports will now have to take into account the proposals of the Scottish Government relating to HSG into the future.

3.8   The knock on effect is that, the anticipated funding package will not now be in place in good time for this work to commence during the summer of 2010. If work is to continue an interim funding measure is required.

3.9   This presents the Council with a stark choice. The choice is:

3.9.1   To suspend / stop all work on new build housing until such time that funding is completely resolved;

3.9.2   Authorise the use of HRA repair and renewal fund as interim funding, until such time that overall funding is decided upon:

3.10   Should members be minded to adopt 3.9.1, this will have the effect of introducing delay into the existing new build programme, until such time that funding becomes available in the future, if at all. In this scenario, all anticipated house completions between now and 2012 will be delayed and the chances of meeting the 2012 homeless targets further compromised.

3.11   Should members be minded to proceed with 3.9.2, I would recommend that this is limited to the ground works (roads and services) at this stage. This is to keep such expenditure to a minimum and avoid committing larger sums to contracts for the main construction of the houses. In considering this option further points to consider are:

3.11.1 Detailed design and further contract preparation could still continue in anticipation of progress at some point in the future. This expenditure would remain at risk but the completed works and products would always be available for use into the future should funding become available. These costs would potentially be lost if the main new build works did not continue to the award of a contract;

3.11.2 However, some or all of these costs in 3.11.1 may be recovered by the sale of serviced building sites with or without house designs at these locations, if the main housing building contract does not proceed:

3.12   In anticipation of progress the EU procurement has already been initiated by way of a contract notice in the Official Journal of the European Union (OJEU), for the proposed new build housing at Hoofields. In considering the options at 3.9 above, members should also consider whether or not the current EU works contract procedure should continue. If this process is stopped and started again at some point it will be required to run for a minimum 30 days notice.

3.12   In any event, the Head of Finance will prepare a report for Council to consider at the earliest opportunity, once present negotiations are concluded and the financial implications are know with some certainty.

4   Conclusions

4.1   The position outlined by the Scottish Government has placed the future funding of the HRA at risk and introduced uncertainty. The first casualty of this uncertainty is the housing new build. There are also far wider implications for the HRA and the Council and these will require more detailed consideration and a decision in the future. In the meantime, the availability of HRA reserves provides an option to continue the project in the short term. The Council is already working to a tight timeframe to meet the 2012 homeless targets. Any delay further reduces the Council's ability to meet such targets.

5   Financial Implications

5.1   The use of HRA reserves for this purpose would mean those reserves are not available in the future to support the HRA activity for which it was intended. Similarly, such a use might compromise the longer term sustainability of HRA reserves into the future. The estimated value of the enabling ground works at Hoofields is £950k and £300k at Brae. However, if the new build housing cannot continue, any financial losses may be offset by selling serviced building plots with or without the house design.

6.   Policy and Delegated Authority

6.1   All matters relating to Housing stand referred to the Services Committee In accordance with Section 13 of the Council's Scheme of Delegations. The Committee has delegated authority to make decision on matters within its remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision. However, as this report has financial implications beyond the remit of Services Committee, the report is referred to the Shetland Islands Council.

7.   Recommendations

7.1   I recommend that Shetland Islands Council:

7.1.1 Use HRA reserves as interim funding to continue ground work on new build housing, until the Council is better placed to make a decision on the overall program and longer term HRA activity;

7.1.2 Approve a budget of £1.25m for ground works at Brae & Hoofields;

7.1.3 Continue detailed design and preparation of design and contract documents for works above ground continue to the pre tender stage;

7.1.4 Consider the current situation and confirm if they wish SIC to continue with the EU works contract procedure for the main contract in the meantime:

Date: 24 March 2010
Our Ref: CM/LJ   Report No: HS-13-10

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **24 March 2010**

From: **Head of Finance**

Irrecoverable Debt 2009/2010
Report No: F-012-F

1.   Introduction

1.1   As part of the closure of the 2008/09 accounts provision has been made under a heading for potentially irrecoverable debt.

   a)   A provision of £138,280 relating to uncollectable housing debt;

   and

   b)   A provision of £536,945 relating to sundry debts, Rates, and Council Tax.

1.2   As usual the appendices have not been reproduced with this report. This has the advantage of enabling this report to be discussed in public.

2.   Link to Council Corporate Priorities

2.1 There is no link to a specific corporate priority but this is a required function that contributes to the Council aim of being organised, efficiently run and sustainable.

2.2 In terms of risk, The primary risk involved in writing off Irrecoverable Debt is that something may get written off which could have been recovered, resulting in a loss to the Council. This risk is managed by having an exhaustive set of recovery procedures which are diligently and consistently followed by Recovery staff, and by being very restrictive about items which are included in the proposals for write-off, and by having the Head of Finance conduct a final check on all items on the list. It should also be noted that if new information comes to light, then recovery action may still be taken, except where the law disallows this.

3. Housing Revenue Account

3.1 A detailed review of all outstanding rent accounts has been carried out.

3.2 A review of all former tenant arrears balances has been carried out. There are 22 cases to the value of £45,837 that require to be written off. Appendix 1 details these balances.

3.3 In addition to this there are 3 balances totalling £2,726 relating to irrecoverable debts for tenants repairs to Council housing etc, details of which are contained in Appendix 2.

3.4 Housing Revenue Account Summary:

	No of Cases	Total £
Former Tenants	22	45,837
Other Balances (Formers)	3	2,726
Totals	**25**	**48,563**

4. General Fund

4.1 A review of outstanding sundry debt balances has been carried out. There are 5 cases with balances amounting to £57,222 that requires to be written off, details of which are contained in Appendix 2.

4.2 A review of outstanding rates balances has also been carried out. There are some 3 balances amounting to £86,227 that require to be written off, details of which are contained in Appendix 3.

4.3 Similarly, a review of all outstanding Council Tax balances has been carried out. There are 16 balances amounting to £26,520 that require to be written off, details of which are contained in Appendix 4. A charge of £19,857 should be carried against the General Fund and £6,663 against Scottish Water.

4.4 The overall position, as detailed above, is summarised in the following table:

General Fund Summary

Type of Debt	No of Cases	General Fund	Scottish Water	Total £
Sundry Debtor	5	57,222		57,222
Rates	3	86,227		86,227
Council Tax	16	19,857	6,663	26,520
Totals	**24**	**163,306**	**6,663**	**169,969**

5. Harbour Accounts

5.1 A review of all outstanding Harbour Accounts sundry debts has been carried out. There is 3 balances amounting to £3,497 that require to be written off, details are contained in Appendix 2.

6 Provisions

6.1 Housing Revenue Accounts

There is currently a provision of £138,280 to cover potentially irrecoverable debts relating to the Housing Revenue Account. The write off of £48,563 will leave £89,717.

6.2 General Fund

There is currently a provision of £536,945 to cover potentially irrecoverable debts relating to the General Fund. The write off of £163,306 will leave £373,639 remaining. A provision figure will be calculated as part of the closure of accounts for 2009/10.

7. Policy – Delegated Authority

7.1 Section 4.5 of the Council's approved Financial Regulations state: "No financial sums or other assets in excess of £1,000 shall be written out of the main accounts or subsidiary records of the Council except by the Head of Finance who shall report all such sums written off to the Council. Sums or other assets of less than £1,000 may be written out of the main accounts or subsidiary records of the Council with the express authority of the Head of Finance." Accordingly, a decision of the Council is required.

8. Recommendations

8.1 I recommend that the Council: -

(1) Approve the write off of £48,563 against the current provision for bad debts in relation to housing debt detailed in 3.4, against the Housing Revenue Account provision.

(2) Approve the write off of £163,306 of sundry debts, Rates and Council Tax balances against the General Fund Provision.

(3) Approve the write off of £6,663 against Scottish Water.

(4) Approve the write off of £3,497 against the Harbour Accounts.

Date: 25 February 2010   Report No: F-012-F
Our Ref: NW/DS/WO/2010

Shetland
Islands Council

REPORT

To: **Shetland Islands Council** 24 March 2010

From: **Assistant Chief Executive**

Integrated Services – Single Public Authorities

1. Introduction

1.1 The purpose of this report is to advise the community planning partners and the Council of current policy development work regarding public sector integration in Island Communities.

1.2 The partnership proposal by the Centre for Scottish Public Policy who are looking to develop the concept of Single Public Authories within island communities is attached as appendix 1.

2. Links to corporate priorities

2.1 The work proposed in this report will take forward issues of sustainability, partnership and efficiency in terms of the Council's corporate priorities. There are potential economic and financial risks in the longer term if we cannot identify efficiencies and better ways of working in a tightening economic climate.

3. Background

3.1 During the last Council proposals were submitted to the government in terms of an efficient government bid which was supported through the first phase of development. Efficient Government principally focuses on linking up services in particular support or background services as a means of freeing- up additional resources for front line service delivery.

3.2 The public sector reform proposals which were introduced to parliament in May 2009 went beyond the initial proposals of efficient government and seek "to deliver more effective and coordinated public services". Public Sector Reform is therefore on a larger scale and will potentially have a greater impact in terms of how we work together with other public bodies who deliver services. The backdrop to these proposals is of an economy which is going through a period of austerity and uncertainty which will pose challenges for the public sector in terms of available spend and resource allocation.

3.3 Some of these issues have been mooted with community planning partners and will be presented to the community planning board on 5 May 2010.

3.4 There is a recognition that the gap between available spend and the levels of demand growth will place significant pressures on all public sector bodies to make savings and that there is therefore a greater need to look at how we work together with our public sector partners to meet these challenges.

3.5 This is being addressed on the mainland by other areas in particular the Clyde Valley Partnership where 8 authorities in the central belt are looking at joint working. It is important that the island communities of the Western Isles, Orkney and Shetland look not just at the challenges that we face but at opportunities that may be presented and the potential benefits for our communities.

3.6 The Centre for Scottish Public Policy has followed up these ideas and prepared a partnership proposal which is attached as appendix 1.

4. Proposals

4.1 The creation of single public authorities in any area of the country would be viewed as a radical re-organisation of the public sector but given the constraints within which we will be operating in the foreseeable future it is perhaps timely to give some consideration to what might be regarded as radical proposals.

4.2 It should be borne in mind that both Orkney and Shetland were in the vanguard of local authorities reform in the early 1970's as "all purpose authorities" whereas on the mainland the local government structure was divided into districts and regions.

4.3 The policy paper from the Centre for Scottish Public Policy identifies the three main policy aspirations of future public sector reform mainly;-
- a   reform of public service delivery;
- b   greater democratic accountability; and
- c   a counter-balance to the growing political strengths of "city regions". The development of single public authorities in Island areas may assist in meeting all of these policy aspirations and it is timely that some work should be done in order present proposals based on cost and evidence to the Scottish Parliament for consideration. The main purpose of any such proposal would be to ensure the retention of public services of Scotland's Island communities with integration perhaps the most efficient means of delivering services whilst maintaining employment to sustain the economy of the island community.

4.4 The proposal from the Centre for Scottish Public Policy asks each island community to commit the sum of £6000 to enable the project to move

forward. This piece of work will be a valuable contribution towards an island perspective of the government's public sector reform proposals.

5. Policy and Delegated Authority

5.1 This has not been delegated to any committee and it is therefore presented to council for approval.

6. Financial Implications

6.1 The sum of £6000 which is required to assist the project as part of the overall contribution can be made in this financial year from the Executive Office Other Professional Fees budget code SRX 00001767.

7. Recommendations

7.1 I recommend that the Council approves the submission by the Centre for Scottish Public Policy as representing good value for money from which we would expect a sound case based on evidence and cost of the potential implication of public services under a single public authority. The outcome of this will be presented to the Community Planning Partnership and to the Council prior to any submission to the Scottish Government.

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**Single Public Authorities:
Islands of Opportunity?**

Programme partnership proposal by the
Centre for Scottish Public Policy

August 2009

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Single Public Authorities: Islands of Opportunity?
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Introduction

This year's UK budget was a watershed, a political point of inflexion, sharply moving public finances into a period of restraint in stark contrast to the unprecedented spending growth experienced throughout the last decade – see table 1 below.

Table 1: UK Public Spending last 10 years

Year	1999	00	01	02	03	04	05	06	07	08	09
£Billion	328.1	339.3	361.8	385.3	415.2	451.4	487.8	502.2	543.3	575.4	631.3

• Source: ukpublicexpenditure.co.uk

The sharp decline in spending now being projected – 10, 15 possibly 20% in real terms - will have a profound impact, posing a particular set of challenges here in Scotland where the reliance upon the public sector for economic activity, at almost 50% of GDP, is of Scandinavian proportions.

• Source: Centre for Public Policy and Regions paper for Unison, 2006.

This downward pressure on the public finances will be very keenly felt across the public sector, presenting a serious challenge to the way that public services are designed and delivered, with even the present government admitting that times are going to be tough.

• "*We will be operating under greater public spending constraints in the coming decade*" and as a result "*there will be spending choices and a growing need for greater efficiency across the board*" Lord Mandelson.

This budgetary pressure arrives at a time when an increasingly expectant public is demanding more quality, with rising expectations of more personalised public services that will now have to be delivered from a declining resource.

This can only be achieved through new ways of working, moving from service design and delivery models created in times of growth (and in some cases well before that using models of mass production borrowed from the state owned industrial sector!), to more streamlined services that are able to drive continuous improvement through a prolonged period of financial restraint.

Single Public Authorities (SPAs) are one example of where it may be possible to achieve these better outcomes; better quality of provision, integrated and democratically accountable services provided more efficiently and with greater engagement of the local community.

Of course, other models for reform of public services will also exist and be equally as valid in their own locality, with different solutions appropriate to different areas, moving away from the template mentality so beloved of central governments of the past.

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It is the CSPP's strong contention, however, that the Single Public Authority model is the reform most likely to deliver significant efficiency and effectiveness benefits in the three island areas of Scotland – Comhairle nan Eilean Siar, Orkney and Shetland.

Our work in this field

The CSPP recognises the need for real change in Scotland's public services, with **Public Service Reform** programme developing various design & delivery models, our **Renewing Democracy** programme investigating different methods of democratic accountability and our **City Regions** programme pushing the envelope on co-operation within the travel to work areas around in our cities.

In addition, we are partnering **The Herald** newspaper in a major conference at Hampden Park in Glasgow this Autumn, "**Reshaping Scotland – whose job is it anyway?** - see www.cspp.org.uk for more details. This event will help to define the way ahead for *Public Service Reform* across Scotland, bringing together the CSPP's various strands of policy development with a focus on the Scottish Government's central policy purpose of "creating sustainable economic growth".

Our three policy programmes mentioned above converge on the concept of SPAs:

➤ the reform of public service delivery
➤ greater democratic accountability, and
➤ a counter balance to the growing political strength of the city regions.

This policy, and political convergence makes the SPAs a uniquely attractive area for further investigation and we would welcome the opportunity to further develop our thinking in partnership with the three island councils.

Each island council has of course already developed proposals, in its own different way, on the concept of the SPA and we strongly believe that it is now time to take these discussions to the next stage.

As part of our wider look at the emerging public sector picture we wish to assess the case for SPAs with each of the island authorities, looking at which particular aspects of service design, delivery and democratic accountability best suit each individual area.

As the public sector map of Scotland is reshaped in response to the budgetary downturn, it is essential for local democracy, service delivery and community coherence that individual initiatives escape the tired old template mentality so beloved of governments past, and mark out their own territory in this critical field.

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Debate has already been joined in other parts of the country regarding initiatives that suit other localised circumstances, such as the possibility of directly Elected Mayors for Scotland's cities, the potential merger of local authorities (e.g. across Ayrshire) or the splitting up of others (e.g. Argyll & Bute). Our island regions have an alternative way open to them – the Single Public Authority.

The CSPP is strongly of the opinion that the Scottish local authorities most suited to the concept of the SPA are indeed our three island councils; Comhairle nan Eilean Siar, Orkney and Shetland, which have all, to a greater or lesser extent, developed their thinking on this issue. The SPA models offer our island communities the opportunity to better reflect the close-knit nature of their communities and the inter-linking of services that already exists.

The SPA Programme

The CSPP is keen to develop a strand of policy activity that, in the spirit of the policy itself, links across a number of our own existing work-streams, namely; *Public Service Reform, Renewing Democracy* and *City Regions*. This programme on **Single Public Authorities** will look to assess the prospects for their introduction in order to provide local leaders on our islands with an early opportunity to develop the concept.

By building upon work of each islands council, this project will determine the strength of support for the next steps towards SPA's. Our team will work closely with the senior officer and elected member groups of each council, seeking to ensure that any proposals that do come forward enjoy widespread support that will provide stability through any forthcoming political transitions.

Our team will also seek to create a wider base of support for the concept of the SPAs amongst other parts of the Scottish body politic, and across the different levels of government in Scotland. By grounding the concept of the SPA in our wider policy discussion on *Reshaping Scotland* the CSPP will seek to ensure that any proposals that do come forward shall be seen within that wider, reforming context.

It should also be noted that the Arbuthnott Commission which is currently developing service design and delivery mechanisms on the City Region model in and around Glasgow has recently concluded that early delivery of significant change will be required almost as a precursor of ensuring budgetary control in the coming period of public sector spending constraint. This urgency applies equally in our island communities.

Another key contextual consideration is that the Scottish Parliament's budget process was used effectively by the opposition parties earlier this year, with the introduction of what we students of American politics have described as 'pork barrel' spending – see article in March edition of Public Servant Scotland (p9).

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Given the electoral arithmetic in the chamber, it was possible for the parliament to force a few spending priorities onto the Scottish Government, with the most significant, at least in terms of the exercising of collective political power, being the creation of the £60m *Town Centre Regeneration Fund*, (TCRF).

The TCRF, a programme from which all parts of mainland Scotland look set to benefit (with last week's announcement of the geographic spread of the first tranche of funding) follows in the footsteps of the Capital Supplement secured by Independent list MSP, Margo MacDonald and signals the start of what will become an annual negotiation over localised spending.

It is the CSPP's belief that a strong, cross-party political case can be made for a budget line to support the establishment of Single Public Authorities for our island communities, given the current political representation, the imbalance of these other initiatives and the growing need for the Scottish Government to adopt "spend to save" programmes.

The Programme

It is proposed that the CSPP initially undertakes a short evaluation of the current (and previous) work carried out by each of the three Islands Councils in relation to the potential establishment of a Single Public Authority in each area and prepares a summary report on the options available for the next steps in each case.

The programme will then involve a range of activities, designed by the CSPP team in discussion with senior officers and elected members of each council, to create a supportive policy context for the concept of SPAs, and then press home the political case for their establishment in each area.

For example, this may include activities at the main party conferences, involving key decision makers and opinion formers, building on the positive reputation that the CSPP continues to develop for our influential "*On The Fringe*" series – see our website for more details of past events.

In so doing, this work will include an investigation of the most appropriate delivery mechanism (e.g. a 'delivery authority', a 'shadow authority' or the creation of an "investment for change unit") by which each council can take the next steps towards the creation of a Single Public Authority.

This work will also look at the prospects for inter-island co-operation and challenge the three councils, where appropriate, to consider any possible service improvements that may result from this particular type of partnership. For example, a single customer contact centre may be considered appropriate or a joint special needs service may be the best way to protect and provide quality education programmes.

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Taken in the round, this project will seek to place the potential of SPAs for our three main island areas in the context of the myriad of other service changes being considered, and in some case already being implemented. This will be part of our developing coherent picture of reform across the country.

This will then enable the CSPP to create a robust policy context for a submission to next year's Scottish Budget, to identify and then build support for the establishment of an "Islands Authorities Fund", or similar mechanism by which the three islands can access additional funding to assist with the preparatory costs for the establishment of Single Public Authorities.

The CSPP Team

The CSPP has a wide range of talent available for this project but we would welcome detailed discussion with each island authority on the nature of any in-house support that may be offered and the profile of the wider team that we put together.

Our network of policy advisers includes a number of former senior elected members from all parties and from none, a cross-section of former senior officers and, of course, a group of respected academics who specialise in the three programme areas of *Public Service Reform, City Regions* and *Renewing Democracy* – that all converge on the concept of Single Public Authorities.

The core of our project team - detailed in Table 2 below – will carry out the bulk of the research and policy development work, and it is envisaged that our wider network shall be considered for specific tasks, such as facilitating discussions with groups of elected members, investigating particular areas of activity with senior officers or helping to provide a stronger context for any proposals that emerge.

Resource Commitment

Given that each of the three island councils has already shown support for this policy initiative, albeit following their own very distinctive routes to this particular reform, it is proposed that all three become '**Programme Partners**' with the CSPP in order that we may develop the concept of the SPA and provide the strong policy context for a submission to the 2010/11 Scottish Budget.

Table 2 details the requested resource commitment from each of the three islands councils (**and/or their potential SPA partners**) set against the draft programme costs. As can be seen from the table this project is expected to involve around 3 months work, with a report being presented to the Programme Partners before the turn of the year, in time for a final push towards the 2010/11 Scottish budget.

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It should be noted that these figures are indicative and open to discussion, but that they provide the scale of resource that we believe to be required if we are to take Single Public Authorities from being an essentially academic construct that has been discussed over a number of years to an actual delivery mechanism supported by the Scottish Government.

We firmly believe that Single Public Authorities is an idea whose time has come and that the political arithmetic mentioned above, the economic pressures that are beginning to impact on the public sector and the strengthening desire of local communities to see more efficient and effective delivery of public services combine to create 'the perfect storm' for their introduction.

We would welcome a detailed discussion with each of the three islands councils in order to take this project forward and secure for your communities the 'devolved dollars' that you rightly demand and so richly deserve.

Table 2

Project Team Member	Time Allocation	Cost
Policy Director	3 days in April 3 days in May 3 days in June 1 day in Aug (wrap up)	10 days @ 500/day £5000
Policy Officer	3 days in April 3 days in May 3 days in June 1 day in Aug (wrap up)	10 days @ 350/day £3500
Research Associate	10 days	10 days @ 100/day £1000
Administrative Support	10 days	10 days @ 100/day £1000
Travel and Accommodation Costs	1 visit to each island council area for Project Director and Researcher	£3000
CSPP Network	5 days for designated members of the wider CSPP network	5 days capped for team @ 700/day £3500
Contingency		£1000
Total Project Budget (to be shared by the participating councils equally)		**£18,000**

Ross Martin, CSPP Policy Director
Jan 2010

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **24 March 2010**

From: **Head of Finance**
Executive Services Department

Report No: F- 011-F

Community Councils – Financial Position

1.   Purpose

1.1   The purpose of this annual report is to inform Members of the position of the 2008/09 Community Council Annual Accounts, in accordance with the grant scheme, approved in March 1999.

1.2   This report asks Members to note that excess surplus balances held by Community Councils are deducted, from the approved 2010/11 Community Council Grant, in accordance with the current grant scheme.

2.   Links to Corporate Priorities

2.1   This report links to the Council's corporate priorities, defined in its corporate plan, specifically in relation to sustainable matching of resources to community needs and priorities.

3.   Risk Assessment

3.1   There is no risk associated with this report, any excesses held by Community Councils is from previously approved budgets and if in excess of 10% deducted from next year approved budget.

4.   Background

4.1   In March 1999 a report entitled Proposed Community Council Grant Distribution, 1999/2000 & Beyond, was approved by Policy & Resources Committee (min ref 26/99).   This report provided a framework of terms, conditions & accountability requirements for Community Councils.

4.2   Part of the accountability stated that Community Council Accounts should   "clearly identify expenditure & income under each of the Specific Grant schemes for which funding has been advanced by the Shetland Islands Council."   The accounts received for 2008/09 comply with the grant scheme.

4.3 A condition of the scheme is that balances of Shetland Island Council Grants (or income earned thereon) held by Community Councils as at 31 March 2009 will not be taken into account for the Grants distribution for 2009/10, but will be considered by the Shetland Islands Council when it sets its distribution for 2010/11.

4.4 An exception was made for Delting Community Council, who hold a reserve balance derived from oil industry which falls outwith the scope of the SIC scheme.

4.5 The grant scheme allows Community Councils to retain a 10% grant surplus at the end of any financial year. Any sum in excess of the 10% surplus is required to be removed from future years' grant provision.

5. 2008/09 Community Council Accounts

5.1 Appendix 1 details the 2008/09 Income and Expenditure for each Community Council at 31 March 2009 in Table 1. Table 2 shows the 2008/09 SIC excess grant surplus calculation.

6. Proposal

6.1 It is proposed to deduct the amount in excess of the 10% grant surplus allowable from the approved 2010/11 grants in line with the approved grant scheme, as follows

COMMUNITY COUNCIL	2010/11 Approved Grant	2008/09 Surplus in excess of 10% maximum allowed	2010/11 Revised Grant
Aithsting & Sandsting	14,977		14,977
Bressay	8,440		8,440
Burra & Trondra	8,420		8,420
Delting	16,948		16,948
Dunrossness	13,932		13,932
Fetlar	4,576		4,576
Gulberwick,Quarff & Cunningsburgh	14,482		14,482
Lerwick	29,642		29,642
Nesting & Lunnasting	9,549		9,549
Northmavine	19,246		19,246
Sandness & Walls	13,215		13,215
Sandwick	11,200		11,200
Scalloway	9,888		9,888
Skerries	4,205		4,205
Tingwall,Whiteness & Weisdale	11,718		11,718
Unst	11,845		11,845
Whalsay	11,421	328	11,093
Yell	12,065		12,065
Totals	225,769	328	225,441

7.   Financial Implications

7.1   There is one Community Council, Whalsay, with an unspent surplus balance greater than 10% on their 2008/09 accounts. It is therefore proposed to deduct the excess surplus of £328 from the 2010/11 Community Council support grant to Whalsay Community Council in accordance with the grant scheme.

8.   Policy and Delegated Authority

8.1   The ultimate decision on approving the revenue grants lies with the Council.

9.   Conclusions

9.1   All Community Council accounts have been received and approved in accordance with the grant scheme.

9.2   The sum of £328 will be deducted from Whalsay Community Council grant for 2010/11 in line with the approved grant scheme.

10.   Recommendation

10.1   It is recommended that Members approve that the excess surplus balance of £328 held by Whalsay Community Council is deducted from their 2010/11 grant.

Date: 15 March 2010
Our Ref: AH/HKT   Report No: F-011-F

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Table 1
2008/09 Income & Expenditure

COMMUNITY COUNCIL	2008/09 Opening Balance (incl interest) £	2008/09 Total Income £	2008/09 Total Spend £	2008/09 Closing Balance £
Aithsting & Sandsting	464.49	21,234.00	20,482.65	1,215.84
Bressay	10,580.00	11,970.00	14,488.00	8,062.00
Burra & Trondra	970.29	12,044.00	12,220.16	794.13
Delting	37,179.00	23,980.00	22,592.00	38,567.00
Dunrossness	1,555.00	34,823.00	24,515.00	11,863.00
Fetlar	1,219.00	14,450.00	9,289.00	6,380.00
Gulberwick,Quarff & Cunningsburgh	1,119.00	20,346.00	19,970.00	1,495.00
Lerwick	13,016.00	49,411.00	40,185.00	22,242.00
Nesting & Lunnasting	142.47	13,522.00	12,393.56	1,270.91
Northmavine	1,921.00	27,372.00	27,030.00	2,263.00
Sandness & Walls	1,078.17	18,202.00	15,072.76	4,207.41
Sandwick	1,209.00	18,448.00	17,798.00	1,859.00
Scalloway	620.89	14,283.91	13,411.75	1,493.05
Tingwall,Whiteness & Weisdale	14,770.00	16,601.00	18,662.00	12,709.00
Unst	4,885.00	16,853.00	16,314.00	5,424.00
Whalsay	446.00	16,217.00	14,267.00	2,396.00
Yell	6,040.00	24,060.00	17,446.00	12,654.00
Skerries	711.05	6,171.00	6,362.52	519.53
Totals	**97,926.36**	**359,987.91**	**322,499.40**	**135,414.87**

Table 2
2008/09 SIC Excess Grant Surplus Calculation

COMMUNITY COUNCIL	2008/09 SIC Grant £	2008/09 CC Spend £	2008/09 CC Outstanding Commitments £	2008/09 Variance £	2008/09 10% Allowable Grant Surplus £	2008/09 In Excess of 10% Grant Surplus £
Aithsting & Sandsting	21,234	20,482.65		751.35	2,123.40	**n/a**
Bressay	11,970	14,488.00	8,000	-10,518.00	1,197.00	**n/a**
Burra & Trondra	11,974	12,220.16		-246.16	1,197.40	**n/a**
Delting	23,980	15,318.90	8,223	438.10	2,398.00	**n/a**
Dunrossness	21,341	20,911.14		429.86	2,134.10	**n/a**
Fetlar	6,709	7,161.55		-452.55	670.90	**n/a**
Gulberwick,Quarff & Cunningsburgh	20,346	19,970.00		376.00	2,034.60	**n/a**
Lerwick	42,534	40,185.00		2,349.00	4,253.40	**n/a**
Nesting & Lunnasting	13,522	12,393.56	1,300	-171.56	1,352.20	**n/a**
Northmavine	27,372	27,030.00		342.00	2,737.20	**n/a**
Sandness & Walls	18,102	15,072.76	3,250	-220.76	1,810.20	**n/a**
Sandwick	15,700	15,798.00	1,350	-1,448.00	1,570.00	**n/a**
Scalloway	13,953	13,411.75		541.25	1,395.30	**n/a**
Tingwall,Whiteness & Weisdale	16,601	18,662.00	11,700	-13,761.00	1,660.10	**n/a**
Unst	16,853	16,314.00	667	-128.00	1,685.30	**n/a**
Whalsay	16,217	14,267.00		1,950.00	1,621.70	**328.30**
Yell	17,105	16,374.16	5,972	-5,241.16	1,710.50	**n/a**
Skerries	6,071	6,362.52		-291.52	607.10	**n/a**
Totals	**321,584**	**306,423.15**	**40,462**	**-25,301.15**	**32,158.40**	**328.3**

Shetland Islands Council

REPORT

To: **Shetland Islands Council**   **24 March 2010**

From: **Head of Organisational Development**

CE-06-F

Shetland's Single Outcome Agreement (SOA) 2010/11

1   Introduction

1.1   This report presents Shetland's Single Outcome Agreement (SOA) for 2010/11, for comment and approval.

1.2   It also provides information on the proposed Priority Area for the Community Planning Delivery Group to focus on for the coming financial year.

2   Background

2.1   Shetland's Single Outcome Agreement sets out Shetland's shared objectives and targets for a year, and seeks to show how these will complement the Scottish Government's priorities for Scotland and Shetland's long-term aspirations.

2.2   Its development is the result of joint working between Shetland Islands Council, NHS Shetland, Northern Constabulary, Highlands and Islands Fire and Rescue Service, Highlands and Islands Enterprise and the Scottish Government, with input from other public sector agencies and the voluntary sector.

2.3   The development of SOAs is seen by the Scottish Government as a process of continuous improvement. The development of the SOA for 2010/11 has focused on:
- reprioritising the outcomes to ensure Shetland is directly delivering on reversing the population projections, in terms of numbers and structure; and
- measuring what needs to be measured at the strategic level of the SOA: i.e. monitoring areas where we need to do better, within the national priorities.

2.4   As much as possible, this has been undertaken with strategic groups and partner agencies. It has been a two-way process, with professionals in different areas, proposing priorities, knowing what local evidence states and the needs of service users.

2.5   The SOA was approved by Shetland's Community Planning Delivery Group on 8th March 2009.

3   Link to Corporate Priorities

3.1   The Single Outcome Agreement sets the key purpose, strategic outcomes and actions which the Council and its local partners aim to deliver on.

3.2   The SOA also manages the risk of key public and voluntary sector partners having different strategic agendas.

4   Single Outcome Agreement 2010/11

4.1   A summary of the key purpose and Shetland's strategic outcomes, set within the national priorities, is set out in Appendix 1. The full SOA is attached as Appendix 1, with a summary of the Key Purpose and Strategic Outcomes at Appendix 2.

4.2   It sets out the key purpose for Shetland being to 'Maintain the Number of Economically Active People Throughout Shetland', acknowledging the importance and value of carers, childcare and volunteers within the community. The key priorities and actions required to achieve this are set out throughout the SOA.

4.3   Cross-Cutting Themes of Efficiencies, Strengthening Communities, Culture, Equalities and Strategic Environmental Assessment and Nineteen Local Strategic Outcomes are set out below the National Priority areas and National Outcome Framework. The Local Outcomes and Indicators are focused on the areas of priority for Shetland. In most areas, data is now being collected at a local level which enables us to measure the difference activity is making, rather than the activity itself. However, work will continue to improve this, where areas are weak.

4.4   Employment and a strong private sector are essential, if Shetland is going to achieve its key purpose. The Wealthier Section addresses this.

4.5   Also set out are is the infrastructure required to deliver this, including housing, childcare and transport, set out under Stronger.

4.6   The SOA also recognises the importance of Shetland's unique selling points of our environment (Greener), culture and high levels of community safety (Safer).

4.7   Equally important, however, is looking after the more vulnerable members of our society, and ensuring our population is as healthy as it can be (Healthier), and that wealth creation is distributed fairly amongst individuals, households and communities (Fairer).

4.8   As well as the SOA being the overarching document for Shetland's strategy and activity, it can be used to assess operational activity, and enable managers to question the extent to which current activity is meeting Shetland's Key Purpose and Strategic Outcomes. Over the coming months the SOA will become further embedded into strategic partnerships and partner organisations to ensure resources are prioritised and delivery optimised.

4.9   As with previous SOAs, Shetland is able to ask the Scottish Government 'Key Asks', which seeks commitment to deliver. These include:

   o   Support to seek fairer fuel prices, for heating and transport
   o   Retain and develop incentives that support adoption of renewable energy and heat solutions which are either connected to the grid or off-grid;
   o   Policy and Legislation to enable local partner organisations to take a pragmatic approach to minimising alcohol abuse: specifically Alcohol Bill and implementing minimum pricing;
   o   Engage with Shetland in exploring appropriate subsidy mechanisms for external ferry travel.
   o   Ensure affordability and user feedback are taken into account when designing the new contract for the Aberdeen to Lerwick route.
   o   Continue to support and develop the Air Discount Scheme.
   o   Provide adequate funding to support the provision of good quality, affordable permanent homes across all housing tenures in Shetland.

5   Community Planning Delivery Group (CPDG) Priority Area for 2010/11

5.1   The role of the CPDG is to take forward the priority areas set by the Community Planning Partnership (CPP) each year. A priority area needs to be one that will assist in sustaining Shetland's future and would not happen without the seniority of the CPDG. It is essential that the CPDG provides added-value to the Shetland community.

5.2   Given the inevitability of public sector funding cuts over the short and medium term, the existing CPDG propose one priority area for 2010-11 focusing on this issue, and how Shetland agencies can, together, tackle the challenges ahead. With the high dependence on public sector employment, Shetland's economy is particularly vulnerable to cuts, and makes the challenge of maintaining the numbers of economically active people in Shetland even more difficult, but important.

6. Financial Implications

6.1 The structure of the SOA now provides an opportunity for services to appraise their activity against Shetland's key purpose and strategic outcomes, providing a tool to assist in delivering on efficiencies.

6.2 Actions set out may have financial implications, however, these will be managed within the constraints and financial strategies of each of the partner organisations.

7. Policy and Delegated Authority

7.1 All principal policy documents require approval and appropriate monitoring by the Council (Scheme of Delegations – Section 8.0). This report covers the Shetland Single Outcome Agreement for 2010/11 and therefore must be endorsed by Council.

8. Conclusion

8.1 This report presents the Single Outcome Agreement for 2010/11 for Council approval.

9. Recommendation

9.1 I recommend that Council comment on the SOA for 2010/11, and subject to comment, to approve the document.

EP/IS   12/03/10
CE-06-F

Appendix 1

<div align="center">

Key Purpose:
Maintain the Number of Economically Active People Throughout Shetland[1]

</div>

National Priority Area: Cross-Cutting
National Outcomes
13. We take pride in a strong, fair and inclusive national identity.
15. Our public services are high quality, continually improving, efficient and responsive to local people's needs.
Shetland Cross-Cutting
C.1 Efficiencies
C.2 Strengthening Communities
C.3 Culture
C.4 Equalities
C.5 Strategic Environmental Assessment

National Priority Area: Wealthier and Fairer
Enable businesses and people to increase their wealth and more people to share fairly in that wealth.
National Outcomes

1. We live in a Scotland that is the most attractive place for doing business in Europe

2. We realise our full economic potential with more and better employment opportunities for our people.
7. We have tackled the significant inequalities in Scottish society.
8. We have improved the life chances for children, young people and families at risk.
Shetland Wealthier and Fairer Strategic Outcomes
F.1 We have reduced levels and the impact of poverty, deprivation and social exclusion in Shetland.
F.2 Socio-economic disadvantage does not impact on the opportunities people have.
W.1 Priority Development: The telecommunications network will enhance business opportunities in all areas of Shetland
W.2 Priority Development: Our renewable energy resources will be used as a stimulus for economic growth
W.3 Priority Development: Shetland's reputation for sustainable practices and quality products will be strengthened
W.4 Strengthening the Economy: Businesses will be supported to address market failures which if overcome can improve profitability and long-term performance
W.5 Strengthening the Economy: Peripheral communities will be assisted to build capacity that strengthens community sustainability

National Priority Area: Smarter
Expand opportunities for Scots to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.
National Outcomes

3. We are better educated, more skilled and more successful, renowned for our research and innovation.
4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
Shetland Smarter Strategic Outcomes
Sm.1 We provide a person-centred approach to ensuring positive learning pathways for the long-term, focusing on the long-term unemployed, the 18-24 age group, those misusing substances and winter school leavers.

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[1] This recognises unpaid work such as volunteering, childcare and caring responsiblities.

Sm.2 We recognise each person's strengths, building on these to ensure everyone can achieve their potential through learning opportunities that build capacity, increase confidence and encourage participation and responsible citizenship.

Sm.3 We take a proactive approach to ensuring Shetland's skills match Shetland's economic need.

National Priority Area: Stronger

Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

National Outcomes

10. We live in well designed, sustainable places where we are able to access the amenities and services we need.

11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

Shetland Stronger Strategic Outcomes – Transport

St.1 We will improve the availability, accessibility, affordability and usage of internal and external public transport

Shetland Stronger Strategic Outcomes – Housing

St.2 We will ensure the right house is available in the right place at the right price.

Shetland Stronger Strategic Outcomes – Childcare

St.3 We will sustain and, where necessary, grow the number of childcare places, to meet identified need.

National Priority Area: Healthier

Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.

National Outcomes

5. Our children have the best start in life and are ready to succeed.

6. We live longer, healthier lives.

Shetland Healthier Strategic Outcomes

Hth.1 Maintain a healthy life expectancy, focusing on healthy weight, alcohol, drugs and mental health.

Hth.2 Tackle health inequalities ensuring that the needs of the most vulnerable and hard to reach groups

Hth.3 We will support and protect the most vulnerable members of the community, promoting independence and ensuring services are targeted at those that are most in need.

National Priority Area: Safer

Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

National Outcomes

9. We live our lives safe from crime, disorder and danger

Shetland Safer Outcomes

Sf.1 We will retain the current high level of community safety, but will continue to a) reduce crime; b) tackle serious crime; c) make the roads safer; d) maintain public order; and e) protect adults and children from harm and exploitation.

National Priority Area: Greener

Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

National Outcomes

12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.

14: We reduce the local and global environmental impact of our consumption and production.

Shetland Greener Outcomes

G.1 We will move towards sustainable and efficient consumption and production

G.2 We will protect Shetland's renowned natural and built environment

The Shetland Community Planning Partnership

The Scottish Government

Shetland's
Single Outcome Agreement

An agreement between the Shetland Community Planning Partnership and the Scottish Government

April 2010 - March 2011

For further information contact:
Shetland Islands Council Policy Unit on (01595) 744537 or policy@shetland.gov.uk

<mark>Logos/Signatories to be included</mark>

Shetland Islands Council   2

NHS Shetland

Northern Constabulary

Highlands and Islands Fire and Rescue Service

Highlands and Islands Enterprise

Scottish Government

Voluntary Action Shetland

2

EXECUTIVE SUMMARY

Shetland's Single Outcome Agreement for 2010-11 is the result of joint working between Shetland Islands Council, NHS Shetland, Northern Constabulary, Highlands and Islands Fire and Rescue Service, Highlands and Islands Enterprise (as statutory partners), Voluntary Action Shetland (voluntary sector partner), the voluntary sector, other public sector organisations, businesses, the community and the Scottish Government. It builds on the work done over the last two years.

It sets out Shetland's shared outcomes and targets for 2010-11, which complement the Scottish Government's priorities for Scotland and Shetland's long-term aspirations. These shared outcomes reflect those areas that can not be delivered by one agency alone and so need joined-up working across the community to get things done. Having everyone committed to the same agenda as their starting point for planning service development and delivery is critical to that.

The summary of 'Sustaining Shetland, set out in the Appendix, shows that Shetland continues to enjoy relatively favourable conditions in our economy, society and environment. However there are a number of significant issues developing, which are key challenges for Shetland over the coming years:
o Our population projections demonstrate declining numbers, and in particular declining numbers of economically active people;
o The effects of the global downturn are beginning to be felt in the economy, with rising unemployment rates, particularly amongst school leavers;
o The implications of climate change, and in particular the implementation of the Climate Change Act and carbon accounting to the larger organisations; and
o All partners are experiencing increasingly tight budgets, so the challenges above will have to be met by doing more, with less financial resources.

The Targets section of the Agreement sets out our shared strategic outcomes in detail and the way in which these will be measured. It also includes some information on how they will be delivered. Operational outcomes and indicators are covered in the plans, strategies and frameworks referenced throughout.

We have also summarised together the main areas where we are highlighting assistance we particularly need from the Scottish Government to meet objectives, our "Asks".

Overall, the Shetland Community Planning Partnership has coordinated the development of the agreement. As well as monitoring overall progress against the whole agreement, the Partnership has agreed to focus on the following priority for the coming year:

Preparing Shetland for Public Sector Cuts to better understand the issues, what difference more effective partnership working could make and deliver a tangible improvement where possible.

The reason for this is the current context of public sector funding, which is all the more challenging given Shetland's need to retain the number of jobs: during this year. This area will be led by key representatives of partner agencies throughout the year, with findings and progress reported back to the partnership.

All of these issues, and many others, need a co-ordinated and joined-up approach across agencies and the community, and all will be best progressed in partnership with the Scottish Government as they are also significant issues nationally.

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1.   Introduction

1.1   Background

On 14th November 2007, the Scottish government published the 'Concordat', which set out the terms of a new relationship between the Scottish Government and local government, based on 'mutual respect and partnership'. It combined support for the delivery of a framework of Strategic Objectives and Key National Outcomes across the whole of Scotland, with a commitment to working with Community Planning Partnerships to develop 'Single Outcome Agreements' which are based on local needs, local circumstances and local priorities.

These are key elements of the Concordat:
- Each local authority was required to reach a Single Outcome Agreement (SOA) with the Scottish Government, based on the national outcomes and, under a common framework, local outcomes to take account of local priorities;
- A considerable number of ring-fenced specific grants to be rolled up and transferred into the local government settlement;
- Arrangements for reporting performance to be streamlined and simplified, with only one report required from Community Planning Partnerships each year showing progress in delivering the Single Outcome Agreement;
- Local authorities to be able to retain their efficiency savings to re-deploy against ongoing pressures; and
- COSLA and the Scottish Government to put in place arrangements to monitor the new partnership and, as part of this, to assess how the new arrangements are working, how each side is fulfilling the commitments made, and how any significant new pressures associated with the development of government policy might best be accommodated.

1.2   National Context

The **Scottish Government's Purpose** is **Sustainable Economic Growth[1].**

Success is monitored using the following **Purpose Targets**:
- **Economic Growth:**
  To raise the GDP growth rate to the UK level by 2011
  To match the GDP growth rate of the small independent EU countries by 2017
- **Productivity**
  To rank in the top quartile for productivity against our key trading partners in the OECD by 2017
- **Participation**
  To maintain our position on labour market participation as the top performing country in the UK
  To close the gap with the top five OECD economies by 2017
- **Population**
  To match average European (EU15) population growth over the period from 2007 to 2017
  Supported by increased healthy life expectancy in Scotland over the period from 2007 to 2017
- **Solidarity**
  To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017
- **Cohesion**
  To narrow the gap in participation between Scotland's best and worst performing regions by 2017
- **Sustainability**
  To reduce emissions over the period to 2011
  To reduce emissions by 80 percent by 2050

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[1] To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. Delivery of this is set out in the Government Economic Strategy.

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The Scottish Government's **Five National Strategic Objectives,** which describe where the Government will focus action, are:

o **WEALTHIER & FAIRER** - Enable businesses and people to increase their wealth and more people to share fairly in that wealth.
o **SMARTER** - Expand opportunities for Scots to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.
o **HEALTHIER** - Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.
o **SAFER & STRONGER** - Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
o **GREENER** - Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

These are underpinned by **15 Key National Outcomes[2],** which set out what the Government wish to achieve. Progress is tracked using **45 National Indicators[3]**.

1.3   Local Context and Development of this Agreement

An extensive consultation exercise was carried out in 2004 to ask the people of Shetland what they felt were going to be the most important issues for Shetland over the next 20 to 30 years. The results of the 'Long-range Forecast' were used by the Community Planning Partnership to create the **Shetland Resolution**.

This vision for Shetland was effectively the start of developing a Local Outcome Agreement for Shetland. As a result, the recent development of the Shetland Single Outcome Agreement has been a natural extension of the outcome work that was started back in 2004.

Since the first Agreement was signed by Shetland Islands Council and the Scottish Government on 20[th] August 2008, the Shetland Community Planning Partnership and its associated strategic bodies have reviewed the Single Outcome Agreement. During the implementation year 2009-10 it was assessed that:

- There were too many outcomes and indicators, often of an operational nature, for people to be able to make strategic decisions about the future direction of Shetland. Therefore the SOA should contain approximately 15 outcomes and 40 indicators, with partnerships setting appropriate delivery outcomes and indicators for their own monitoring purposes;
- The SOA would be further valued if it provided partnerships and agencies with more rigour in terms of resource prioritisation, with a key purpose; and
- The links between the SOA and partnerships / service delivery need to be strengthened.

In addition we have taken on board responses from the Scottish Government on the areas that we asked for their intervention on and sought to engage with our National Director, so that we incorporate the best practice guidelines provided for Community Planning Partnerships. There is now a joint commitment from all partners to ensure that service delivery is focused onto the achievement of the outcomes set out in this Agreement.

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.

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[2] http://www.scotland.gov.uk/About/scotPerforms/outcomes
[3] http://www.scotland.gov.uk/About/scotPerforms/indicators

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- 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.

A recent assessment of Shetland's priorities and targets has result in a shift in emphasis, with a focus on the key purpose being, **To Maintain the Number of Economically Active Throughout Shetland**, with a suite of strategic outcomes and indicators developed to deliver on this key purpose.

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2.   Scope of the Agreement

The Shetland Single Outcome Agreement has been developed and agreed by the Shetland Community Planning Partnership. This body consists of the following members:

2.1   Statutory Community Planning Partners
o Shetland Islands Council;
o NHS Shetland;
o Northern Constabulary;
o Highlands & Islands Fire & Rescue Service;
o HIE Shetland; and
o ZetTrans

2.2   Non Statutory Partners
o Care Commission;
o Childcare and Pre-School Providers (private, public and voluntary);
o Citizen's Advice Bureau;
o Community Alcohol and Drugs Team;
o Community Energy Scotland;
o Crown Office and Procurator Fiscal's Service;
o Department of Work and Pensions;
o Disability Shetland;
o Energy Saving Trust;
o Family Mediation;
o Historic Scotland;
o Hjatland Housing Association;
o Lerwick Port Authority;
o KIMO;
o Maritime and Coastguard Agency;
o Promote Shetland;
o North Atlantic Marine Centre;
o Royal Society for the Protection of Birds;
o Scottish Ambulance Service;
o Scottish Civic Trust;
o Scottish Environmental Protection Agency;
o Scottish Natural Heritage;
o Shetland College;
o Shetland Arts Development Agency;
o Shetland Amenity Trust;
o Shetland Charitable Trust;
o Shetland Pre-School Ltd;
o Shetland Recreational Trust;
o Shetland Children's Reporter and Children's Panel
o Shetland Youth Information Centre;
o Skills Development Scotland;
o Victim Support Shetland;
o Visit Scotland;
o Voluntary Action Shetland;
o Women's Aid;
o Shetland's communities and community groups.

The Partnership has involved strategic groups, without whose co-operation much of the Agreement would not be meaningful. These include:
o Carbon and Energy Group;
o Community Health and Care Partnership;
o Social Enterprise and Community Regeneration Partnership;
o Community Safety Partnership;
o Fairer Shetland;
o Health Action Team;
o Local Biodiversity Action Partnership;
o Local Housing Strategy Partnership;
o Shetland Childcare Partnership;
o Skills and Learning Partnership; and
o ZetTrans.

This Agreement covers the period 2010-11, and is subject to annual review.

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3. Commitment to delivering jointly on Local Government in Scotland Act (2003) obligations

As part of their obligations under the Local Government Act, the Shetland Community Planning Partnership is committed to meeting a range of duties relating to Community Planning, Best Value, Equalities and Sustainable Development. The Shetland Single Outcome agreement seeks to reinforce our commitment to discharging these duties through its inclusive development with partners (other agencies, businesses and the community), its governance, and its consultation, involvement and communication methods.

3.1 Commitment to Promoting Equality

Through this Single Outcome Agreement approach, all Community Planning Partners have committed to embedding equalities in their service delivery. All statutory partners produce annual equality schemes to set out how they will achieve their equalities obligations during the year. The production of these is based on consultation with equalities groups across Shetland[4]. The action plans in the schemes are then based on the feedback from these consultation exercises.

Over the past few years, in the spirit of community planning and co-operation, these schemes have been produced jointly across organisations. The Council, Shetland College, ZetTrans, the Licensing Board and the Schools Service produce a joint Race Equality Scheme, Gender Equality Scheme and Disability Equality Scheme[5].

The Equality Bill is currently being debated. This will be enforced by April 2011 and will require public authorities to produce and implement a single equalities scheme covering the seven equality strands of age, disability, faith, gender, race, sexuality and socio-economic disadvantage. A challenge for this coming year will therefore be to produce one single equality scheme for the Community Planning Partnership in Shetland, when timescales have been established. This will also be an opportunity to refresh the Equality Impact Assessment, including the introduction of the new socio-economic duty[6].

As a cross-cutting community planning theme for all partners, equalities forms an integral part of this Outcome Agreement. Throughout each of the 6 National Strategic Themes, we have local outcomes that seek to promote equality of opportunity across the whole population of Shetland, with indicators developed to monitor progress. Our success in achieving these will be reported on an annual basis, in line with our public performance reporting arrangements.

3.2 Commitment to Sustainable Development

The Shetland Community Planning Partnership believes that we must meet our present needs without impinging on future generations. We view sustainable development as economic development, social development, environmental protection and cultural development.

On a day-to-day level, sustainable development is about incomes and money, health, housing and education, a safe and pleasant environment, how we use and manage biodiversity and access to transport, leisure and other services: and about these areas working in balance rather than in competition for resources.

It is not about specific actions so much as believing in a set of values based on:
o The wise use of all resources (economic, human and natural);
o A strong commitment to inclusive local decision making and democracy; and
o More integrated working.

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[4] These include the Disability Forum, Women's Aid, Adult Learning, Shetland College, Welcome Point and Culture Club.
[5] These can be found at http://www.shetland.gov.uk/equalopportunities/documents.asp
[6] The Council and NHS are currently refreshing their Equality Impact Assessment forms and processes.

Generally, people have a natural desire to improve their quality of life. Sustainability means that, in doing so, progress in (for example) the quality of jobs, housing, transport and amenities is shared by all and does not come at the expense of the environment or earth's resources. Tomorrow is important, in terms of the economy, communities and the environment but a sustainable approach also offers benefits for today.

As with equalities, Community Planning Partners have tried to embed the concept of sustainable development throughout this Agreement. In order to assist partners with the requirements of Strategic Environmental Assessments[7], Equalities Impact Assessments, and making sustainable development concepts real, which includes Health Impact Assessments, the intention is to develop a Sustainability Assessment Framework for partner organisations, which draws these statutory and good practice requirements together, in an easy to use guide.

3.3   Commitment to Efficiency and Continuous Improvement

We are committed to ways of improving our business as a Partnership, to make sure that the priorities outlined in the plan can be delivered in an efficient and sustainable way.

In this current climate of potentially long-term reduction in resources available to deliver public services, doing more with less will be a key theme for community planning in Shetland.

Of particular importance is the commitment that all partners have made to deliver 2% efficiency savings in revenue spend in the coming year.

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[7] Advice on this is available from the Council's Policy Unit and Planning Service, in addition to
www.shetland.gov.uk/.../**StrategicEnvironmentalAssessment**AdviceNote.pdf

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4. Area Profile

Shetland's area profile is available through the most up to date **Sustaining Shetland** report[8], which was published at the end of 2009. The report provides:

o A comprehensive profile of Shetland, drawing on a wide range of social, economic and environmental indicators; and
o Trending and comparative information set out simply and clearly against these.

A summary of this information is provided in Appendix A, at the end of this document.

In addition to the trend information provided on an annual basis, a number of other key pieces of research have been undertaken and published over recent years:

o Population and Migration Study[9]
o Deprivation and Social Exclusion in Shetland[10]

In addition to these general pieces of work, services and partnerships have undertaken / are undertaking studies of relevance to certain aspects of life in Shetland. For example, Scottish Transport Appraisal Guidance (STAG) Studies; Blueprint for Education; and the NHS Clinical Strategy.

This evidence base enables the initial Long-Range Forecast to be refreshed, and to be woven into Shetland's strategic outcomes and indicators.

The Community Planning Partnership also has in place a number of effective mechanisms for involving communities in community planning. For example ongoing systematic consultation takes place twice yearly through the local Citizen's Panel, known as Your Voice[11]. Through this survey, a panel of 600 members of the Shetland community are asked their opinions on issues relating to the quality of life and service delivery in Shetland. The results of the most recent surveys have been used throughout the development of this Agreement in setting baselines and targets for improvement.

However, it is also recognised that it is most beneficial to individuals and communities if service providers and policy makers meet the community and community groups where they are. This concept is being developed using Local Service Delivery Groups (LSDG) in each locality (broadly aligned to multi-member wards)[12]. This group of local service providers and community representatives meets and agrees ways in which its members can work together more, moving service planning and delivery closer to communities. In other words, it's about those delivering services in local areas working more closely together and with communities to tailor services more appropriately to local circumstances and help communities to find some of their own solutions to local service needs alongside the service providers. This approach was approved and is developing as part of the Community Health Partnerships Scheme of Establishment and includes the development of a Public Participation Forum (PPF) network, linking together the existing ways community representatives and service providers find out views in the area. This means that the group will be able to share information and pool knowledge in order to address issues collectively and reduce consultation overload.

Their role is to:

- To improve the local planning and delivery of services;
- To listen to the views of the local community on the provision of local services;
- To act in an equal and diverse manner and try to ensure that the views of as many community members as possible are heard;
- To involve the local community in the planning of local services;

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[8] This can be found at http://www.shetland.gov.uk/policy/DataResearchforStrategicPlanning.asp
[9] http://www.shetland.gov.uk/communityplanning/PopulationandMigrationStudy.asp
[10] http://www.shetland.gov.uk/communityplanning/SocialExclusion.asp
[11] http://www.shetland.gov.uk/consultation/
[12] More information can be found at http://www.shetland.gov.uk/communityplanning/LSDG.asp

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- To develop a Community Profile of information about the local area (to include information on housing, schools, population etc); and
- To use the Community Profile as an aid to service planning.

The Community Profiles will provide both a needs assessment for each areas, as well as a means of measuring strategic outcomes at a local level – useful information for feeding into the SOA reporting framework.

In addition to these two Shetland-wide approaches, services and partnerships may undertake specific information gathering exercises with the public, which assist in keeping Shetland's overall vision updated. However, in time, community profiles should be reduce the amount of specific consultation exercises.

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5.   Governance and Accountability

5.1   Structure of the Agreement

Ensuring that the outcomes set out in this Agreement are delivered, is an essential feature of community planning in action and is something that all partners are committed to. In order to ensure that this is effective, it requires a clear and understandable process to be in place, with organisations' roles and responsibilities communicated and understood.

As can be seen from the Indicator Table in Section 2 of this Agreement, 'Lead Role' status has been assigned to an organisation. This means that they are the key body that will take the main role in ensuring the outcomes are delivered in that outcome area.

It is recognised that none of the outcomes in the Agreement can effectively be delivered by any one organisation – it will require a joint effort for these to be achieved. Therefore, 'Value Adding' agencies, who do not have a lead role, but without whose involvement, achievement will be much more difficult, are also highlighted.

5.2   Accountability for delivery

The restructuring of the Community Planning Board in March 2008, was intended to help focus community planning partners onto delivering the outcomes from the Agreement. The Community Planning Board was replaced with a wider Community Planning Partnership and a Delivery Group.

As the Governance Framework for the Agreement develops, we expect each individual partner organisation to align its strategic documents, performance management arrangements and service delivery with this Agreement.   However, it is important to note that, in line with the Scottish Government's Guidelines, accountability for delivery of the outcomes contained within the Agreement can only lie with the statutory public sector bodies within the partnership. Therefore, non-statutory partner organisations will be formally recognised as working to deliver the outcomes contained in the Agreement, but will not be required to formally sign-off the final version[13].

Delivery on the Key Purpose and Outcomes will be monitored through the Annual Report, closing the accountability loop of community planning, the community plan and the Single Outcome Agreement.

Community Planning Partnership

The strategic overview of Community Planning in Shetland is carried out by the Community Planning Partnership (CPP). This group, which meets twice a year, is responsible for appointing members to the Delivery Group, setting priority areas for Delivery focus and reviewing performance against the objectives set out in the Agreement.

Membership includes all Council elected Members, all NHS Shetland Board members, and their respective Senior Management Teams; representatives from other statutory partners and non-statutory partners; and the Chairs of Strategic Partnerships (see Section 2.2).

Community Planning Delivery Group

Membership of this Group consists of senior members from each of the statutory community planning partners as well as the Voluntary Sector and Charitable Trust.

The main aim of this group is, on an annual basis, to take the areas that the Partnership have highlighted as priorities from the Agreement for that year and ensure that the Partnership is organised

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[13] Voluntary Action Shetland are a signatory

to take these forward. A Champion is assigned to each priority area and is asked to outline, for a 1-year timescale, a target that they feel can be achieved within that area[14].

Given the current context of public sector funding, which is all the more challenging give Shetland's need to retain the number of jobs: during this year to better understand the issues, what difference more effective partnership working could make and deliver a tangible improvement where possible:

Preparing Shetland for Public Sector Cuts

This area will be led by the Convenor of Shetland Islands Council and the Chair of NHS Shetland Board.

5.3   Reporting Performance

Sustaining Shetland remains the principal document for monitoring the indicators of quality of life in Shetland. During the coming year, recognising our commitment to provide an annual report detailing progress towards achieving what is set out in this Agreement, Sustaining Shetland will be slightly amended, to include all of the indicators contained in Section 2 of this document. This will be reported in October each year through the statutory signatories and the Community Planning Partnership itself.

As well as producing an annual report that draws together the overall performance, partners will use already established reporting channels to track their progress in delivering the areas they are responsible for. These include - Council performance reviews, reports to Committees and Boards. As such, the members of each of these bodies will have a role to play in holding their officers to account for delivery of the Agreement.

Current approaches to reporting performance to the public vary across community planning partners. The further development of this shared approach, focusing on common outcomes, presents an opportunity for performance reporting to be more joined-up between partners. This will be further explored with regard to public performance reporting arrangements in the future.

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[14] For more information see
http://www.shetland.gov.uk/communityplanning/ShetlandsCommunityPlanningPartnershipStructure.asp

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6.   Shetland's SOA Framework

6.1   Strategic Context

The diagram below sets out the local and national influences on Shetland's Key Purpose and Strategic Outcomes:

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┌─────────────────┐                                              ┌─────────────────┐
│     LOCAL       │                                              │    NATIONAL     │
└────────┬────────┘                                              └────────┬────────┘
         │                    ┌──────────────────────┐                    │
         ▼                    │ POPULATION STUDY &    │                    ▼
┌─────────────────┐           │ OTHER RECENT LOCAL    │          ┌──────────────────────┐
│ SHETLAND – THE  │           │     RESEARCH          │          │ SUSTAINABLE ECONOMIC │
│  LONG RANGE     │           └──────────┬───────────┘          │       GROWTH         │
│   FORECAST      │                      │                      └──────────┬───────────┘
└────────┬────────┘                      │                                 │
         │                               │                                 ▼
         ▼                               │                      ┌──────────────────────┐
┌─────────────────────┐                  │                      │  NATIONAL PRIORITIES │
│ SHETLAND RESOLUTION │                  │                      └──────────┬───────────┘
└──────────┬──────────┘                  │                                 │
           │            ┌────────────────▼────────────────┐                │
           └───────────▶│       SHETLAND'S SOA            │◀───────────────┘
                        │   Key Purpose, Strategic        │
                        │   Outcomes & indicators for     │
                        │          Shetland               │
                        └─────────────────────────────────┘
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6.2   Shetland's Strategic Framework
Below is set out Shetland's strategic outcomes, linked to national priorities.

Key Purpose:
Maintain the Number of Economically Active People Throughout Shetland[15]

National Priority Area: Cross-Cutting
National Outcomes
13. We take pride in a strong, fair and inclusive national identity.
15. Our public services are high quality, continually improving, efficient and responsive to local people's needs.
Shetland Cross-Cutting
C.1 Efficiencies
C.2 Strengthening Communities
C.3 Culture
C.4 Equalities
C.5 Strategic Environmental Assessment

National Priority Area: Wealthier and Fairer
Enable businesses and people to increase their wealth and more people to share fairly in that wealth.
National Outcomes
1. We live in a Scotland that is the most attractive place for doing business in Europe
2. We realise our full economic potential with more and better employment opportunities for our people.
7. We have tackled the significant inequalities in Scottish society.

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[15] This recognises unpaid work such as volunteering, childcare and caring responsiblities.

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8. We have improved the life chances for children, young people and families at risk.

Shetland Wealthier and Fairer Strategic Outcomes

F.1 We have reduced levels and the impact of poverty, deprivation and social exclusion in Shetland.

F.2 Socio-economic disadvantage does not impact on the opportunities people have.

W.1 Priority Development: The telecommunications network will enhance business opportunities in all areas of Shetland

W.2 Priority Development: Our renewable energy resources will be used as a stimulus for economic growth

W.3 Priority Development: Shetland's reputation for sustainable practices and quality products will be strengthened

W.4 Strengthening the Economy: Businesses will be supported to address market failures which if overcome can improve profitability and long-term performance

W.5 Strengthening the Economy: Peripheral communities will be assisted to build capacity that strengthens community sustainability

National Priority Area: Smarter

Expand opportunities for Scots to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.

National Outcomes

3. We are better educated, more skilled and more successful, renowned for our research and innovation.

4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

Shetland Smarter Strategic Outcomes

Sm.1 We provide a person-centred approach to ensuring positive learning pathways for the long-term, focusing on the long-term unemployed, the 18-24 age group, those misusing substances and winter school leavers.

Sm.2 We recognise each person's strengths, building on these to ensure everyone can achieve their potential through learning opportunities that build capacity, increase confidence and encourage participation and responsible citizenship.

Sm.3 We take a proactive approach to ensuring Shetland's skills match Shetland's economic need.

National Priority Area: Stronger

Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

National Outcomes

10. We live in well designed, sustainable places where we are able to access the amenities and services we need.

11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

Shetland Stronger Strategic Outcomes – Transport

St.1 We will improve the availability, accessibility, affordability and usage of internal and external public transport

Shetland Stronger Strategic Outcomes – Housing

St.2 We will ensure the right house is available in the right place at the right price.

Shetland Stronger Strategic Outcomes – Childcare

St.3 We will sustain and, where necessary, grow the number of childcare places, to meet identified need.

National Priority Area: Healthier

Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.

National Outcomes

5. Our children have the best start in life and are ready to succeed.

6. We live longer, healthier lives.

Shetland Healthier Strategic Outcomes

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Hth.1 Maintain a healthy life expectancy, focusing on healthy weight, alcohol, drugs and mental health.
Hth.2 Tackle health inequalities ensuring that the needs of the most vulnerable and hard to reach groups
Hth.3 We will support and protect the most vulnerable members of the community, promoting independence and ensuring services are targeted at those that are most in need.

National Priority Area: Safer
Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
National Outcomes
9. We live our lives safe from crime, disorder and danger
Shetland Safer Outcomes
Sf.1 We will retain the current high level of community safety, but will continue to a) reduce crime; b) tackle serious crime; c) make the roads safer; d) maintain public order; and e) protect adults and children from harm and exploitation.

National Priority Area: Greener
Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

National Outcomes
12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.
14. We reduce the local and global environmental impact of our consumption and production.
Shetland Greener Outcomes
G.1 We will move towards sustainable and efficient consumption and production
G.2 We will protect Shetland's renowned natural and built environment

6.3   Delivery on Strategic Outcomes
The following diagram depicts how Shetland's key purpose and strategic outcomes will be delivered in Shetland:

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The strategic outcomes are monitored using a set of strategic indicators. Overall responsibility for monitoring of these is the Community Planning Partnership, through the Community Planning Delivery Group. Delivery is achieved through strategic partnerships and the prioritisation process of individual organisations and services. Operational outcomes, clearly linked to, and delivering on the strategic outcomes are set out in partnership documents, agency plans and service plans[16]. These are highlighted throughout the document.

The following diagram sets out the strategic partnerships and practioner groups charged with operational monitoring and delivery within partner organisations.

Cross – Cutting Themes: SEA, Equalities, Efficiencies, Culture, Strengthening Communities

- Anti-Social Behaviour
- Road Safety Advisory Group
- Domestic Abuse Partnership
- Child Protection Committee
- Adult Protection Committee
- CSP
- SADAT
- Mental Health Strategy Group
- CHCP
- Children and Young People
- Curriculum for Excellence
- HAT → Active Lives
- Employability
- Skills & Learning Strategic Partnership
- MCMC
- Environmental Action Team
- Carbon
- Transport
- LBAP
- Childcare
- Housing
- Poverty Group
- PACE
- Industry and Area Panels
- Community Regeneration and Social Economy

CPDG
- Safer
- Healthier
- Smarter
- Greener
- Stronger
- Wealthier and Fairer

Culture

KEY PURPOSE: To Maintain the Number of Economically Active People Throughout Shetland

Indicator	Frequency/Type/Source	Baseline	Local Target
K.1 Population Size	GROS, Annual, 2008	All – 21,980 Males – 11,099 Females – 10,881 Age: 0-19 – 5399; 20-64 – 13115; 65+ - 3466	Maintain numbers, stabilise predicted decline

K.2 Population Structure	Working Age Population: ONS mid-year population estimate, 2008
	
	Economically Active Population: ONS annual population survey, April 2008-March 2009
	
	Economically Inactive Population: ONS annual population survey, April 2008-March 2009
		All – 13,400
		Males – 7,300
		Females – 6,100
		
		All – 12,200
		In employment – 12,000
		    – Employees – 10,200
		    – Self employed – 1,700
		Unemployed – 300 (model based)
		
		All – 1,700
		Wanting a job – 600
		Not wanting a job – 1,000
			Maintain and improve current demographic structure and predicted deterioration

K.3 Population Distribution	GP Registration Figures: NHS Shetland, annual	2003: Lerwick/Scalloway – 53.4% & Rest of Shetland 46.6% 2008: Lerwick/Scalloway – 53.6% & Rest of Shetland 46.4%	Increase proportion of population in rest of Shetland

Cross-Cutting Themes

There are a number of important areas of strategic development and delivery that cut across the national and local outcomes. These include the Strategic Environmental Assessment, Culture, Equalities and Efficiencies.

National Outcomes

11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

13. We take pride in a strong, fair and inclusive national identity.

15. Our public services are high quality, continually improving, efficient and responsive to local people's needs.

C.1 Efficiencies

Local context: In the current financial climate, achieving efficiencies has to be a priority in everything we do.

Key Delivery Partners: all CPP partners

Monitoring

Indicator	Source	Baseline (Data and Professional Assessment)	Target
C.1.1 Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum	Scottish Government & Audit Scotland Annual (NI 42)	Annual revenue spend across Community Planning Partners is approx. £200 mn	£4 mn efficiency savings annually

C.2 Strengthening Communities

Citizens are increasingly more active in their communities, regardless of age, gender, sexual orientation, ethnic original, where they live, disability or faith/religion/ belief and contribute to active citizenship

Local context: There are three key areas of delivery in this area, which all agencies in Shetland are able to make a contribution:
- Community Development and Capacity Building
- Volunteering
- Social Economy

Strengthening Communities delivers across all areas of Shetland's outcomes, for example:

Wealthier and Fairer: the social economy is able to provide employment opportunities, including for the more vulnerable

Smarter: volunteering provides opportunities for skills development

Healthier: volunteering and the social economy play a critical role in delivery

Safer: volunteering and the social economy play a critical role in delivery

Stronger: helping communities to flourish, with improved opportunities

Greener: social enterprise and volunteering are key to delivery of a greener society in Shetland

Key Delivery Partners: all CPP partners, with lead role from Voluntary Action Shetland, Shetland Islands Council & Highlands and Islands Enterprise.

Relevant Framework/Strategy/Plan: Community Regeneration Policy; Voluntary Action Shetland[17].

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[17] http://www.shetland-communities.org.uk/vas/ & *A Thriving and More Connected Voluntary Sector Foundation Business Plan 2008-11*

Monitoring

Indicator	Source	Baseline (Data and Professional Assessment)	Target
C.2.1 Percentage of community involvement exercises using and VOiCE	SIC Policy Unit	2009/10 – 0%	100%
C.2.2 Percentage of population taking part in cultural and volunteering activities	Voluntary Action Shetland	35% of Your Voice, 2008 respondents said that they volunteer	35%
C.2.3 Size of the Social Economy	ONS Inter Departmental Register Annual	Baseline to be established	To be established

Required Actions/commitment by local partners for these outcomes	- Increased Commissioning of Services - Development of Community Involvement Training - Community Councils are active and integral of community planning process - Continue to develop Local Service Delivery Groups

C.3 Culture

Local context: See On the Cusp… - Shetland's Cultural Strategy (2009-2013)[18]

Key Delivery Partners: Shetland Islands Council (Education and Social Care Department), Shetland Amenity Trust, Shetland Arts Development Agency

Value Adding Role: Shetland ForWirds, HIE, NHS (Health Improvement), Crofters Commission, Voluntary Action Shetland, Visit Scotland, Promote Shetland, Shetland College

Relevant Framework/Strategy/Plan: On the Cusp… - Shetland's Cultural Strategy (2009-2013)

The vision for cultural life in Shetland is:
'We seek to ensure that Shetland's cultural assets are conserved, developed and supported in order to allow everyone to reach his or her potential, strengthen community identity, pride and confidence and secure prosperity for the benefit of present and future generations. We intend that Shetland's

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[18] See http://www.shetland.gov.uk/community/

cultural assets will be recognised as among the riches and most diverse to be found anywhere. We want Shetland to be the most exciting creative and cultural island community in the world'

Monitoring: this is undertaken directly by the Cultural Strategy Planning Group, and indirectly through this SOA.

C.4 Equalities

Local context: Currently being updated as part of Equalities Bill, but existing information is provided in existing Equality Strategies (see below).

Key Delivery Partners: all CPP partners, with statutory duty for public authorities.

Relevant Framework/Strategy/Plan: Race, Disability and Gender Equality Schemes of individual partner organisations[19].

The Equalities Bill will introduce the new general Equality Duty which will require public authorities to be active in promoting equality, eliminating unlawful conduct and fostering good relations in relation to the following strands: age, disability, gender, race, religion or belief, sexual orientation, pregnancy and maternity, gender reassignment and to address the inequality that arises from socio-economic disadvantage.

Monitoring: this is undertaken directly by individual partner Equality Schemes and in relation to specific and necessary target groups in each area of this SOA.

C.5 Strategic Environmental Assessment

This is a statutory process, required in order to consider and broadly evaluate the likely impact of a public plan, programme or strategy on the environment.

Local context: Shetland's Guidance on completing Strategic Environmental Assessment[20]

Key Delivery Partners: all CPP partners, with statutory duty for all plans, policies and programmes.

Relevant Framework/Strategy/Plan: a local guidance document and advice is available through the Council's Development Plans Service.

Monitoring: this is undertaken directly by individual partner organisations.

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[19] NHS: http://www.shb.scot.nhs.uk/initiatives/equality/index.asp; SIC/ZetTrans: http://www.shetland.gov.uk/equalopportunities/; Northern Constabulary: http://www.northern.police.uk/publications.html; HIE: http://www.hie.co.uk/HIE-equality-documents/HIE%20single%20Equality%20Scheme%202009-12.doc HIFB: http://www.hifb.org/publications
[20] http://www.shetland.gov.uk/conservation/StrategicEnvironmentalAssessmentSEA.asp

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National Priority Area: Wealthier and Fairer
Enable businesses and people to increase their wealth and more people to share fairly in that wealth.

National Outcomes
1. We live in a Scotland that is the most attractive place for doing business in Europe

2. We realise our full economic potential with more and better employment opportunities for our people.

7. We have tackled the significant inequalities in Scottish society.

8. We have improved the life chances for children, young people and families at risk.

F. Shetland Fairer Outcomes
Lead Officer: Hazel Sutherland, Executive Director, Education and Social Care / Co-ordinator: Emma Perring, Policy Manager

Local context: See Section 1 of Shetland's Fairer Framework: 'Where Are We? - Characteristics and Experiences of Poverty, Deprivation and Social Exclusion in Shetland in 2009'[21]

Key Delivery Partners: Shetland Islands Council (Environmental Health, Policy Unit)

Value Adding Role: Charitable Trust, NHS Shetland, HIE Shetland, Skills Development Scotland, Department of Work and Pensions, Voluntary Action Shetland, CADSS, Shetland Islands Council (Youth Services, Housing, Economic Development, Childcare, Children's Services, Community Work), CAB

Relevant Framework/Strategy/Plan: Fairer Shetland led by Fairer Shetland Group.

F.1 Reduced Levels and Impact of Poverty, Deprivation and Social Exclusion in Shetland.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
F.1. 1 Number of Income Deprived People [Adults and Children in Income Support Households; Adults and Children in Job Seekers Allowance households; Adults in Guarantee Pension	SIMD/Nomis Annual	2004: 1492 (6.8% of population) 2006: 1934 (8.8% of population) 2009: 2315 (10.55% of population)	Decrease numbers (mindful of impact of increased

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[21] See http://www.shetland.gov.uk/policy/Poverty.asp

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Credit Households]			
F.1.2 Total New Debt & Number of People with that Debt	CAB Quarterly	2008/09 Q1 – 15: £666,373 Q2 – 39: £625,654 Q3 – 23: £167,337 Q4 – 30: £894,531 2009/10 Q1 – 22: £428,851	Decrease number of people and level of debt
F.1.3 Number of Households in Fuel Poverty	Scottish House Condition Survey	Shetland 2004-07: 32%. Increase in fuel cost not met by increase income since. 65% not in fuel poverty. Unst 2009: 49%	Decrease number of households in fuel poverty: national target of so far as is reasonably practicable, people are not living in fuel poverty in Scotland, by November 2016.

F.2 Socio-economic disadvantage does not impact on the opportunities people have.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
F.2.1 Social Capital	Mental Health Team / Community Work	Currently no baseline. To be developed by Policy Unit, SIC / Community Work, SIC / Mental Health Team, SIC & NHS	To be established
F.2.2 Number of individuals supported to access social activities and networks	Policy Unit, SIC	Currently no baseline: to be developed in partnership with Community Work and Mental Health Service. Data available from SBS, Adult Learning.	100 individuals each year

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Required Actions/commitment by local partners for these outcomes	**F.A WE ARE MAXIMISING HOUSEHOLD INCOME**
	- Increase uptake of national and local benefits, including
	    ○ Continue to provide benefits checks and advice, and undertake campaigns to improve uptake (out-of-work and in-work benefits);
	    ○ Increase levels of out-reach work;
	- Reduce levels of debt
	    ○ Continue to provide one-to-one support for debt
	    ○ Taking an increasingly proactive approach by introducing financial capability training into all front-line delivery
	
	F.B WE ARE INCREASING EMPLOYMENT OPPORTUNITIES AND EMPLOYABILITY
	- Ensure the Shetland economy can provide sufficient and varied job opportunities for the requirements of the population (including rural employment, job progression and reduced underemployment);
	- Ensure services assist in removing physical barriers to employment, such as transport, childcare and providing decentralised employment opportunities;
	- Improve the health of individuals: in particular addressing mental health issues and substance misuse;
	- Provide people with the appropriate skills and attitudes to obtain and maintain employment;
	- Provide supported employment opportunities; and
	- Provide supported volunteering opportunities.
	
	F.C WE WORK WITH PEOPLE AS INDIVIDUALS TO IMPROVE THEIR LIFE CHANCES
	- Enable everyone in contact with a service to have a lead professional, identified by the person: all front-line staff to be able to identify and work with people to improve their quality of life (following the key principles) with one action plan;
	- Provide particularly vulnerable individuals with high-intensity programmes;
	- Expecting all services to take responsibility for improving quality of life; and
	- All services must follow the key principles and provide outreach services. This can be achieved by:
	    ○ Developing understanding;
	    ○ Poverty proofing services; and
	    ○ Working proactively at the area level, through Local Service Delivery Groups.
	
	F.D WE PROVIDE OPPORTUNITIES TO IMPROVE QUALITY OF LIFE

Scottish Government required action/commitment to support delivery of local outcome	• Support rural CPPs in the development of indicators to measure poverty in rural areas, complementary to SIMD. • Ensure Rural Policy considers issues surrounding rural poverty. • Support to seek fairer fuel prices. Heating and transport fuel prices are much higher than UK average. This impacts on the amount of income households have to spend on items like food and clothing. Those who are getting out of fuel poverty are falling back into fuel poverty due to continuing increases in fuel prices. • Support to introduce a more equitable electricity system across Scotland. Households that rely on Electricity card meter systems are paying more for their electricity – those on low income are more likely to have card systems.

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W. Shetland Wealthier and Fairer Outcomes
Lead Officer: Neil Grant, Head of Economic Development

Local context: Supporting a Competitive Business Environment (Shetland Islands Council Economic Development Unit)[22]

Key Delivery Partners: Shetland Islands Council (Economic Development Unit), Highlands and Islands Enterprise, Shetland Charitable Trust

Value Adding Role: Voluntary Action Shetland, Shetland Islands Council (Infrastructure Services in particular Planning and Environmental Health), Industry Organisations and Associations

Relevant Framework/Strategy/Plan: Supporting a Competitive Business Environment (EDU) & HIE Local Plans (under development)

W.1 Priority Development: The telecommunications network will enhance business opportunities in all areas of Shetland

Indicator	Source	Baseline (Data and Professional Assessment)	Long-Term Target
W.1.1 Bandwidth available to Shetland	Shetland Telecoms Project	Baseline data not available due to commercial confidentiality	Increase – amount of increase to be confirmed through development of Shetland Telecoms Project
W.1.2 Resilience of bandwidth service	Shetland Telecoms Project	Baseline data not available due to commercial confidentiality	100% operation of bandwidth to/from Shetland.
W.1.3 Adoption of internet technologies: % of private sector firms with a website and % of private businesses trading online	Employers Survey, SIC	44% of private sector firms have their own marketing/information website 14% of private sector firms have their own trading website (these are included in 44% above)	Increase in % of employers with a website, data available in 2013 Increase in % of private businesses trading online, data available in 2013

W.2 Priority Development: Our renewable energy resources will be used as a stimulus for economic growth

Indicator	Source	Baseline (Data and Professional Assessment)	Long-Term Target
W.2.1 MW capacity of renewable energy generation activities in Shetland	SREF	10.3MW (2009)	Increase (scale of increase dependent on grid development)

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[22] To be online shortly

W.2.2 Number of projects (and value) supported to develop renewable energy solutions	SIC/HIE	Generation projects at feasibility/planning stage – 5 Generation projects under construction/ completed – 10 Enabling/R&D projects receiving support - 4	Increase
W.2.3 Number of organisations using renewable energy as a source of energy	To be developed	To be developed	Increase

W.3 Priority Development: Shetland's reputation for sustainable practices and quality products will be strengthened

Indicator	Source	Baseline (Data and Professional Assessment)	Long-Term Target
W.3.1 Accreditation indicators which set standards above the minimum national standards	Industry Action Plans and Progress Reporting	To be developed on an industry by industry basis.	Increase
W.3.2 % of private sector businesses selling a product or service branded as from 'Shetland'	To be developed	To be developed	Increase

W.4 Strengthening the Economy: Businesses will be supported to address market failures which if overcome can improve profitability and long-term performance

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Enterprise Activity: W.4.1 Number of businesses per 10,000 population	NOMIS and GROS	569 (2007)	Shetland is already above the average for the Highland & Islands and Scotland, therefore target is to maintain volume
W.4.2 Business start-ups per annum (5 year rolling average of VAT registrations)	NOMIS	62 (2003-2007)	Increase and maintain at over 70
W.4.3 Number of business start-ups dependent on: renewable energy; or	To be developed by EDU	To be developed	To be developed, annual target expected to be in the region of 5 start-ups per annum.

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enhanced telecommunications network			
W.4.4 Number of enquiries made through Business Gateway	EDU	April 09-16 February 09 – 176 enquiries	Over 225 per annum
Innovation: W.4.5 % of private sector firms intending to invest in development projects in the next three years	Employers Survey	72% (2007)	Increase and maintain at over 80% (data available 2013)
W.4.6 % of private sector firms intending to invest in new technology and/or new products/services in the next three years	Employers Survey	22% of private sector firms intend to invest in new products and/or services 39% of private sector firms intend to invest in new technology Combined total is 46% of all private sector firms[23]	Increase and maintain combined total at over 50% (data available 2013)
W.4.7 Number of FE/HE projects undertaken in collaboration with businesses	EDU/HI-Links	To be developed	To be developed
Exports: W.4.8 % of private sector businesses only based or with headquarters in Shetland exporting from Shetland[24]	Employers Survey	38% of private sector businesses with their only base or headquarters in Shetland compete for business outside of Shetland (almost half of these, 48%, compete outside of the UK) (2007)	Increase and maintain at over 45% (data available 2013)
W.4.9 % of private sector businesses only based or with headquarters in Shetland exporting more than 10% of turnover from Shetland	Employers Survey	18% of private sector businesses with their only base or headquarters in Shetland export more than 10% of their turnover (2007)	Increase and maintain at over 20%(data available 2013)

[23] 15% of private sector respondents intended to invest in both new products/services and new technology
[24] Private sector businesses that are only based in Shetland or have their Headquarters in Shetland represent 88% of all private sector respondents. Those firms with Headquarters elsewhere are not included in this calculation as exports may be driven by production outside of Shetland

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Education and Skills:			
W.5.1 % of employers experiencing difficulties due to a lack of skilled labour	Employers Survey	23% (2007)	Decrease and maintain at below 20% (data available 2013)

W.5 Strengthening the Economy: Peripheral communities will be assisted to build capacity that strengthens community sustainability

Indicator	Source	Baseline (Data and Professional Assessment)	Target
W.5.1 Live Development Plans	SIC/HIE	Not appropriate	Working with at least 2 communities per annum to create/update development plans
W.5.2 Social Enterprise Development and Profitability	EDU/HIE/VAS	Deficit/Profitability baseline will be created on an enterprise by enterprise basis when a project is approved	Deficit/Profitability target will be agreed on an enterprise by enterprise basis when a project is approved.

Required Actions/commitment by local partners for these outcomes	We will create specific projects and interventions that pursue success in our priority developments. Our priority developments are: • Improve the telecommunications system in all areas of Shetland; • Use our renewable energy resources as a stimulus for economic growth; and • Strengthen Shetland's reputation for sustainable practices and quality products. To strengthen our economic base and enhance the competitiveness of business in Shetland we will: • Support entrepreneurial activity and new business creation; • Promote innovative investments designed to improve business profitability and sustainability; • Encourage export activities, including exports from Shetland; • Invest in education and skills to support the development of our businesses and economy; and • Support industry specific action plans and cooperative working as appropriate to our priority developments and strengthening economy activities. • To strengthen our economic base and enhance the sustainability of peripheral communities we will: • Along with partners, support communities to develop regeneration plans for their area; and • Assist social enterprises to improve their skills and undertake projects that enhance their profitability and reduce dependence on grant funding. • Public Sector resources will be used to stimulate stronger private, social and voluntary sectors.

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Scottish Government required action/commitment to support delivery of local outcome	We ask the Scottish Government to recognise the unique economic challenges faced by island communities and support the long-term health of our economy through positive policy decisions which support our priority developments and our core industries. In particular: - Consult with local partners to identify best value and best long-term outcome from any supply-side telecommunication investment available; - Retain and develop incentives that support adoption of renewable energy and heat solutions which are either connected to the grid or off-grid; - Support electricity grid upgrades; - Support marketing and accreditation initiatives which seek to create a unique identity for Shetland and its products; and - Support the development of Business Gateway to enable the development of services tailored to the needs of the local economy. We ask the Scottish Government to recognise the importance of social enterprises to peripheral communities and take action to support their future operation.

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National Priority Area: Smarter

Expand opportunities for people in Scotland to succeed from nurture through to life long learning ensuring higher and more widely shared achievements.

National Outcomes

3. We are better educated, more skilled and more successful, renowned for our research and innovation.

4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

Sm. Shetland Smarter Outcomes
Lead Officer: Hazel Sutherland, Executive Director, Education and Social Care / Co-ordinator: Jim Reyner, Skills Co-ordinator

Local context: See the document "Skills and Learning Partnership – SOA "Smarter" – Strategic Context."

Key Delivery Partners: Shetland Islands Council (Schools Service (including Library and Youth Services), Shetland College, Adult Learning, Community Learning, Economic Development)

Value Adding Role: Skills Development Scotland, Department of Work and Pensions, NHS Shetland, HIE Shetland, Voluntary Action Shetland

Relevant Framework/Strategy/Plan: Shetland's Skills and Learning Strategy – June 2009, led by Shetland's Skills & Learning Strategic Partnership.

Sm.1 We provide a person-centred approach to ensuring positive learning pathways for the long-term, focusing on the long-term unemployed, the 18-24 age group, those misusing substances and winter school leavers.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Sm.1.1 The percentage of working age population with low or no qualifications	Annual Population Survey	2007 – 11.6% 2008 – 10.4% (approx 1380)	2012 - <10%
Sm.1.2 The number of adults from hard to reach groups accessing various learning opportunities	Data supplied by Adult Learning partners	2008 – 180 in all literacy programmes 110 in ESOL Baseline in other areas being established	2010 – 120 in all literacy programmes 100 in ESOL

Sm.2 We recognise each person's strengths, building on these to ensure everyone can achieve their potential through learning opportunities that build capacity, increase confidence and encourage participation and responsible citizenship.

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Indicator	Source	Baseline (Data and Professional Assessment)	Target
Sm.2.1 Levels of attainment in National Qualifications at S4, S5 and S6 a. Percentage of S4 pupils with 5 or more Standard Grades or equivalent at General Level or better	Scottish Govt and Scottish Qualifications Agency	2009 – 89.9%	Increase 2010 – 91%
b. Percentage of S5 pupils with 5 or more Highers or equivalents		2009 – 14%	Increase 2010 – 12%
c. Percentage of S6 pupils with at least one Advanced Higher or equivalent		2009 – 10.5%	Increase 2010 – 16%
Sm.2.2 The workforce is appropriately skilled for the local job market	SIC Employers Survey	2007 – 23% had difficulty recruiting suitably skilled staff	2010 - < 20%
Sm.2.3 The percentage of school leavers in positive and sustained destinations	Census conducted by Skills Development Scotland	2006 - 91.1% 2007 - 92.4% 2008 - 91.8%	2010 - >92% 2012 - >95%
Sm.2.4 The proportion of working age people achieving SCQF Level 6 or above	Annual Population Survey	2006 – 58.3% (Scotland 59.5%) 2007 – 57.6% (Scotland 60.0% 2008 – 58.1% (Scotland 60.5%) * Calculated as a 3-year rolling average	2010 > 58.5% 2012 > 59.5%

Sm.3 We take a proactive approach to ensuring Shetland's skills match Shetland's economic need.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Sm.3.1 The proportion of working age people in employment receiving job-related training in the last 3 months	Annual Population Survey	2006 - 31.7% (Scotland 30.28%) 2007 – 27.7% (Scotland 27.8% 2008 – 30.7% (Scotland 28.1%)	2010 - > 30%

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Skills and Learning Strategic Partnership	Sm.A Service delivery will be seamless, not restricted by organisational or professional boundaries, whether in public, private or voluntary sector There will be a focus on locally provided service delivery, where it is appropriate and value for money to do so There will be more flexible services and more choice for service users, within available resources Any unnecessary duplication, bureaucracy and managerial or administrative overheads will be removed from the system
Employability Skills Working Group	Sm.B Students on practical and vocational courses are taught in specialist settings by appropriately experienced staff Beyond 18, students can study vocational skills at degree level for qualifications recognised and valued by employers
More Choices, More Chances & 16+ Learning Choices Working Group	Sm.C All young people, in whatever setting, will have individual profiles of success, skills and aptitudes to help inform their choices for life and work All young people are supported in choosing a pathway matched to their interest and abilities with an appropriate balance of theoretical and practical learning, which may include volunteering Beyond 16 all learners have the opportunity to specialise within their chosen learning pathway, change to another pathway or enter employment with training
Curriculum for Excellence Working Group	Sm.D All schools will offer a broad curriculum at the third and fourth stage with opportunities to develop life skills and experience a range of future options
Workstreams Group	Sm.E The Shetland community will have access to information about the whole range of available learning opportunities There will be ease of access to services, with clear understanding within the community of whom to contact and where to go for information and advice
Scottish Government required action/commitment to support delivery of local outcome	• Ensure support is given to local authorities to implement Curriculum for Excellence in a systematic, consistent manner. • Ensure recognition and implementation of their responsibilities as set out in "Skills for Scotland – A Lifelong Skills Strategy. • Improve publicised information on performance, with greater emphasis on positive destinations.

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National Priority Area: Safer
Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

National Outcomes
9. We live our lives safe from crime, disorder and danger

Sf. Shetland Safer Outcomes
Lead Officer: David Bushell, Chief Inspector / Co-ordinator: Jason Beeston and Jenny Wylie, Community Safety Officer

Local context – See Community Safety Strategic Assessment (currently under development); Shetland Inter-agency Child Protection Procedures[25]; Shetland Inter-agency Adult Support and Protection Procedures[26]

Key Delivery Partners: Shetland Islands Council (Youth Services, Housing, Criminal Justice, Community Safety, Environmental Health, Emergency Planning, Children's Services), Northern Constabulary, NHS Shetland

Value Adding Role: Voluntary Action Shetland, Highlands and Islands Fire and Rescue Service, Victim Support Shetland, Crown Office and Procurator Fiscal's Service, Maritime and Coastguard Agency, Scottish Ambulance Service, Shetland Children's Reporter, Shetland Children's Panel, Community Alcohol & Drugs Service, Women's Aid

Relevant Framework/Strategy/Plan: Community Safety Strategic Assessment; Shetland Inter-agency Child Protection Procedures; Shetland Inter-agency Adult Support and Protection Procedures

Sf.1 We will retain the current high level of community safety, but will continue to a) reduce crime; b) tackle serious crime; c) make the roads safer; d) maintain public order; and e) protect adults and children from harm and exploitation.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Sf.1 Total number of reported crimes (includes drugs)	Northern Constabulary Annual	2007/08: 2022 2008/09: 2009	Reduction in number of offences. 63% detection rate (Class 1-5)
Sf.2 Number of incidents of domestic abuse throughout Shetland	Northern Community Justice Authority	2007/08: 48 2008/09: 76	Unable to establish until confidence in reporting levels reached

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[25] http://www.shetland.gov.uk/socialwork-health/services/child-protection.asp
[26] www.shetland.gov.uk/socialwork-health/.../ASPProcedures-Jun09.pdf

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	Annual		
Sf.3 Overall reconviction rate	Northern Community Justice Authority	2005/07: 35% reconviction rate	2010/11: Reduce by 2%
Sf.4 Number of alcohol related crime incidents	Northern Constabulary Annual	To be confirmed	Reduction
Sf.5 Public perception of general crime rate in local area	Northern Constabulary Biennial	2007/08: 96.25%	2010/11: Increase to 97%
Sf. 6a Mintain positive child protection inspection reports at an evaluation of at least good in the four key quality indicators	Child Protection Committee	2009: maintaining an evaluation of good in the four key quality indicators	Maintain
Sf.6.b All children with an identified need for a GIRFEC plan have one in place by end December 2010.		To be established	All in place by end of December 2010
Sf. 7a Increase awareness amongst workforce and public of Adult Support and Protection (Scotland) Act 2008 aims to support and protect individuals aged 16 and over at risk of harm.	Adult Protection Committee	Trained work force: 2008 - 2009: 625 people. Public awareness campigns	Increase participation in Adult Support & Protection training. Increased public awareness on Adult Support & Protection, particularly how to report concerns regarding an adult at risk, and increased awareness among service users of personal rights and access to support and safety.

Required Actions/commitment by local partners for these outcomes	Sf. A Tackle Underage Drinking St. B Tackle Drugs St. C Tackle Vandalisms
Scottish Government required action/commitment to support delivery of local outcome	Policy and Legislation to enable local partner organisations to take a pragmatic approach to minimising alcohol abuse. Prioritise dealing with drugs and the effects of drugs. Continue to highlight importance of safety for individuals and communities.

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National Priority Area: Healthier

Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.

National Outcomes

5. Our children have the best start in life and are ready to succeed.

6. We live longer, healthier lives.

Hth. Shetland Healthier Outcomes
Lead Officer: Dr Sarah Taylor, Director of Public Health / Co-ordinator: Susan Laidlaw, Consultant in Public Health, Christine Ferguson, Head of Community Care

Local context – Public Health Annual Report 2009[27]

Key Delivery Partners: Shetland Islands Council (Youth Services, Housing, Environmental Health, Trading Standards, Education, Social Care, Children's Services, Community Work, Sports and Leisure); NHS Shetland; Community Alcohol & Drugs Service Shetland; Mind Your Head

Value Adding Role: Shetland Recreational Trust; Job Centre Plus; Voluntary Sector organisations including Shetland Youth Information Services, SIC Planning Service.

Relevant Framework/Strategy/Plan: A number of local strategies & plans: Tobacco Control Strategy 2008-11 (Health Action Team); Healthy Weight Strategy 2008-11(Health Action Team); Sexual Health Strategy & Action Plan (Sexual Health Strategy Group); Mental Health Strategy (Mental Health Partnership); Annual Drug and Alcohol Action Plan (SADAT); Local Action Plan: CEL 36 (Nutrition of women of childbearing age, pregnant women and children under five in disadvantaged areas); Healthy Eating Policy; Breastfeeding Strategy; Active Lives Strategy; Shetland Domestic Abuse Strategy (Shetland Domestic Abuse Partnership); Shetland Core Paths Plan[28].

Hth.1 Maintain a healthy life expectancy, focusing on early years, healthy weight, alcohol, drugs and mental health.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Hth.1.1 Life expectancy at birth	GROS (LI19)	2004-06 79.0 years 2005-07 79.2 2006-08 78.1	83.0 years by 2014-16
Hth.1.2 Percentage of newborn children	Child Health Systems	2008 48.9% 2009 June 09 – 43.5%	58% by end March 2011 (HEAT target H7)

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[27] www.shb.scot.nhs.uk/healthcare/shetlandwide/publichealth/PublicHealthAnnualReport2009.asp
[28] See http://www.shetland.gov.uk/conservation/ShetlandCountrysideAccess.asp

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exclusively breastfed at 6-8 weeks	programme – pre school (LI14)		
Hth.1.3 Percentage of children out with healthy BMI range	Child Health Systems programme – school (NI)	2008/09 P1 class (not yet reported) To be established	(Associated HEAT target – number of children completing interventions)
Hth.1.4 Deaths per 100,000 population from coronary heart disease (under 75s)	GROS (LI21)	2006 50.2 2007 74.9 2008 47.3	Less than 50 by 2011 (Associated HEAT target)
Hth.1.5 Suicide rate per 100,000 population	NHS Shetland	2007 27.3 2008 22.7	20.7 by 2013
Hth.1.6 Number of Alcohol Brief Interventions Number of full interventions	NHS Shetland HEAT H.4	2008-09 35 Apr-Dec 09 94	Cumulative total of 622 by March 2011
Hth.1.7 Faster access to appropriate treatment for individuals with problem drug or alcohol use	NHS Shetland HEAT A.11	A.11.1 June 09 100% A.11.2 Baseline data to follow	A.11.1 By March 2013, 90% of clients will wait no longer than 3 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery. A.11.2 By December 2010, 90% of clients referred to drug treatment will receive a date for assessment that falls within 4 weeks of referral received and 90% of clients will receive a date for treatment that falls within 4 weeks of their care plan being agreed

Hth.2 Tackle health inequalities ensuring that the needs of the most vulnerable and hard to reach groups

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Hth.2.1 Pregnancies amongst under 16 year olds (3 year average per 1000 relevant population)	GROS (LI17)	2003-05: 13-15yrs - 3.3; 2004-06: 13-15yrs - 3.3; 2005-07: 13-15yrs - 4.2;	Maintain rate below 4% (due to variability of very low numbers)
Hth.2.2 Percentage women smoking at booking	NHS Shetland	2004-06 11.9 2005-07 13.2 2006-08 15.7	2010-12: 12%
Hth.2.3 Number of health inequalities targeted	NHS Shetland HEAT target	23 checks carried out in 2009/10 through Well North project in Unst & Fair Isle	Target for 2010/11 is 60, through Well North project in SIMD areas with least income and worst health in

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cardiovascular disease (CVD) checks	(H8)		Shetland

Local context: Community Health and Care Partnership Agreement, 2009-12[29]

Key Delivery Partners: Shetland Islands Council (Education and Social Care Department) & NHS Shetland

Value Adding Role: Voluntary Sector (including Walter and Joan Gray Home, Moving On Employment Project, COPE, Workstep, CAB, Couple Counselling, Crossroads, Shetland Bereavement Group) Shetland Charitable Trust

Relevant Framework/Strategy/Plan: Community Health and Care Partnership Agreement, 2009-12, through Health and Community Care Partnership.

Hth.3 We will support and protect the most vulnerable members of the community, promoting independence and ensuring services are targeted at those that are most in need.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
Hth.3.1 Number of hospital discharges delayed over six weeks	HEAT Standard /IPS review targets (LI26)	Zero delayed discharges	Maintain position of zero hospital discharges delayed over six weeks, including zero patients coded 71X
Hth.3.2 Percentage of older people (65+) with complex care needs receiving care at home	NHS Shetland: HEAT target (T8) (LI25 & NI)	September 2009: 42%	Local target is 40% (national 30%)
Hth.3.3 Number of people waiting for an occupational therapy assessment	Social Care – monthly reporting	May 09 – 126 Jul 09 - 134 Sept 09 - 100 Nov 09 - 76	Decrease
Hth.3.4 No of emergency inpatient bed days for people aged 65 and over	NHS Shetland: HEAT target (T12)	2006-7: 2223 2007-8: 2170 2008-9: 2205 Note: slight change in formula	2170 bed days (10% reduction from 2004/05 level by 2010/11)

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[29] See http://www.shb.scot.nhs.uk/healthcare/shetlandwide/publichealth/hccp.asp

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Required Actions/commitment by local partners for these outcomes		H.A Implementation of multi-agency Tobacco Control Strategy. Including a programme of smoking cessation interventions specifically targeting pregnant women & their partners; parents of young children and tailored to areas of greatest need - including areas of highest deprivation and poorest health in Shetland (based on SIMD data). Run through NHS Shetland but requiring support from partner organisations to promote service and signpost clients. Development of tobacco educational resources, building on 'Smoke Free Homes' campaign.
	H1 &2	H.B Implementation of local Action Plan in response to CEL 36 (Nutrition of women of childbearing age, pregnant women and children under five in disadvantaged areas) and implementation of local Breastfeeding Strategy, including additional support for pregnant women and new mothers through maternity care assistants, particularly in disadvantaged areas.
		H.C Implementation of Healthy Weight Strategy. Specifically in 2010/11 focussing on a programme of child healthy weight interventions. Including SCOTT programme; and a whole school based programme. Run through NHS Shetland but requiring input from key partners including Active Schools, Schools Service and support from partner organisations to promote service and signpost clients.
		H.D Implementation of local Mental Health Strategy: specifically mental health & wellbeing improvement; reducing stigma and suicide prevention work (including community based training programmes and awareness raising).
		H.E Health Improvement and Health & Safety work in workplaces through Healthy Working Lives, including promotion of the Award Scheme and support for individual organisations to achieve the Awards. Continuing Condition Management Programme to support people on incapacity benefit back into work and commencing Fit for Work programme to support those at risk from long term sickness to stay in work.
		H.F Further roll out of Well North anticipatory / preventative care project in areas of highest deprivation and poorest health in Shetland (based on SIMD data).
		H.G Health improvement and wellbeing work with children & young people who are vulnerable and 'hard to reach' (including those excluded from school; not in education, employment or training; homeless or at risk of homelessness; looked after children and those with disabilities). Including sexual health and relationships; drug & alcohol work and mental health promotion.
		H.H Review of district nursing / community nursing service including development of case management role for district nurses.
	H3	H.I Increased use of assistive technology (telecare) using Scottish Government Joint Improvement Team funding and support. Specific actions include Telehealthcare scoping exercise and review of community alarm responder service.
		H.J Implementation of findings of Sheltered Housing Review: 2 further pilot projects to be developed in Scalloway and Lerwick
		H.K Implementation of the new Single Shared Assessment process (developed through LEAN project in 2009)
		H.L Review of district nursing / community nursing service including development of case management role for district nurses.
		H.M Close liaison between NHS Shetland hospital & community services and social care services; including weekly meetings with social services, clinicians and community nursing.
		H.N. Improved support to Carers and Young Carers.
Scottish Government required action/commitment to support delivery of local outcome		- Support diverse commissioning models that can be responsive to local contexts. - Support single, HR and Finance frameworks at local level. - Develop single, streamlined performance monitoring systems for health and care services. - Government action on alcohol: specifically Alcohol Bill and implementing minimum pricing (as with Safer Asks)

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National Priority Area: Stronger

Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

National Outcomes

10. We live in well designed, sustainable places where we are able to access the amenities and services we need.

St. Shetland Stronger Outcomes - Transport
Lead Officer: Gordon Greenhill, Executive Director, Infrastructure Services / Co-ordinator: Michael Craigie, Lead Officer, ZetTrans

Local context – See Regional Transport Strategy Scoping Report[30]

Key Delivery Partners: ZetTrans, Shetland Islands Council (Transport Service, Roads Service, Planning Service)

Value Adding Role: Lerwick Port Authority, Promote Shetland, Shetland Islands Council (Ports and Harbours, Economic Development Unit)

Relevant Framework/Strategy/Plan: Regional Transport Strategy[31]

St.1 We will improve the availability, accessibility, affordability and usage of internal and external public transport

Indicator	Source	Baseline (Data and Professional Assessment)	Target (2010-11)
St.1.1 Percentage of journeys to work made by public or active transport	SIC Annual Travel Survey	In 2007 In 2008, 10% of journeys were made by walking and 2% by cycling.	Walking 14% Cycling 2%
St. 1.2 Numbers and percentage of children walking or cycling to school	Schools "Hands Up" Survey	In 2007 In 2008, 26% of primary pupils walked to school and 6% cycled. In 2008, 16% of secondary pupils walked to school and 2% cycled.	Walking 27%, Cycling 7% Walking 17%, Cycling 3%
St.1.3 Usage of Public Transport	Transport Service (SIC)	2006-07: 420,035 2007-08: 426,740 2008-09: 430,967	435,000
St. 1.4 Coverage of Demand Responsive Transport (DRT)	Transport Service (SIC)	2007-08: 40% 2008-09: No change	45% coverage

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[30] See http://www.zettrans.org.uk/consultation/TransportStrategyConsultation.asp
[31] See http://www.zettrans.org.uk/consultation/TransportStrategyConsultation.asp

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Required Actions/commitment by local partners for these outcomes	St.1.A Continued commitment and implementation of the Shetland Transport Strategy (including Delivery Plan) and Transport Services Service Plan. St.1.B Proactive approach to potential fuel increases
Scottish Government required action/commitment to support delivery of local outcome	• Provide appropriate support for the implementation of the Shetland Transport Strategy Delivery Plan. • Engage with Shetland in exploring appropriate subsidy mechanisms for external ferry travel. • Ensure affordability and user feedback are taken into account when designing the new contract for the Aberdeen to Lerwick route. • Continue to support and develop the Air Discount Scheme.

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St. Shetland Stronger Outcomes – Housing
Lead Officer: Hazel Sutherland, Executive Director, Education and Social Care / Co-ordinator: Chris Medley, Head of Housing

Local context – Housing Need and Demand Assessment 2010[32]

Key Delivery Partners: Shetland Islands Council (Housing, Environmental Health, Economic Development, Policy Unit, Social Work, Planning) and Hjaltland Housing Association,

Value Adding Role: Charitable Trust, NHS Shetland, HIE Shetland, Skills Development Scotland, Department of Work and Pensions, Voluntary Action Shetland

Relevant Framework/Strategy/Plan: Local Housing Strategy 2010 (under development)

St.2 We will ensure the right house is available in the right place at the right price.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
St.2.1 The supply of housing across all tenures	SIC Housing	Total social rented housing stock: 2007: 2211 2008: 2180 Total private sector housing stock: 2007: 8068 2008: 8179 Number of new house completions: 2007: 170 2008: 106	Housing Supply Targets to be set and defined in new LHS to be developed in 2010.
St.2.2 The quality of housing: SHQS and private sector housing grants	SIC Housing SIC Environmental Health	Percentage of social rented stock meeting the Scottish Housing Quality Standard: 2008/09: 81% Private sector housing grant baseline and targets to be discussed with Maggie Dunne:	100% of SIC Stock meeting the SHQS by 2015. Ensure as far as reasonably practicable that by 2016 persons do not live in fuel poverty[33].
St.2.3 Ensure all unintentionally homeless	SIC Housing Service	Number of homeless presentations in year: 2007/08: 239	Legislative target - by 2012 every unintentionally household will be entitled to settled accommodation.

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[32] See www.shetland.gov.uk/hnda
[33] See www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP/Progtowtarg and Housing (Scotland) Act 2001, Section 89.(5) 9b).

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households are entitled to settled accommodation by 2012		2008/09: 260 Percentage of homeless presentations accepted and entitled to a permanent home: 2007/08: 63% 2008/09: 71%	
St.2.4 Monitor the affordability of housing	SIC Housing Service	Percentage of households unable to afford to buy or rent in the market: 2008/09: 29%	Housing Supply Targets to be set and defined in new LHS to be developed in 2010.

Required Actions/commitment by local partners for these outcomes	St.2.A Work in partnership to develop the Local Housing Strategy 2010 and the Local Development Plan in line with relevant legislation. St.2.B Await agreement of the Scottish Housing Quality Standard Delivery Plans from Scottish Government. St.2.C Continue to prioritise households in fuel poverty for private sector repair and improvement grants.
Scottish Government required action/commitment to support delivery of local outcome	• Provide adequate funding to support the provision of good quality, affordable permanent homes across all housing tenures in Shetland. • Ensure that Private sector housing grants allocation process is "rural-proofed"[34].

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[34] Takes account of the increased cost of building materials, freight charges etc in rural areas and that allocation is not done on a population basis which disadvantages areas of smaller population

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St. Shetland Stronger Outcomes – Childcare
Lead Officer: Hazel Sutherland, Executive Director, Education and Social Care / Co-ordinator: Rosemary Inkster, Childcare Partnership

Local context: See report to Shetland Islands Council's Services Committee in October 2008 (CS-04)[35]

Key Delivery Partners: Shetland Islands Council (Education & Social Care Department, supported by the Economic Development Unit)

Value Adding Role: Disability Shetland, Train Shetland, NHS – Health improvement/Health Visitors, Shetland Pre-School ltd, Clever Parenting, Community Drugs Team, Job Centre Plus, Care Commission, Family Mediation, Shetland Library, Pre – School Providers, Women's Aid, Voluntary Action Shetland, Children's Panel, North Isles Childcare, Shetland Childminding Group, Blyde Haven Nursery, Private Sector (childcare), Shetland Youth Information Centre

Relevant Framework/Strategy/Plan: See report to Shetland Islands Council's Services Committee on 18 June 2009 (ESCD-86) & report to Shetland Islands Council's Development Committee on 1 October 2009 (DV-106)[36].

St.3 We will sustain and, where necessary, grow the number of childcare places, to meet identified need.

Indicator	Source	Baseline (Data and Professional Assessment)	Target
St.3.1 Number of viable childcare businesses	EDU	2009/10: 29 active childminders registered in Shetland	Retain viable childcare business Increase number of viable childminders
St.3.2 Differential between public, voluntary and private sector	Childcare Partnership	2009/10: Min cost: £12.40/hr/Max cost £38/hr	Reduce differential
St.3.3 Provision of childcare around centres of population	Childcare Partnership	2009/10: current gaps for Whalsay, Unst, Yell, West-side	Provision matches population hubs.

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[35] See http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=8157
[36] See http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=9288 & http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=9764

Required Actions/commitment by local partners for these outcomes	St.3.A Exploring new ways of delivering services, within existing resources St.3.B Ensuring that the principles of the Commissioning Strategy are applied to arrangements with partner organisations St.3.C Ensure the flexible application of budgets, to meet changing needs (eg transport provision) St.3.D For Economic Development to enhance the policy position for supporting childcare and specifically to develop a new grant aid scheme to provide "top up" grants to ensure services can be maintained and developed. St.3.E Review the charging arrangements for community facilities. St.3. F Distribution of childcare places matches Local Development Plan & Local Housing Plan

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National Priority Area: Greener

Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

National Outcomes

12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.

14: We reduce the local and global environmental impact of our consumption and production.

G. Shetland Greener Outcomes
Lead Officer: Gordon Greenhill, Executive Director, Infrastructure Services / Co-ordinator: Stephen Cooper, Head of Environment and Building Services

Local context: SIC Energy Policy; Shetland Local Biodiversity Action Plan[37]; Natural Heritage Futures Prospectuses[38]; Shetland Development Plan; Analysis of Shetland's Energy Sources[39].

Key Delivery Partners: Shetland Islands Council (Environment and Building Services and Planning Service).

Value Adding Role: Scottish Civic Trust, KIMO, Royal Society for the Protection of Birds, Shetland Amenity Trust, Scottish Environment Protection Agency, Scottish Natural Heritage and Historic Scotland, Energy Saving Trust, Community Energy Scotland.

Relevant Framework/Strategy/Plan: Development of carbon reduction commitments and plans is under-development. Shetland Local Biodiversity Action Plan[40]; Shetland Area Waste Plan[41]; River Basin Management Plan[42].

G.1 We will move towards sustainable and efficient consumption and production

Indicator	Source	Baseline (Data and Professional Assessment)	Target
G.1.1 Carbon reduction of public sector organisations - Council	Energy Manager	2006/07: 117455 GW hrs x 3.6 – GJ (includes ferries, vehicles, buildings and business mileage within Shetland)	Reduce energy based carbon emissions and energy consumption as set out in Climate Change (Scotland) Act 2009. 2.5%/year reduction

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[37] See http://www.livingshetland.org.uk/Archive.asp
[38] See http://www.snh.org.uk/strategy/NHF00.asp (2009 update)
[39] PURE are currently undertaking this piece of research
[40] See http://www.shetland.gov.uk/conservation/SIC-NaturalHeritage.asp
[41] See www.shetland.gov.uk/**waste**/**plans**policies.asp
[42] See http://www.sepa.org.uk/water/river_basin_planning/area_advisory_groups/orkney_and_shetland.aspx

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- NHS - Other organisations SNH	HEAT Standard (E8)	2006/07: 33,893 tonnes CO2 equivalent 2009/10: provisionally 1302 tonnes CO2 (additional data being finalised) 2009/10: 16843 GJ energy consumption (additional data being finalised) 2008/09: 13401 kg CO2 for electricity; 1274 for car use; 9330 for other transport	2014/15: 1118 tonnes (target may be revised when baseline updated) 2014/15: 16018 GJ (target may be revised when baseline updated) 4% annual reduction
G.1.2 Carbon reduction of individuals	Carbon Group	Baseline to be established	Reduce
G.1.3 Carbon reduction of communities	Carbon Group	Baseline to be established	Reduce
G.1.4 Quantity of waste sent to landfill	SIC, Waste Services	2007-08: 1,169 tonnes 2008-09: 690 tonnes	Reduce

G.2 We will protect Shetland's unique and renowned natural and built environment

Indicator	Source	Baseline (Data and Professional Assessment)	Target
G.2.1 Biodiversity: SSSIs	SNH	SSSI qualifying features in favourable or recovering condition: 284 features. - 52 are unfavourable and not recovering (18.3%); of these 40 cannot be addressed by local land/water management action (14.1%); 12 require local land/water management action (4.2%)	No increase in the proportion of SSSI qualifying features not in favourable or recovering condition, and requiring local land/water management action (i.e. it shouldn't rise above 4.2%)
G.2.2 Biodiversity: species where decline is reversed or stabilised, or there is improvement	Living Shetland	Baseline of key species (including rare plants, invertebrates, terrestrial breeding species, otter) These Indicators are based on a 5-year rolling programme of monitoring	Improvement (information for specific species will be included in each SOA annually)

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Required Actions/commitment by local partners for these outcomes	• Develop activities based on low carbon education, training and market development • Promote behavioural changes by enabling and encouraging actions which will lead to the more sustainable consumption and production of resources • Improve the co-ordination and communication of carbon reduction activity in Shetland, reducing duplication and ensuring sharing of good practice • Increase the number of businesses taking positive action to improve resource efficiency • All CP partners to be aware of their responsibilities under the Nature Conservation (Scotland) Act 2004, and to integrate them with the discharge of all their functions as relevant e.g. when undertaking direct works, acting as Planning Authority, or disbursing grants. • SIC, HIE to participate actively in the RPAC for RDC-Rural Priorities, actively promote the scheme to crofters and farmers and support capacity building measures for applicants • Deliver Local Biodiversity Action Plans
Scottish Government required action/commitment to support delivery of local outcome	• SG to ensure adequate funding available for the RPAC to approve RDC-RP proposals addressing SSSI management. • SNH to provide advice to CP partners, when requested, on the discharge of their duties under the Nature Conservation (Scotland) Act 2004. • SNH and SEPA to provide advice to the Planning Authority on developments that may affect SSSIs

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APPENDIX A: SUSTAINING SHETLAND SUMMARY UPDATE

Sustaining Shetland sets out social, economic, environmental and cultural data for Shetland measuring Shetland's quality of life and sustainability. A full version can be found at: http://www.shetland.gov.uk/policy/DataResearchforStrategicPlanning.asp.

"Sustainability" Gauges

Simple gauges 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.

Sustaining Shetland currently provides information under the following headings. Next years these will be set out under the National Priority headings of Wealthier and Fairer, Greener, Smarter, Healthier and Safer, and Stronger.

	Measure	Indicators
1	Population	Population Size & Structure
2	Health	Avoidable Deaths, Life Expectancy, Drug and Alcohol Use
3	Education & Learning	Opportunity, Participation, Attainment
4	Crime & Safety	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

Population

Overall Level   Natural Increase   Migration   Age Profile

- Over the last 20 years, the population of Shetland has declined by 3%. Estimates show that the Shetland resident population is fairly static, falling from 21,988 in 2001[1] to 21,940 in 2004, rising to 22,000 in 2005, falling again to 21,880 in 2006 and current estimates stating 21,980[2].
- 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.
- It has been estimated that, in the next 25 years, Shetland will experience a 50.7% increase in the number of islanders of pension able age, while the working-age population will decrease by 20.7%[3].
- The ratio of males to females has increased in recent years. Females made up 49.5% of the total population in 2009, this in a decrease of 0.4% from 2007 figures.
- Shetland has a negative migration pattern, meaning that more people leave Shetland than decide to stay. In the period 2001/2002 to 2007/2008 there was negative net migration of 129. Orkney, on the other hand, had a positive net migration of 946 in the same period.[4]
- In Shetland, the birth rate has been consistently higher than death rate[5], however net migration outwards means the population is in decline. This is more pronounced amongst females of reproductive age.

[1] GROS, 2001. *Census, 2001.* [Online] http://www.gro-scotland.gov.uk/census/censushm/scotcen2/index.html
[2] GROS, 2009. *Mid-Year Population Estimates Scotland; Estimated population by sex, five year age group and administrative area: 30 June 2008.* [Online] http://www.gro-scotland.gov.uk/statistics/publications-and-data/population-estimates/mid-2008-population-estimates-scotland/list-of-tables.html
[3] GROS, 2009. *2006-based Population Projections for Scottish Areas.* [Online] http://www.gro-scotland.gov.uk/statistics/publications-and-data/popproj/index.html
[4] GROS, In, out and net migration to and from council areas by sex, 2001-02 to most recent, march 2009. [Online] http://www.gro-scotland.gov.uk/files2/stats/migration/total_mig_flows_councils_2001-02_to_latest_updmay09.xls

Health and Well Being (Healthier)

Life Expectancy   Avoidable Death   Substance Abuse   Mental Health

◆ Shetland's overall life expectancy continues to increase. Current estimates (2007/08) state that life expectancy at birth is 75.0 for men and 81.5 for women[6]. This is above both the Scottish and EU average.

◆ Levels of avoidable deaths have improved in recent years. Mortality caused by coronary heart disease, road accidents, and suicides has reduced, and cerebrovascular mortality has remained stable. Cancer has been the only cause of death that has continued to increase[7].

◆ 1,941 patients are currently registered with the 10 GP practices in Shetland as being obese. This is and improvement on 2008 data, where 2,019 patients were registered.

◆ 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 becoming lower. The numbers of young people presenting with self-harm is also increasing.

◆ Recent research into deprivation and social exclusion found that 75% of respondents who were deprived and/or socially excluded experienced anxiety and depression.

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[5] GROS, 2009, *Estimated population, births, stillbirths, deaths, marriages and civil partnerships, numbers and rates, by administrative area, Scotland.* [Online] http://www.gro-scotland.gov.uk/statistics/publications-and-data/quarter/index.html

[6] GROS, 2009. *Life Expectancy for Administrative Areas within Scotland 2006 – 2008.* [Online] http://www.gro-scotland.gov.uk/publications-and-data/life-expectancy/life-expectancy-at-scottish-adimistrative-area-and-special-area-level/index.html

[7] Information and Statistics Division (ISD) NHS, 2009. *Various Tables.* [Online] http://www.isdscotland.org/isd/3348.html (Suicide data was obtained from the following: GROS, 2009. *Death for which the underlying cause was classified as 'intentional self harm'.* [Online] http://www.gro-scotland.gov.uk/statistics/deaths/suicides/index.html)

Education (Smarter)

| School rolls | School Attainment | Adult Opportunity | Destinations |

- Student rolls in both primary and secondary schools have declined. However, Shetland College enrolments have increased, and NAFC enrolments have remained stable.
- Attainment levels in schools continue to be high, with 89% of S4 pupils achieving 5+ awards at SCQF level 4, in 2008/09[8], compared to the Scottish Average of 77%.
- In the year 2008/09, 1,766 people took part in the SIC Adult Learning Classes (an increase of 90 on the previous year)[9]. There are currently 15 volunteer literacy tutors and 75 evening class tutors[10].
- Shetland College continues to have high enrolment levels, particularly in part time further education courses. Enrolment in NAFC remains stable in all available courses.
- During the year 2005/06 there were a total of 280 people that left school and made it into a positive destination and this increased to 333 in 2007/08[11]. 34 students have enrolled in the Student Bridges Programme for 2009/10[12].

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[8] The Scottish Government. SQA Examination Results in Scottish Schools, 2008/09. [Online] http://www.scotland.gov.uk/Publications/2009/09/17165819/0
[9] SIC, 2009. *Adult Learning Service Quality and Standards Report, 2008/09.* [sourced via e-mail] (adult learning classes include ESOL (English language for Speakers of Other Languages), literacy classes, and evening classes)
[10] SIC, Adult Learning, 2009. [sourced via e-mail]
[11] Skills Development Scotland, 2009. *Shetland School Leavers Destination Report – 2007/08.* [Online] http://www.careers-scotland.org.uk/nmsruntime/saveasdialog.asp?IID=18042&sID=36624
[12] SIC, Education and Social Care, 2009. [sourced via e-mail] (Student Bridges is a student-initiated outreach program that connects students with local community-based organizations and schools through tutoring-mentoring partnerships, college awareness activities, and policy advocacy).

Crime and Safety (Safer)

Crime Levels   Fear of Crime

◆ From 2005/06 to 08/09 there has been a decline in the total number of criminal offences. Shetland also has one of the highest clear up rates for criminal offences in the UK (70%).

◆ Fatalities on Shetland's roads improved, with 2008/09 seeing no fatalities on Shetlands roads and only 23 reportable road accidents. This is an improvement on 86 road accidents in 2007/08 with 9 fatalities.

◆ The Northern Constabulary reported that the number of people who rated the area within 15 minutes of their home as safe or very safe as 90% in 2008[13]. This had been 95% -99% in previous years.

◆ 80% of respondents from the 2008 spring edition of Your Voice[14] felt that Shetland was very safe.

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[13] SIC, 2009. *Your Voice, 2008*. [Online] http://www.shetland.gov.uk/consultation/documents.asp

[14] Shetland Citizens panel, 600 members

Housing (Stronger)

Quantity   Quality   Availability   Homelessness

- The total number of houses continues to increase by over 100 per year required to meet our long-term target.
- The rate of new builds has increased from 114 in 2007/08, to 169 in 2008/09, of which 59 was Hjaltland and 110 was private.[15]
- Demand for socially rented housing remains high. The Council and Hjaltland Housing Association operate a common housing register with 1103 applicants on the waiting list in August 2009. This is an increase from 908 applications in 2007.
- The Council and Hjaltland Housing Association (HHA) are actively planning investment in their stock to ensure compliance, continuing to work towards achieving the Scottish Housing Quality Standard by 2015[16]. There is no equivalent standard for the private sector.
- The number of Homeless presentations continues to increase, 262 in 2007/08. This has a knock on effect to the quantity and availability of housing as the housing service must meet target - 'all unintentionally homeless households will be entitled to settled accommodation by 2012'

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[15] Assessor and Electoral Registration Office. Orkney & Shetland Valuation Joint Board, 2009. [sourced via e-mail]
[16] SIC, 2009. *Housing Service, Service Plan, 2009/10.* [Online] http://www.shetland.gov.uk/performance/documents/HousingSP0910.pdf

Transport and Communications (Stronger)

Internal Transport   External Transport   Electronic Communications

◈ Bus passenger numbers have risen steadily. Recorded passenger numbers on Shetland's inter-island ferries has seen an increase of 8.9% between 2007 and 2008. Vehicle numbers on inter-island ferries has seen a 2.7% decrease[17].

◈ Both internal and external air passenger numbers, flying to Scottish airports, have remained relatively stable in recent years.

◈ The cost of fares increased for all internal and external forms of transport.

◈ Shetland continues to have high uptake of broadband Internet connection where possible.

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[17] SIC, Infrastructure, 2009. [sourced via e-mail] (figures are from 1st Jan – 31st Dec of each year)

Natural Resources (Greener)

Environment   Resource Use[18]   Waste & Recycling   Energy

- 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.
- The carbon footprint for Shetland and Shetland Islands Councils is currently being established.
- Recycling opportunities continue to expand and diversify and new renewable energy possibilities are being explored.
- Marine Litter is improving with clean up of Shetland's beaches collecting less litter year on year despite more volunteers
- Energy generation levels from fossil fuels and renewable sources seem fairly stable

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[18] Shetland's consumption of global resources and carbon footprint; further research is needed.

Economy (Wealthier)

Workforce   Unemployment   Gross Pay   Business Start-Ups

- 87.5% of the working age population is currently economically active, with the public sector dominating all employment.
- Shetland has a job density of 1.08 compared to 0.84 in Scotland. The density figures represent the ratio of total jobs to working-age population.
- Despite a recent decline in unemployment rate, Shetland continues to have one of the lowest unemployment rates in the country.
- The average wage per week increased by ~£60 between 2005 and 2009, and remains above the Scottish average
- The Gross Regional Domestic Product per capita of Shetland is lower than the rest of the UK. Fisheries output, oil and the public sector remain the three largest sectors in the economy, considerably higher than agriculture, tourism and knitwear.
- The number of new business start-ups has increased from 2007 – 2008.

Social Welfare

Income Poverty   Benefit Uptake   Fuel Poverty   Child Protection

- The cost of living is higher, particularly for essential items. This makes it particularly difficult for those on low income and/or national benefits.
- The uptake of national benefits remains stable, but is felt to be lower than entitlement. Only 6.1% of the Shetland population are claiming key benefits.
- There is a lack of registered childminders throughout Shetland and there are still gaps in provision, which restricts parents access to learning and employment opportunities.
- Fuel poverty remains high with any gains in insulation etc. being offset by increasing fuel prices.
- There is a rise in numbers of children being referred to the Child Protection Agency, however, Shetland still remains to have the lowest number of children registered in Scotland.

Community (Stronger)

Voting   Volunteering   Sports & Culture   Community Inclusion

◆ The total Community Council electorate in Shetland has increased from 17,168 and 17,331 between 2006 and 2008.

◆ Community groups and volunteering continue to flourish, with an increase in the number of grants awarded in 2008/09.

◆ There are signs of decreased involvement in sport and leisure activities, and use of library and learning centre facilities.

◆ Work continues on community inclusion, focusing on specific target groups. Enrolment in the English for Speakers of Other Languages (ESOL) classes has increased.

Shetland
Islands Council

REPORT

To: **Shetland Islands Council**   **Date: 24 March 2010**

From: **Head of Organisational Development**

Report No: CE-07-F

Chief Executive Recruitment and Selection

1   Introduction

1.1   With the recent departure of the Chief Executive the Council needs to consider how to take a replacement forward.   The purpose of this report is to seek Council approval and guidance on the approach to be taken, and authority for that process to be progressed to appointment.

2.   Links to Council Priorities

2.1   This appointment directly links to all aspects of the Single Outcome Agreement, Corporate Plan and Community Plan. The Chief Executive role is fundamental for directing actions through the relevant services.

3.   Background

3.1   The Council is required by statute to appoint an officer as Head of Paid Service (Local Government and Housing Act 1989). The Chief Executive has that role in terms of the Council's Scheme of Delegations. The Head of Paid Service is required to report to the authority, where he or she considers it appropriate it appropriate to do so, on the co-ordination of the discharge of the authority's functions and the management and organisation of its staff.

4   Recruitment Process

4.1   Discussion on the arrangements for appointing the next Chief Executive at the special Council Meeting on 19 February indicated that an interim appointment was favoured by most members, although no formal decision was taken at that point.

4.2   The Council has previously employed external expertise, providing specialist assistance to help assess and select candidates for senior roles. The Deputy Chief Executive, in consultation with the Convener,

has recently held discussions with COSLA who have relevant experience in the identification of candidates for this type if interim placement. They have indicated they would be willing to help in;

- o key requirements for the role at this time,
- o terms of contract for any appointment ,
- o the detailed design of the selection process,
- o the identification of suitable candidates and
- o assistance in selecting a potential appointee.

4.3 The current Recruitment and Selection Policy states that the Chief Executive is appointed by full Council, taking advice from a recruitment sub-committee. It is suggested that on this occasion this sub-committee is a selection panel consisting of the Convener and six other members selected by the full Council.

4.4 It is also suggested that this selection panel should be delegated authority, through the Head of Organisational Development, to complete the work necessary to engage external support for the selection process and authority to set aside the normal open advertising arrangements for this role in favour of a search process identifying suitably qualified and experienced candidates. This will ensure that the process is as quick and efficient as possible.

5 Policy and Delegated Authority

5.1 Under the Council's Recruitment and Selection Policy, the procedures relating to the appointment of the Chief Executive are not delegated to a Committee and therefore a decision of the Council is required.

6 Financial Implications

6.1 The grading of the Chief Executive post is set by the JNC for Chief Officials of Local Authorities (Scotland). All posts are on a Single Point Scale and the salary for this post is £97,095 per annum (2010/11) plus allowances (Distance Islands, Telephone and Essential Car User). This is included in the Council's existing staffing budgets.

6.2 It is possible that an interim appointment may require to be made on terms other than the JNC arrangements described above. Any variance in costs will be reported back to Council at the point any selection decision is required.

6.3 The cost of assistance in to support the recruitment process is unclear at this time, however provision for these amounts within the appropriate budgets will be achieved by virement.

6.4 Any additional budget required will be reported to Council identifying potential savings in the General Fund which equate to the sum sought in line with current Council policy. (Min Ref 15/10).

7 Recommendations

7.1 I recommend that the Council agrees to establish a selection panel for the recruitment of an interim Chief Executive, with the membership selected as proposed in Section 4.3 above. This panel will undertake the work required to identify a suitable candidate on appropriate interim contract terms, through a search process with support from relevant Council officers and COSLA; with decisions on appointment and contract length reported to Council for approval.

Date: 15 March 2010
Ref: JS/KM   Report No: CE-07-F

Shetland
Islands Council

REPORT

To: Shetland Islands Council   24 March 2010

From: Head of Legal and Administration

Nominations to Lerwick Port Authority
Report No. LA-17-F

1.0   Introduction

1.1   The purpose of this report is to recommend that the Council consider making at least three nominations for appointment to Lerwick Port Authority ["LPA"].

2.0   Links to Corporate Priorities

2.1   The subject of this report is not directly linked to any of the Council's corporate or community priorities.

2.2   There are no risk management issues for the Council to address concerning the subject of this report.

3.0   Nomination Process

3.1   Membership of the Lerwick Port Authority consists of 3 persons nominated by shipowners, 3 persons nominated by business ratepayers, 3 persons nominated by the Council, and the Chief Executive and Deputy Chief Executive of LPA as ex-officio members.

3.2   The term of office of persons nominated by the Council and appointed by LPA in 2007 will cease on 6 July 2010.

3.3   All nominees are required to complete an application form. Council nominees are also required to complete a Declaration of Interests form for submission with their application. Guidance notes for applicants, and a note of the LPA's policy and procedures for handling conflicts of interest are attached for information.

3.4   Council nominees can be any person provided that their main place of residence is in Shetland. The existing Members are eligible to be nominated again.   The closing date for nominations is 28 May 2010.

3.4   The nominations will be considered by an appointing body, scheduled to meet before 4 June 2010, and consists of the following 3 persons:

- Chairman of LPA;
- The Convener of Shetland Islands Council (or his nominee); and
- An independent person who is not a Member of LPA who shall be nominated by the Members of LPA and considered to represent the interests of one or more groups of persons interested in the Harbour.

3.5   If appointed, Members will take up their positions from 6 July 2010 for a period of 3 calendar years. The first scheduled meeting of LPA will be the AGM on 20 July 2010.

4.0   Financial Implications

4.1   As this is not a direct appointment by the Council, there are no financial implications for the Council. Any expenses incurred by the Council's nominees will be paid directly by LPA.

5.0   Policy and Delegated Authority

5.1   The nomination referred to in this report, has not been delegated to any Committee, and therefore a decision of the Council is required.

6.0   Recommendations

6.1   I recommend that the Council consider nominating at least three persons for appointment by Lerwick Port Authority.

16 March 2010
AC

Appendix 1

LERWICK PORT AUTHORITY

GUIDANCE NOTES FOR APPLICANTS
NOMINATION AND APPOINTMENT OF BOARD MEMBERS 2010
SHETLAND ISLANDS COUNCIL SECTOR

1. All persons applying to become Board Members of Lerwick Port Authority must submit an application form to the Authority by 28 May 2010.

2. For the sector of persons nominated by Shetland Islands Council, applicants must be nominees of the Council. The Council will probably decide on its nominees on 19 May 2010.

3. Valid Applications received by the Authority by the closing date of 28 May 2010 will be considered by an appointing body.

4. The appointing body may interview such of the applicants as it sees fit.

5. Please note the appointing body will have particular regard to the following considerations:-

    i)   the special knowledge, experience or ability of applicants to contribute to the efficient and economic discharge by Members of their functions noting the Authority's Policy and procedures for handling conflicts of interest

    ii)   the special knowledge, experience or ability of applicants in one or more of the following matters:

          Management of harbours; shipping or other forms of transport; the fishing industry; sailing and other water-related leisure activities; navigation; industrial, commercial or financial matters; administration; the oil industry; safety; personnel management; environmental matters affecting harbours; local community interests.

6. The appointing body shall decide which persons, who have applied under the nominees of Shetland Islands Council sector, shall be appointed as Members of Lerwick Port Authority. Prior to taking up the appointment, applicants are required to sign Declarations.

7. Any Application by a candidate may be withdrawn in writing by the applicant.

8. Applications, together with the necessary enclosures, should be addressed to the undersigned. The closing date for receipt of Applications is 28 May 2010.

Sandra Laurenson
Chief Executive
Lerwick Port Authority
Albert Building
Lerwick
Shetland
ZE1 0LL

Email: info@lerwick-harbour.co.uk

LERWICK PORT AUTHORITY
BOARD POLICY & PROCEDURES FOR HANDLING CONFLICTS OF INTEREST

Standards and Conduct

Lerwick Port Authority's Policy & Procedures on the subject of handling conflicts of interest and how they should be managed are detailed below.

This sets out the main standards of behaviour that the Authority expects from Board Members based on a number of related pieces of legislation and other documents which have been used to provide guidance on this matter, including but not restricted to The Lerwick Harbour Improvement Act 1877, Standing Orders of Lerwick Port Authority and Modernising Trust Ports – A Guide to Good Governance published by the Department of the Environment, Transport and the Regions.

Examples of the kind of behaviour required and procedures which should be observed by Board Members, as referred to in the legislation and documents referred to above, are detailed below. It should be noted that this list is not exhaustive.

1.   The Lerwick Harbour Improvement Act 1877

      Clause 23 "and all questions shall be determined by the majority of the votes of the members present …"

2.   Standing Orders of Lerwick Port Authority

      Clause 1.11 "No Member shall take part in any debate or vote on any matter in which that Member has a personal, financial or other significant involvement and at the start of any proceedings of such a matter, such a Member shall declare the interest and withdraw from the debate or vote".

3.   Modernising Trust Ports – A Guide to Good Governance, Department of the Environment, Transport and the Regions January 2000. Section 8 "Role" extracts recorded below.

A board member should	A board member should not
Act independently and in good faith in the best interests of the trust and all its stakeholders (Commissioners Clauses Act 1847).	Represent specific interests when acting as a board member.
Acquire a proper understanding of the business including – delegated authorities, the strategic plan, budget, structure and relationships, financial controls and systems, customers, competition and markets (e.g. rights and responsibilities).	Allow membership of any other organisation club, or society to influence their decisions or actions as a board member.
Send a letter explaining their views on major issues if they cannot attend.	Attempt to influence the decisions or direct the activities of trust servants without recourse to the board.
Be a team player sharing knowledge and views with fellow board members and abiding by the view of the majority.	Be a loose cannon.

Procedures

The primary objective of these procedures is to ensure that all occasions when a conflict of interest arises are managed fairly, consistently, professionally and with integrity and where there has been a breach of discipline by an individual Board Member or Members, to encourage an improvement in conduct or performance.

Members of the Board are appointed to serve the best interests of the Authority not as representatives of particular interests.

During Board meetings matters can arise which draw out strongly held views from individual Members. Dissent, nonconformity and disagreement are part and parcel of debate and are to be encouraged. However when a decision has to be made then the majority view of Board Members determines the outcome. If any Member or Members cannot accept the democratic majority view on a particular issue then they should withdraw from meetings when the matter in question is discussed or then resign from the Board.

Should the situation occur where a dissenting and minority Member or Members refuse to put their weight behind the majority decision of the Board, continue to oppose the majority view both within and publicly outwith the Boardroom and refuse to leave the meetings or resign then the majority of Board Members shall review the dissenting Members' performance.

Following a request by the majority of Board Members, the dissenting and minority Member or Members shall be invited to meet with the Chairman of the Authority to review their performance. If the Chairman of the Authority is a dissenting minority Member, the majority of Board Members shall appoint one of their number to undertake this performance review.

Following this meeting, in the event that the dissenting and minority Member or Members continue to oppose the majority view both within and publicly outwith the Boardroom and refuse to leave the meetings then the majority of Board Members shall reserve the right to dismiss the dissenting minority Member or Members. In such case, the decision of the majority of Board Members shall be final.

LERWICK PORT AUTHORITY

Declaration – Conflicts of Interest

"I,   , having read Lerwick Port Authority's Policy & Procedures for handling Conflicts of Interest, hereby declare that I will act in accordance with the policy as a Member of Lerwick Port Authority.

Signature: ………………………………………………………….

Date: ………………………………………………………….

Shetland
Islands Council

REPORT

To: Shetland Islands Council   24 March 2010

From: Head of Legal and Administration

Community Benefit Fund - Update
Report No. LA-21-F

1.0 Introduction

    1.1   The purpose of this report is to advise Council of consideration by Shetland Community Councils to explore the possibility of establishing an organisation to operate a Community Benefit Fund in respect of alternative energy projects in Shetland.

2.0 Links to Corporate Priorities

    2.1   The subject of this report relates to the Corporate Plan area of community development and the statement of: 'We must support individuals and communities to help them reach their full potential."

    2.2   There are no risk management issues for the Council to address concerning the subject of this report.

3.0 Background and Current Position

    3.1   As Members may be aware, the Association of Shetland Community Councils ["ASCC"] acts as a community voice on all issues raised by Community Councils in Shetland, provides information to Community Councils and the public, and liaises with the Council and other agencies on matters pertaining to the work of Community Councils in Shetland. Voluntary Action Shetland is the umbrella organisation for the ASCC, the administration of which is funded by the Council.

    3.2   The ASCC held a special meeting on 15 January 2010 to receive a presentation from Mr Peter Walker, Chairman of the Hadyard Hill Community Benefit Fund.   The Head of Legal and Administration was invited and attended this meeting, and gave advice on governance issues.

3.3 Following the presentation a question and answer session took place and it was agreed that the Shetland communities had to be ready to enter into negotiations with the energy suppliers, whether or not the wind farm, or any other alternative energy is given planning permission. As a result of a resolution by the ASCC, the proposal issued to all Community Councils was follows:

"The Association of Shetland Community Councils (ASCC) will ask the Community Councils for a mandate to allow the ASCC to establish an organisation who will negotiate community benefit with the alternative energy providers."

3.4 A further special meeting of the ASCC was held on 15 March 2010, at which the ASCC received and considered the responses from each of the Community Councils. The ASCC agreed to set up a Steering Group. As a courtesy the ASCC are notifying the Council of its intentions and proposals for moving forward. A copy of a letter from the ASCC is attached for information.

3.5 It should be noted that there was no Council representation at the meeting on 15 March, as there is no formal mandate from the Council on this matter. Whilst the ASCC are not asking the Council for any financial assistance or advice at this point (that may come when the ASCC seek to establish a formal legal structure for the organisation which will eventually do the negotiations, receive any funding arising therefrom and be responsible for its distribution etc), I am concerned that the Council should be made aware that the ASCC has so far taken a lead role in the pursuit of a Community Benefit Fund. The Council, whilst having an interest as matters develop, have no more than a watching brief at this stage.

3.6 In this regard, it is recommended that the Council mandate the Head of Legal and Administration, as the Council's Community Councils liaison officer, to continue to receive correspondence from the ASCC on the development of the Community Benefit Fund, and to participate or observe at relevant meetings as required, and as matters develop to report regularly to the Council.

4.0 Financial Implications

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

5.0 Policy and Delegated Authority

5.1 There are no policy issues to be addressed by the Council at this point. Delegated authority is sought only in respect of authorising participation or observation at meetings by officers in order to ensure that the Council remains informed as matters develop

6.0   Recommendations

6.1   I recommend that the Council note progress to date, and authorises the Head of Legal and Administration, or his nominee(s), to participate or observe at relevant meetings when requested, in order to provide a formal mechanism for providing information and feedback to the Council as required.

17 March 2010
AC

Association of Shetland Community Councils

Market House, 14 Market Street, Lerwick, ZE1 0JP

If calling ask for:
Kate Massie, Administration Assistant
Direct Dial: 01595 743906
email: ascc@shetland.org

16th March 2010

Mr Jan Riise
Head of Service
SIC Legal & Administration
4 Market Street
Lerwick

Dear Mr Riise

ASCC SPECIAL MEETINGS ON 15/01/10 & 15/03/10 – COMMUNITY BENEFITS FROM ALTERNATIVE ENERGY GENERATORS

The Chairman of the ASCC has instructed me to write to you with the outcome from the above meetings.

At the special meeting in January 2010 (minute attached) the following was proposed:

"The Association of Shetland Community Councils (ASCC) will ask the Community Councils for a mandate to allow the ASCC to establish an organisation who will negotiate community benefit with the alternative energy providers."

Proposed – Laurence Odie (Yell CC)
Seconded – Jim Anderson (Lerwick CC)
Objections – None

I was instructed to email all Community Councils in Shetland with this proposal asking them to ensure that this was put to the vote at their next meeting. The responses were as follows:

16 Community Councils for the proposal
1 Community Council abstained
1 Community Council did not respond

1

At the Special meeting in March 2010 (minute to follow) it was agreed that the next step would be to form a Steering Group. The Steering Group will meet to discuss and source information and guidance on how to proceed with the business of establishing a Community Benefit Fund Board of Trustees and will feed back to the ASCC.

Seven members were elected, in the usual way, to form the Steering Group and I have attached the nomination list for your information.

We also confirm that Mr Jan Riise, Head of Service, SIC Legal and Admin may be invited, when required, to attend the Steering Group meeting in an advisory capacity.

If you require any further information please do not hesitate to be in touch.

Kind regards

Kate Massie
Administration Assistant

cc   Jim Gear, ASCC Chairman
      Bobby Hunter, ASCC Vice Chairman
      Catherine Hughson, Executive Officer, Voluntary Action Shetland
      Anne Cogle, Admin Manager, SIC Legal & Admin

encl.   Minute of the ASCC Special Meeting on 15/01/10
       Responses from Community Councils
       List of elected nominees for Steering Group

2

A charitable company limited by guarantee registered in Scotland No. 165677
Registered Office Market House, 14 Market Street, Lerwick, Shetland ZE1 0JP
Company Secretary Catherine Hughson
Recognised by the Inland Revenue as a Scottish Charity - No. SCO 17286

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Shetland
Islands Council

REPORT

To: Shetland Islands Council 　　　　　　　　　　**24th March 2010**

From: Head of Organisational Development

CE-08-F

Single Status Update Report

1　Introduction

1.1　This report updates the Council on the progress made to implement the Single Status Collective Agreement, plans for the remaining stages, provides information on costs and considers "Cost Recovery" options.

2　Links to Corporate Priorities

2.1　The implementation of Single Status has allowed the Council to meet its statutory obligations under Equalities legislation and its commitments to staff set out in its Corporate Plan.

2.2　Full Implementation will bring to an end the significant risks the Council was exposed to from Equal pay claims and other equalities based grievances.

3　Background

3.1　In May 2009 the Council endorsed the Single Status offer made to Unions and delegated authority to the Chief Executive to progress its implementation.

3.2　The Council also endorsed "the inclusion of the remaining staff groups within Single Status as soon as possible" (Port Operations sea staff, Early Years Workers and Economic Development staff).

3.3　On May 22 2009, the three Single Status Unions and the Chief Executive signed the Collective Agreement.　The Collective Agreement was implemented on 1 October 2009.

4 Implementation Timetable to Date

4.1 May 2009 – Collective Agreement signed following ballot support for the Council's offer by all three Single Status Unions.

4.2 July/August 2009 – The first instalment of around £4m of Single Status Backpay was paid out to staff in respect of 16 months, December 2007 to April 2009.

4.3 01 October 2009 – Single Status implementation date. All Single Status staff have been earning Single Status rates & Terms and Conditions from this date.

4.4 October 2009 – Phased transfer of staff onto new Single Status pay arrangements commenced. Over 1000 previous APT&C staff were transferred and salaried on their new Single Status posts.

4.5 November 2009 – Previous APT&C staff's Terms and Conditions were transferred. Over 2000 Manual Workers & Ferry staff had salaries and Terms and Conditions transferred.

4.6 December 2009 – Second stage Backpay calculations commenced.

4.7 25 December 2009 to 5 January 2010 – Council Christmas Shutdown. Most office based services and many other services took part in the Christmas Shutdown. Around 1000 staff that would normally have been scheduled to work were able to take leave on the three Christmas Shutdown days (28, 30 and 31 December 2009). This extended their Christmas break to 11 consecutive days.

4.8 January 2010 – The second Backpay instalment of around £1m was paid out to over 2000 staff covering the period April 2009 to September 2009.

5 Implementation Issues

5.1 To date, the Single Status Collective Agreement has been implemented fully in all Services with the exception of some Social Workers and the three staff groups (previously mentioned in paragraph 3.2) where negotiations were extended.

5.2 Social Workers raised concerns that their guaranteed payment for standby was less than previously, (Single Status pays more for call-outs when staff on stand-by are disturbed). As negotiations had become deadlocked it was decided in October 2009 that existing and new arrangements would be run in parallel for six months to assess

the actual financial impact for staff. It agreed that, for that first six months, the old APT&C + session arrangements would remain and no overpayment recovery would be made if the Single Status arrangements came to less than the old arrangements. This agreement is due to finish in March 2010 when the results will be discussed with staff, management and Unions and presented to the Single Status Steering Group to determine a way forward.

6   Collective Agreement Interpretation Issues

6.1   A number of services have raised issues about the interpretation and application of the Collective Agreement, in particular:

Work outwith Flexitime bandwidths (07:30 to 20:00 Monday – Friday)
Payment due when travelling outwith Shetland
Travel time within Shetland
Acting up rates and times
Tool Allowances
Honorariums
When is a "callout" an offer of overtime

6.2   In December 2009, the Single Status Steering Group set up a Union/Management Working Group to work through these issues. The Working Group has reported their proposals to the Steering Group on 12 March 2010 who agreed they would be the basis for further consultation with affected staff, management and Unions.

7   Other Staff Groups

7.1   Development Staff – Shetland Development Trust staff have now been TUPE transferred into the Council. In the interim, Shetland Development Trust employees have been matched to Single Status grades. The completion of implementation for this group is now imminent following the completion of the restructure of the Development Service now taking place.

7.2   Port Operations Sea Staff - The Ports for the Future Project continues to work on this and progress will be the subject of specific reports to the Council. An interim report was made to the Harbour Board on 10 February 2010, in which a possible implementation date of end of June 2010 is suggested. The Single Status team will continue to work in conjunction with the Ports of the Future Project to facilitate this aim.

7.3   Early Years Workers – A management/union group (a subgroup of the Blueprint for Education Pre-School Working Group) have been working on options for Early Years Workers (see Appendix A). Recent changes to the concordat agreement in respect of pre-school

provision meant a re-think of proposals was required, and the group have now recommended an option, to be considered on the agenda of the Single Status Steering Group today. Provided this option is supported by the Steering Group it will be recommended to the Council, for implementation at the start of the new school year, 16 August 2010.

7.4 Chief Officers – Although Chief Officers were not officially part of the Single Status negotiations they have agreed to work to Single Status terms and conditions as a demonstration of good faith, and to support their staff in service delivery. This however can only be an interim position while formal national and/or local negotiations develop.

8 Job Evaluation Appeals

8.1 The procedure for Job Evaluation appeals was agreed as part of the Collective Agreement.

8.2 At the request of the Unions, the focus for the project team has been the payment of Backpay and the transfer of staff on to Single Status arrangements, rather than setting up the Appeals process. These payments and transfers are due to be completed in the next few months and therefore the setting up of the Appeals process should now follow on.

8.3 It is intended that the Appeals Process will be re-examined and any suggested changes would be approved by the Single Status Steering Group and the Project Board prior to any communication with staff. It is hoped that the final Appeals Process will be agreed during March 2010.

8.4 Assuming there are no major changes to the process, it is hoped that the Appeals process will meet the following approximate timetable:

March 2010 – Approval of Appeals Arrangements
April – Recruitment process for Appeals Panel Chair commences
April – Appeal Process publication and Invite to appeal is circulated
May – Deadline for Appeal notification
June/July – Appeal "pack" sent out to appellants
July/August/September – Training for Appeal panel members, managers and representatives
August – Deadline for Appeals Submissions
September – Appeals hearings begin
August 2011 – End of appeals hearings

9 Financial Implications

9.1 Separating Single Status costs from other cost increases that have occurred during the renegotiation period is very complex. Analysis using the methodology adopted by the Single Status team throughout the project has shown that the full cost of Single Status based on the full-time equivalent workforce in place in 2007 is approximately £3.5 million. See table below.

Description	£000	Notes
0607 Outturn Salary Bill	£82,691	Employee Cost Base Year From Final Accounts 06/07
1011 Financial Model Salary Bill	£106,131	Employee Cost Next Year from 10/11 Budget Setting Report (assumes full recruitment to budgeted establishment level) (before any savings)
Variance	**£23,440**	**Difference between 0607 & 1011 Salary Costs**
Less Wage Inflation	£7,916	9.3% increase based of 0607 pay bill on pay awards (2.5% + 2.5% + 3% + 1% annual awards)
Less Cost of Additional Staff	£12,012	440 extra staff at an average cost of £27,300 (Numbers from Chris/Mgmt Accounts, average value estimated by Management Accounts)
Single Status Cost on actual 06/07 staffing levels	**£3,512**	**Variance, less deductions of cost increases which are out with Single Status**

9.2 Backpay for the whole backpay period of 22 months (Dec 2007 to Sept 2009) will total around £6m.

9.3 Appeals remain to be dealt with and the cost of these cannot be predicted exactly, however evidence from other authorities indicate that around an additional 5% - 10% of implementation cost may be anticipated.

9.4 Implementation also needs to be completed for Social Workers and the "three groups". This is not expected to significantly affect the overall cost but is important for completing risk management of equalities claims.

9.5 By implementing Single Status to this stage a very significant financial risk regarding equalities claims has now been managed and is being successfully eliminated.

10 Cost Recovery

10.1 The additional costs of Single Status will be reduced/mitigated when the savings approved in the Budget Setting report are achieved. The main savings which relate to employee costs include:

- Restricting Recruitment, £0.65m;
- Service Redesign, £0.3m;
- Savings from the extra hours worked under Single Status, £1.5m;
- Additional Vacancy factor in Schools Service, £0.06m;
- Reduced Overtime, £0.24m;

Overall this sets a savings target of £2.75 million per annum. In addition to this, Service departments also include significant vacancy factors within their departmental budgets. Further explanation about how the overall savings agenda is to be progressed is included in the report from the Deputy Chief Executive, also on this agenda.

10.2 The concept of a "cost recovery" phase has been on the table with Managers, Unions and Councillors throughout renegotiation. It has been a regular feature of management briefings and has appeared in update reports to Council. It has largely remained a concept however with little engagement by members or managers in taking it forward, and no directive given by Councillors or Senior Management about which options should be pursued as priorities, how that should be organised, and what targets any should be.

10.3 Basically, the opportunities arise from three aspects of the Single Status settlement;

(i) Staff moving from 34 to 37 hours (or pro rata for part-time staff).
(ii) Job redesign with some posts having higher responsibilities and demands.
(iii) Flexible working and Flexitime for all staff where that is possible.

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10.4 Listed at Section 11 are some of the options that could generate savings with some attempt to quantify the cashable potential for each, although the numbers are only really intended to indicate scale and to give an opportunity to consider how far they might contribute to offsetting the additional cost of Single Status.

I have included some further discussion at the end of the next section about taking any "cost recovery" forward.

11   Cost Recovery Options

(a)   Deletion of Current Vacant Posts

The deletion of current vacant posts with their duties spread across other posts where their hours are going up or have the potential to be redesigned to include additional duties.   There are a number of current vacancies, however few of these have been offered for deletion at this stage.   The most immediate opportunity available would lie around further analysis of the posts currently vacant and the additional posts approved in the Budget Setting report but not yet recruited to.

(b)   Deletion/Non Recruitment to Future Vacant Posts

A presumption that, in the future, posts can be deleted as they become vacant, effectively an external recruitment freeze. With the duties performed by posts spread to others with additional hours, or those who have been redesigned to extend their responsibilities and demands, through redesign of service delivery or generally through more efficient use of staff. The general external exit / entry turnover for the Council is 5%+ which creates about 125 external appointments each year. This is clearly the most significant method to reduce employee costs but would require a significant reversal of recent recruitment trends and may require adjustments to recruitment authorisation processes.

(c)   Re-grading Downward of Posts as they become Vacant

Posts which become vacant in the future can be considered for replacement by lower graded and/or part-time posts. These posts would have more limited duties & responsibilities because neighbouring posts have been extended in hours or through redesign. Again this has been discussed in a number of service areas without any hard and fast commitment to delivery. There were around 1000 jobs "redesigned" as part of the re-negotiation of Single Status, or 25% of the overall workforce. This exercise would have to be accompanied by Service Redesign to be effective, and could potentially take 10 years to work through.

(d)   Increased Hours / Fewer Posts

Some posts could be deleted if staff previously working 34 hours now work 37 hours, an increase of 8% in working time. This affects around 650 FTE staff, or about 25% of the Councils overall FTE workforce. This exercise would depend on natural turnover or a dynamic programme of Service Redesign, which restructured affected areas and would inevitably take a number of years to deliver.

(e)   Reduced Consultancy Costs

Elimination or reduction of external consultancy contracts through the assumption of extended duties by "redesign" staff. Practical suggestions have been made in a few service areas, but no significant contracts have been cancelled as yet. Overall the Council spends around £3.3 million on consultants annually, so there is significant potential for real cashable savings in this area. A good number of the "redesigned" posts were professional and managerial, the areas typically supported by consultancy.

(f)   Reduced Overtime

Many staff who previously worked 34 hours now work 37 hours. There is a significant amount of additional time available for service delivery in some areas. A focus on ensuring overtime is reduced through this would generate significant savings. Additionally flexible working and flexitime arrangements could allow work patterns for some staff to be adapted to meet service needs with a reduced call on overtime.

(g)   Higher Efficiency / Productivity of Redesign Posts

Other Cost v Benefit arguments relate to the increased efficiency and productivity of higher skilled staff and their ability to potentially absorb additional duties without further recruitment. However this is not really cost recovery, but potential avoidance of other cost.

(h)   Review of Essential Car User Payments, Telephone Allowances and Clothing Allowances.

This was not included in the Single Status negotiations as it affects staff outside Single Status and is now being progressed separately.

12   Taking "Cost Recovery" Forward

12.1   All these options have been discussed with Managers throughout the project, but it would be fair to say there has been limited enthusiasm from any Service to lead the line in implementation this far. They have also been presented to Members previously, but without any formal strategy for their implementation being adopted.

12.2   Apart from the essential car user and allowances options, which would be a universal change, all the others would need to be implemented via the Chief Executive, Executive Directors, Heads of Service and Service Managers. This could either be taken forward by requiring all the headings above to be explicitly considered by each budget responsible officer, and reported on as part of a corporate exercise, perhaps part of the "Savings" exercise being co-

ordinated by Finance. Or they could be left to individual managers to "bear in mind" when looking at efficiencies generally.

12.3   We have got this far in Single Status by making the exercise a partnership between management, staff, unions and council members. It will be important to maintain that partnership approach going forward with implementation and cost recovery.

12.4   In the long run budget control has to be a comprehensive exercise that includes the management of all cost pressures. Deciding on the overall approach to budget management is going to be one of the key tasks for Council leadership over the next period, and Single Status cost recovery will need to fit in with that.   It will depend on how well Budget Responsible Officers can be motivated, trained, supported and managed, to pursue cost management as a genuine activity, and pursue it with a shared purpose. It is also critical that Council members understand the potential challenges that employee cost management entails, and are willing to play their part in explaining that to the community, if it affects job numbers or service levels.

12.5   During the two years while Single Status re-negotiation has taken place the Council increased its workforce by over 316 FTE / approx 500 Head Count. If Services recruit to approved levels staff will have increased by 440 FTE / approx 800 headcount during next financial year (see Appendix B). This represents about a 12% increase in actual staffing levels in this Council term so far, rising to 20% if all posts are recruited to.   That adds over £12 million to annual employee costs through workforce expansion, and is an indication of the direction of travel this Council has been on irrespective of Single Status. It suggests that any strategy based on containing or reducing employee numbers is going to be very challenging.

13   Policy and Delegated Authority

13.1   In July 2007 the Council delegated authority to the Chief Executive to appoint an officer negotiating team, resource the single status project team and progress investigation on Job Families and Job Redesign failure to take forward Single Status, reporting back to Council on progress (Minute Reference SIC 98/07).

13.2   In March 2008 the Council delegated authority to the Chief Executive to constitute a negotiating forum, and in discussion with the Single Status Steering Group to finalise proposals for further consultation with staff, and ultimately any formal offer. (Minute Reference SIC 44/08).

13.3   In June 2008 the Council approved staff consultation on new proposals based on an investment of £4 million per annum in Single Status wages; with the results of that consultation and recommendations for implementation, reported back to Council. (Minute Reference SIC 100/08).

13.4 In December 2008 the Council confirmed the delegated authority of the Chief Executive to develop a formal offer to staff, and determine its most appropriate implementation Strategy in consultation with the Single Status Steering Group. The Council also confirmed that offer should be based on an investment of £4 million per annum in Single Status wages and directed that the offer should be put to staff as soon as possible in 2009 with appropriate implementation support arrangements. (Minute reference 182/08)

13.5 On 20 May 2009 (Min ref 68/09) the Council agreed to endorse the Collective Agreement, delegate authority to the Chief Executive to progress the implementation of the Collective Agreement and endorsed further consultation and the inclusion of the remaining staff groups within Single Status as soon as possible.

14 Conclusions

14.1 Following the withdrawal of its first Single Status offer in early 2007 the Council committed itself to;

"Ensure that staff deserving pay rises should get them and that losses of pay for others would be avoided or moderated"

The Council directed the Single Status Team to deliver these objectives within a limit of £4 million additional cost in Single Status wages guided by the Single Status steering group.

14.2 After a highly effective, but very demanding, joint exercise between management, staff, Unions and members an unparalleled collective agreement was agreed between the Council and all Unions with overwhelming staff support in all ballots. This remains unique in Scotland, and that agreement is now well advanced in implementation.

14.3 The analysis in the financial implications section of this report demonstrates that the cost of that agreement when adjusted for inflation and increased staff numbers is in line with its £4 million 2007 budget. With the majority of staff now on Single Status terms, he number of staff who require "cash conservation" is now below 60, with individual solutions continuing to be found to further reduce that number.

14.4 This represents a remarkable success, and a practical example of leading practice in collaborative working, staff, management and union engagement, meaningful consultation and determined hard graft underpinned by transparency and hard earned trust. It is an achievement, which the Council should be justifiably proud of.

14.5 That said a good deal of work remains to be done. Most immediately that involves the completion of implementation for the remaining

groups of staff, conducting the appeals process and the payment of a limited amount of outstanding back pay and arrears.

14.6 An equally significant challenge is to move forward with some of the cost recovery options Single Status offers within the Councils overall objective of finding very significant revenue savings this year. And to use the building blocks it has put in place around competencies, flexibility and career grade progression to help equip the Councils workforce to best face current and future challenges.

15 Recommendations

15.1 I recommend the Council note the progress made on Single Status and the information provided in this report, and note that further updates on implementation of outstanding matters will continue to be reported to the Council periodically.

15.2 I also recommend that the Council discuss the Cost Recovery options presented in this report and provide opinion and guidance to help contribute to the budget savings activity being co-ordinated by the Deputy Chief Executive, also the subject of a report on this agenda.

15.3 I also recommend that the Council approve the proposals for implementation for Early Years Workers set out in Appendix A with effect from the start of the new School Year 16th August 2010.

Date: 17 March 2010
Ref: JRS/DH

Report No: CE-08-F

Shetland
Islands Council

REPORT

To: Single Status Steering Group 12 March 2010

From: Human Resources Manager

Early Years Worker/Assistant

1   Background

1.1   Early Years Workers and Assistants are one of the three groups not included in the collective agreement signed by the council and unions in May 2009.

1.2   The Schools service decided that this issue would be dealt with through the Blueprint for Education process and a sub group of the Pre-School Working Groups was formed.   The group is made up of representatives from Schools services management, two Head Teachers, TGWU-unite, Unison, and HR, advised by the Single Status project manager as required.

1.3   The group has met over the last year, and has discussed options for moving this issue ahead.

2   Context

2.1   When the sub-group were looking first at options this was done within the context of the concordat agreement which required an expansion of pre-school provision from 475 hours per annum to 570 hours per annum from August 2010. Proposals were made in terms of that increase, however in December 2009 the Scottish Government revised this agreement with Scottish councils so the Sub group had to re-think the way ahead.

3   The issues

3.1   The local agreement that was in place prior to Single Status for this group of staff meant that full time working was 32.5 hours per week, 39 weeks a year. With the implementation of Single Status and the full-time hours of 1930.6 (37 x 52.18) there was a potential shortfall of hours of 4.5 hours each week and 5 or 6 weeks per year.

3.2　The potential for re-design was restricted to some extent by the unwillingness of Early Years Workers and Assistants, expressed through their union representatives to reduce teacher presence in nurseries.

4　Proposals

4.1　Further work is required to job profiles but the principle of delegating responsibility for specific curricular aspects has been worked through Job Evaluation processes, and the grade of the Early Years Workers who take on the redesigned role will move from a G to an H. The impact of this on Early Years Assistants is to a lesser degree and while one factor would change, the evaluation would remain on an F grade. However, the F grade represents an increase from the earlier GS3 evaluation at assistant level while G matched the AP2 worker evaluation.

4.2　Looking at hours of work required to take account of the revised concordat, taking account of the views of staff and advice of the Educational Support Officer for Early Years, hours of work are being proposed to increase to 35 hours per week, and an additional 1.5 weeks a year are designated for planning and deep cleaning, bringing the hours per year to 1417.5 before leave is added.

4.3　The attached spreadsheet (Appendix 1) has been discussed with the sub group, and the figures agreed.　The spreadsheet looks at salaries for Early Years Assistants and Early Years Workers, assuming over 5 years service.　The first box looks at current salary against the proposed salary, given proposed hours of work, showing the difference.　The second box sets out the gap, noting preservation, where an employee in these posts agrees to take on the proposed re-design, in terms of duties and hours of work.　The third box notes the options for preservation terms of those who do not take on the re-design offered.　Option C offers equivalent preservation as those office based staff who opted to stay on 34 hours rather than increase their hours to 37 hours per week.　The sub Group agreed that this is the option that should be offered to Early Years Assistants/Workers who chose not to take on the redesign duties and hours.

4.4　Early Years Workers who chose to accept the offer of redesign will be matched to H grade, top point, and on current salary projection preservation will not be required into year 3.　For Early Years Assistants that will be the case in year 4.

4.5　The Sub Group consider that the new school year is the natural point for implementation, which is 16 August 2010.

5   Recommendations

5.1   The Steering Group is asked to recommend to Council as part of the Single Status Update report that Early Years Assistants and Workers be offered the opportunity to take up the re-design of tasks and hours as set out in this report, with effect from 16 August 2010. Salary preservation would therefore be offered in line with the option C in appendix 1, consistent with the position in earlier implementation of Single Status.

MG/   9 March 2010

FTE Totals	10/03/2007	09/06/2007	08/09/2007	08/12/2007	08/03/2008	14/06/2008	14/09/2008	14/12/2008	14/03/2009	14/06/2009	12/09/2009	12/12/2009	01/03/2010	01/06/2010
Establishment - All Staff													2835	2959
Employed - All Staff	2518	2529	2508	2540	2552	2570	2542	2609	2608	2654	2719	2786		