



## REPORT

To: **Shetland Islands Council**

**30 June 2010**

From: **Head of Organisational Development  
Executive Services**

**CE-21-F**

### **Corporate Plan 2010-12**

#### **1 Introduction**

- 1.1 This report introduces the Council's Corporate Plan for the period 2010-12.

#### **2 Link to Corporate Priorities**

- 2.1 The Corporate Plan sets the Council's key priority areas for the term of this Council. A considerable amount of activity and improvement continues, as set out in Service Plans and Operational Plans. However, the actions set out in this document are believed to be the most significant to achieve, by this Council, for the remainder of this term.

#### **3. Risk**

- 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 issues identified by Audit Scotland in their recent Report by the Controller of Audit to the Accounts Commission, under Section 102 (1) of the Local Government (Scotland) Act 1973.

#### **4. Background**

- 4.1 The Corporate Plan, 2008-11 was agreed in March 2008. This set out what Members wanted to achieve during this current term of office.
- 4.2 At the half-way point in this term of office, Members recognised that the Corporate Plan needed to be refreshed. Reasons included overleaf:

- The Council term was extended by one year to 2012;
  - There was evidence during performance monitoring that much of the Plan had been delivered;
  - The UK is experiencing one of the worst economic downturns since World War II, with reductions in public sector funding; and
  - The Single Outcome Agreement, between local authority areas and the Scottish Government, is increasingly seen as the over-arching document through which public bodies should organise themselves to deliver services for their citizens.
- 4.3 Shetland's Single Outcome Agreement (SOA) 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. The development of Shetland's third SOA for 2010/11, approved by Council in March 2010, focused on reprioritising the outcomes to ensure Shetland is directly delivering on reversing the population projections, in terms of numbers and structure.
- 4.4 All public bodies in Shetland take their lead from the SOA. The Council has, therefore, set actions for the remainder of this term which make a positive impact on Shetland's outcomes and the Key Purpose of 'Maintaining the Economically Active Population Throughout Shetland'.

## **5 Development Process and Refreshed Plan**

- 5.1 18 Members and 17 Heads of Service attended a Corporate Renewal session on 22<sup>nd</sup> April 2010 to review progress on the Corporate Plan and consider key actions to be undertaken in the next two years to assist in meeting Shetland's Key Purpose and Strategic Outcomes.
- 5.2 These actions were put forward at the Council meeting on 19<sup>th</sup> May 2010, as a "work in progress" for discussion.
- 5.3 Since that time Heads of Service have completed the Delivery Plan associated with these actions, including targets, responsibility, timescales and costs.
- 5.4 The refreshed Corporate Plan, 2010-12 is attached as Appendix 1. The Plan is divided into two key areas:
- Section 1, 2 and 3 (Maintaining a Sustainable Economy, Maintaining a Sustainable Society and Maintaining a Sustainable Environment), which set out key actions in area of service delivery (with associated delivery plan at Appendix A of the plan); and
  - Section 4 (Organising Ourselves Better) which sets out the key actions the Council will do to ensure the actions set out in the first three sections are delivered in the most effective and efficient way (with associated delivery plan at Appendix B of the plan).

- 5.5 Significant decreases in public sector funding are expected, which will impact on the ability of the Council to achieve everything it might want to. Most actions set out in this plan can be achieved within existing budgets (see right-hand column in the delivery plan). However, some actions contained within this Plan are currently unfunded, and whether they can be achieved will be dependent on the budget setting process of the next two years. These potential growth items are highlighted to Council in a separate report at this meeting.
- 5.6 As the Council moves into a time of reduced financial resources, it is important that focus is retained on Shetland's strategic priorities and making significant savings. The following priorities, therefore, have been recognised as being the most important and transformational to Shetland over the next two years:
- High level of broadband services throughout Shetland;
  - The development of renewables;
  - Decide on and implement the Blueprint for Education;
  - Decide on the long-term provision of Shetland's transport infrastructure;
  - Provision of affordable housing; and
  - Early intervention to tackle poverty.
- 5.7 To enable Members to monitor progress in achieving the actions and targets set out in the plan, progress will be reported to the full Council at 6-monthly intervals.
- 5.8 As a key corporate document, it is essential that staff within the organisation are aware of the Corporate Plan, and its importance. It is therefore proposed that:
- Members present the Corporate Plan to all Heads of Service and Service Managers at a short seminar after the Council's summer recess, with these managers assigned responsibility for informing staff;
  - The Policy Unit communicate the Plan to all staff via a staff bulletin and the Council's internet site.

## **6. Financial Implications**

- 6.1 The Council's medium-term financial strategy sets out a commitment to reduce the draw on Council reserves to support General Fund revenue spending to zero by 2012. That strategy also sets a £20 million per annum limit on the draw from Reserves to support the Capital Programme, and sets a floor level for Council Reserves of £250 million. The actions contained within this Plan will have to be achieved within these existing budget constraints. Most actions are expected to be achieved within existing budgets. Other actions, highlighted as potential growth items, will be dependent on the Council's existing budget setting processes.

## **7. Policy and Delegated Authority**

- 7.1 All principal policy documents require approval by the Council. This report sets out the Council's Corporate Plan for the period 2010-12 and therefore Council approval is required.

## **8. Conclusion**

- 8.1 This report introduces the Council's draft Corporate Plan for the period 2010-12. The Plan has been developed by Members, with support from officers, and sets out the key actions to be delivered by this Council over the remaining two years of office.
- 8.2 It has been developed at a time when financial resources available to the public sector are in decline. And, as such, can be seen as a tool to assist the Council as it moves forward, by ensuring activity is focused on Shetland's strategic priorities.

## **9. Recommendations**

- 9.1 I recommend that the Council discuss and agree the Corporate Plan 2010-12, and proposed methods of communication.

June 2010

CE-21-F



# Shetland Islands Council



Corporate Plan 2010-12

## **Introduction**

This Council's Corporate Plan was agreed in March 2008 and set out what Members wanted to achieve during their term of office. By mid-term members decided it was a good time to refresh it. There were a number of reasons for this, including:

- Evidence during performance monitoring that a lot of the Plan had been delivered;
- The term was extended by one year to 2012;
- The UK is experiencing one of the worst economic downturns since World War II, with reductions in public sector funding; and
- The development of the Single Outcome Agreement approach between public bodies

Shetland's strategic direction is set out in Shetland's Single Outcome Agreement (SOA). All public bodies in Shetland take their lead from this document. The Council has, therefore, set actions for the remainder of this term which will make a positive impact on Shetland's main outcomes, and overall support the key SOA purpose of 'Maintaining the Economically Active Population Throughout Shetland'.

Lots of detailed activity and improvement is happening across the Council, that's set out in Service Plans and Operational Plans that Council services use day-to-day. This document is about the most important high level actions, the actions believed to be the most significant by this Council.

The Council is determined to continue to be positive about the future of Shetland, as well as recognising the country's difficult financial situation. It believes the following things can be transformational for Shetland. They can help us keep good jobs in the Islands, and also have the potential to release significant savings:

- Fast and reliable broadband throughout Shetland;
- Development of renewables;
- Decide on and implement the Blueprint for Education;
- Decide on Shetland's long-term transport infrastructure;
- Get more affordable Housing;
- Intervene early to tackle any poverty; and
- Make sure we organise and carry out all our business properly.

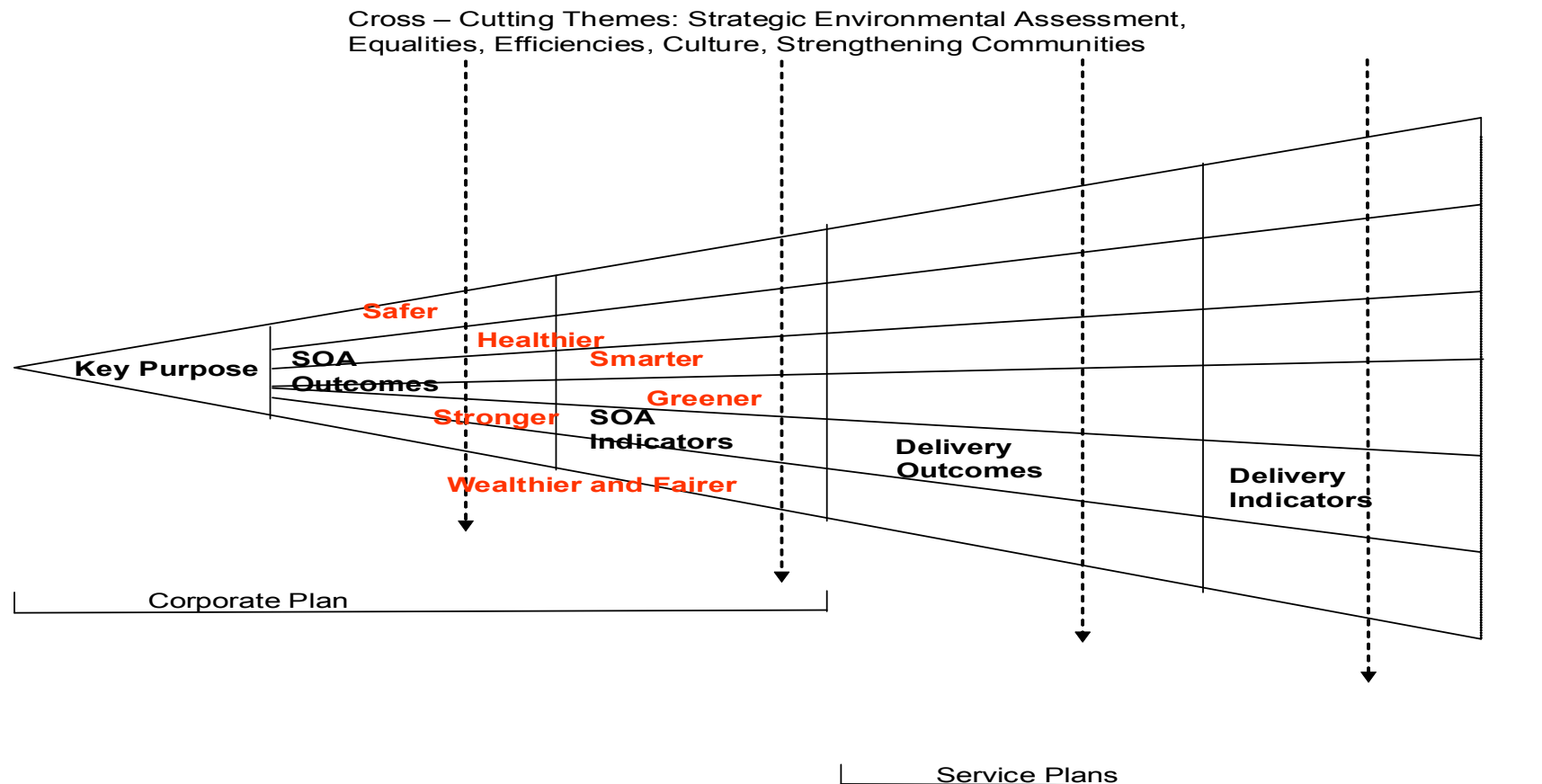
As the plan currently stands, there are some actions which are not currently funded in existing budgets, and unavoidably some uncertainty about the exact level of future overall funding. Whether these 'growth items' will proceed is dependent on the Council's budget setting processes over the next two years and what happens nationally. This plan will have to adapt with financial realities, but the Council is determined to invest in the future of Shetland.

This plan is divided into two main parts:

- Section 1, 2 and 3 (**Maintaining a Sustainable Economy, Maintaining a Sustainable Society and Maintaining a Sustainable Environment**), which set out key actions in area of service delivery;
- Section 4 (**Organising Ourselves Better**) which sets out the key actions the Council will do to ensure the actions set out in the first three sections are delivered in the most effective and efficient way possible.



The diagram below helps show how the Single Outcome Agreement “Key Purpose” will be delivered across the community planning partnership.



## **SECTION 1: Maintaining a Sustainable Economy**

This section links to the “*Wealthier*” and “*Smarter*” part of the Single Outcome Agreement.

**Appendix A shows how these actions will be achieved.**

**We will improve economic opportunities in Shetland by encouraging the development of newer emerging industries alongside, growth and retention projects in our more traditional sectors. We will concentrate economic development services and investment on projects that create wealth through high quality production and innovative services, and are responsive to market demand. For these actions to be sustainable they must be done in ways that strengthen Shetland’s society and minimise impacts on the environment.**

**It is our intention to create a more vibrant private sector in Shetland with better career opportunities for the local population and incoming workers. An important part of this is to strengthen the links between business need for skills improvement and learning provision in Shetland.**

**Wealthier: Develop the telecommunications network throughout Shetland to offer high level broadband services for business development in all areas of Shetland**

In the next two years we will:

- Complete the provision of a resilient broadband link to Lerwick;
- Equip a Point-of-Presence service in Lerwick;
- Encourage existing telecommunication companies to make full use of the new telecommunications infrastructure;
- Produce a costed plan to provide high-speed broadband to benefit peripheral communities; and
- Facilitate the development of a data-centre in Lerwick.

**Wealthier: Our renewable energy resources will be used as a stimulus for economic growth**

In the next two years we will:

- Apply continuous pressure to get a positive decision made about an inter-connector between Shetland and Mainland Scotland;
- In the meantime, negotiate better access to the local grid, for the benefit of individuals and communities involved in generating renewable energy;
- Develop marine renewables, including negotiation with the Crown Estate about access and cost; and
- Maximise opportunities for servicing off-shore renewables, including the development of infrastructure (ports and vessels) and skills.

**Wealthier: Shetland’s reputation for sustainable practices and quality products will be strengthened**

In the next two years we will:

- Assist 20 businesses to develop quality products;
- Support adding value in our main sectors (tourism, agriculture, fisheries, heritage, creative industries etc.);
- Maximise the production and quality of output from all progressive agricultural holdings;



- Seek to lengthen the duration of the tourist season;
- Continue to develop the role of Promote Shetland as the main promotional tool for Shetland;
- Work with the oil industry and other marine sectors to identify future opportunities and diversification for Sullom Voe Terminal;
- Encourage 400 businesses and individuals to use the Business Gateway service;
- Encourage sustainable fisheries by Shetland vessels under the terms of the Common Fisheries Policy; and
- Encourage firms operating in Shetland to develop strict environmental criteria, in order to ensure Shetland's renowned environment is retained.

**Wealthier: Strengthening the Economy: Businesses will be supported to overcome barriers to growth thereby improving profitability and longer-term performance**

In the next two years we will:

- Assist four businesses with Research and Development projects, including maximising opportunities with higher education bodies;
- Assist 40 businesses to improve their marketing activities;
- Work with the aquaculture sector to investigate new ways to organise site management and different types of production; and
- Encourage the introduction of more efficient practices in all productive sectors.

**Wealthier: Strengthening the Economy: Peripheral communities will be assisted to improve the economic sustainability of their areas**

**The Council continue to recognise that the operation of Sullom Voe Terminal in the northern part of Shetland and Sumburgh airport in the southern part of Shetland helps to counterbalance the development of the central part of Shetland. These activities and other industries such as aquaculture, agriculture, fisheries and tourism form the backbone of the rural economy. Renewable energy projects and better broadband connectivity are also essential contributions to wealth creation in these areas.**

In the next two years we will:

- Support four community inspired economic regeneration projects under the Shetland regeneration policy;
- Support six projects to improve non-public service provision in remoter areas; and
- Support the development of six new businesses in remoter areas.

**Smarter: We will work to match Shetland's skills with Shetland's economic need**

In the next two years we will:

- Assist in re-skilling people to meet the current and future needs of the economy by:
  - Ensuring there are opportunities to upskill the workforce (around employability and vocational skills) through providing vocational training, short courses and access to national programmes, such as Modern Apprenticeships;
  - Improving employability skills in response to Shetland's changing need; and
- Investigate and provide a vocational and graduate traineeship scheme for wealth creating businesses.

## SECTION 2: Maintaining a Sustainable Society

This section links to the “*Smarter*”, “*Stronger*”, “*Safer*” and “*Healthier*” parts of the Single Outcome Agreement.

**We will balance investment in elderly care services with investment to help keep young people and their families in Shetland.**

**We will ensure the Local Development Plan, developments in Community Care and the Blueprint for Schools are aligned. This recognises the important link between land use, service delivery and sustainable communities.**

**Appendix A shows how these actions will be achieved.**

### **Schools**

*Our challenge is to develop a modern “Blueprint” for the shape of education across Shetland for the next 10 years. This will be carried out with the knowledge that Shetland’s population projections anticipate a substantial reduction in the number of pupils within a relatively short period of time.*

### **Lifelong Learning**

*Lifelong Learning makes a major contribution to the local economy, individuals and communities. We therefore want to maximise the opportunities for further, higher and vocational learning opportunities, both for school leavers and for people returning to learning.*

**Smarter: We will provide help to individuals to get the learning opportunities they need, focusing on the long-term unemployed, the 18-24 age group, those misusing substances and winter school leavers.**

**Smarter: We recognise each person’s strengths, and building on these to give them greater capacity, increased confidence and encourage participation and responsible citizenship.**

**Smarter: We take a proactive approach to ensuring Shetland’s skills match Shetland’s economic need.**

In the next two years we will:

- Reduce P1 class size, where necessary;
- Implement the Curriculum for Excellence;
- Consider Blueprint proposals and implement the decisions taken;
- Implement the Additional Support for Learning Act;
- Provide young people with the skills and competencies they need to find good jobs by developing vocational pathways between schools and colleges further;
- Encourage the people less likely to take part in learning, to do so.

### **Housing**

*We currently have a waiting list for affordable housing (900 and growing) and an outstanding Housing debt of £48 million. We feel that this must be addressed.*

**Stronger: We will ensure the right house is available in the right place at the right price.**

In the next two years we will:

- Produce a new Local Housing Strategy in line with Government guidance for 2010-2015;
- Keep on track to meet the Scottish Housing Quality Standard on Council housing stock by 2015;
- Meet the national targets on homelessness by 2012;
- Investigate future options for increasing all the different kinds of housing supply;
- Investigate and develop a better understanding of private sector housing in Shetland;
- Investigate, and if feasible, develop local mortgages or grants to assist private individuals in the provision of housing; and
- Continue to work in partnership with agencies on the housing, and housing support needs, for a projected ageing population.

## **Childcare**

**Stronger: We will sustain and, where necessary, grow the number of childcare places.**

In the next two years we will:

- Improve links between Childcare and Schools;
- Implement the Childcare Strategy: increasing the sustainability of childcare and equalising the cost between the public and private sector;
- Work with North Isles Childcare to develop a viable model of Childcare for the North Isles; and
- Complete the study on options for growing Childcare in Lerwick.

## **Community Care**

*Delivering a modern, affordable Community Care service across Shetland is a major challenge for the Council. Increasing needs, together with population projections, combine to make a compelling case for service redesign.*

**Healthier: We will support and protect the most vulnerable members of the community, promoting independence and making sure services are targeted at those that are most in need.**

In the next two years we will:

- Continue to deliver on current projects and plans, as set out in the Community Health and Care Partnership Agreement;
- Make the most of new technology to support care where that is possible, including the use of telecare for preventative care;
- Continue to develop more local management of services, including the development of 24/7 care services and rolling out the extra care housing model developed at Brucehall Terrace in Unst;
- Do an options appraisal of the level and quality of services provided for a range of services. These include permanent care, respite care, learning disabilities and drugs and alcohol services; and
- Work with partners to take the Community Health and Care Partnership to the next stage of joint management, to make sure all resources can genuinely be shared in the interests of service users.

## **Deprivation and Social Exclusion**

*The study on deprivation and social exclusion highlighted the difficulties which some individuals and families face in participating fully in employment and social activities within the islands. The Council must embrace these individuals when designing services and strive to promote equality of access for everybody.*

**Fairer: We have reduced levels and the impact of poverty, deprivation and social exclusion in Shetland.**

**Fairer: Socio-economic disadvantage does not impact on the opportunities people have.**

In the next two years we will:

- Reduce the number of people in Shetland experiencing fuel poverty.

## **Health Improvement**

*We agree that health improvement and tackling health inequalities is everyone's responsibility and will therefore treat it as core business.*

**Healthier: Maintain a healthy life expectancy, focusing on early years, healthy weight, alcohol, drugs and mental health.**

**Healthier: Tackle health inequalities ensuring that the needs of the most vulnerable and hard to reach groups are recognised and addressed**

In the next two years we will:

- Implement the Drink Better campaign.

## **Community Safety**

*We must ensure people in Shetland feel safe and protected. We recognise there are significant challenges in tackling social and cultural issues associated with drugs and alcohol misuse and anti-social behaviour. We will therefore seek to tackle these challenges as a lead partner in the Shetland Community Safety Partnership.*

**Safer: We will retain the current high level of community safety, but will continue to play our part to; a) further reduce overall crime; b) tackle serious crime; c) make the roads safer; d) maintain public order; and e) protect adults and children from harm and exploitation.**

In the next two years we will:

- Implement monitoring Council's vehicle fleet to create more efficient deployment vehicles, more efficient use of fuel and improve driving performance;
- Support the implementation of the Adult Protection Procedures; and
- Continue to implement a joint approach to domestic abuse.

## **Children's Services**

*Children and young people should be encouraged and supported to enjoy being young. Child protection will remain one of the Council's main priorities.*

In the next two years we will:

- Implement a child and family centred approach to meeting needs (Getting it Right for Every Child);

- Increase the number of available foster placements;
- Make sure that the services and transition arrangements for young people with Additional Support Needs are effective, when moving from school and children's services into adult community care services.

### **Culture, Recreation and Community Development**

*We must support individuals and communities to help them reach their full potential, cherish and promote our traditions and promote cultural activities.*

### **Strengthening Communities & Culture**

In the next two years we will:

- Promote more joined up work between the Council and Shetland Recreational Trust. This will maximise the use of all recreation resources and ensure more people have active lifestyles; and
- In partnership with Shetland Amenity Trust and Shetland Arts Development Agency make the most of opportunities for young people to reach their full potential. This will be done by helping them to develop and participate in Shetland's cultural heritage and contemporary arts scene, and be involved in developing our heritage of the future.

### **SECTION 3: Maintaining a Sustainable Environment**

This section links to the “Greener”, and “Stronger” parts of the Single Outcome Agreement.

**Appendix A shows how these actions will be achieved.**

*Given our remote location and dispersed population, self-sufficiency and proximity must underpin how we deliver services.*

#### **Greener: We will move further towards sustainable and efficient, consumption and production**

In the next two years we will:

- Reduce carbon emissions from within the Council by using less and cleaner forms of energy;
- Promote carbon reduction across communities through education;
- Reduce waste going to landfill; and
- Support community energy schemes.

*Shetland’s unique and important natural environment is one of its most valuable assets. The protection and maintenance of the natural resources, as well as enhancement of the built and natural environment, are priority areas.*

#### **Greener: We will protect Shetland’s renowned natural and built environment**

In the next two years we will:

- Complete the Local Development Plan;
- Be one of the top three cleanest places in Scotland;
- Maintain our excellent air quality;
- Continue support for KIMO; and
- Continue support for Nuclear Free Local Authorities.

*Shetland’s communities are scattered and have different needs. To best address those, we must have sustainable road, sea and air transport systems, internally and externally, that ensure everyone is able to access the places, services and opportunities they need.*

#### **Stronger: We will improve the availability, accessibility, affordability and usage of internal and external public transport**

In the next two years we will:

- Respond to the Scottish Ferries review to maximise opportunities for Shetland;
- Work in partnership with the Scottish Government to make sure Shetland’s economic and social needs and wishes are met in the next generation of public service ferry contracts, and air service contracts;
- Maintain the standard of Shetland’s roads and transport infrastructure;
- Introduce new bus contracts to improve accessibility for all purposes.



## **SECTION 4: Organising Ourselves Better**

This section sets out the key actions that the Council will do to ensure the outcomes set out in Sections 1-3 are delivered in the most effective and efficient way.

**Appendix B shows how these actions will be achieved.**

### **Vision and Strategic Direction**

*With the huge challenges facing government finances, it is vital that the Council has a clear understanding of where it wants to go and how it is going to get there. Clear vision and direction is at the heart of good government.*

In the next two years we will:

- Commit to delivering against the Shetland community's Single Outcome Agreement;
- Promote and champion the delivery of this Corporate Plan, as the key document guiding the Council's delivery of services in Shetland and;
- Make sure that the choices we make about how and what we do helps deliver these most important priorities.

### **Governance and Accountability**

*The way that the Council is run and is held to account is very important to people in Shetland. The Council will make sure improvements are made in these areas to restore public confidence in the Council as an organisation.*

In the next two years we will:

- Carry out a review of the Council's Committee and organisational structures to ensure that these are fit for purpose and they make the Council run as efficiently as possible;
- Agree and then deliver a comprehensive Improvement Plan for the Council; and
- Make sure that all changes and choices are openly discussed with the Shetland community, and Council staff.

### **Use of resources**

*With the public sector facing unprecedented cuts in spending over the coming years, the Council must act to ensure that it can sustain its levels of service delivery with the money available. Reviewing all our activities, and then taking decisions to eliminate waste, will be key to this.*

In the next two years we will:

- Make sure that everything the Council does is within its long term financial policy objectives;
- Agree, and then deliver, efficiency savings, with particular focus on procurement; and
- Agree a 5-year Capital Programme and apply the Gateway mechanism consistently, to ensure that the Council's aspirations are delivered in a sustainable way.

## Appendix A: Sections 1, 2 & 3: Delivery Plan

WEB: Within Existing Budgets

### A) Wealthier and Fairer: Head of Economic Development, Head of Business Development, Director of Shetland College & Head of Ports and Harbours

W1: Priority Development: Telecommunications								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Complete the provision of a resilient broadband link to Lerwick	Resilient broadband link	No resilient link	2 cables from Lerwick to international link	Head of Economic Development	Project under way	30 September 2011	£1.4M	£200,000 WEB
Equip a Point-of-Presence service in Lerwick	Ability to use high speed link	-	Operational Point of Presence	Head of Economic Development	Project under way	31 March 2011	£100,000	£20,000 WEB
Encourage existing telecommunications companies to make full use of the new telecommunications infrastructure	Two companies using the Point of Presence	-	Two companies using the Point of Presence	Head of Economic Development	Negotiations under way	31 March 2011	0	Should be a revenue earner
Produce a costed-plan to provide high-speed broadband to benefit peripheral communities	Completed Plan	No high-speed link	Ready for implementation	Head of Economic Development	October 2010	30 September 2011	0	£50,000 WEB
Facilitate the development of a data-centre in Lerwick	Operational Data Centre	-	One data centre	Head of Economic Development	Negotiations underway	30 September 2012	Not known at this time	Not known at this time
W2: Priority Development: Renewable Energy Resources								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Ensure a decision is made for the provision of an inter-connector between Shetland and Mainland Scotland	Clarity	No decision	Decision taken by national grid to invest in an inter-connector	Head of Economic Development	Negotiations underway as part of Viking Energy project	Decision taken by 31 March 2012	No direct cost on Council	0 Costs incurred as part of Viking Energy project
Negotiate better access to	Local communities	Grid	Six projects	Head of Economic	Negotiations	31 March	0	£50,000

the local grid, for the benefit of renewable projects at community level	able to reduce carbon emissions	unable to take on renewable projects	connected under Low Carbons Network Fund	Development	ons underway	2012		WEB
Assist three Land Based Projects	Local communities able to reduce carbon emissions	Grid unable to take on renewable projects	Three Projects Completed	Head of Economic Development	01 April 2010	31 March 2012	0	£200,000 WEB
Develop two marine renewable projects	Renewable energy production from marine	-	Two completed projects	Head of Economic Development	01 April 2010	31 March 2012	0	£50,000 WEB
Negotiate seabed leasing arrangements with Crown Estate	Renewable energy production from marine	-	Identify medium term seabed development plan in relation to marine renewables	Head of Economic Development	01 April 2010	31 March 2012	0	£5,000 WEB
Development of offshore renewables capacity (equipment, infrastructure and skills)	Renewable energy production from marine	-	Assist two projects	Head of Economic Development	01 April 2010	31 March 2012	0	£500,000 (loan funding)
<b>W3: Priority Development: Shetland's Reputation</b>								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Assist 20 businesses to develop quality products	Develop Shetland's Brand and economic opportunities this	-	Support 20 projects	Head of Economic Development	01 April 2010	31 March 2012	0	£200,000 grants £1,500,000 loans

Support value adding in all main production sectors (tourism, agriculture, fisheries, heritage, creative industries etc.)	brings.	-	Support 10 projects + updated plans for tourism, agriculture and fisheries. Creative Industries Plan.	Head of Economic Development	01 April 2010	31 March 2012	0	£200,000 grants £1,500,000 loans £30,000 on strategic papers
Maximise quality of output from progressive agricultural holdings		-	Support 10 projects	Head of Economic Development	01 April 2010	31 March 2012	0	£80,000 grants £200,000 loans
Lengthen the duration of the tourist season		-	Support 20 projects	Head of Economic Development	01 April 2010	31 March 2012	0	£100,000 grants
Continue to develop the role of Promote Shetland as the main promotional tool for Shetland		-	The service will meet the contract requirements.	Head of Economic Development	01 April 2010	31 March 2012	0	£800,000 WEB
Work with the oil industry and other marine sectors to identify future opportunities for Sullom Voe Terminal	Develop Shetland's Brand and economic opportunities this brings.	-	Facilitate two significant potential projects	Head of Economic Development, Head of Ports and Harbours	Work progressing on two possible projects	31 March 2012	0	£100,000
Encourage 400 businesses and individuals to use the Business Gateway service		-	400 clients logged – 300 using the Business Gateway service	Head of economic Development	01 April 2010	31 March 2012	0	Use of direct grant from Scottish Government
Secure the maximum benefit for Shetland from the European funding programmes and play a full part in key European organisations		-	Gain approval of £500,000 of European funding	Head of Economic Development	01 April 2010	31 March 2012	0	WEB

Encourage sustainable fisheries by Shetland vessels under the terms of the Common Fisheries Policy		-	Support six projects	Head of Economic Development	01 April 2010	31 March 2010	0	£1,500,000 loans
Encourage Firms operating in Shetland to develop stricter environmental criteria		-	Maintain high quality environment as part of the Brand	Head of Economic Development & Head of Environment and Building Services	May 2010	Ongoing	0	WEB

#### W4: Strengthening the Economy: Address Market Failures

Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Assist four businesses with Research and Development, including maximising opportunities with relevant higher education bodies	Development of innovation	0	Completion of 4 R&D projects in Shetland businesses	Head of Economic Development	01 April 2010	31 March 2012	0	£100,000 WEB
Assist 50 businesses to improve their marketing activities	Market Shetland's Brand	-	Support 30 marketing improvement projects under the Marketing Development Programme	Head of Economic Development	01 April 2010	31 March 2012	0	£60,000 WEB
Work with the aquaculture sector to investigate new ways of organising site management and different types of production	Complete a research project	0	Complete a research project	Head of Economic Development	01 April 2010	31 March 2012	0	£50,000 WEB
Encourage the introduction of more efficient practices in all productive sectors	Assist 6 projects	-	Assist 6 projects	Head of Economic Development	01 April 2010	31 March 2012	0	£500,000 loans +£100,000 grants

#### W5: Strengthening the Economy: Peripheral Community Sustainability

Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Support four community inspired economic development projects	Sustainable rural communities. in four locations.	Some support in place	Four projects underway under the	Head of Economic Development	Three projects in	31 March 2010	0	£60,000 WEB

			Shetland Community Regeneration Policy		progress			
Support six projects to improve non-public service provision in remoter areas	Assist in development of sustainable communities.	Some support in place	Completion of six aided projects	Head of Economic Development	01 April 2010	31 March 2012	0	£100,000 WEB
Support the development of six new businesses in remoter areas	Assist in development of sustainable communities.	Some support in place	Six aided new businesses	Head of Economic Development	01 April 2010	31 March 2012	0	£100,000 WEB

F1: Reduced Levels of Poverty								
F2: Minimise Socio-economic Disadvantage								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Reduce the number of people in Shetland experiencing fuel poverty	Reduction in number of individuals taken out of fuel poverty and increased uptake of EAP through better integration of grant processes.	2009/10: 9	25 / year Referrals to EAP: 40  Use of low carbon network fund to reduce fuel poverty in public sector housing.	Head of Environment and Building Services & Head of Housing	Ongoing	March 2012	0	WEB

**B) Smarter: Executive Director – Education and Social Care, Head of Schools, Director of Shetland College, Head of Economic Development**

Sm1: Person Centred Approach to Learning								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Reduce P1 class size, where necessary	Meet Scottish Government targets	100 pupils in classes with 25 pupils or over	Reduce number of pupils in classes with 25 pupils or	Head of Schools	Aug 2011	On-going	0	WEB



			over					
Engage people less likely to take part in learning	Increase in number of learners from disadvantaged groups	TBC	5% increase each year	Director of Shetland College	April 2010	March 2012	0	WEB
<b>Sm2: Achieving Potential</b>								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Implement Curriculum for Excellence	All Scottish Government milestones met from early stage to senior phase.	Implementat ion in pre-school to S1	Full implementati on	Head of Schools	June 2010	June 2013	0	WEB
Consider Blueprint proposals and implement decisions	Blueprint for Education proposals and agreed plan for implementation.	Proposals being explored.	Proposals considered, agreed and implementati on.	Head of Schools	Ongoing	Ongoing	Dependent on decision.	Dependent on decision.
Ensure implementation of the ASL Act	Meet legislative requirements.	Meet existing legisla- tion	Continue to ensure meet up and coming changes in legislation	Head of Schools	Ongoing	Ongoing	0	WEB
<b>Sm3: Skills Match Economic Need</b>								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Provide young people with the skills and competencies necessary to match economic needs by increasing the level of vocational pathway opportunities between schools and colleges.	High uptake of opportunities matching the needs of the local economy.	Number of courses: 13 Number of applicatio ns: 145 Number of places awarded: TBC	Explore development of 2 new courses.  5% increase in places awarded.	Head of Schools, Director of Shetland College	Aug 2010	June 2012	0	£15,000 Potential Growth Item

<p>Assist in re-skilling people to meet the current and future needs of the economy by:</p> <ul style="list-style-type: none"> <li>- establishing the needs of the business and commercial sector;</li> <li>- improving employability and vocational skills in response to Shetland's changing economic and community needs;</li> <li>- ensuring there are appropriate opportunities to up-skill the workforce in Shetland through providing vocational training, short courses and access to national programmes</li> </ul>	<p>Training providers aware of skills development required.</p> <p>Training providers providing relevant opportunities.</p> <p>People have the skills to match the needs of the economy.</p>	<p>Lack of intelligence</p> <p>Unable to respond effectively to demand</p> <p>Insufficient courses for need and demand</p>	<p>Employers survey and follow-up work on regular and sustained basis</p> <p>Delivery of relevant courses</p> <p>Opportunities available match industry need</p>	Director of Shetland College, Head of Economic Development	June 2010	December 2010	0	<p>WEB</p> <p>£158,000 Potential Growth Item</p>
Investigate and provide a vocational and graduate traineeship scheme for wealth creating businesses		No Council funded schemes.	Yr 1: Scheme in Place Yr 2: 15 placements	Director of Shetland College, Head of Economic Development	June 2010	April 2012	0	WEB

### C) Stronger – Head of Housing, Head of Transport, Head of Roads, Head of Children's Services

St1: Availability, accessibility, affordability, usage of Transport								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Respond to the Scottish Ferries review	Maximise opportunities for Shetland	Fully involved		Head of Transport	Ongoing	Jan 2010	0	WEB
Work in partnership with the Scottish Government to ensure Shetland's need are met in the next generation of public service ferry contracts and air service contracts.	External contracts able to meet Shetland's economic and social objectives	To be developed in partnership with Economic Development Unit		Head of Transport and Head of Economic Development	Ongoing	March 2011	0	WEB
Maintain the standard of	Maintain high	21.8% red	21.8% red	Head of Roads	Ongoing	Ongoing	WEB	WEB

Shetland's roads and transport infrastructure	quality	/amber A class  £387,328.00 funding on terminals	/amber A class  £387,328.00 funding on terminals	Head of Transport				
Introduce new bus contracts to improve accessibility for all purposes	Increase levels of access and usage	Stable  40% coverage	Increase 5% back to 2008/09 levels 45% coverage	Head of Transport	Ongoing	Aug 2016	0	WEB
<b>St2: Housing: Right House, Right Place, Right Price</b>								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Produce a new Local Housing Strategy in line with Government guidance for 2010-2015	Completion of Housing Strategy	Steering Group to meet	100% completion of LHS to Govt guidance standards	Head of Housing	March 2010	Dec 2011	0	WEB
Meet the SHQS quality standard on SIC housing stock by 2015	Achieve national target by 2015	80% of stock meet target	100%	Head of Housing	April 2005	March 2015	From existing resources	WEB
Meet the national targets on homelessness by 2012	Achieve national target of eliminating homelessness target by 2012 deadline		Monitor through HL1 and HL2 data	Head of Housing	On-going	March 2012	£100k est per annum. To meet costs of additional temporary accommodation.	Likely growth of approx. £100k to meet obligations Potential Growth Item
Investigate future options for increasing housing supply across all tenures	Include as part of new LHS	As LHS	As LHS	Head of Housing	March 2010	Dec 2011	WEB	WEB
Investigate and develop a better understanding of the private sector housing in Shetland	Include as part of new LHS	As LHS	As LHS	Head of Housing	March 2010	Dec 2011	WEB	WEB
Investigate, and if feasible, develop local mortgages or	Include as part of new LHS	As LHS	As LHS	Head of Housing Services, Head of	March 2010	Dec 2011	WEB	WEB

grants to assist private individuals in the provision of housing				Finance				
Continue to work in partnership with agencies on the housing and housing support needs for a projected ageing population	Include as part of new LHS	As LHS	As LHS	Head of Housing Services, Head of Finance	March 2010	Dec 2011	WEB	WEB

St3: Childcare: Sustain and Grow								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Improve access to SIC buildings in order to be used for wrap-around childcare delivery	Sustaining and /or increasing wrap around childcare	Sporadic access	Improved access to buildings	Head of Children's Services	On-going	March 2012	0	WEB
Implement the Childcare Strategy: increasing the sustainability of childcare and equalising the cost between the public and private sector	Level playing field of charges	Up £25/ day difference	Zero differential	Head of Children's Services	On-going	March 2012	0	WEB
Work with North Isles Childcare to develop a viable model of Childcare for the North Isles	Support group to develop viable model	Seeking external funding for build	Long-term sustainable model	Head of Economic Development	On-going	March 2011	0 (external funding for possible new build)	£100K / year for 3 yrs (WEB)
Sustain and / or increase childcare provision in Lerwick	Long-term sustainable model of childcare provision in Lerwick	Lack of sustainable childcare places	Long-term sustainable model	Head of Children's Services	June 2010	March 2012	0	WEB

#### D) Healthier – Executive Director – Education and Social Care, Head of Community Care

Hth1 &2: Life Expectancy and Health Inequalities								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Implement the Drink Better Campaign	Develop more positive alcohol culture in Shetland	48 drunkness	Reduction in alcohol related	Executive Director – Education and Social Care	2009	March 2012	0	WEB

		offences were recorded in Shetland during 2007/08	offences, drink driving incidents and number of 15-16 yr olds drinking					
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Hth3: Vulnerable People – Community Care								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Continue to deliver on current projects and plans to meet the needs of an ageing population, as set out in the Community Health and Care Partnership Agreement	Better outcomes for customers - measures as per national Community Care Outcomes Framework	160 long term care places	296 long term care places	Head of Community Care	Jan 2010	2020	£35.6M	Additional £600,000 per annum £6.1M per annum by 2020 Potential Growth Item
Maximise technological opportunities through pilot studies, including the use of telecare for preventative care	% customers with intensive support needs supported at home	-	TBC, dependent on pilot results	Head of Community Care	Jan 2010	April 2011	0	2010/11 £120,000 Potential Growth Item
Continue to develop more local management of services, including the development of 24/7 care services and rolling out the extra care housing model developed at Brucehall Terrace in Unst	% customers with long term care needs supported outwith institutional care settings; reduction in admissions to hospital and residential care as an emergency	46%	Maintain 46% as needs rise	Head of Community Care	Ongoing	Ongoing	0	Additional £500,000 Per annum Potential Growth Item
Undertake an options appraisal for the level and quality of services provided for a range of services, including permanent care, respite care, learning disabilities and drugs and	Reduction in unit costs of services with no loss of quality (evidenced by inspection reports and customer	-	Confidence in future direction taken in these areas	Head of Community Care	Ongoing	June 2010	0	WEB

alcohol services	satisfaction through the "With You, For You" QA framework							
Work with partners to take the Community Health and Care Partnership to the next stage of joint management, to ensure that all resources can genuinely be shared in the interests of service users	Streamlined processes with fewer committees/ meetings and LEAN framework of delegation	Current three reporting and decision making structures	Joint management and resourcing structures	Head of Community Care	Ongoing	June 2011	0	WEB

### E) Safer – Head of Environment and Building Services and Head of Children's Services

Sf1: Community Safety								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Implement monitoring Council's vehicle fleet to created more efficient deployment vehicles, more efficient use of fuel and improve driving performance.	Lower numbers of vehicles in fleet, evidence of consistent efficient driving, falling trend in vehicle maintenance costs and emissions through targeted interventions	Baseline to be established.	5% reduction in emissions	Head of Transport	April 2010	March 2012	0	WEB
Implement monitoring Council's vehicle fleet to created more efficient deployment vehicles, more efficient use of fuel and improve driving performance.	Improved driving to improve safety and reduce emissions through targeted interventions	Baseline to be established.	5% reduction in emissions	Head of Transport	April 2010	March 2012	0	WEB
Support the implementation of the Adult Protection Procedures	Increased awareness amongst workforce of legislation	2008/09: 625 trained	Increased participation in training. Increased awareness	Chief Social Work Officer	Ongoing	March 2011	0	WEB
Continue to implement a joint approach to domestic	Greater Shetland-wide awareness of	Lack of awareness	Sustained public	Head of Children's Services	May 2010	March 2011	0	WEB



abuse	the issues and impact	s and systematic training	relations and multi-agency training programme					
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## F) Greener – Executive Director – Infrastructure, Head of Environment and Building Services, Head of Planning

G1: Sustainable and Efficient Consumption and Production								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Reduce carbon emissions from Council buildings and Council energy use	% reduction in carbon emissions and energy used	2009/10: 110,039,151k Wh 37,377 tonnes CO2	6% reduction	Executive Director – Infrastructure Services	April 2010	April 2011	TBC	£23,000 (Carbon Reduction Commitment) Potential Growth Item
Assist in the promotion of carbon reduction across communities through education	Take a coordinating role with other agencies and report on the success of individual projects	Set up coordinating group	Report on success	Executive Director – Infrastructure Services	April 2010	Ongoing	0	WEB
Reduce waste going to landfill	To meet Landfill Allowance Scheme targets	460T	To be less than 2567 tonnes/yr	Executive Director – Infrastructure Services	2006	Ongoing	0	WEB
Support community energy schemes	Take a coordinating role with other agencies and report on the success of individual projects	Set up coordinating group	Report on success	Executive Director – Infrastructure Services	April 2010	Ongoing	0	WEB
G2: Protect Renowned Natural and Built Environment								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Complete the Local Development Plan	Approved, fit for purpose LDP	Main Issues Report	Approved LDP	Head of Planning	Ongoing	2012	0	WEB
Be one of top three cleanest places in	LEAMS index validated by KSB	76	79	Head of Environment and Building Services	April 2010	May 2011		WEB

Scotland								
Maintain air quality	Maintain air quality below action levels	Below action level	Below action level	Head of Environment and Building Services	April 2010	Annual Target	0	WEB
Continue support for KIMO	Represent Local Authority views on marine pollution at the national and international level.	Host KIMO secretariat	Retain KIMO secretariat	Head of Planning	Ongoing	Ongoing	0	WEB
Continue support for NFLA	Retain status quo	NFLA	NFLA	Head of Planning	Ongoing	Ongoing	0	WEB

### G) Cross Cutting – Executive Director – Education and Social Care, Head of Children’s Services

Children’s Services								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Implement a child and family centred approach to meeting needs (Getting it Right for Every Child)	Holistic to addressing vulnerable young people and their families.	All protected children, all Looked After Children	All children with an identified need for a GIRFEC plan	Head of Children’s Services	Ongoing	December 2010	0	WEB
Increase the number of available foster placements	A choice of placements available for children requiring foster care.	9 households	12 households 15 households	Head of Children’s Services	Ongoing	March 2011 March 2012	0	Kinship care payments of £100,000 Potential Growth Item
Make sure that the services and transition arrangements for young people with Additional Support Needs are effective, when moving from the Schools Service into adult community care services	Every child with additional needs would move from school to a positive destination.	Lack of consistent approach	All children	Head of Children’s Services	Ongoing	March 2012	0	WEB

C2 & 3: Culture and Strengthening Communities								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					

Promote more joined up work between the Council and Shetland Recreational Trust to maximise the use of all recreation resources, to ensure more people have active lifestyles	Efficient and effective service delivery.	Known opportunities for improved working	Maximise opportunities for joint working	Executive Director – Education & Social Care	On-going	March 2012	0	<b>WEB</b>
In partnership with Shetland Amenity Trust and Shetland Arts Development Agency maximise opportunities for young people to reach their full potential by developing and participating in Shetland's cultural heritage and Contemporary arts scene, and involved in developing our heritage of the future.	Young people supported to reach their full creative potential, with a range of opportunities available to them.	Increasing number of opportunities	Continue to seek external funding to maximise opportunities	Executive Director – Education & Social Care	On-going	March 2012	0	<b>WEB</b>

## Appendix B: SECTION 4: Organising Ourselves Better

Vision and Strategic Direction								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Commit to delivering against the Shetland community's Single Outcome Agreement	The key outcomes are delivered, with Shetland's quality of life being maintained.	SOA agreed – March 2010	80% of targets to be achieved each year	Chief Executive	March 2010	April 2012 (renewed annually)	0	WEB
Promote and champion the delivery of this Corporate Plan as the key document guiding the Council's delivery of services in Shetland	Members and officers are engaged in delivering the plan. It is referred to throughout the next 2 years as the Council's principal strategic document, with decisions being taken to ensure its delivery.	Corporate Plan 2008-11 being refreshed	80% of targets to be achieved each year	Chief Executive, with Executive and Leadership Team	June 2010	April 2012	0	WEB, apart from growth items
Make sure that the choices we make about how and what we do helps deliver these most important priorities	The Council has delivered on the priority areas							

Governance and Accountability								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Carry out a review of the Council's Committee and organisational structures	Review complete and report agreed by Council	Ongoing discussions on the structures of the	Structures in place that are fit for purpose and enabling the Council to	Chief Executive	July 2010		0	WEB

		Council	run as efficiently as possible					
Agree and then deliver a comprehensive Improvement Plan for the Council	The Council receives a good Best Value 2 audit report.	No Plan in place – qualified accounts, key strategic risks identified by Audit Scotland, public hearing	Removal of qualifications on accounts, improved Audit Scotland comments.	Chief Executive	June 2010	April 2012	0	WEB
Make sure that all changes and choices are openly discussed with the Shetland community, and Council staff	The views of staff and members of the public are taken onboard when considering any proposals for change.	Numerous consultation exercises taking place	Co-ordinated consultation activity that's fed in to Councillors ahead of decisions being taken	Chief Executive	June 2010	April 2012	0	WEB

Use of Resources								
Action	Measure of success	Performance		Responsible Officer	Start Date	End Date	Capital Exp (£)	Revenue Exp (£)
		Current	Target					
Make sure that everything the Council does is within its long term financial policy objectives	Financial Strategy aim of eliminating the draw on reserves to support General Fund revenue spend is met. Reserves are maintained at sustainable levels, in line with policy.	Reserves target being met	Reserves maintained at target levels	Chief Executive and Head of Finance	June 2010	April 2012	0	WEB

Agree a strategy and then deliver sustainable efficiency savings, with particular focus on procurement	Savings targets are being met in the short, medium and longer term.	No strategy in place	Strategy in place, with substantial savings being delivered each year Procurement action plan in place	Chief Executive and Head of Finance	June 2010	April 2012	0	WEB
Agree a 5-year Capital Programme and apply the Gateway mechanism consistently to all major capital projects.	The Council's Capital aspirations are being delivered in a sustainable way	1-year Programme in place	5-year Programme in place and Gateway mechanism being applied to all projects	Head of Capital Programming	June 2010	April 2012	0	WEB





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## REPORT

To: **Shetland Islands Council**

**30 June 2010**

From: **Head of Finance**

### **2009/10 - PROVISIONAL FINANCIAL OUTTURN** **Report No: F-024-F**

#### **1.0 Introduction**

- 1.1 The purpose of this report is to inform Members of the 2009/10 provisional outturn (this is still subject to audit) in relation to the 2009/10 revised budget. In line with the Code of Practice on Local Authority Accounting in the UK (2009), £7.416m of capital spend has been transferred to revenue. The amount of capital transfers have been highlighted to show the original revenue variance against revised budget.

#### **2.0 Links to Corporate Priorities**

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to reviewing financial performance relative to the Council's financial policies.

#### **3.0 Format of the Report**

- Section 1 - Introduction
- Section 2 - Links to Corporate Priorities
- Section 3 - Format of the Report
- Section 4 - Overall Position Statement: Original Budget Strategy
- Section 5 - 2009/10 Outturn Compared to Revised Budget for: -
  - Support and Recharged Services
  - General Fund
  - Reserve Fund
  - Housing Revenue Account
  - Harbour Account
- Section 6 - Overall Financial Implications v Original Budget Strategy
- Section 7 - Policy and Delegated Authority
- Section 8 - Conclusions
- Section 9 - Recommendations

## 4.0 Overall Position Statement: Original Budget Strategy

- 4.1 The budget strategy for 2009/10 originally planned for £44.1m of expenditure from General Fund Reserves, split as follows: General Fund revenue £3m and single status £6m, Reserve Fund revenue £7.7m, SDT contribution £7.4m, and Capital Programme £20m. This was subsequently revised by decisions of the Council.

## 5.0 2009/10 Outturn Compared to Revised Budget

### 5.1 Support and Recharged Services

- 5.1.1 The Support Services ledger comprises the costs of Executive, Education & Social Care and Infrastructure Services, Economic Development Unit and Ports & Harbours Operations' support functions, which are ultimately recharged out to particular services and funds, leaving a zero balance. The Recharged ledger is for engineering services for ports and ferries, catering/cleaning services which are also recharged out to particular services and funds, leaving a zero balance.

- 5.1.2 The following table compares the 2009/10 Support Services provisional outturn against the revised budget.

Table 1a Support Services	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Including Capital Trfs £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Employee Costs	19,594	19,473	120	0	120
Operating Costs	6,984	6,727	257	85	342
Transfer Payments	0	(35)	35	0	35
Income	(562)	(1,075)	512	0	512
Net Departmental Expenditure	26,016	25,091	925	85	1,010
Capital Financing Costs	1,016	1,311	(295)	0	(295)
Net Recharges	(27,032)	(26,402)	(629)	(85)	(714)
Total Net Expenditure	0	0	0	0	0

- 5.1.3 The Net Departmental Expenditure on controllable items (excluding capital transfers) is £1.010m less than the budget.

Employee costs - are underspent by £0.120m, this is mainly due to reduced employer pension costs (£0.108m), not all staff decide or are able to join the pension scheme.

Operating costs - there is general under spending across a range of operating costs budgets amounting to £0.320m, the largest under spends across services were on maintenance (£0.116m), electricity costs (£0.048m), car allowance/mileage (£0.63m) and subsistence costs (£0.070m). The largest overspends were on contracted services (£0.065m) mainly for met office for the ferry service which was not budgeted for and external consultants for social care new build, ports for the future and staff welfare (£0.085m).

Income - The increase in income of £0.512m was a combination of charging external bodies for work carried out on their behalf on capital projects (£0.100m), a contribution from the Reserve Fund to fund graduate placements (£0.263m) with the remainder being a general increase in miscellaneous income (£0.159m).

- 5.1.4 The following table compares the 2009/10 Recharged Services provisional outturn against the revised budget. This includes catering and cleaning, ports and ferry recharged services.

Table 1b Recharged Services (ferries/ports/catering/ cleaning)	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Inc Capital Trfs (Excl Jetties) £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Employee Costs	3,651	4,011	(360)	0	(360)
Operating Costs	7,690	8,272	(582)	294	(287)
Transfer Payments	0	0	0	0	0
Income	(1,250)	(1,500)	250	0	250
Net Departmental Expenditure	10,091	10,783	(692)	294	(397)
Capital Financing Costs	0	0	0	0	0
Net Recharges	(10,091)	(10,783)	692	(294)	397
Total Net Expenditure	0	0	0	0	(0)

- 5.1.4 The Net Departmental Expenditure on controllable items (excluding capital transfers and the jetties/spur booms funded by the terminal operators) is £0.397m more than the budget.

Employee costs - this is due mainly to increased employee costs for catering and cleaning staff following single status (£0.461m) offset by an underspend of Ports staff (£0.173m) achieved by tightly controlling overtime and delaying any backfilling of vacant posts pending a full review and scrutiny.

Operating costs - the overspend of £0.288m is due mainly to 5 year cyclical drydocks on the Daggri/Daggalien (£0.290m) which was omitted in error due to staffing changes.

Income – this is mainly increased income from use of the fleet management unit services by other departments ( £0.150m) and a combination of miscellaneous income and contribution from the reserve fund for modern apprentices (£0.092m).

## 5.2 General Fund

- 5.2.1 The table below compares the 2009/10 General Fund provisional outturn against the revised budget.

- 5.2.2 The budget was initially set with a requirement to utilise £3m from Reserves and a £6m reserves provision for single status (SIC Min. Ref. 121/08). Within budgets was a savings requirement of £3.117m across all services. Throughout the year Council decisions increased the budgeted draw on Reserves to £4.573m excluding the reserves provision for single status.

Table 2 General Fund	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Inc Capital Transfers £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Employee Costs	61,174	61,964	(789)		(789)
Operating Costs	35,273	41,768	(6,495)	5,899	(596)
Transfer Payments	10,522	11,268	(746)	0	(746)
Income	(21,298)	(26,064)	4,766	(1,770)	2,996
Savings to be Achieved	(3,117)	0	(3,117)		(3,117)
Net Dept Expenditure	82,554	88,936	(6,382)	4,130	(2,252)
Capital Financing Costs	474	186	288		288
Net Recharges	23,453	24,856	(1,403)	989	(413)
Total Net Expenditure	106,481	113,978	(7,497)	5,119	(2,378)
Financed by:					
RSG	(84,300)	(84,325)	25		25
NNDR	(9,076)	(9,238)	162		162
Council Tax	(7,908)	(8,547)	639		639
Interest on Revenue					
Balances	0	0	0		0
Trading Undertakings (DLO/DSO)	(624)	(896)	272		272
Balance from Reserves	(4,573)	(10,972)	6,399	(5,119)	1,279
Total General Fund	(0.000)	0.000	(0.000)	0.000	(0.000)

5.2.3 Net Departmental Expenditure (excluding capital transfers) was over budget by £2.252m. It should be noted that the actual outturn figures above includes single status costs, which was not included in the budgets (although provision was made in the budget strategy of £6m). Against a total possible draw on reserves of £10.573m (£4.573m+£6m), a draw of £5.853m excluding capital transfers (£10.972m-5.119m) was £4.720m less than anticipated.

5.2.4 Table 3 below highlights departmentally where General Fund service budgets are being met and where budgets have been underspent or exceeded at Net Departmental Expenditure level.

Table 3 General Fund Net Departmental Expenditure	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Inc Capital Transfers £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Executive Office	343	236	107		107
Organisational Development	63	(14)	76		76
Legal & Administration	216	161	55	38	93
Finance	413	620	(207)		(207)
<b>Sub Total Exec. Services</b>	<b>1,035</b>	<b>1,004</b>	<b>32</b>	<b>38</b>	<b>69</b>
Infrastructure Directorate	(56)	0	(56)		(56)
Environmental Services	8,014	7,458	556	89	645
Roads	5,401	5,979	(577)	35	(542)
Transport	8,981	9,796	(815)	515	(301)
Planning	(339)	(838)	499	0	499
<b>Sub Total Infrastructure Services</b>	<b>22,002</b>	<b>22,395</b>	<b>(393)</b>	<b>639</b>	<b>245</b>
Education & Social Care Directorate (inc museum)	1,378	1,296	83		83
Community Care	17,077	17,365	(288)	586	298
Schools	35,735	38,309	(2,575)	2,712	137
Children's Services	5,027	5,138	(112)	49	(63)
Criminal Justice	13	21	(8)		(8)
Housing	870	766	104		104
Adult Learning & Train Shet	472	490	(18)		(18)
Sport & Leisure	1,716	1,823	(107)	107	0
Community Work	346	330	17		17
<b>Sub Total Education &amp; Social Care Svs</b>	<b>62,633</b>	<b>65,537</b>	<b>(2,904)</b>	<b>3,454</b>	<b>550</b>
Savings	(3,117)	0	(3,117)		(3,117)
<b>TOTAL</b>	<b>82,554</b>	<b>88,936</b>	<b>(6,382)</b>	<b>4,130</b>	<b>(2,252)</b>

5.2.4 It should be noted that overall Executive, Infrastructure and Education & Social Care departments were underspent against their individual targets even after taking account of the impact of single status. The impact of single status has resulted in departments not being able to contribute fully to meeting the budgeted savings/vacancy factor.

5.2.5 The largest adverse variances were on Roads, Transport, and Finance services.

The overspend on Roads (£0.542m) is due to the severe winter conditions which resulted in an increased winter maintenance service requirement (£0.705m), this was offset by reduced spending on road maintenance during the snow (£0.260m) when staff were diverted to winter maintenance duties.

The overspend on Transport is for air services (£0.112m) due to tendering price increase and overtime on the ferry service, mainly as a result of single status terms and conditions (£0.325m) and increased tendering prices for transport contracted services (£0.109m).

The overspend on Finance is due to bad debt provision (£0.182m) which is not budgeted for.

Offsetting these overspends, there were large favourable variances, on Environment private sector housing grants were underspent due to slippage in payment of grants (£0.606m), Planning government grant income received but not spent for town

regeneration (£0.308m) and Community Care reduction in transfer payments (£0.418m).

- 5.2.6 In Table 2, excluding capital transfers, employee costs are overspent by £0.789m, this is a result of a combination of vacancies and increased costs from single status terms and conditions, which was not budgeted for.
- 5.2.7 Operating costs, there is an overspend of £0.596m. The main reasons are winter maintenance (£0.690m) and bad debt provision (£0.183m), these are offset by reduced spending on drainage improvements (£0.169m) and waste to energy hire/rent of property (£0.124m) due to renegotiation of the lease.
- 5.2.8 Transfer Payments are overspent across services by £0.746m, the largest of which is the contribution to ZTP £1.395m (there is a corresponding income entry which results in a net overall zero impact), most of the other variances are demand lead, the largest overspends are off island placements (£0.432m), rent rebates (£0.193m), council tax 10% additional income paid for housing (£0.135m), this is offset by underspending on private sector housing grants (£0.602m), community care (£0.168m), Fairer Scotland (£0.107m), commissioned services (£0.100m) and individual sector placements (£0.100m). Most of these under and overspends are demand led and are difficult to determine in advance the level of uptake which will occur within the year.
- 5.2.9 Income has increased by £2.996m across services, the largest increases are grant income from ZTP (£1.395m), town centre regeneration grant (£0.308m) board and accommodation charges (£0.245m), sale of meals i.e. MOW/school/Islesburgh (£0.215m), housing benefit rent allowance (£0.196m) and reserve fund funding for graduate placements (£0.155m). The main reduction in income is on landfill disposal, which is down due to reduced drill cutting business (£0.340m).
- 5.2.10 Capital Financing costs have reduced with the fall in interest rates reducing the Interest on Revenue balances charge for the year by £0.301m.
- 5.2.11 Recharges In are more than budget due to increased expenditure on the recharged ledger for ferries (£0.483m) and a change in where social care recharges for training costs (£0.622m) are directed i.e. budgeted for in the support ledger but actual recharges direct to the general fund.
- 5.2.12 Revenue Support Grant variance is due to additional income in respect of grant redeterminations by the Scottish Government.
- 5.2.13 The National Non Domestic Rate (NNDR) income is the amount due to the Council for rates. The budget was set prior to final figures from the Scottish Government being available.
- 5.2.14 The amount of Council Tax collected is higher than anticipated due to additional property numbers and some prior years' outstanding Council Tax collected in 2009/10.
- 5.2.15 The contribution from the DLO is more than originally anticipated. This is due to charges being set at a higher level to cover the increased costs facing the trading account such as single status, this and underspending on operating costs has resulted in a net increased contribution.

5.2.16 The overall position on the 2009/10 General Fund revenue outturn is a draw on reserves of £10.972m including capital transfers of £5.119m. This does not include the following carry forward requests: -

Table 3 (a) - Carry Forwards Project	Reason	£m
Tamil Nadu	5 year programme of Tsunami Appeal work which is ongoing	0.016
Helicopter Landing Site	External funding from Scottish Govt/NHS/Ambulance Service	0.016
Town Centre Regeneration	External funding from Scottish Govt	0.345
Private Sector Housing Grants	External funding from Scottish Govt	0.602
SADAT	External funding from NHS	0.141
Adult Learning	External funding from Scottish Govt	0.002
Eyecare Review	External funding from Scottish Govt	0.003
Visual Support	External funding from Royal National Institute for the Blind	0.010
Telecare	External funding from Scottish Govt	0.050
Domestic Abuse	External funding from Scottish Govt	0.016
Youth Music	External funding from Scottish Arts Council	0.035
Cultural Co-ordinator Prog	External funding from Scottish Arts Council	0.051
Create Play	External funding from Awards for All Scotland	0.008
Adult Literacy	External funding from Scottish Govt	0.002
<b>TOTAL</b>		<b>1.297</b>

5.2.17 The carry forwards above are either committed or externally funded projects for which monies have been received in 2009/10 but have not yet been spent. The total amount requested is £1.297m. This will increase expenditure in 2010/11 and consequently the draw on balances in that year.

5.2.18 The budget strategy report to the next cycle will cover the wider financial implications of the 2009/10 outturn on the General Fund.

### 5.3 Reserve Fund

5.3.1 Table 4 sets out the 2009/10 Reserve Fund provisional outturn against the revised budget.

Table 4 Reserve Fund By Category	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Inc Capital Transfers £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Employee Costs	32	37	(5)	3	(2)
Operating Costs	2,750	2,767	(16)		(16)
Transfer Payments	12,271	11,281	990	3,150	4,140
Income	(147)	(2,206)	2,059	(1,111)	948
Net Departmental Expenditure	14,906	11,878	3,028	2,041	5,070
Capital Financing Costs	0	0	0		0
Net Recharges	1,294	1,021	272		272
Total Net Expenditure	16,200	12,899	3,301	2,041	5,342
Funded by: Reserve Fund/SDT Contribution	(16,200)	(12,899)	(3,301)	(2,041)	(5,342)
<b>Total Reserve Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

5.3.2 The above table shows that the provisional outturn for the Reserve Fund is £5.342m less than the budgeted Net Expenditure (excluding capital transfers), this underspend is reduced to £3.301m when you include capital transfers which were budgeted on the capital programme.

5.3.3 The Reserve Fund received a grant repayment from the Shetland Development Trust of £0.713m as part of the SDT transfer back to the Council (at the end of 2008/09 £5.8.25m was received). Table 5 below shows the expenditure departmentally.

Table 5 Reserve Fund Net Departmental Expenditure	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Transfers £'000
Chief Executive	0	85	(85)		(85)
Organisational Development	358	344	14		14
Legal & Administration	1,070	1,166	(96)		(96)
Finance	1,782	2,219	(436)		(436)
Executive Services	3,211	3,814	(603)	0	(603)
Environment	507	109	398		398
Planning	820	735	86		86
Infrastructure Services	1,327	844	484	0	484
Sports & Leisure	2	246	(244)	246	2
Housing	157	145	12		12
Train Shetland	308	424	(116)		(116)
Education & Social Care	466	814	(348)	246	(103)
Economic Development Unit	11,196	8,140	3,055	1,796	4,851
Transfer of SDT Income	0	(713)	713		713
<b>TOTAL RESERVE FUND</b>	<b>16,200</b>	<b>12,899</b>	<b>3,301</b>	<b>2,041</b>	<b>5,342</b>



- 5.3.4 The main adverse variance on Executive Services is on Finance for the winter fuel grant payments not budgeted for (£0.450m). On Infrastructure Services, underspending is for fuel poverty and natural heritage, coastal protection and conservation grants where take-up has been less than anticipated (£0.484m). The main variance under Education and Social Care services is an overspend on the modern apprenticeship scheme which increased with the new intake (£0.116m). Under the Economic Development Unit grants have been underspent due to several projects, which were planned to go ahead in 2009/10 but have slipped into 2010/11 (£2,809m).
- 5.3.5 There are a number of requests for carry forwards totalling £3.758m set out in the table 5 (a) below. Most of this is for Economic Development projects (£2.809m) where funding has been approved but the project has slipped from 2009/10 into 2010/11 mainly due to changes in funding packages, pre-conditions not being met or delays in works for a variety of reasons. This will increase the draw on reserves in 2010/11.

Table 5 (a) Carry Forwards Project	Reason	£m
Cunningsburgh Marina	Retentions payment outstanding	0.002
Private Sector Housing Grants	Outstanding grant payments for committed work	0.602
Town Centre Regeneration	Carryforward of external funding	0.345
Sandsayre Pier	Project slippage due to funding package change	0.260
Sumburgh Head Lighthouse	Project slippage due to funding package change	0.337
Fetlar Breakwater	Project slippage due to additional option appraisals	0.300
EFF Match Funding	Project slippage due to delayed decisions by Scottish Govt	0.102
Centre for Nortic Studies	Project slippage due to funding package change	0.030
Burra Bears	Project completed grant claim outstanding	0.013
Fair Isle Observatory Trust	Project completed grant claim outstanding	0.060
Shetland Abattoir Co-op Trust	Project slippage due to delay in meeting pre-conditions	0.437
SLMG	Project slippage due to delay in meeting pre-conditions	0.308
Mareel	Project slippage due to additional foundation works	0.096
Shet. Bus Friendship Society	Project slippage due to contractor in administration	0.166
NAFC Marine Centre	Project slippage due to funding package change	0.025
NAFC Marine Centre	Project slippage due to funding package change	0.380
Whalsay Fish Processors	Project slippage due to delay in meeting pre-conditions	0.120
COPE	Funding source change not anticipated when budgeting	0.175
<b>TOTAL</b>		<b>3.758</b>

## 5.4 Housing Revenue Account

- 5.4.1 Table 6 below sets out the 2009/10 Housing Revenue Account (HRA) provisional outturn against the revised budget.

Table 6 Housing Revenue Account	2009/10 Revised Budget	2009/10 Provisional Outturn	<b>2009/10 Variance Fav/(Adv)</b>	2009/10 Capital Transfers	<b>2009/10 Variance Fav/(Adv) Excl Capital Transfers</b>
	£'000	£'000	<b>£'000</b>	£'000	<b>£'000</b>
Employee Costs	3	(5)	7		7
Operating Costs	2,177	2,456	(278)	33	(246)
Transfer Payments	34	38	(4)	6	1
Income	(6,856)	(6,857)	1		1
Net Departmental Expenditure	(4,642)	(4,368)	(274)	38	(236)
Capital Financing Costs	3,827	3,898	(71)		(71)
Net Recharges	1,003	779	224	45	269
Total Net Expenditure	188	310	(121)	83	(38)
Funded by:					
Housing R & R Fund Cont.	(188)	(310)	121	(83)	38
Total HRA	0	(0)	0	0	0

5.4.2 Table 6 shows that the provisional outturn for the Housing Revenue Account (HRA) on net departmental expenditure is overspent by £0.236m excluding capital transfers. This is due to increased spending on maintenance (£0.250m), from the “work-in-progress” backlog held by DLO. The recharges in are less due to less housing support services recharges mainly on staffing costs.

5.4.3 The net impact of all these variances is a draw on the Housing Repairs and Renewals Fund of £0.310m which is £0.121m more than the budgeted contribution, of which £0.083m is in relation to capital transfers.

## 5.5 Harbour Account

5.5.1 Table 7 below sets out the 2009/10 Harbour Account provisional outturn against the revised budget.

Table 7 Harbour Account	2009/10 Revised Budget  £'000	2009/10 Provisional Outturn  £'000	2009/10 Variance Fav/(Adv) Inc Capital Trfs (excl Jetties) £'000	2009/10 Capital Transfers  £'000	2009/10 Variance Fav/(Adv) Excl Capital Tranfers £'000
Employee Costs	5,640	5,171	468		468
Operating Costs	936	850	87	124	211
Transfer Payments	81	105	(25)		(25)
Income	(12,996)	(12,626)	(369)		(369)
Net Departmental Expenditure	(6,339)	(6,500)	161	124	285
Capital Financing Costs	478	432	46		46
Net Recharges	3,322	3,534	(212)	48	(164)
Net Income	(2,539)	(2,534)	(5)	172	167
Contribution to RF	2,539	2,534	5	(172)	(167)
Total Harbour Account	0	0	(0)	0	(0)

5.5.2 The Harbour Account shows an increase in the contribution for use of capital assets to the Reserve Fund of £0.167m (excluding capital transfers and jetties costs paid for by the terminal operator).

5.5.3 Employee costs are £0.468m less than anticipated due to an accrual for anticipated back pay, which has not materialised and VTSO positions that have been budgeted for but not currently filled. The operating costs are £0.211m less than budget mainly due to savings made at dry dock and also the reduction of fuel and maintenance costs associated with the tugs and marine craft as a result of less tanker traffic than expected.

5.5.4 The income on the Harbour Account is less than anticipated with less throughput than originally expected. This was primarily due to the extended shutdown of Schiehallion both for maintenance and following the incident with the Loch Rannoch. The prolonged closure of Scheihallion had a detrimental effect on shipping, both imports and exports, as well as the Harbour Agreement. Sullom Voe harbour income has reduced by (£0.669m) this has been mainly from harbour dues (£0.110), the Harbour 5C agreement (£0.203m) and towage dues (£0.398m). The other piers have contributed to increased income of £0.300m, mainly on Blacksness (£0.171m).

5.5.5 Recharges have increased due to a change in the recharge pattern from that originally budgeted for.

## 6.0 Overall Financial Implications v Original Budget Strategy

6.1 The original budget strategy for 2009/10 spending was £9m on the General Fund, £15.025m on the Reserve Fund/SDT and £20m on the Capital Programme; a total of £44.025m. Transfers from the capital programme of £7.416m have been made to revenue in line with the Code of Practice on Local Authority Accounting in the UK (2009) across all funds.

Areas	Original Draw on Reserves  £m	Outturn Draw on Reserves  £m	Fav/(Adv) Variance  £m
General Fund Revenue (inc cap trfs)	9.000	10.972	-1.972
Reserve Fund Revenue (inc cap trfs)	15.025	12.899	2.126
Capital Programme (excl cap trfs)	20.000	6.538	13.462
Total GF and RF Expenditure	44.025	30.409	13.616

- 6.2 Overall the Council has underspent against the original budget strategy draw upon reserves by £13.616m, which goes some way towards bringing the Reserves back into line with the “Good Case” projection reported to Council on 30 June 2005.
- 6.3 The balance on Council reserves is at £275m as at 31 March 2010, which is £14m greater than the expected position at this point. There will be more comment on this aspect of long term financial planning in the budget strategy report to Council in the next cycle.

## 7.0 Policy and Delegated Authority

- 7.1 This report is being presented to the Shetland Island Council in terms of its remit for financial policy and monitoring.

## 8.0 Conclusions

- 8.1 In summary this report sets out the provisional outturn position for the General Fund, Reserve Fund, Housing Revenue Account and the Harbour Account for 2009/10.
- 8.2 The General Fund has overspent by £1.279m (including capital transfers by £6.399m) against a revised draw on reserves of £4.573m. This results in a draw on reserves of £10.972m. Requests for carry forwards of £1.297m have been made. The revised draw does not include a £6m provision for single status, which was included in the budget strategy.
- 8.3 The Reserve Fund has underspent by £5.342m (including capital transfers by £3.301m) against a revised draw on reserves of £16.2m. This results in a draw on reserves of £12.899m. Requests for carry forwards of £3.758m have been made.
- 8.4 The Housing Revenue Account has overspent by £0.038m (including capital transfers by £0.121m) against a revised draw on reserves of £0.188m. This results in a draw on reserves of £0.310m.
- 8.5 The Harbour Account has increased the contribution for use of capital assets to the Reserve Fund by £0.167m (including capital transfers a reduction of £0.005m) against a revised contribution of £2.539m. This results in a contribution of £2.534m.
- 8.6 The original budget strategy for General Fund, Reserve Fund, Capital Programme was £44.025m, the actual for 2009/10 is £30.526m which is under the strategy by £13.616m.

- 8.7 The end result is, therefore, that despite all the budget pressures, including the introduction of Single Status, that the Council used substantially less of its Reserves than planned, meaning that it ends the financial year 2009/10 with £275 million of Reserves on its Balance Sheet, well clear of the £250 million Reserves Floor policy limit, and considerably higher than the £261 million anticipated in its financial planning. This provides a solid foundation for meeting the greater budget challenges of 2010/11 and future years.

## **9.0 Recommendations**

9.1 I recommend that the Council:

- a) note the Outturn as detailed in Section 5 and the effect against original budget strategy in Section 6,
- b) approve the budget carry forwards on the General Fund of £1.297m as set out in Section 5.2.16 and the budget carry forwards on the Reserve Fund of £3.758m as set out in Section 5.3.5;
- c) note that the wider financial implications of the outturn position for 2009/10 will be addressed in the report on future budget strategy, which will be presented to Members in the next cycle.

Date: 23 June 2010  
Our Ref: HKT/Provisional Outturn

Report No: F-024-F





## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

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

**Report No: F-033-F**

**SIC Revenue Management Accounts  
General Fund, Harbour Account, Housing Revenue Account and Reserve Fund  
For the Period 1 April 2010 to 31 May 2010**

### **1. Introduction**

- 1.1 The purpose of this report is to advise Members of the financial position on the Council's General Fund (inc Support/Recharged ledgers), Harbour Account, Housing Revenue Account and Reserve Fund revenue management accounts (RMA) for the first 2 months of 2010/11.

### **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 reviewing financial performance relative to the Council's financial policies.

### **3. Risk Management**

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

### **4. Background**

- 4.1 The revenue management accounts are presented to the Executive on a monthly basis to monitor the Council's overall financial position.
- 4.2 Only controllable items of expenditure are included, on the basis that recharges for central services and financing costs and financing income are excluded, as these are not controllable in terms of spending decisions. This financial data in this report includes employee costs, property costs, transport, grants and other running costs, and income comprises of fees and charges, grants and rents.
- 4.3 For information, all appendices show the Annual Budget, Year to Date Budget, Actual and Variance. It is the Year to Date variances, which are referred to within this report. An estimation of when spending will occur or income is to be received is made on each budget and a spend profile is set which determines

the Year to Date Budget. The Year to Date Variance shows how actual activity has varied from the planned budget.

## **5. Financial position on the General Fund (includes support and recharged ledgers)**

- 5.1 The General Fund revenue management accounts spend is £2.052m less than the year to date budget (see Appendices 1(a) and 1(b)). This excludes a budgeted savings/vacancy factor to be achieved of £9.943m to reach the approved draw on Reserves of £2 million.
- 5.2 Work is ongoing to identify savings to balance the 2010/11 budget. So far £1.4m has been earmarked as real savings mainly on staffing costs in Community Care and Children's Services.
- 5.3 Appendix 1(a) shows the financial position as at the 31 May 2010 by service area and Appendix 1(b) shows expenditure and income by type. Appendices 2(a), 2(b) and 2(c) show the same data by service area for Education & Social Care, Infrastructure and Executive Services respectively. A summary of the variances is set out below: -
- 5.4 Education and Social Care Services, (over £50k variances), a number of facilities are underspent mainly on staffing costs such as Newcraigielea (£61k), Edward Thomason (£65k), North Haven (£51k), short break service (£71k) and residential child care (£52k). However, there has been increased need for Child Off Island Placements (£81k).
- 5.5 Infrastructure Services, there are no over £50k variances.
- 5.6 Executive Services (inc EDU) there are no over £50k variances.

## **6. Financial Position on the Harbour Account**

- 6.1 The revenue management accounts for Harbour Account shows an underspend of £0.365m excluding the jetty and spur boom maintenance (funded by the BP). There are three over £50k variances, these profiling variances are on the Dunter, Tirrick and the Tystie. The underspends are on hired and contracted services for engine refurbishment to the Dunter and the Tystie, the overspend on the Tirrick is due to dry-docking costs.
- 6.2 Appendix 4 shows the financial position as at the 31 May 2010 by service area and by type of expenditure/income. Appendix 5 shows the same data by cost centre.

## **7. Financial Position on the Housing Revenue Account**

- 7.1 The Housing Revenue Account is showing an underspend of £0.004m. There are no variances over £50k.



- 7.2 Appendix 6 shows the financial position as at the 31 May 2010 by service area and by type of expenditure/income. Appendix 7 shows the same data by cost centre.

## **8. Financial Position on the Reserve Fund**

- 8.1 The Reserve Fund shows a net underspend of £0.896m. The underspend is due to profiling variances on Economic Development grant assistance where it is difficult to profile when grants will be paid out.
- 8.2 Appendix 8 shows the financial position as at the 31 May 2010 by service area and by expenditure/income type. Appendix 9 shows the same data by cost centre.

## **9. Full Time Equivalents**

- 9.1 Appendix 10 shows the full time equivalents budgeted for and actual spend to date. This is derived from the islands allowance payment made to all staff. For the year to date position (two months of the year), there are 267 fte staff vacancies. There are two main factors that may contribute to this staffing reduction. Firstly, profiling variance i.e. budgets for salaries are mainly profiled to a monthly split however, there are seasonal variations, which may be attributing to part of the underspending e.g. summer or winter activity/cover and there are genuine vacancies, either from recruitment time lag or posts which are not going to be filled due to budget pressures.

## **10. Financial Implications**

- 10.1 The general fund revenue management accounts for the first 2 months of 2010/11 (including support and recharges) is £2.052m underspent excluding savings to be identified of £6.767m. To date, departments have identified £1.4m of savings mainly on Social Care and Children's services.
- 10.2 The Harbour Account is currently within budget by £0.364m excluding jetties/spur booms fully funded by BP. This is not a real underspend due to spend not occurring as anticipated.
- 10.3 The Housing Revenue Account is currently within budget by £0.004m.
- 10.4 The Reserve Fund is currently within budget by £0.896m. This is not a real underspend due to the difficulty in identifying when grant assistance will be paid.

## **11. Policy & Delegated Authority**

- 11.1 This report is being presented to the Council for information in terms of its remit for financial policy and monitoring.

## **12. Recommendation**

- 12.1 I recommend that the Council note the report.



## SIC MANAGEMENT INFORMATION 2010/11 - PERIOD 2

1st April 2010 to 31st May 2010

Revenue Expenditure by Service

(General Fund, Recharged Services &amp; Support Services)

	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adverse)/Favourable	Savings To be Achieved	Year to Date Variance Excluding Savings (Adverse)/Favourable
	£	£	£	£	£	£
<b>Executive Services (sub total)</b>	<b>3,719,759</b>	<b>(5,803,645)</b>	<b>2,081,251</b>	<b>(7,884,896)</b>	<b>(8,171,000)</b>	<b>286,104</b>
Executive Management	810,887	106,904	166,046	(59,142)	(87,000)	27,858
Capital Programme Service	223,705	(798,190)	142,509	(940,699)	(1,000,000)	59,301
Council Members	636,330	95,438	108,906	(13,468)		(13,468)
Organisational Development	3,452,715	578,796	612,865	(34,069)	(100,000)	65,931
Finance	(4,600,939)	(6,156,482)	698,465	(6,854,947)	(6,884,000)	29,053
Legal & Administration	3,197,061	369,889	352,460	17,429	(100,000)	117,429
<b>Education &amp; Social Care (sub total)</b>	<b>76,463,951</b>	<b>12,120,857</b>	<b>12,517,038</b>	<b>(396,181)</b>	<b>(1,772,000)</b>	<b>1,375,819</b>
Executive Director (inc Museums)	1,437,704	616,958	643,740	(26,782)		(26,782)
Housing	2,327,788	439,456	262,720	176,736		176,736
Community Care	23,195,226	3,625,180	4,082,565	(457,385)	(1,165,000)	707,615
Children's Services	6,496,621	989,076	963,061	26,015	(126,000)	152,015
Criminal Justice Unit	22,824	3,702	(537)	4,239		4,239
Community Work	366,127	57,633	54,843	2,790		2,790
Resources	1,323,700	220,214	212,305	7,909		7,909
Schools	38,895,458	5,731,942	5,925,153	(193,211)	(481,000)	287,789
Sports & Leisure	1,790,426	327,211	248,792	78,419		78,419
Train Shetland (inc Adult Learning)	608,077	109,485	124,395	(14,910)		(14,910)
<b>Infrastructure Services (sub total)</b>	<b>31,402,181</b>	<b>4,935,852</b>	<b>4,558,611</b>	<b>377,241</b>	<b>0</b>	<b>377,241</b>
Directorate	814,167	134,176	110,443	23,733		23,733
Environment & Building Services	6,683,691	1,324,695	1,146,571	178,124		178,124
Roads	6,990,071	1,078,753	949,253	129,500		129,500
Transport	15,175,331	2,109,677	2,150,976	(41,299)		(41,299)
Planning	1,738,921	288,551	201,367	87,184		87,184
				0		
<b>Economic Development Unit (sub total)</b>	<b>973,788</b>	<b>161,966</b>	<b>148,816</b>	<b>13,150</b>	<b>0</b>	<b>13,150</b>
Economic Development Unit	973,788	161,966	148,816	13,150		13,150
<b>TOTAL</b>	<b>112,559,679</b>	<b>11,415,030</b>	<b>19,305,717</b>	<b>(7,890,687)</b>	<b>(9,943,000)</b>	<b>2,052,313</b>

## SIC MANAGEMENT INFORMATION 2010/11 - PERIOD 2

1st April 2010 to 31st May 2010

Revenue Expenditure by Subjective

## Shetland Islands Council

(General Fund, Recharged Services &amp; St

	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adverse)/Favourable	Savings To be Achieved	Year to Date Variance Excluding Savings (Adverse)/Favourable
	£	£	£	£	£	£
<b>Employee Costs (sub total)</b>	<b>84,328,494</b>	<b>5,463,221</b>	<b>14,154,856</b>	<b>(8,691,635)</b>	<b>(9,943,000)</b>	<b>1,251,365</b>
Basic Pay	68,296,330	11,257,087	10,380,267	876,820	0	876,820
Overtime	1,161,261	175,664	257,145	(81,481)	0	(81,481)
Other Employee Costs	14,870,903	(5,969,530)	3,517,444	(9,486,974)	(9,943,000)	456,026
<b>Operating Costs (sub total)</b>	<b>39,707,960</b>	<b>5,962,707</b>	<b>4,789,966</b>	<b>1,172,741</b>	<b>0</b>	<b>1,172,741</b>
Travel & Subsistence	3,795,876	583,675	405,595	178,080	0	178,080
Property Costs	13,470,423	1,948,431	1,198,122	750,309	0	750,309
Other Operating Costs	22,441,661	3,430,601	3,186,249	244,352	0	244,352
<b>Transfer Payments (sub total)</b>	<b>9,646,068</b>	<b>2,177,824</b>	<b>2,030,808</b>	<b>147,016</b>	<b>0</b>	<b>147,016</b>
<b>Income (sub total)</b>	<b>(21,122,843)</b>	<b>(2,188,722)</b>	<b>(1,669,913)</b>	<b>(518,809)</b>	<b>0</b>	<b>(518,809)</b>
<b>TOTAL</b>	<b>112,559,679</b>	<b>11,415,030</b>	<b>19,305,717</b>	<b>(7,890,687)</b>	<b>(9,943,000)</b>	<b>2,052,313</b>

<u>Description</u>	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Actual</b>	<b>Year to Date Variance Including Savings (Adv)/Fav</b>	<b>Savings To be Achieved</b>	<b>Year to Date Variance Excluding Savings (Adv)/Fav</b>
	£	£	£	£	£	£
<b>Directorate</b>	<b>1,437,704</b>	<b>616,958</b>	<b>643,740</b>	<b>(26,782)</b>	<b>0</b>	<b>(26,782)</b>
GRJ1002 Data Sharing Project	0	0	21,407	(21,407)		(21,407)
GRL4210 Museums & Archives Prop Costs	50,397	5,561	9,917	(4,356)		(4,356)
GRL4217 New Museum & Arts Centre	1,141,683	570,842	570,842	0		0
SRJ0000 Exec Dir Educ & Social Care	245,624	40,555	41,574	(1,019)		(1,019)
<b>Resources</b>	<b>1,323,700</b>	<b>220,214</b>	<b>212,305</b>	<b>7,909</b>	<b>0</b>	<b>7,909</b>
SRJ2000 Resources Manager	106,418	17,701	10,397	7,304		7,304
SRJ2100 Information	182,257	30,299	44,586	(14,287)		(14,287)
SRJ2200 Staff Management	330,130	54,890	57,023	(2,133)		(2,133)
SRJ2201 Recruitment Expenses	225,000	37,500	30,614	6,886		6,886
SRJ2300 Administration	410,095	68,217	58,440	9,777		9,777
SRJ2500 Grant Administration	69,800	11,607	11,244	363		363
<b>Sport &amp; Leisure</b>	<b>1,790,426</b>	<b>327,211</b>	<b>248,792</b>	<b>78,419</b>	<b>0</b>	<b>78,419</b>
GRJ3100 Islesburgh Cafeteria	21,581	3,646	(3,621)	7,267		7,267
GRJ3101 Islesburgh	702,852	97,564	71,357	26,207		26,207
GRJ3102 Bridge-End Outdoor Centre	5,000	833	5,000	(4,167)		(4,167)
GRJ3103 Unst Youth Centre	5,000	833	0	833		833
GRJ3104 Fetlar Camp Site	5,682	739	853	(114)		(114)
GRJ3105 2 St Sunniva Street	12,399	1,433	1,175	258		258
GRJ3107 Parks General	272,460	47,789	45,502	2,287		2,287
GRJ3108 Play Areas General	104,712	15,619	7,972	7,647		7,647
GRJ3109 Multicourts General	13,000	2,167	226	1,941		1,941
GRJ3120 Sports Development	58,653	9,374	6,887	2,487		2,487
GRJ3122 Outdoor Educ and Activities	74,144	15,770	10,962	4,808		4,808
GRJ3125 Active Schools	97,221	49,679	42,883	6,796		6,796
GRJ3126 Active Futures	24,341	4,050	2,192	1,858		1,858
GRJ3127 Dance Mats	0	0	(2,115)	2,115		2,115
GRJ3129 Cash back for Communities	(136)	(23)	(5,567)	5,544		5,544
GRJ3130 Comm use of Sandwich Came Ha	14,792	1,714	2,593	(879)		(879)
GRJ3131 Comm Use of Scalwy Games Hal	15,296	569	4,256	(3,687)		(3,687)
GRJ3201 Grants to Vol Orgs General	75,085	32,806	24,350	8,456		8,456
GRJ3202 Development Grant Aid Scheme	76,980	12,830	18,333	(5,503)		(5,503)
GRJ3203 Support Grant Aid Scheme	111,509	18,585	0	18,585		18,585
GRJ3204 Pitches Other	29,131	0	6,000	(6,000)		(6,000)
GRJ3205 Maintain Community Facilities	10,000	1,667	0	1,667		1,667
SRJ3000 Sports & Leisure Svs Mgt	60,724	9,567	9,555	12		12
<b>Community Work</b>	<b>366,127</b>	<b>57,633</b>	<b>54,843</b>	<b>2,790</b>	<b>0</b>	<b>2,790</b>
GRJ3301 Area Community Work	294,320	48,553	49,154	(601)		(601)
GRJ3302 Community Work Initiatives	0	(2,490)	(2,491)	1		1
GRJ3303 Community Transport	15,321	1,983	88	1,895		1,895
GRJ3307 SLSDG (Vision)	0	0	(8)	8		8
SRJ3300 Comm Learning & Dev Mgt	56,486	9,587	8,101	1,486		1,486
<b>Train Shetland &amp; Adult Learning</b>	<b>608,077</b>	<b>109,485</b>	<b>124,395</b>	<b>(14,910)</b>	<b>0</b>	<b>(14,910)</b>
SRL6006 Short Course Management	103,552	17,327	17,018	309		309
GRL4121 Evening Classes	104,024	21,713	14,554	7,159		7,159
GRL4123 Adult Learning	156,601	25,959	21,323	4,636		4,636
GRL4125 Adult Literacy Strategic Plan	181,822	30,182	17,930	12,252		12,252
GRL6002 Vocational Service	234,096	38,932	37,517	1,415		1,415
GRL6003 Vocational Training	(130,148)	(19,228)	(18,388)	(840)		(840)
GRL6006 Short Courses	(41,545)	(7,657)	32,515	(40,172)		(40,172)
GRL6007 Business Gateway Contract	(500)	1,146	373	774		774
GRL6008 Construction Skills Contract	175	1,111	1,554	(443)		(443)
<b>Schools</b>	<b>38,895,458</b>	<b>5,731,942</b>	<b>5,925,153</b>	<b>(193,211)</b>	<b>(481,000)</b>	<b>287,789</b>
GRE0006 Director, Central Support	641,084	(370,720)	137,286	(508,006)	(481,000)	(27,006)
GRE0102 Bursaries	190,000	20,200	9,943	10,257		10,257
GRE0103 Clothing Grants	20,900	3,483	320	3,163		3,163
GRE0104 School Boards Administration	32,046	5,342	(1,520)	6,862		6,862
GRE0107 School Milk	8,530	5,334	(1,083)	6,417		6,417
GRE0108 Educ Maint Allowance (EMA)	0	0	28,321	(28,321)		(28,321)
GRE1101 Schools, Aith Nursery	40,290	6,433	6,077	356		356
GRE1103 Schools, Baltasound NS	46,282	7,476	4,356	3,120		3,120
GRE1104 Schools, Bells Brae NS	133,447	21,291	21,803	(512)		(512)
GRE1105 Schools, Brae Nursery	78,580	12,679	12,388	291		291
GRE1106 Schools, Bressay Nursery	41,665	6,916	4,600	2,316		2,316
GRE1109 Schools, Cunningsb'h NS	48,625	8,070	6,500	1,570		1,570
GRE1110 Schools, Dunrossness NS	78,686	12,668	12,434	234		234
GRE1111 Schools, Fair Isle Nursery	9,658	1,585	1,877	(292)		(292)
GRE1112 Schools, Fetlar Nursery	555	88	1,159	(1,071)		(1,071)
GRE1113 Schools, Foula Nursery	12,143	2,015	153	1,862		1,862
GRE1117 Schools, Happyhansel NS	42,878	6,827	8,003	(1,176)		(1,176)
GRE1119 Lunnasting Nursery	30,156	5,028	4,940	88		88
GRE1120 Schools, Mid Yell Nursery	86,436	14,088	10,226	3,862		3,862

GRE1121	Schools, Mossbank NS	154,101	25,475	21,825	3,650	3,650
GRE1128	Schools, Sandwick NS	80,679	13,014	13,027	(13)	(13)
GRE1129	Schools, Scalloway NS	80,526	13,144	13,048	96	96
GRE1130	Schools, Skeld Nursery	38,786	6,228	5,485	743	743
GRE1131	Schools, Skerries Nursery	14,968	2,485	2,096	389	389
GRE1132	Schools, Sound Nursery	103,943	16,742	16,350	392	392
GRE1134	Schools, Whalsay NS	75,758	12,303	11,791	512	512
GRE1135	Schools, Urafirth Nursery	37,515	6,063	6,079	(16)	(16)
GRE1137	Schools, Whiteness Nursery	62,925	10,065	9,662	403	403
GRE1150	Schools, Nursery - General	72,511	11,976	10,487	1,489	1,489
GRE1151	School Services, Nursery Suppl	20,020	3,319	4	3,315	3,315
GRE1160	Div Man, Commissioned Places	253,320	1,000	(11,602)	12,602	12,602
GRE1201	Schools, Aith Primary	267,554	42,368	44,122	(1,754)	(1,754)
GRE1203	Schools, Baltasound PS	189,644	29,171	33,263	(4,092)	(4,092)
GRE1204	Schools, Bells Brae PS	1,290,193	199,515	191,438	8,077	8,077
GRE1205	Schools, Brae Primary	426,344	65,402	62,661	2,741	2,741
GRE1206	Schools, Bressay Primary	114,304	17,198	9,994	7,204	7,204
GRE1207	Schools, Burravoe Primary	97,668	15,589	13,250	2,339	2,339
GRE1208	Schools, Cullivoe Primary	141,034	23,209	21,104	2,105	2,105
GRE1209	Schools, Cunningsb'h PS	304,452	45,006	39,812	5,194	5,194
GRE1210	Schools, Dunrossness PS	568,435	88,090	83,691	4,399	4,399
GRE1211	Schools, Fair Isle Primary	109,636	17,740	14,951	2,789	2,789
GRE1212	Schools, Fetlar Primary	35,592	5,599	10,486	(4,887)	(4,887)
GRE1213	Schools, Foula Primary	111,340	16,401	15,668	733	733
GRE1214	Schools, Tingwall Primary	232,802	34,598	31,021	3,577	3,577
GRE1216	Schools, Hamnavoe PS	216,322	33,361	34,061	(700)	(700)
GRE1217	Schools, Happyhansel PS	282,014	42,473	37,304	5,169	5,169
GRE1219	Schools, Lunnasting PS	152,581	21,443	20,222	1,221	1,221
GRE1220	Schools, Mid Yell Primary	219,837	35,557	36,798	(1,241)	(1,241)
GRE1221	Schools, Mossbank PS	355,208	54,255	40,259	13,996	13,996
GRE1222	Schools, North Roe PS	84,307	12,755	15,408	(2,653)	(2,653)
GRE1223	Schools, Ollaberry Primary	110,919	16,305	12,119	4,186	4,186
GRE1224	Schools, Olnefirth Primary	136,345	22,882	23,692	(810)	(810)
GRE1225	Schools, Papa Stour PS	2,474	358	2,021	(1,663)	(1,663)
GRE1227	Schools, Sandness Primary	83,667	13,933	10,726	3,207	3,207
GRE1228	Schools, Sandwick Primary	308,054	48,088	43,406	4,682	4,682
GRE1229	Schools, Scalloway PS	344,887	52,723	51,614	1,109	1,109
GRE1230	Schools, Skeld Primary	157,775	22,756	21,939	817	817
GRE1231	Schools, Skerries Primary	86,584	13,977	15,679	(1,702)	(1,702)
GRE1232	Schools, Sound Primary	1,183,365	183,606	170,943	12,663	12,663
GRE1233	Schools, Nesting PS	153,730	22,432	22,798	(366)	(366)
GRE1234	Schools, Whalsay PS	489,626	77,193	73,295	3,898	3,898
GRE1235	Schools, Urafirth Primary	101,081	14,725	15,223	(498)	(498)
GRE1236	Schools, Uyeasound PS	100,911	16,503	15,329	1,174	1,174
GRE1237	Schools, Whiteness PS	349,550	55,024	56,873	(1,849)	(1,849)
GRE1251	School Services, Primary Suppl	199,246	17,129	8,088	9,041	9,041
GRE1301	Schools, Aith Secondary	794,751	125,156	123,637	1,519	1,519
GRE1302	Schools, Anderson HS	4,629,094	738,105	755,446	(17,341)	(17,341)
GRE1303	Schools, Baltasound SS	601,500	95,834	92,364	3,470	3,470
GRE1305	Schools, Brae Secondary	1,970,988	317,532	325,045	(7,513)	(7,513)
GRE1320	Schools, Mid Yell SS	666,672	106,495	100,869	5,626	5,626
GRE1328	Schools, Sandwick SS	1,283,107	212,692	207,806	4,886	4,886
GRE1329	Schools, Scalloway SS	1,191,615	187,183	175,875	11,308	11,308
GRE1331	Schools, Skerries SS	84,289	14,179	14,619	(440)	(440)
GRE1334	Schools, Whalsay SS	749,161	117,112	109,091	8,021	8,021
GRE1340	Work Experience	32,640	5,430	5,271	159	159
GRE1351	School Service, Sec Supply	100,527	4,692	847	3,845	3,845
GRE1360	School Service, Halls of Resid	618,126	101,434	97,228	4,206	4,206
GRE1401	Visiting Music Specialists	237,227	39,253	79,763	(40,510)	(40,510)
GRE1402	Visiting Art Specialists	226,955	37,739	36,613	1,126	1,126
GRE1403	Visiting PE Specialists	335,571	53,322	50,009	3,313	3,313
GRE1404	Knitting Instructors	128,365	21,348	21,462	(114)	(114)
GRE1405	Other Visiting Staff	81,710	13,586	13,862	(276)	(276)
GRE1407	Probationer Teachers	7,840	2,965	881	2,084	2,084
GRE1410	Science Technicians	211,360	38,986	31,475	7,511	7,511
GRE1412	Staff Development	74,482	12,387	9,225	3,162	3,162
GRE1417	Field Studies	41,578	6,918	7,097	(179)	(179)
GRE1418	Music Instructors	540,299	90,050	42,188	47,862	47,862
GRE1419	SVQ'S	36,000	6,002	10,135	(4,133)	(4,133)
GRE1422	Skills for Work	30,095	5,000	2,915	2,085	2,085
GRE1433	Support for Glow	0	0	222	(222)	(222)
GRE1436	Youth Music Initiative	1,641	342	13,662	(13,320)	(13,320)
GRE1441	Enterprise & Education	2,450	17,684	18,386	(702)	(702)
GRE1444	International Education	113,881	18,945	16,655	2,290	2,290
GRE1457	Support for Teachers	37,500	5,001	13,332	(8,331)	(8,331)
GRE1460	Ness Out of School Club	27,700	4,617	(69)	4,686	4,686
GRE1493	Careers Convention	4,000	0	0	0	0
GRE1500	Improvement Plans	15,000	1,167	565	602	602
GRE1501	MIS Support	84,301	12,872	6,151	6,721	6,721
GRE1506	In - Service	9,000	0	0	0	0
GRE1508	P.G.D.E	0	0	(1,717)	1,717	1,717
GRE1510	Science & Technology Fair	5,000	2,000	258	1,742	1,742
GRE1513	NPAF Curriculum for Excellence	81,600	13,599	4,476	9,123	9,123
GRE1518	Olnefirth Art	0	0	1,247	(1,247)	(1,247)
GRE1520	Cultural Co-ordinator	32,066	5,328	1,681	3,647	3,647
GRE1522	Blueprint Consultation	100,099	16,684	15,319	1,365	1,365
GRE1523	Dialect Co-Ordinator	0	0	2,297	(2,297)	(2,297)
GRE1601	Playschemes	10,100	167	100	67	67
GRE1602	Youth Workers	507,082	84,319	67,192	17,127	17,127
GRE1603	Duke of Edinburgh	2,815	491	0	491	491
GRE1604	Islesburgh Youth Club	3,740	623	(529)	1,152	1,152

GRE1605	Youth Development	24,037	3,970	2,530	1,440	1,440
GRE1606	Bridges Project	192,772	32,078	43,749	(11,671)	(11,671)
GRE3450	Special Education - General	626,769	91,314	48,119	43,195	43,195
GRE3451	Special Supply Cover	58,031	9,625	1,745	7,880	7,880
GRE3462	Additional Support Base	306,201	50,850	43,228	7,622	7,622
GRE3463	Club XL	2,000	333	51	282	282
GRE3470	Support for Learning	2,479,295	412,352	379,283	33,069	33,069
GRE3471	AHS ASN	909,169	147,637	138,675	8,962	8,962
GRE3473	Bells Brae ASN	904,263	149,646	143,525	6,121	6,121
GRE3500	Link Courses	2,000	0	0	0	0
GRE4410	Library	1,050,982	185,841	168,780	17,061	17,061
SRE0001	Head of Schools	89,562	14,561	16,132	(1,571)	(1,571)
SRE1600	Youth Service Manager	56,456	9,390	9,071	319	319
SRE6900	Quality Assurance	610,070	99,654	109,821	(10,167)	(10,167)
SRE6901	Administration Educ	110,620	18,398	24,303	(5,905)	(5,905)
SRE6902	Catering Support	284,887	47,235	27,958	19,277	19,277
SRE6903	Cleaning Support	43,607	7,177	5,105	2,072	2,072
SRE9301	DSMO - Aith Cluster	35,764	5,946	5,247	699	699
SRE9303	DSMO - North Isles Cluster	32,887	5,446	5,289	157	157
SRE9305	DSMO - Brae Cluster	35,903	5,968	5,854	114	114
SRE9328	DSMO - Sandwick Cluster	36,769	6,115	5,991	124	124
SRE9329	DSMO - Scalloway Cluster	36,473	6,065	6,057	8	8
SRE9332	DSMO-Sound	35,439	5,892	5,829	63	63
SRE9334	DSMO - Whalsay Cluster	38,198	6,353	8,588	(2,235)	(2,235)
VRE4001	Aith School Catering	95,317	15,860	16,735	(875)	(875)
VRE4002	AHS Catering	368,743	61,401	60,315	1,086	1,086
VRE4003	Baltasound School Catering	57,322	9,526	9,293	233	233
VRE4004	Bells Brae School Catering	161,099	26,813	27,603	(790)	(790)
VRE4005	Brae School Catering	196,201	32,656	34,964	(2,308)	(2,308)
VRE4006	Bressay School Catering	19,499	3,242	3,442	(200)	(200)
VRE4007	Burrae School Catering	15,230	2,533	2,381	152	152
VRE4008	Cullivoe School Catering	9,380	1,558	4	1,554	1,554
VRE4009	Cunningsburgh School Catering	45,655	7,593	9,376	(1,783)	(1,783)
VRE4010	Dunrossness School Catering	83,059	13,820	9,879	3,941	3,941
VRE4011	Fair Isle School Catering	12,838	2,134	1,849	285	285
VRE4012	Fetlar School Catering	3,366	560	1,364	(804)	(804)
VRE4014	Tingwall School Catering	45,792	7,620	7,454	166	166
VRE4016	Hamnavoe School Catering	38,956	6,481	7,199	(718)	(718)
VRE4017	Happyhansel School Catering	41,504	6,905	7,245	(340)	(340)
VRE4019	Lunnasting School Catering	19,702	3,277	2,980	297	297
VRE4020	Mid Yell School Catering	83,260	13,861	13,821	40	40
VRE4021	Mossbank School Catering	44,198	7,351	7,590	(239)	(239)
VRE4022	North Roe School Catering	12,250	2,035	667	1,368	1,368
VRE4023	Ollaberry School Catering	19,289	3,207	3,541	(334)	(334)
VRE4024	Olnafirth School Catering	26,851	4,467	3,858	609	609
VRE4027	Sandness School Catering	8,099	1,345	1,038	307	307
VRE4028	Sandwick School Catering	156,227	26,005	27,362	(1,357)	(1,357)
VRE4029	Scalloway School Catering	123,339	20,527	20,644	(117)	(117)
VRE4030	Skeld School Catering	18,137	3,016	2,486	530	530
VRE4031	Skerries School Catering	15,477	2,574	2,305	269	269
VRE4032	Sound School Catering	153,824	25,606	25,632	(26)	(26)
VRE4033	Nesting School Catering	20,499	3,411	3,065	346	346
VRE4034	Whalsay School Catering	104,007	17,310	18,609	(1,299)	(1,299)
VRE4035	Urafirth School Catering	15,693	2,607	2,181	426	426
VRE4036	Uyeasound School Catering	3,052	509	143	366	366
VRE4037	Whiteness School Catering	57,612	9,586	10,496	(910)	(910)
VRE5001	Aith Sch Cleaning	52,363	8,706	7,790	916	916
VRE5002	AHS Cleaning	252,307	41,967	34,952	7,015	7,015
VRE5003	Baltasound School Cleaning	42,088	6,959	6,052	907	907
VRE5004	Bells Brae School Cleaning	63,618	10,579	9,725	854	854
VRE5005	Brae School Cleaning	108,017	17,961	19,064	(1,103)	(1,103)
VRE5006	Bressay School Cleaning	16,245	2,700	2,414	286	286
VRE5007	Burrae School Cleaning	5,971	992	886	106	106
VRE5008	Cullivoe School Cleaning	6,079	1,008	840	168	168
VRE5009	Cunningsburgh School Cleaning	21,405	3,557	4,157	(600)	(600)
VRE5010	Dunrossness School Cleaning	28,269	4,697	4,980	(283)	(283)
VRE5011	Fair Isle Cleaning	5,832	968	956	12	12
VRE5012	Fetlar School Cleaning	1,741	287	371	(84)	(84)
VRE5013	Foula School Cleaning	5,524	921	0	921	921
VRE5014	Tingwall School Cleaning	12,338	2,043	2,040	3	3
VRE5016	Hamnavoe School Cleaning	32,126	5,343	4,722	621	621
VRE5017	Happyhansel School Cleaning	33,216	5,536	4,755	781	781
VRE5019	Lunnasting School Cleaning	11,309	1,878	1,767	111	111
VRE5020	Mid Yell School Cleaning	29,094	4,836	4,965	(129)	(129)
VRE5021	Mossbank School Cleaning	25,291	4,165	4,157	8	8
VRE5022	North Roe School Cleaning	10,121	1,681	1,490	191	191
VRE5023	Ollaberry School Cleaning	13,641	2,264	2,076	188	188
VRE5024	Olnafirth Cleaning	11,068	1,839	1,854	(15)	(15)
VRE5027	Sandness School Cleaning	7,756	1,286	1,085	201	201
VRE5028	Sandwick School Cleaning	92,394	15,365	12,241	3,124	3,124
VRE5029	Scalloway School Cleaning	84,695	14,084	13,670	414	414
VRE5030	Skeld School Cleaning	12,195	2,027	2,278	(251)	(251)
VRE5031	Skerries School Cleaning	6,497	1,078	1,468	(390)	(390)
VRE5032	Sound School Cleaning	38,087	6,331	6,525	(194)	(194)
VRE5033	Nesting School Cleaning	9,068	1,504	1,286	218	218
VRE5034	Whalsay School Cleaning	47,317	7,867	7,539	328	328
VRE5035	Urafirth School Cleaning	7,794	1,294	1,282	12	12
VRE5036	Uyeasound School Cleaning	8,336	1,384	1,448	(64)	(64)
VRE5037	Whiteness School Cleaning	20,750	3,447	3,346	101	101
VRE6001	Office Cleaning	334,139	55,509	48,544	6,965	6,965
VRE6002	Public Conveniences	104,715	17,417	15,736	1,681	1,681

Community Care		23,195,226	3,625,180	4,082,565	(457,385)	(1,165,000)	707,615
GRA0010	Direct Payments	335,000	55,833	67,614	(11,781)		(11,781)
GRA0014	Community Care Income	(6,655,766)	(1,285,044)	(120,044)	(1,165,000)	(1,165,000)	0
GRA0016	W & J Daycare Grant	183,733	30,622	0	30,622		30,622
GRA0017	Independent Sector Placements	801,080	(3,626)	(3,626)	(0)		(0)
GRA0019	Commissioned Services	379,500	196,217	196,217	(0)		(0)
GRA0020	Drugs & Alcohol Services	268,000	134,000	134,000	0		0
GRA0500	Carers Information Strategy	(18,000)	(3,000)	0	(3,000)		(3,000)
GRA0601	BLG Fabric	5,000	1,667	0	1,667		1,667
GRA4100	Community Care Fieldwork	539,320	89,350	77,644	11,706		11,706
GRA4110	Health Service Social Worker	40,625	6,685	6,745	(60)		(60)
GRA4120	Mental Health Officers	126,741	20,925	7,345	13,580		13,580
GRA4130	Dementia Care Manager	47,261	7,792	8,702	(910)		(910)
GRA4160	Adult Support & Protection	(9,287)	9,786	11,437	(1,651)		(1,651)
GRA4161	Substance Misuse	0	(35)	(5,913)	5,878		5,878
GRA4200	Preventative Services	0	0	1,342	(1,342)		(1,342)
GRA4500	Top Up Substance Misuse	54,500	9,083	(571)	9,654		9,654
GRA4600	Crossroads Packages	110,364	18,394	26,674	(8,280)		(8,280)
GRA5100	Eric Gray Resource Centre	986,641	163,383	139,600	23,783		23,783
GRA5200	ILP - Project Manager	647,335	107,407	64,104	43,303		43,303
GRA5210	ILP - Central	1,565,627	260,371	222,950	37,421		37,421
GRA5215	ILP - Rudda Park	12,101	2,267	3,969	(1,702)		(1,702)
GRA5216	ILP-Transition Flat	3,632	606	(8)	614		614
GRA5218	ILP-Arheim	10,662	2,277	2,801	(524)		(524)
GRA5220	Stocketgaet	277,918	70,677	59,927	10,750		10,750
GRA5240	Local Area Co-Ordinator	35,876	5,980	648	5,332		5,332
GRA5250	Annsbrae/Mental Health Comm	707,539	115,900	88,783	27,117		27,117
GRA5251	Off-Island Placements	247,555	41,260	27,796	13,464		13,464
GRA5400	Occupational Therapy	597,652	110,162	73,433	36,729		36,729
GRA5401	Telecare	(25,438)	16,594	23,877	(7,283)		(7,283)
GRA5600	Banksbroo	376,326	62,518	82,842	(20,324)		(20,324)
GRA5620	Newcraigielea	966,049	158,432	97,334	61,098		61,098
GRA5621	Sea View	507,904	84,364	59,998	24,366		24,366
GRA5622	Intensive Sup Services	538,988	89,783	72,518	17,265		17,265
GRA5623	Outreach Project	120,000	0	0	0		0
GRA6100	Taing House	1,884,332	312,365	276,605	35,760		35,760
GRA6110	Viewforth	1,945,107	324,055	313,788	10,267		10,267
GRA6120	Edward Thomason House	2,839,587	471,594	406,565	65,029		65,029
GRA6130	Handypersons	25,098	4,014	10,866	(6,852)		(6,852)
GRA6141	Care @ Home-Central	184,163	29,435	33,698	(4,263)		(4,263)
GRA6143	Kantersted Kitchen	171,522	28,523	20,732	7,791		7,791
GRA6170	Montfield	1,321,535	62,853	13,787	49,066		49,066
GRA6300	Freefield	95,469	15,086	7,530	7,556		7,556
GRA6400	Miscellaneous Properties	5,326	416	152	264		264
GRA6420	Interments	800	133	0	133		133
GRA6900	White/Grey Goods	5,000	833	0	833		833
GRA8050	Care@ Home Mgt & Admin	118,962	19,755	24,687	(4,932)		(4,932)
GRA8100	North Haven	1,843,344	305,556	254,879	50,677		50,677
GRA8110	Overtonlea	1,950,595	323,255	294,551	28,704		28,704
GRA8120	Wastview	1,511,917	249,551	222,565	26,986		26,986
GRA8130	Fernlea	1,055,114	174,453	147,815	26,638		26,638
GRA8140	Isleshavn	1,099,926	182,451	167,787	14,664		14,664
GRA8150	Nordalea	986,206	163,172	190,180	(27,008)		(27,008)
GRA8154	Brucehall	219,958	36,661	(44)	36,705		36,705
SRA0000	Head of Community Care	365,042	60,271	56,648	3,623		3,623
SRA1000	Community Care Service Managr	118,036	19,586	22,507	(2,921)		(2,921)
SRA4000	Fieldwork Manager	95,436	15,798	16,989	(1,191)		(1,191)
SRA4101	Training Community Care	170,215	28,273	17,067	11,206		11,206
SRA4102	Training Vocational	51,071	8,471	940	7,531		7,531
SRA4103	Training Child Protection	19,712	3,250	1,164	2,086		2,086
SRA4104	Training Child Residential	39,906	6,584	(862)	7,446		7,446
SRA4105	Training Adoption	5,000	833	(1,741)	2,574		2,574
SRA4107	Training SVQ	474,690	62,441	35,294	27,147		27,147
SRA4108	Social Work Degree	58,528	9,698	(5,779)	15,477		15,477
SRA4109	Training Food Hygiene	16,145	2,654	2,363	291		291
SRA4111	Training Manual handling	33,650	5,552	4,729	823		823
SRA4112	Training	124,335	20,655	18,186	2,469		2,469
SRA4113	Trng Adult Sup Protection	19,929	4,654	56	4,598		4,598
SRA5000	Adult Services Manager	65,234	10,790	12,440	(1,650)		(1,650)
SRA6000	Older People Manager	117,074	19,406	22,009	(2,603)		(2,603)
SRA6001	Traineeship Scheme	309,803	51,051	56,471	(5,420)		(5,420)
SRA8000	Service Manager Rural Care	63,021	10,422	9,802	620		620

Children's Services		6,496,621	989,076	963,061	26,015	(126,000)	152,015
GRG1002	Quarff Additional Supp Needs	8,966	605	(59)	664		664
GRG1004	Blydehaven Nursery	59,842	27,680	6,788	20,892		20,892
GRG2001	Short Break Service	1,378,897	229,473	158,016	71,457		71,457
GRG2002	Residential Child Care	1,092,795	179,423	127,358	52,065		52,065
GRG2005	Child Off Island Accom	536,885	89,481	171,071	(81,590)		(81,590)
GRG2006	Adoption	62,179	10,364	8,983	1,381		1,381
GRG2007	Professional Foster Care	42,452	7,076	6,497	579		579
GRG2008	Section 29	12,960	2,160	429	1,731		1,731
GRG2009	Fostering	554,201	92,201	74,678	17,523		17,523
GRG2010	Shared Care	10,927	1,821	1,159	662		662
GRG2014	Children's Serv Improv Officer	104,124	17,335	17,407	(72)		(72)
GRG2015	Looked After Child-Savings	(87,000)	(87,000)	49	(87,049)	(87,000)	(49)
GRG3001	Family Support	649,544	92,189	78,360	13,829	(19,000)	32,829
GRG4001	Psychological Services	347,383	40,796	41,825	(1,029)	(20,000)	18,971
GRG4002	Sensory Impairment	251,159	41,740	39,664	2,076		2,076
GRG5001	Child Rights Services	42,419	7,070	20,886	(13,816)		(13,816)
GRG5007	Getting itRight for EveryChild	118,158	19,657	12,489	7,168		7,168
GRG5009	Inclusion Project	0	0	530	(530)		
GRG6002	Child Care Strategy	206,795	34,418	20,710	13,708		13,708



GR66004	Family Centre Services	463,246	76,047	64,308	11,739	11,739
GR66005	Changing Childrens Services	69,202	11,534	14,285	(2,751)	(2,751)
GR66006	Preventative Services	43,284	7,215	1,701	5,514	5,514
GR66008	Out of School Care	170,469	28,349	35,609	(7,260)	(7,260)
GR67001	Youth Crime	35,999	5,979	5,417	562	562
SR60000	Head of Children's Svs	147,135	24,484	26,038	(1,554)	(1,554)
SR62000	Children's Res Svs Manager	61,461	10,192	9,404	788	788
SR63000	Child Protection Co-ordinator	52,930	8,804	9,345	(541)	(541)
SR66000	Family Support Manager	60,209	9,983	10,113	(130)	(130)
<b>Criminal Justice</b>		<b>22,824</b>	<b>3,702</b>	<b>(537)</b>	<b>4,239</b>	<b>0</b>
GR10001	Offender Services	22,824	3,702	(537)	4,239	4,239
<b>Housing</b>		<b>2,327,788</b>	<b>439,456</b>	<b>262,720</b>	<b>176,736</b>	<b>0</b>
GRH0050	Grass Cutting Service	53,060	17,687	0	17,687	17,687
GRH1078	Chalet/Sites	(27,079)	(4,512)	(3,715)	(797)	(797)
GRH1082	Staff Housing	(21,875)	(3,550)	(4,596)	1,046	1,046
GRH1084	Education Houses Hsg	(48,479)	(6,735)	(8,612)	1,877	1,877
GRH1086	NASSO	17,375	2,896	158	2,738	2,738
GRH1100	Stocketgaet/Gremmasgaet	0	23,433	(4,278)	27,711	27,711
GRH1170	Homeless Persons	(8,665)	6,436	(26,269)	32,705	32,705
GRH1175	12 A/B North Road	(7,457)	(1,243)	(1,906)	663	663
GRH1270	Sheltered Housing	537,699	93,497	67,254	26,243	26,243
GRH1271	Banksbro	0	5,083	(735)	5,818	5,818
GRH2074	Economic Rents	(20,785)	(3,652)	(11,906)	8,254	8,254
GRH2093	Housing Act Implementation Tr	0	0	13,909	(13,909)	(13,909)
GRH2094	Supporting People	42,580	7,097	22,137	(15,040)	(15,040)
GRH2098	Outreach Service	362,641	60,310	45,648	14,662	14,662
GRH4274	Rent Rebates	(35,130)	(1,272)	(26,373)	25,101	25,101
GRH4275	Rent Allowances	(35,130)	(1,272)	6,570	(7,842)	(7,842)
SRH0000	Head of Housing	84,708	14,087	14,310	(223)	(223)
SRH1000	Operational Services	474,144	78,815	51,358	27,457	27,457
SRH2000	Business Support Services	422,744	64,774	50,434	14,340	14,340
SRH3200	Asset Management	405,958	65,871	49,569	16,302	16,302
SRH3300	Housing DLO Management	131,479	21,706	29,764	(8,058)	(8,058)

<b>TOTAL EDUCATION AND SOCIAL CARE</b>	<b>76,463,951</b>	<b>12,120,857</b>	<b>12,517,038</b>	<b>(396,181)</b>	<b>(1,772,000)</b>	<b>1,375,819</b>
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<u>Description</u>		Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adv)/Fav	Savings To be Achieved	Year to Date Variance Excluding Savings (Adv)/Fav
		£	£	£	£	£	£
<b>Directorate</b>		<b>814,167</b>	<b>134,176</b>	<b>110,443</b>	<b>23,733</b>	<b>0</b>	<b>23,733</b>
SRY0000	Infrastructure Directorate	206,446	34,338	34,123	215		215
SRY0001	Infrastructure-Recruitment	60,500	10,083	8,153	1,930		1,930
SRY0400	Infrastructure Administration	547,221	89,755	68,168	21,587		21,587
<b>Environment &amp; Building Services</b>		<b>6,683,691</b>	<b>1,324,695</b>	<b>1,146,571</b>	<b>178,124</b>	<b>0</b>	<b>178,124</b>
GRY5101	Landfill Disposal Site	7,325	72,220	88,173	(15,953)		(15,953)
GRY5102	Waste to Energy Plant	821,925	242,311	197,405	44,906		44,906
GRY5103	Anti-Litter	6,112	1,019	0	1,019		1,019
GRY5104	Material Recycling Facility	0	0	2,757	(2,757)		(2,757)
GRY5113	Burial Ground Operations	434,976	71,169	50,417	20,752		20,752
GRY5129	Waste Prevention	177,280	29,412	21,273	8,139		8,139
GRY5131	Kerb Scheme	112,366	18,708	10,927	7,781		7,781
GRY5133	Glass Re-use	62,636	10,424	7,892	2,532		2,532
GRY5137	Zero Waste Fund Redetermina	50,000	8,333	0	8,333		8,333
GRY5140	Environmental Management	12,335	2,056	10	2,046		2,046
GRY5201	Public Toilets	187,424	25,489	24,048	1,441		1,441
GRY5211	Street Cleansing General	439,383	71,701	57,145	14,556		14,556
GRY5221	Refuse Collection General	838,868	85,248	94,264	(9,016)		(9,016)
GRY5223	Refuse Collection Outer Isle	40,897	6,816	2,405	4,411		4,411
GRY5224	Skip Contract	(42,933)	1,241	9,057	(7,816)		(7,816)
GRY5225	Com Council Skip Contract	110,381	18,267	18,060	207		207
GRY5229	Grounds Maintenance	201,062	33,510	24,077	9,434		9,434
GRY5301	Metrology	42,764	5,647	6,690	(1,043)		(1,043)
GRY5401	Environmental Protection	(6,348)	(1,058)	(1,896)	838		838
GRY5403	Housing	172	29	420	(391)		(391)
GRY5404	Pest Control	8,848	1,272	794	478		478
GRY5407	Animal Health	965	162	(38)	200		200
GRY5408	Food Hygiene	(10,276)	(1,713)	1,084	(2,797)		(2,797)
GRY5414	Hsng Multiple Occ Project	0	0	57	(57)		(57)
GRY5415	Private Sector Housing Grant	871,000	180,691	180,690	1		1
GRY5423	Landlord Registration	(344)	(58)	(485)	427		427
GRY5424	A.S.B./N.S.W	214,019	94,324	86,274	8,050		8,050
GRY5427	Private Water Supplies Gran	0	0	(3,067)	3,067		3,067
SRY5000	Head of Environment	98,505	16,462	14,511	1,951		1,951
SRY5100	Waste Services	118,675	19,676	21,115	(1,439)		(1,439)
SRY5200	Cleansing Services	149,916	24,658	22,287	2,371		2,371
SRY5300	Trading Standard Service	201,575	32,401	30,759	1,642		1,642
SRY5400	Environmental Health	449,658	74,549	70,139	4,410		4,410
SRY5402	Licensing Standards Officer	16,073	2,659	5,190	(2,531)		(2,531)
SRY5500	Building Service Manager	69,775	11,597	11,746	(149)		(149)
SRY5501	Tech/Man Supp-Building Ser	299,392	48,952	52,415	(3,463)		(3,463)
SRY5502	Social Care-Testing & Fees	82,669	13,778	3,442	10,336		10,336
SRY5503	Education-Testing & Fees	329,665	54,944	19,362	35,582		35,582
SRY5504	Offices-Testing & Fees	97,921	16,294	3,617	12,677		12,677
SRY5505	Asbestos Management	56,610	9,435	895	8,540		8,540
SRY5506	Safety Surfacing	36,380	6,063	5	6,058		6,058
SRY5507	Rural Care Homes Testing&Fi	96,040	16,007	12,656	3,351		3,351
<b>Roads</b>		<b>6,990,071</b>	<b>1,078,753</b>	<b>949,253</b>	<b>129,500</b>	<b>0</b>	<b>129,500</b>
GRY6501	Grass Cutting/Weed Control	43,599	0	3,764	(3,764)		(3,764)
GRY6511	Drainage Maintenance	431,835	71,973	49,600	22,373		22,373
GRY6521	Traffic Signs	71,910	0	4,362	(4,362)		(4,362)
GRY6531	Road Markings & Cats Eyes	227,701	5,107	6,810	(1,703)		(1,703)
GRY6541	Roads Sweeping	60,749	10,125	11,727	(1,602)		(1,602)
GRY6551	St Lighting-Maintenance&En	325,649	28,214	37,137	(8,923)		(8,923)
GRY6552	Christmas Lighting/Trees	13,850	250	0	250		250
GRY6601	Localised Reconstruction	299,523	124,921	124,065	856		856
GRY6605	Patching	160,017	251,670	248,090	3,580		3,580
GRY6611	Resurfacing	1,163,714	193,952	166,968	26,984		26,984
GRY6615	Footpath Maintenance	125,021	20,837	2,854	17,983		17,983
GRY6625	Surface Treatments	498,370	83	0	83		83
GRY6635	Drainage Improvements	236,201	0	0	0		0
GRY6645	Verge Maintenance	148,971	12,414	9,460	2,954		2,954
GRY6655	Crash Barriers & Railings	43,373	887	(5,563)	6,450		6,450
GRY6665	Minor Improvements	42,028	7,005	378	6,627		6,627
GRY6675	Streetlighting (Renewals)	42,796	7,133	0	7,133		7,133
GRY6681	Sea Defences	19,164	6,388	987	5,401		5,401
GRY6685	Structures (Ret Walls)	18,762	6,254	1,353	4,901		4,901
GRY6691	Structures(Bridges & Culvert	54,479	11,013	11,724	(711)		(711)
GRY6692	Cattlegrids	98,430	85	0	85		85
GRY6695	Structural Maintenance Gene	14,803	0	0	0		0
GRY6701	Road Authority Functions	6,877	813	3,820	(3,007)		(3,007)
GRY6711	Surveys & Inspections	48,964	13,332	10,250	3,082		3,082
GRY6721	Winter Service	1,292,513	67,199	23,594	43,605		43,605
GRY6731	NRSWA Functions	563	92	(460)	552		552

GRY6741	Road Safety	2,040	340	441	(101)	(101)
GRY6761	Roads Asset Management	56,800	167	0	167	167
SRY6000	Head of Roads	177,527	29,134	25,626	3,508	3,508
SRY6100	Roads Network	471,691	78,237	82,646	(4,409)	(4,409)
SRY6200	Roads Design	296,366	49,079	46,456	2,623	2,623
SRY6300	Maintenance	407,065	67,686	72,115	(4,429)	(4,429)
SRY6400	Laboratory	88,720	14,363	11,048	3,315	3,315
<b>Transport</b>		<b>15,175,331</b>	<b>2,109,677</b>	<b>2,150,976</b>	<b>(41,299)</b>	<b>0</b>
GRY7701	Foula Ferry Contract	539,881	45,467	40,821	4,646	4,646
GRY7201	Air Services General	730,273	53,630	60,822	(7,192)	(7,192)
GRY7202	Air Services Fair Isle	15,000	0	0	0	0
GRY7203	Air Services Foula	12,602	12,602	12,985	(383)	(383)
GRY7205	Air Service Skerries	10,094	0	0	0	0
GRY7207	Tingwall Airstrip	178,153	22,848	59,286	(36,438)	(36,438)
GRY7208	Scatsta Airstrip	(31,964)	25,766	27,112	(1,346)	(1,346)
GRY7209	Baltasound Airstrip	21,548	1,738	6,647	(4,909)	(4,909)
GRY7221	Taxi Licensing	(6,528)	(1,050)	(1,193)	143	143
GRY7231	Bus Services General	7,565	1,259	6,243	(4,984)	(4,984)
GRY7232	Bus Services Whalsay	2,328	210	8,796	(8,586)	(8,586)
GRY7233	Lerwick Bus Station	46,330	2,957	2,279	678	678
GRY7234	Bus Shelters	2,070	(550)	0	(550)	(550)
GRY7235	Belmont - Saxa Vord	45,123	3,760	4,125	(365)	(365)
GRY7236	Lerwick Town Bus	46,819	3,902	4,006	(104)	(104)
GRY7237	Lerwick Hillswick	146,065	12,172	12,022	150	150
GRY7238	Lerwick - Laxo	54,876	4,573	12,939	(8,366)	(8,366)
GRY7239	Lerwick - Mossbank	139,500	11,625	12,014	(389)	(389)
GRY7241	Lk - Scalloway - Burra	65,608	5,467	6,234	(767)	(767)
GRY7242	Lerwick - Sumburgh	118,158	13,800	14,501	(701)	(701)
GRY7244	Westside Mainline	74,986	5,485	18,117	(12,632)	(12,632)
GRY7245	Ulsta-Gutcher-Cullivoe	84,857	6,464	5,962	502	502
GRY7246	Ulsta - M Yell - W Sandwick	30,121	3,523	3,523	1	1
GRY7247	Westside Feeders	91,845	7,585	3,004	4,581	4,581
GRY7248	Concessionary Fares	1,500	125	146	(21)	(21)
GRY7251	Other Tport Vehicle R & M	1,617	270	270	1	1
GRY7252	School Transport	1,591,442	132,888	143,068	(10,180)	(10,180)
GRY7253	Sp Needs School Transport	257,351	30,145	39,570	(9,425)	(9,425)
GRY7254	Social Work Transport	128,064	14,258	19,028	(4,770)	(4,770)
GRY7255	Rural Transport	248,740	20,728	28,582	(7,854)	(7,854)
GRY7258	Education/SRTTransport	29,993	4,999	2,167	2,832	2,832
GRY7502	STP Admin Costs	28,335	4,665	1,044	3,621	3,621
GRY7601	Bressay Service	470,516	81,636	85,542	(3,906)	(3,906)
GRY7602	Fair Isle Service	158,020	26,287	24,005	2,282	2,282
GRY7603	Fetlar Service	258,139	42,922	40,499	2,423	2,423
GRY7605	Papa Stour Service	181,457	30,184	30,527	(343)	(343)
GRY7606	Skerries Service	454,155	75,528	58,103	17,425	17,425
GRY7607	Unst Service	768,832	127,894	98,917	28,977	28,977
GRY7608	Whalsay service	1,299,644	216,036	198,407	17,629	17,629
GRY7609	Yell Service	1,233,963	205,015	197,511	7,504	7,504
SRY7000	Head of Transport	89,759	15,693	13,249	2,444	2,444
SRY7200	Transport	143,844	23,824	31,268	(7,444)	(7,444)
SRY7210	Air Bus & Fleet	61,924	10,322	10,943	(621)	(621)
SRY7600	Ferry Operations Manager	766,133	127,587	134,725	(7,138)	(7,138)
SRY7610	Ferry Service-Cadets	73,640	(2,893)	0	(2,893)	(2,893)
VRV7295	Fleet Management Unit	3,172	83,640	84,181	(541)	(541)
VRV7296	FMU Fuel	(28,376)	(2,233)	13,594	(15,827)	(15,827)
VRV7297	FMU-Vehicle Hire	9,302	3,932	7,540	(3,608)	(3,608)
VRV7620	Lerwick Terminal	17,654	2,540	851	1,689	1,689
VRV7621	Bressay Terminal	21,481	2,408	587	1,821	1,821
VRV7622	Grutness Terminal	9,098	1,120	856	264	264
VRV7623	Fair Isle Terminal	21,693	3,064	135	2,929	2,929
VRV7624	Hamarsness Terminal	36,143	5,449	3,491	1,958	1,958
VRV7627	West Burrafirth Terminal	24,858	4,000	834	3,166	3,166
VRV7628	Papa Stour Terminal	26,743	4,089	1,027	3,062	3,062
VRV7629	Skerries Terminal	22,228	3,628	663	2,965	2,965
VRV7630	Gutcher Terminal	25,863	2,748	0	2,748	2,748
VRV7631	Belmont Terminal	21,705	3,512	0	3,512	3,512
VRV7632	Laxo Terminal	11,366	1,278	4,145	(2,867)	(2,867)
VRV7633	Symbister Terminal	32,534	5,856	1,819	4,037	4,037
VRV7634	Vidlin Terminal	25,210	3,575	641	2,934	2,934
VRV7635	Toft Terminal	48,479	6,471	7,652	(1,181)	(1,181)
VRV7636	Ulsta Terminal	42,273	7,408	3,117	4,292	4,292
VRV7661	MV Bigga	348,156	29,795	34,537	(4,742)	(4,742)
VRV7662	MV Snolda	119,075	5,698	5,892	(194)	(194)
VRV7663	MV Fivla	222,255	18,888	19,147	(259)	(259)
VRV7665	MV Geira	242,300	18,997	20,405	(1,408)	(1,408)
VRV7666	MV Good Shepherd	78,250	5,977	4,988	989	989
VRV7668	MV Hendra	288,467	23,479	22,222	1,257	1,257
VRV7670	MV Leirna	242,343	18,383	23,667	(5,284)	(5,284)
VRV7672	MV Thora	120,802	5,856	3,978	1,878	1,878
VRV7673	Linga	513,918	49,876	86,287	(36,411)	(36,411)
VRV7675	Filla	362,001	37,496	40,228	(2,732)	(2,732)
VRV7676	MV Daggri	589,123	132,787	118,444	14,343	14,343
VRV7677	MV Dagalien	583,834	120,237	111,386	8,851	8,851
VRV7690	Sellaness Store	37,686	5,061	606	4,455	4,455
VRV7695	Ferries Engineering Service	383,317	63,316	50,239	13,077	13,077

<b>Planning</b>		<b>1,738,921</b>	<b>288,551</b>	<b>201,367</b>	<b>87,184</b>	<b>0</b>	<b>87,184</b>
GRY8002	Marine Devt Works Licences	0	0	(240)	240		240
GRY8101	Building Control	(237,450)	(39,575)	(69,221)	29,646		29,646
GRY8201	Planning Control	(186,150)	(31,025)	(23,985)	(7,040)		(7,040)
GRY8304	Access Paths Improvements	47,877	7,868	115	7,753		7,753
GRY8305	Town Centre Regeneration	0	0	(3,730)	3,730		3,730
GRY8402	Energy Conservation	17,074	2,847	723	2,124		2,124
GRY8404	KIMO International	(32,975)	(5,554)	0	(5,554)		(5,554)
GRY8409	Map Extract Service	(120)	(20)	(411)	391		391
GRY8410	FFL Scotland	(6,975)	(1,163)	0	(1,163)		(1,163)
GRY8411	Ranger Service	43,751	7,292	0	7,292		7,292
SRY8000	Head of Planning	156,035	25,925	15,254	10,671		10,671
SRY8100	Building Standards	338,017	56,045	42,076	13,969		13,969
SRY8200	Development Management	459,493	76,479	72,793	3,686		3,686
SRY8300	Development Plans	406,142	67,327	52,006	15,321		15,321
SRY8400	Heritage	468,828	77,876	68,018	9,858		9,858
SRY8401	GIS Technical Design & mapp	114,064	19,011	24,708	(5,697)		(5,697)
SRY8500	Marine Development	151,310	25,218	23,263	1,955		1,955
<b>TOTAL INFRASTRUCTURE</b>		<b>31,402,181</b>	<b>4,935,852</b>	<b>4,558,611</b>	<b>377,241</b>	<b>0</b>	<b>377,241</b>

Description	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adv)/Fav	Savings To be Achieved	Year to Date Variance Excluding Savings (Adv)/Fav
	£	£	£	£	£	£
<b>Executive Management</b>	<b>810,887</b>	<b>106,904</b>	<b>166,046</b>	<b>(59,142)</b>	<b>(87,000)</b>	<b>27,858</b>
GRX0096 Democratic Repres & Management	0	6,667	93,667	(87,000)	(87,000)	0
GRX0097 Corporate Management	262,850	0	0	0		0
GRX0300 Community Safety Officers	35,100	5,839	4,999	840		840
GRX0301 CSP Awards Programme	29,000	4,834	2,139	2,695		2,695
GRX0302 Domestic Abuse Funding	0	1,023	1,363	(340)		(340)
SRX0000 Chief Executive Management	354,559	73,583	50,145	23,438		23,438
SRX0150 Chief Executive's Office	100,175	10,100	8,821	1,279		1,279
SRX0202 Messenger Service	29,203	4,858	4,912	(54)		(54)
<b>Capital Programme Service</b>	<b>223,705</b>	<b>(798,190)</b>	<b>142,509</b>	<b>(940,699)</b>	<b>(1,000,000)</b>	<b>59,301</b>
SRK0000 Head of Capital Programming	74,627	12,439	11,541	898		898
SRK1000 Capital Projects Unit	1,008,700	165,977	128,837	37,140		37,140
SRK2000 Central Procurement	(859,622)	(976,606)	2,131	(978,737)	(1,000,000)	21,263
<b>Council Members</b>	<b>636,330</b>	<b>95,438</b>	<b>108,906</b>	<b>(13,468)</b>	<b>0</b>	<b>(13,468)</b>
GRX0161 Executive Office, Civic Ents	41,494	6,916	13,402	(6,486)		(6,486)
SRX0160 Council Members	594,836	88,522	95,504	(6,982)		(6,982)
<b>Organisational Development</b>	<b>3,452,715</b>	<b>578,796</b>	<b>612,865</b>	<b>(34,069)</b>	<b>(100,000)</b>	<b>65,931</b>
GRX4015 Tamil Nadu Skills Exchange	4,000	667	0	667		667
GRX4016 Tamil Nadu Economic Developmnt	6,000	1,000	0	1,000		1,000
GRX4018 Fairer Scotland Fund	449,000	130,767	130,767	(0)		(0)
GRX4019 Tamil Nadu School Exchange	6,000	1,000	0	1,000		1,000
GRX4110 Moving-On Project	35,861	5,970	5,090	880		880
GRX4111 Childcare Voucher Scheme MGT F	10,000	1,667	1,319	348		348
SRX4000 Organisational Development	184,454	(23,473)	67,525	(90,998)	(100,000)	9,002
SRX4001 Corporate Communications	10,000	1,666	0	1,666		1,666
SRX4002 Community Planning Support	10,000	1,666	0	1,666		1,666
SRX4100 Personnel PPP/A&S/S&T	484,210	79,013	93,116	(14,103)		(14,103)
SRX4101 Job Evaluation	206,982	33,956	33,426	530		530
SRX4102 Staff Welfare	90,932	15,141	15,508	(367)		(367)
SRX4103 Corporate Training	132,045	30,001	6,319	23,682		23,682
SRX4300 ICT Service Manager	179,437	28,924	21,270	7,654		7,654
SRX4301 Communications & Telephony	304,300	50,717	51,673	(956)		(956)
SRX4302 ICT Operations	218,382	36,299	32,586	3,713		3,713
SRX4303 ICT Analysts	411,050	68,383	48,197	20,186		20,186
SRX4304 ICT Area Technicians	302,882	50,313	50,452	(139)		(139)
SRX4306 ICT Maintenance	181,124	27,530	19,429	8,101		8,101
SRX4307 ICT Technicians	226,056	37,589	36,189	1,400		1,400
<b>Finance</b>	<b>(4,600,939)</b>	<b>(6,156,482)</b>	<b>698,465</b>	<b>(6,854,947)</b>	<b>(6,884,000)</b>	<b>29,053</b>
GRF1002 GF Saving Required	(7,179,706)	(6,884,000)	0	(6,884,000)	(6,884,000)	0
GRF1005 Sella Ness Site	(9,700)	0	0	0		0
GRF1101 Aithsting & Sandsting Comm Cnc	15,062	0	0	0		0
GRF1102 Bressay Community Council	8,525	0	0	0		0
GRF1103 Burra & Trondra Community Cncl	8,505	8,420	8,420	0		0
GRF1104 Delting Community Council	17,033	16,948	16,948	0		0
GRF1105 Dunrossness Community Council	14,817	0	0	0		0
GRF1106 Fetlar Community Council	4,661	4,576	4,576	0		0
GRF1107 Gulberwick, Quarff & Cunningsb	14,567	14,482	14,482	0		0
GRF1108 Lerwick Community Council	29,742	29,642	29,642	0		0
GRF1109 Nesting & Lunnasting Comm Cncl	9,634	9,549	9,549	0		0
GRF1110 Northmavine Community Council	19,331	0	0	0		0
GRF1111 Sandness & Walls Comm Council	13,800	13,548	13,215	333		333
GRF1112 Sandwich Community Council	11,285	11,200	11,200	0		0
GRF1113 Scalloway Community Council	9,973	9,888	9,888	0		0
GRF1114 Tingwall, Whiteness & Weisdale	11,803	11,718	11,718	0		0
GRF1115 Unst Community Council	11,930	11,845	11,845	0		0
GRF1116 Whalsay Community Council	11,506	11,421	11,421	0		0
GRF1117 Yell Community Council	12,150	12,065	12,065	0		0
GRF1118 Skerries Community Council	4,290	4,205	4,205	0		0
GRF1150 Shetland Council of Social Ser	16,586	16,586	16,586	0		0
GRF2203 DWP Initiatives	0	5,550	2,063	3,487		3,487

GRF2401	Debt Advice Add Gov Funds	78,000	71,333	70,272	1,061	1,061
GRF2911	Council Tax Income	21,500	15,666	9,394	6,272	6,272
GRF2912	Council Tax Collection	0	0	60	(60)	(60)
GRF2922	Non-Domestic Rates Collection	12,750	10,750	6,017	4,733	4,733
SRF0100	Finance Office Services	135,387	21,624	14,650	6,974	6,974
SRF1000	Head of Finance	(45,909)	19,841	20,276	(435)	(435)
SRF1030	Training	5,305	0	0	0	0
SRF2000	Service Manager - Revenues	78,330	13,491	12,051	1,440	1,440
SRF2200	Rents/Benefits	238,944	39,477	38,449	1,028	1,028
SRF2300	Income & Recovery	272,151	56,819	57,237	(418)	(418)
SRF2900	Local Taxation	126,088	20,734	21,941	(1,207)	(1,207)
SRF3100	Management Accountancy	389,425	63,020	60,811	2,209	2,209
SRF3400	Financial Accountancy	124,239	20,815	19,260	1,555	1,555
SRF3405	Fin-Technical Clerical	25,216	4,180	4,053	127	127
SRF3500	Expenditure Manager	69,254	11,387	13,428	(2,041)	(2,041)
SRF3501	Pensions	77,039	12,840	11,593	1,247	1,247
SRF3502	Payroll	328,043	79,149	80,930	(1,781)	(1,781)
SRF3600	Payments	127,169	22,967	20,783	2,184	2,184
SRF3800	Treasury	76,709	17,875	16,608	1,267	1,267
SRF4000	Internal Audit Division	203,627	33,907	32,829	1,078	1,078

<b>Legal &amp; Administration</b>		<b>3,197,061</b>	<b>369,889</b>	<b>352,460</b>	<b>17,429</b>	<b>(100,000)</b>	<b>117,429</b>
GRB2311	Community Council Elections	3,000	167	0	167		167
GRB2314	UK Parliamentary Elections	25,000	4,167	10,887	(6,720)		(6,720)
GRB2400	Registrar	51,112	8,259	3,992	4,267		4,267
GRB2501	Childrens Panel	19,150	3,107	3,295	(188)		(188)
GRB2502	Safeguards	5,100	784	1,654	(870)		(870)
GRB3902	Licensing Board	(25,700)	(6,750)	(1,545)	(5,205)		(5,205)
GRB3905	Prop Enq Certs	(1,000)	(167)	0	(167)		(167)
GRB5010	Emergency Planning	105,929	20,351	23,286	(2,935)		(2,935)
GRB5011	Emergency Planning Operational	8,550	1,771	500	1,271		1,271
GRB5012	Emergency Planning Seminar	3,275	5,275	0	5,275		5,275
GRB5013	Emergency Heli Landing Site	0	0	130	(130)		(130)
GRB6302	Aith Industrial Building	(2,307)	(73)	(59)	(14)		(14)
GRB6303	Bigton Industrial Buildings	(1,404)	(421)	(422)	1		1
GRB6304	Bressay Industrial Buildings	(50)	0	0	0		0
GRB6306	Fetlar Former Generating Shed	(135)	(3)	(3)	(0)		(0)
GRB6310	Sandwick Industrial Buildings	(2,453)	(34)	(34)	(0)		(0)
GRB6313	King Harald Street Area	(2,410)	(148)	(148)	(0)		(0)
GRB6314	Scalloway Industrial Building	(37,724)	(341)	(1,509)	1,168		1,168
GRB6316	Skeld Industrial Buildings	137	(1,213)	0	(1,213)		(1,213)
GRB6321	Sellaness Industrial Site	(17,194)	(1,203)	(770)	(433)		(433)
GRB6322	Staneyhill Industrial Site	(1,152)	0	(158)	158		158
GRB6324	Wethersta Industrial Site	(2,648)	(775)	(590)	(185)		(185)
GRB6325	Burra Industrial Sites	(165)	(41)	(41)	0		0
GRB6326	Cunningsburgh Industrial Sites	(1,400)	0	0	0		0
GRB6328	Gremista SH Industrial Sites	(2,470)	0	0	0		0
GRB6333	Other Properties: Maintained	60,254	6,723	379	6,344		6,344
GRB6337	Ness of Sound	(6,408)	(1,602)	(1,477)	(125)		(125)
GRB6338	Estates Management	15,750	2,625	2,625	0		0
GRB6339	Voxter Farm	(1,000)	0	0	0		0
GRB6340	Busta Estate	(21,498)	(15,951)	(16,008)	57		57
GRB6341	Burra & Trondra Estate	(3,114)	(205)	(9,211)	9,006		9,006
GRB6345	The Fish Box	(2,405)	(672)	(672)	(0)		(0)
GRB6354	Mill Lane Store	7,728	0	23	(23)		(23)
SRB1000	Head of Legal and Admin	98,182	16,053	15,563	490		490
SRB1100	Legal & Admin-Support Service	236,087	39,100	32,711	6,389		6,389
SRB2000	Admin Service Manager	55,271	9,193	9,028	165		165
SRB2200	Admin Serv-Committee Services	156,587	12,015	21,163	(9,148)		(9,148)
SRB3000	Legal-Service Manager	127,380	20,943	10,679	10,264		10,264
SRB3200	Legal Services	376,046	61,360	58,399	2,961		2,961
SRB4000	Serv Manager-Insurance & Risk	59,689	9,923	9,422	501		501
SRB4100	Risk Management	47,083	7,742	6,709	1,033		1,033
SRB4101	Risk Man - General	0	0	4,768	(4,768)		(4,768)
SRB4102	Risk Man - Motor Training	0	0	1,406	(1,406)		(1,406)
SRB4200	Safety	134,106	21,985	22,525	(540)		(540)
SRB4400	Insurance	92,557	(84,865)	14,570	(99,435)	(100,000)	565
SRB6000	Assets Service Manager	197,424	38,500	22,527	15,973		15,973
SRB6001	Land Surveyor	63,639	10,487	8,740	1,747		1,747
SRB6201	Offices, Town Hall	44,740	7,039	1,513	5,526		5,526
SRB6202	Offices, Lystina House	8,081	1,209	137	1,072		1,072
SRB6203	Offices, Hillhead Enq Office	15,702	561	595	(34)		(34)
SRB6204	Offices, 4 Market St	49,392	4,398	2,014	2,384		2,384
SRB6205	Offices, County Buildings	7,162	256	(196)	452		452
SRB6206	Offices, Anderson Place	3,660	506	0	506		506
SRB6209	Offices, 2 & 4 Bank Lane	17,405	1,749	(320)	2,069		2,069

SRB6210	Offices, Quendale House	35,508	4,020	(3,486)	7,506	7,506
SRB6213	Offices, Fort Road	32,910	1,656	4,951	(3,295)	(3,295)
SRB6214	Offices, Hayfield House	111,222	10,156	1,832	8,324	8,324
SRB6215	Offices, 91/93 St Olaf St	33,151	4,197	509	3,688	3,688
SRB6216	Offices, 92 St Olaf Street	30,101	1,502	1,484	18	18
SRB6217	Offices, Grantfield	74,555	5,867	1,506	4,361	4,361
SRB6218	Offices, Garthspool IT Centre	61,662	6,647	3,690	2,957	2,957
SRB6220	Offices, Gremista	12,286	1,116	93	1,023	1,023
SRB6221	Offices, OIL Offices	184,370	32,179	28,813	3,366	3,366
SRB6223	Offices, 4 Havragord, Brae	1,845	308	0	308	308
SRB6224	Offices, 64 St Olaf Street	13,161	877	583	294	294
SRB6225	Offices, Hill Lane	9,165	1,042	(1,224)	2,266	2,266
SRB6226	Offices, Charlotte House	74,217	24,088	212	23,876	23,876
SRB6227	Offices, Montfield	52,001	4,851	3,543	1,308	1,308
SRB6228	Offices, Old Infant School, KHS	20,049	1,367	9,170	(7,803)	(7,803)
SRB6229	Offices, Train Shetland	43,069	6,696	6,420	276	276
SRB6230	Offices, Gremista-Design	42,067	1,403	(11,507)	12,910	12,910
SRB6234	Offices, North Ness	154,657	18,717	17,330	1,387	1,387
SRB6235	Offices, 20 Commercial Road	16,253	921	666	255	255
SRB6236	Offices, Old Library Conversn	40,506	1,579	90	1,489	1,489
SRB6237	Offices, Lovers Loan	3,190	0	79	(79)	(79)
SRB6240	Offices, Bio Solar Hus	94,577	23,662	20,774	2,888	2,888
SRB6241	Old Lower Gym King Harald St	25,859	4,310	0	4,310	4,310
SRB6242	Former Archive Building KHS	4,887	815	0	815	815
SRB7000	Contract Standards	63,252	10,129	10,856	(727)	(727)

<b>TOTAL Executive</b>	<b>3,719,759</b>	<b>(5,803,645)</b>	<b>2,081,251</b>	<b>(7,884,896)</b>	<b>(8,171,000)</b>	<b>286,104</b>
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<b>Business Development Staff &amp; Mgt</b>	<b>523,258</b>	<b>87,025</b>	<b>74,201</b>	<b>12,824</b>	<b>0</b>	<b>12,824</b>
SRD1000 Head of Business Development	252,560	42,019	30,396	11,623		11,623
SRD1010 Business Technical Support	150,275	24,990	25,203	(213)		(213)
SRD1020 Marketing Support	120,423	20,016	18,602	1,414		1,414
<b>EDU Administration</b>	<b>450,530</b>	<b>74,941</b>	<b>74,616</b>	<b>325</b>	<b>0</b>	<b>325</b>
SRD0000 EDU Mgt & Administration	442,030	73,525	74,616	(1,091)		(1,091)
SRD0001 EDU Recruitment Expenses	8,500	1,416	0	1,416		1,416

<b>TOTAL Economic Development Unit</b>	<b>973,788</b>	<b>161,966</b>	<b>148,816</b>	<b>13,150</b>	<b>0</b>	<b>13,150</b>
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<u>Revenue Expenditure by Service</u> (General Fund, Recharged Services & Support)	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adv)/Fav £	Savings To be Achieved £	Year to Date Variance Excluding Savings (Adv)/Fav £
<b>Executive Management (sub total)</b>	<b>810,887</b>	<b>106,904</b>	<b>166,046</b>	<b>(59,142)</b>	<b>(87,000)</b>	<b>27,858</b>
Executive Management	810,887	106,904	166,046	(59,142)	(87,000)	27,858
<b>Capital Programme Service (sub total)</b>	<b>223,705</b>	<b>(798,190)</b>	<b>142,509</b>	<b>(940,699)</b>	<b>(1,000,000)</b>	<b>59,301</b>
Capital Programme	223,705	(798,190)	142,509	(940,699)	(1,000,000)	59,301
				0		
<b>Council Members (sub total)</b>	<b>636,330</b>	<b>95,438</b>	<b>108,906</b>	<b>(13,468)</b>	<b>0</b>	<b>(13,468)</b>
Council Members	636,330	95,438	108,906	(13,468)		(13,468)
				0		
<b>Organisational Development (sub total)</b>	<b>3,452,715</b>	<b>578,796</b>	<b>612,865</b>	<b>(34,069)</b>	<b>(100,000)</b>	<b>65,931</b>
Head of Service	184,454	(23,473)	67,525	(90,998)	(100,000)	9,002
ICT	1,823,231	299,755	259,795	39,960		39,960
Personnel	960,030	165,748	154,778	10,970		10,970
Policy Unit	485,000	136,766	130,767	5,999		5,999
<b>Finance (sub total)</b>	<b>(4,600,939)</b>	<b>(6,156,482)</b>	<b>698,465</b>	<b>(6,854,947)</b>	<b>(6,884,000)</b>	<b>29,053</b>
Savings Required	(6,767,206)	(6,884,000)	0	(6,884,000)	(6,884,000)	0
Financial Support	1,040,094	418,326	413,225	5,101		5,101
Head of Service	94,783	41,465	34,926	6,539		6,539
Internal Audit	203,627	33,907	32,829	1,078		1,078
Revenues	827,763	233,820	217,485	16,335		16,335
<b>Legal &amp; Administration (sub total)</b>	<b>3,197,061</b>	<b>369,889</b>	<b>352,460</b>	<b>17,429</b>	<b>(100,000)</b>	<b>117,429</b>
Administrative Services	315,220	37,692	50,020	(12,328)		(12,328)
Asset & Property Services	1,556,405	209,347	92,462	116,885		116,885
Emergency Planning	117,754	27,397	23,916	3,481		3,481
Head of Service	334,269	55,153	48,274	6,879		6,879
Legal Services	539,978	85,515	78,389	7,126		7,126
Safety & Property Services	333,435	(45,215)	59,399	(104,614)	(100,000)	(4,614)
<b>TOTAL</b>	<b>3,719,759</b>	<b>(5,803,645)</b>	<b>2,081,251</b>	<b>(7,884,896)</b>	<b>(8,171,000)</b>	<b>286,104</b>



<u>Revenue Expenditure by Subjective</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance Including Savings (Adv)/Fav	Savings To be Achieved	Year to Date Variance Excluding Savings (Adv)/Fav
	£	£	£	£	£	£
<b>Employee Costs (sub total)</b>	<b>(243,144)</b>	<b>(6,802,578)</b>	<b>1,163,594</b>	<b>(7,966,172)</b>	<b>(8,171,000)</b>	<b>204,828</b>
Basic Pay	5,638,699	934,611	830,091	104,520		104,520
Overtime	84,534	15,476	27,032	(11,556)		(11,556)
Other Employee Costs	(5,966,377)	(7,752,665)	306,470	(8,059,135)	(8,171,000)	111,865
<b>Operating Costs (sub total)</b>	<b>4,194,031</b>	<b>767,249</b>	<b>589,136</b>	<b>178,113</b>	<b>0</b>	<b>178,113</b>
Travel & Subsistence	569,053	97,493	57,263	40,230		40,230
Property Costs	1,135,771	95,719	26,927	68,792		68,792
Other Operating Costs	2,489,207	574,037	504,946	69,091		69,091
<b>Transfer Payments (sub total)</b>	<b>794,330</b>	<b>392,023</b>	<b>137,325</b>	<b>254,698</b>		<b>254,698</b>
<b>Income (sub total)</b>	<b>(1,025,458)</b>	<b>(160,339)</b>	<b>191,197</b>	<b>(351,536)</b>		<b>(351,536)</b>
<b>TOTAL</b>	<b>3,719,759</b>	<b>(5,803,645)</b>	<b>2,081,251</b>	<b>(7,884,896)</b>	<b>(8,171,000)</b>	<b>286,104</b>

**SIC MANAGEMENT INFORMATION 2010/11 - PERIOD 2****1st April 2010 to 31st May 2010**

<b><u>Revenue Expenditure by Service</u></b> (Harbour Account, Support Services & Recharged Ser	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Actual</b>	<b>Year to Date Variance (Adverse)/Favourable</b>
	£	£	£	£
<b>Ports &amp; Harbours (total)</b>	<b>(1,054,523)</b>	<b>(647,512)</b>	<b>(1,012,286)</b>	<b>364,774</b>
Ports Management	1,049,416	177,875	148,577	29,298
Sullom Voe	(5,952,788)	(955,027)	(1,204,357)	249,330
Scalloway	31,111	(5,202)	(37,531)	32,329
Other Piers	197,991	26,281	(9,960)	36,241
Port Engineering Services	661,978	108,561	90,984	17,577
Jetties & Spur Booms (BP Funded)	0	0	0	0
Transfer of Funds	2,957,769	0	0	0

<b><u>Revenue Expenditure by Subjective</u></b> (Harbour Account, Support Services & Recharged Services)	<b>Annual Budget</b>	<b>Year to Date Budget</b>	<b>Year to Date Actual</b>	<b>Year to Date Variance (Adverse)/Favourable</b>
	£	£	£	£
<b>Employee Costs (sub total)</b>	<b>6,468,398</b>	<b>1,231,977</b>	<b>1,136,066</b>	<b>95,911</b>
Basic Pay	4,968,565	828,095	747,114	80,981
Overtime	391,953	65,325	48,783	16,542
Other Employee Costs	1,107,880	338,557	340,168	(1,611)
<b>Operating Costs (sub total)</b>	<b>4,117,267</b>	<b>572,388</b>	<b>325,625</b>	<b>246,763</b>
Travel & Subsistence	191,210	31,868	22,943	8,925
Property Costs	1,078,263	95,506	53,457	42,049
Other Operating Costs	2,847,794	445,014	249,225	195,789
<b>Transfer Payments (sub total)</b>	<b>3,978,349</b>	<b>13,430</b>	<b>0</b>	<b>13,430</b>
<b>Income (sub total)</b>	<b>(15,618,537)</b>	<b>(2,465,307)</b>	<b>(2,473,977)</b>	<b>8,670</b>
<b>TOTAL</b>	<b>(1,054,523)</b>	<b>(647,512)</b>	<b>(1,012,285)</b>	<b>364,774</b>

## MANAGEMENT A/c's 2010/11 - COST CENTRE DETAIL - PERIOD 2

1st April 2010 to 31st May 2010

<u>Cost Centre Description</u>	<u>Annual Budget</u>	<u>Year to Date Budget</u>	<u>Year to Date Actual</u>	<u>Year to Date Variance (Adverse)/ Favourable</u>
	£	£	£	£
<b>Ports Management (sub total)</b>	<b>1,049,416</b>	<b>177,875</b>	<b>148,577</b>	<b>29,298</b>
PRM0150 Canteen Service	27,233	4,530	2,252	2,278
SRM0001 Ports - Recruitment Expenses	17,000	2,834	494	2,340
SRM0100 Ports - Support Services	237,868	39,974	32,194	7,780
SRM2000 Ports - Operations Management	767,315	130,537	113,636	16,901
<b>Sullom Voe (sub total)</b>	<b>(5,952,721)</b>	<b>(955,027)</b>	<b>(1,204,356)</b>	<b>249,329</b>
PRM2100 Sullom Voe	(6,066,133)	(882,172)	(908,252)	26,080
PRM2101 B & L Sullom Voe	(274,417)	(73,208)	(75,773)	2,565
PRM2102 Pilotage Sullom Voe	(718,586)	(135,795)	(135,055)	(740)
PRM2103 Mooring Sullom Voe	(313,492)	(69,684)	(64,996)	(4,688)
PRM2104 Ship to Ship Transfers	(300,000)	(1,000)	0	(1,000)
PRM2110 Marine Officers	928,085	158,051	153,639	4,412
PRM2111 Launch Crews	1,161,959	197,613	186,088	11,525
PRM2112 Towage Crews	(1,846,276)	(598,517)	(630,155)	31,638
PRM2113 VTS Operators	226,344	37,724	13,595	24,129
PRM2116 Pollution Control	1,000	167	0	167
PRM2120 SOTEAG	800	133	0	133
PRM2121 SVA	80,580	13,430	0	13,430
PRM2148 Tug Boats - SV	(1,400,000)	0	0	0
PRM2324 Humber Inflatable	32	0	0	0
PRM2325 Orkney Spinner	10	0	0	0
PRM2326 Avon Searider	25	0	0	0
SRM2001 Towage Management	27,180	4,528	2,203	2,325
SRM3050 Port Admin Building	97,640	13,557	7,755	5,802
VRM3205 Nav Aids Sullom Voe	41,921	6,129	5,476	653
VRM3206 Radar Sullom Voe	15,803	2,612	1,039	1,573
VRM3207 VHF Radio Sullom Voe	10,500	1,751	0	1,751
VRM3210 Maintenance Workshop	63,364	10,263	15,298	(5,035)
VRM3211 Helicopter Hangar	3,960	203	123	80
VRM3212 Meteorological Office	2,344	354	146	208
VRM3213 Long Term Store	2,562	381	219	162
VRM3214 Crew Accommodation	6,700	1,085	729	356
VRM3215 Pollution Store	17,202	2,798	2,923	(125)
VRM3221 Sullom Shoormal	38,355	5,724	999	4,725
VRM3222 Sullom Spindrift	36,796	5,464	919	4,545
VRM3223 Sullom Spray	36,794	5,464	598	4,866
VRM3225 Dunter	491,343	78,615	23,415	55,200
VRM3226 Shalder	266,446	41,673	33,096	8,577
VRM3227 Stanechakker	229,931	35,713	9,157	26,556
VRM3228 Tirrick	218,067	33,607	106,739	(73,132)
VRM3229 Tystie	481,322	77,112	25,923	51,189
VRM3230 Sullom A	7,214	1,112	16,860	(15,748)
VRM3231 Sullom B	7,214	1,112	13	1,099
VRM3232 Sullom C	7,214	1,112	18	1,094
VRM3235 Vehicles Sullom Voe	32,250	5,374	2,770	2,604
VRM3236 Boat Hoist	(1,013)	(184)	(361)	177
VRM3237 Small Plant	4,750	792	85	707
VRM3239 Sullom Shearwater	13,591	2,112	173	1,939
VRM3240 Tug Jetty	62,994	2,284	240	2,044
VRM3241 Solan	172,452	28,742	0	28,742
VRM3242 Bonxie	172,452	28,742	0	28,742
<b>Scalloway (sub total)</b>	<b>31,111</b>	<b>(5,202)</b>	<b>(37,531)</b>	<b>32,329</b>
PRM2200 Blacksness	(120,997)	(20,244)	(41,218)	20,974

PRM2201	B & L Scalloway	(5,000)	(833)	(1,228)	395
PRM2202	Pilotage Scalloway	500	83	0	83
VRM3261	Nav Aids Scalloway	12,025	2,003	644	1,359
VRM3262	Offices & Stores Scalloway	29,639	3,093	3,790	(697)
VRM3263	Fish Market	16,360	1,701	364	1,337
VRM3264	Piers Scalloway	81,028	6,275	(921)	7,196
VRM3266	Vehicles Scalloway	4,300	718	279	440
VRM3267	Lyrie	13,256	2,002	761	1,241
<b>Other Piers (sub total)</b>		<b>197,924</b>	<b>26,281</b>	<b>(9,960)</b>	<b>36,241</b>
PRM2300	Baltasound	(1,916)	(319)	8	(327)
PRM2301	Collafirth	(1,466)	(244)	(135)	(109)
PRM2302	Toft	35	7	65	(58)
PRM2312	Cullivoe	(71,281)	(11,880)	(11,340)	(540)
PRM2314	Fair Isle	3	0	0	0
PRM2315	Hamnavoe	225	38	(70)	108
PRM2316	Melby Pier	150	0	0	0
PRM2317	Mid Yell	(1,500)	(209)	(1,141)	932
PRM2318	Out Skerries	135	23	89	(66)
PRM2319	Symbister	13,673	2,272	3,650	(1,378)
PRM2321	Uyeasound	1,000	166	(126)	292
PRM2322	Vaila/Grutness	235	40	(205)	245
PRM2323	West Burrafirth	(925)	(154)	66	(220)
VRM3270	Baltasound Pier Maintenance	26,789	4,077	2,262	1,815
VRM3271	Collafirth Pier Maintenance	28,519	4,521	23	4,498
VRM3272	Toft Pier Maintenance	3,706	502	0	502
VRM3273	Garth Pier Maintenance	9,710	1,492	0	1,492
VRM3280	Billister Pier Maintenance	2,114	275	0	275
VRM3282	Cullivoe Pier Maintenance	42,613	5,335	(3,752)	9,087
VRM3283	Easterdale Pier Maintenance	2,966	460	0	460
VRM3284	Fair Isle Pier Maintenance	33,030	4,500	0	4,500
VRM3285	Hamnavoe Pier Maintenance	4,329	568	17	551
VRM3286	Melby Pier Maintenance	98	0	0	0
VRM3287	Mid Yell Pier Maintenance	7,868	1,117	0	1,117
VRM3288	Out Skerries Pier Maintenance	7,605	979	221	758
VRM3289	Symbister Pier Maintenance	52,052	7,520	401	7,119
VRM3290	Toogs Pier Maintenance	3,750	608	0	608
VRM3291	Uyeasound Pier Maintenance	10,976	1,241	0	1,241
VRM3292	Vaila/Gruting Pier Maintenance	11,298	1,633	0	1,633
VRM3293	West Burrafirth Pier Maintenan	12,133	1,713	6	1,707
<b>Port Engineering (sub total)</b>		<b>661,978</b>	<b>108,561</b>	<b>90,984</b>	<b>17,577</b>
VRM3200	Port Engineering Services	661,978	108,561	90,984	17,577
<b>Jetties &amp; Spur Booms (BP Funded) (sub tot</b>		<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
PRM2150	Jetties/Spur Booms - SV	(1,124,632)	(187,445)	(59,796)	(127,649)
VRM3250	Jetty 1	7,504	1,252	13,292	(12,040)
VRM3251	Jetty 2	7,504	1,252	18,245	(16,993)
VRM3252	Jetty 3	7,504	1,252	13,626	(12,374)
VRM3253	Jetty 4	7,510	1,253	13,603	(12,350)
VRM3254	Construction Jetty	32,100	5,351	1,029	4,322
VRM3255	Spur Booms	12,510	2,085	0	2,085
VRM3256	Jetties Diving	50,000	8,333	0	8,333
VRM3257	Jetty Maintenance	950,000	158,334	0	158,334
VRM3259	Jetties Cathodic Protection	50,000	8,333	0	8,333
<b>Transfer of Funds (sub total)</b>		<b>2,957,769</b>	<b>0</b>	<b>0</b>	<b>0</b>
PRM2002	Transfer to Funds	2,957,769	0	0	0
<b>Harbour Account TOTAL</b>		<b>(1,054,523)</b>	<b>(647,512)</b>	<b>(1,012,285)</b>	<b>364,774</b>

SIC MANAGEMENT INFORMATION 2010/11 - PERIOD 2

1st April 2010 to 31st May 2010

Revenue Expenditure by Service - Housing Revenue Account

## Housing

<u>Revenue Expenditure by Service</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
<b>Housing Revenue Account Services (total)</b>	<b>(3,917,593)</b>	<b>(990,465)</b>	<b>(994,828)</b>	<b>4,363</b>
Head of Housing	(1,200,000)	(200,000)	(202,802)	2,802
Operational Services	1,312,513	23,014	(34,619)	57,633
Business Support	(4,030,106)	(813,479)	(757,407)	(56,072)

Revenue Expenditure by Subjective

	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
<b>Employee Costs (sub total)</b>	<b>2,681</b>	<b>447</b>	<b>447</b>	<b>0</b>
Basic Pay	0	0	0	0
Overtime	0	0	0	0
Other Employee Costs	2,681	447	447	0
<b>Operating Costs (sub total)</b>	<b>2,370,098</b>	<b>38,450</b>	<b>53,183</b>	<b>(14,733)</b>
Travel & Subsistence	0	0	0	0
Property Costs	2,335,276	24,529	41,635	(17,106)
Other Operating Costs	34,822	13,921	11,548	2,373
<b>Transfer Payments (sub total)</b>	<b>28,981</b>	<b>23,864</b>	<b>700</b>	<b>23,164</b>
<b>Income (sub total)</b>	<b>(6,319,353)</b>	<b>(1,053,226)</b>	<b>(1,049,157)</b>	<b>(4,069)</b>
<b>TOTAL</b>	<b>(3,917,593)</b>	<b>(990,465)</b>	<b>(994,828)</b>	<b>4,363</b>

**MANAGEMENT A/c's 2010/11 - COST CENTRE DETAIL - PERIOD 2**  
**1st April 2010 to 31st May 2010**

<u>Cost Centre</u>	<u>Description</u>	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/ Favourable
		£	£	£	£
<b>Housing Revenue Account</b>					
HRH0350	Housing Support Grant	(1,200,000)	(200,000)	(202,802)	2,802
HRH1300	Ladies Drive Hostel	(40,748)	(6,914)	(10,860)	3,946
HRH3100	Customer Services	49,253	7,592	2,172	5,420
HRH3150	Garages, HRA	19,200	3,200	(423)	3,623
HRH3151	South Team Area 2	250,000	5,667	3,687	1,980
HRH3152	South Team Area 1	250,000	5,667	4,514	1,153
HRH3153	North Team Area 2	250,000	3,667	2,328	1,339
HRH3154	North Team Area 1	250,000	1,667	870	797
HRH3300	Other	285,308	2,551	(1,877)	4,428
HRH3350	Grazing Lets	(500)	(83)	0	(83)
HRH2047	Rents General Needs	(4,529,288)	(747,534)	(711,488)	(36,046)
HRH2048	Rents Sheltered Housing	(576,162)	(97,387)	(92,306)	(5,081)
HRH2355	Supervision & Management	22,870	20,696	1,113	19,583
HRH3200	Planned Services HRA	1,052,474	10,746	10,243	503
<b>TOTAL HOUSING REVENUE ACCOUNT</b>		<b>(3,917,593)</b>	<b>(990,465)</b>	<b>(994,828)</b>	<b>4,363</b>

SIC MANAGEMENT INFORMATION 2010/11 - PERIOD 2

1st April 2010 to 31st May 2010

Shetland Islands Council				
Revenue Expenditure by Service	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/Favourable
	£	£	£	£
<b>Executive Services (sub total)</b>	<b>1,308,843</b>	<b>519,970</b>	<b>551,970</b>	<b>(32,000)</b>
Executive Management	0	0	28,220	(28,220)
Organisational Development	339,152	56,525	39,528	16,997
Finance	4,500	0	6,600	(6,600)
Legal & Administration	965,191	463,445	477,622	(14,177)
<b>Education &amp; Social Care (sub total)</b>	<b>555,430</b>	<b>130,054</b>	<b>131,252</b>	<b>(1,198)</b>
Adult Learning & Train Shetland	396,932	66,155	68,205	(2,050)
Housing	156,712	63,899	63,047	852
Sports & Leisure	1,786	0	0	0
<b>Infrastructure Services (sub total)</b>	<b>506,772</b>	<b>40,968</b>	<b>21,686</b>	<b>19,282</b>
Environment	250,000	14,838	14,838	1
Planning	256,772	26,130	6,849	19,281
<b>Economic Development Unit (sub total)</b>	<b>7,442,657</b>	<b>1,240,444</b>	<b>330,440</b>	<b>910,004</b>
Economic Development Unit	7,442,657	1,240,444	330,440	910,004
<b>TOTAL</b>	<b>9,813,702</b>	<b>1,931,436</b>	<b>1,035,348</b>	<b>896,088</b>

Revenue Expenditure by Subjective

<b>Employee Costs (sub total)</b>	<b>864,087</b>	<b>144,015</b>	<b>128,271</b>	<b>15,744</b>
Basic Pay	646,067	107,678	95,524	12,154
Overtime	0	0	386	(386)
Other Employee Costs	218,020	36,337	32,360	3,977
<b>Operating Costs (sub total)</b>	<b>1,741,293</b>	<b>590,545</b>	<b>608,889</b>	<b>(18,344)</b>
Travel & Subsistence	9,400	1,566	1,924	(358)
Property Costs	656,417	468,672	477,027	(8,355)
Other Operating Costs	1,075,476	120,307	129,938	(9,631)
<b>Transfer Payments (sub total)</b>	<b>7,213,822</b>	<b>1,197,793</b>	<b>323,895</b>	<b>873,898</b>
<b>Income (sub total)</b>	<b>(5,500)</b>	<b>(917)</b>	<b>(25,707)</b>	<b>24,790</b>
<b>TOTAL</b>	<b>9,813,702</b>	<b>1,931,436</b>	<b>1,035,348</b>	<b>896,088</b>

## RESERVE FUND MANAGEMENT A/c's 2010/11 - COST CENTRE DETAIL - PERIOD 2

1st April 2010 to 31st May 2010

<u>Cost Centre</u>	<u>Description</u>	<u>Annual Budget</u>	<u>Year to Date Budget</u>	<u>Year to Date Actual</u>	<u>Year to Date Variance</u> (Adverse)/Favourable
		£	£	£	£
<b>Chief Executive</b>		<b>0</b>	<b>0</b>	<b>28,220</b>	<b>(28,220)</b>
RRX0021	LPA Claim	0	0	28,220	(28,220)
<b>Financial Support Services</b>		<b>4,500</b>	<b>0</b>	<b>6,600</b>	<b>(6,600)</b>
RRF1150	Winter Fuel Grant	0	0	6,600	(6,600)
RRF1151	Councillor Christmas Grant	4,500	0	0	0
<b>Organisational Development</b>		<b>339,152</b>	<b>56,525</b>	<b>39,528</b>	<b>16,997</b>
RRX4120	Graduate Placement Scheme	339,152	56,525	39,528	16,997
<b>Asset &amp; Property Services</b>		<b>965,191</b>	<b>463,445</b>	<b>477,622</b>	<b>(14,176)</b>
RRB6380	N.A.F.C.	520,163	18,417	27,195	(8,777)
RRB6381	SCOFE Property Costs	445,028	445,028	445,028	0
RRB6383	Complaint Investigation	0	0	5,399	(5,399)
<b>Adult Learning &amp; Train Shetland</b>		<b>396,932</b>	<b>66,155</b>	<b>68,205</b>	<b>(2,050)</b>
RRL6050	Modern Apprenticeships	396,932	66,155	68,205	(2,050)
<b>Housing</b>		<b>156,712</b>	<b>63,899</b>	<b>63,047</b>	<b>852</b>
RRH2800	Housing Initiatives	59,816	23,158	22,026	1,132
RRH2801	Tenant Participation	15,414	0	280	(280)
RRH2803	Shetland Women's Aid	81,482	40,741	40,741	0
<b>Sports &amp; Leisure</b>		<b>1,786</b>	<b>0</b>	<b>0</b>	<b>0</b>
RRJ3007	Cunningsburgh Marina provision	1,786	0	0	0
<b>Environment</b>		<b>250,000</b>	<b>14,838</b>	<b>14,838</b>	<b>0</b>
RRY5001	Fuel Poverty Grant Scheme	250,000	14,838	14,838	0
<b>Planning</b>		<b>256,772</b>	<b>26,130</b>	<b>6,849</b>	<b>19,281</b>
RRY8381	Area Regeneration Res Fund	30,700	5,118	0	5,118
RRY8383	Coastal Protection	44,000	7,333	0	7,333
RRY8481	KIMO Policy	7,000	1,167	0	1,167
RRY8482	Nuclear Policy	21,382	3,563	6,849	(3,286)
RRY8486	Env Improve/Cons	100,000	0	0	0
RRY8488	Natural Heritage	30,000	5,000	0	5,000
RRY8003	NAFC Marine Management	23,690	3,949	0	3,949
<b>Economic Development</b>		<b>7,442,657</b>	<b>1,240,444</b>	<b>330,440</b>	<b>910,004</b>
RRD1129	Livestock Health Scheme	100,000	16,667	0	16,667
RRD1133	Agriculture General Assistance	115,000	19,167	608	18,559
RRD1136	Agriculture Contractors Scheme	20,000	3,333	7,250	(3,917)
RRD1137	Shetland Rural Dev Scheme	50,000	8,333	0	8,333
RRD1138	Shet Agric Business Scheme	100,000	16,667	817	15,850
RRD1150	Agricultural Loans	100,000	16,667	0	16,667
RRD1500	Other Research	60,000	10,000	19,850	(9,850)
RRD1502	Publications	2,000	333	0	333
RRD1515	Shetland Business Growth Scheme	50,000	8,333	0	8,333
RRD1520	Other General Assistance	100,000	16,667	32,129	(15,462)
RRD1523	Rural Shop Improvement	60,000	10,000	12,374	(2,374)
RRD1526	Rnew Energy Proj	90,000	15,000	(4,456)	19,456
RRD1527	Business Energy Efficiency	100,000	16,667	0	16,667



RRD1528	Foula Electricity	80,000	13,333	0	13,333
RRD1530	Economic Infrastructure Projec	175,000	29,167	65,177	(36,010)
RRD1532	Architectural Heritage	250,000	41,667	0	41,667
RRD1533	Fairer Scotland Fund	0	0	(35,000)	35,000
RRD1540	New Manufacturing-New Service	200,000	33,334	0	33,334
RRD1541	Food & Drink Projects	150,000	25,000	0	25,000
RRD1545	Textiles	50,000	8,333	0	8,333
RRD1550	Broadband Services	0	0	1,390	(1,390)
RRD1551	Pop Set up Highspeed data link	140,000	23,333	17,617	5,716
RRD1552	Mareel	322,000	53,667	22,952	30,715
RRD1553	Creative Industry Development	20,000	3,333	3,524	(191)
RRD1560	Community Enterprise Schemes	30,000	5,000	0	5,000
RRD1561	Retain Active Rural Population	30,000	5,000	0	5,000
RRD1562	Engage with Learning Centres	70,000	11,667	0	11,667
RRD1563	COPE	0	0	58,333	(58,333)
RRD1564	Childcare	100,000	16,667	0	16,667
RRD1620	Tourism Financial Assistance	50,000	8,333	0	8,333
RRD1621	Tourism Infrastructure	75,000	12,500	0	12,500
RRD1630	Tourism General	20,000	3,333	765	2,568
RRD1631	Heritage Tourism	184,586	30,764	2,356	28,408
RRD1800	Leader	0	0	4,222	(4,222)
RRD1801	Convergence	0	0	(5,460)	5,460
RRD1810	Business Gateway	0	0	(9,527)	9,527
RRD1910	Decommissioning Projects	75,000	12,500	0	12,500
RRD2104	S.H.O.A.L.	1,000	167	0	167
RRD2120	Fisheries General Assistance	80,000	13,333	680	12,653
RRD2121	North Atlantic Fisheries Coll	2,297,462	382,910	76,000	306,910
RRD2123	Shet Shellfish Mgt Org	43,888	7,315	10,972	(3,657)
RRD2201	Mentoring Programme	4,000	667	0	667
RRD2203	Fisheries&Aquaculture Lending	1,200,000	200,000	0	200,000
RRD2204	European Fisheries Match Fundi	0	0	(10,237)	10,237
RRD5005	MDP	38,000	6,333	1,219	5,114
RRD5010	Promote Shetland	363,000	60,500	0	60,500
RRD5013	Event Management	5,000	833	0	833
RRD5031	Shetland Promotional Costs	77,250	12,876	9,615	3,261
RRD5039	Flavour of Shetland	69,580	11,596	35,489	(23,893)
RRD5041	Food Festival	40,500	6,750	0	6,750
RRD5042	Tall Ships	154,391	25,733	6,901	18,832
RRD5043	Hamefarin	50,000	8,333	4,880	3,453
RRD6010	Investment Management	50,000	8,333	0	8,333
<b>Reserve Fund TOTAL</b>		<b>9,813,702</b>	<b>1,931,436</b>	<b>1,035,348</b>	<b>896,088</b>





## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Capital Programme Services Manager**

**Report No: CPS-12-10-F**

**Subject: The Capital Programme Outturn 2009/10**

### **1.0 Introduction**

- 1.1 The purpose of this report is to inform Members of the 2009/10 Capital Programme outturn expenditure position in relation to the revised expenditure budgets.
- 1.2 It should be noted that some of the capital projects being reported are outwith the control of the Capital Programme Service (CPS) and are managed and controlled independently by Budget Responsible Officers throughout the Council.
- 1.3 This report identifies overspends, slippage and savings that have occurred within the 2009/10 Capital Programme and makes recommendations on allocating slippage to the 2010/11 Capital Programme and budget reductions on the existing 2010/11 Capital Programme.

### **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.

## 2.5 Overall Position

The Council set an original budget for the financial year 2009/10 of £48.879m (Minute Refs 01/09 & 27/09) across all funds of the Capital Programme as follows:

- General Fund £19.910m
- Harbour Account £11.372m
- AHS Financing Arrangement £15.000m
- Housing Revenue Account £ 2.597m

Further slippage from 2008/09 was identified in the 2008/09 Outturn Report and approved by Council. Throughout the year the Council have been presented with regular Capital Programme Progress Reports and have approved adjustments contained within. Additional capital budget of £1.946m was created from external funding and £0.158m was funded from revenue budget transfers. The resultant revised budget was £38.477m and the under-spend for the year was £6.293m. A detailed breakdown between funds is shown in paragraph 2.6.

## 2.6 Expenditure Breakdown by Fund

The following table shows expenditure by fund.

<b>Capital Programme Expenditure/ Income</b>	<b>2009/10 Original Budget £000</b>	<b>2009/10 Revised Budget £000</b>	<b>2009/10 Actual Outturn £000</b>	<b>2009/10 Total Variance £000</b>
General Fund	19,910	20,403	18,408	1,995
AHS Financing Arrangement	15,000	2,012	1,802	210
Housing Revenue Account	2,597	2,597	1,614	983
Harbour Account	11,372	13,465	10,360	3,105
<b>Overall Total</b>	<b>48,879</b>	<b>38,477</b>	<b>32,184</b>	<b>6,293</b>

2.7 The Housing Revenue Account and Harbour Account expenditure is ring fenced and funded from their own reserves. The AHS financing arrangement was agreed by Council on 20 May 2009 (Minute Ref 60/09).

2.8 The General Capital Grant from the Scottish Government totalling £4.152m will offset the draw on Reserves for the General Fund Capital Programme.

## 3.0 **Capital Programme 2009/10 Slippage**

3.1 It is proposed that a further net £4.201m, against all funds, will be carried forward into 2010/11 for completion of other projects. Please refer to Appendices A and B for detail.

## **4.0 Financial Implications**

- 4.1 Approved budget strategy for the General Fund Capital Programme was to limit the draw on Reserves to £20m in 2009/10 (Min Ref 121/08).
- 4.2 The 2009/10 General Fund Capital Programme expenditure was £18.408m reduced by external funding (£1.946m), transfers from revenue (£0.158m) and General Capital Grant (£4.152m) totalling income of £6.256m, resulting in a net cost of £12.152m.
- 4.3 The 2009/10 Harbour Account Capital expenditure was £10.360m, this is ring fenced and funded from Harbour Reserves.
- 4.4 The 2009/10 Housing Revenue Account Capital expenditure was £1.614m, this is ring fenced and funded from HRA Reserves.
- 4.5 In line with the Code of Practice for Local Authority Accounting (2009). £7.416m was ultimately transferred to revenue for accounting purposes. For comparison purposes the figures included in this report are pre-transfer. A corresponding statement to this effect is included in the Revenue Outturn Report also being presented to the Council today.
- 4.6 The proposed budget slippage from 2009/10 and reductions to 2010/11 budgets will increase the General Fund Capital Programme budget by £0.684m, and therefore the possible draw on Reserves in 2010/11. The budget slippage on the AHS Financing Arrangement, the Harbour Account and the Housing Revenue Account total £3.517m.
- 4.7 The 5 year Capital Programme is the subject of a further report on this agenda and further amendments are proposed.

## **5.0 Policy and Delegated Authority**

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

## **6.0 Recommendations**

- 6.1 It is recommended that the Council:
  - 6.1.1 Note the contents of this report for the 2009/10 outturn; and
  - 6.1.2 approve the allocation of slippage to 2010/11 and the 2010/11 budget reductions.

Our Ref: GMF/RS/CPS-12-10-F

Date: 24 June 2010

Enclosed: Appendix A 2009/10 Capital Programme Progress Report  
Appendix B Summary of Budget Adjustments to 2010/11



Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCX4300	PC/Lan Replacement	231.3	257.0	256.9	×	×	×	×	×	×	×	✓	
GCX4311	SSIS Upgrade	0.0	0.2	0.2									Project previously slipped from 08/09 and 09/10 into 10/11
GCX4312	Computers for Schools	234.9	261.0	260.8	×	×	×	×	×	×	×	✓	
GCX4315	IP Phones	70.0	120.0	119.9	×	×	×	×	×	×	×	✓	
GCX4319	LV/MV Photocopiers	67.5	75.0	65.8	×	×	×	×	×	×	×	✓	
GCX4323	Shetland Public Sector Network	267.3	297.0	295.0	×	×	×	×	×	×	×	✓	Pathfinder instalment relating to 2008/09 - an accrual was done early in the year
GCX4329	ICT Planning Project	150.0	0.0	0.0									Project previously slipped into 10/11
GCB6001	Copper Pipework Replacement	135.0	155.6	149.2	×	×	×	×	×	✓	✓	✓	Additional funding allocated by Council and 2 schools completed in 09/10
GCB6002	Lystina Stonework	346.5	32.4	6.7	✓								Project previously slipped into 10/11
GCB6004	DDA Access Audit Construction	90.0	73.1	42.9	×	×	×	×	×	✓	✓	✓	Underspent unable to complete construction works in 09/10. Budget already set for 10/11 - no c/f required
GCB6006	Ness of Sound Farm	22.0	22.7	23.1	×	×	×	×	×	✓	✓	✓	total maintenence spend in 09/10 was 1,484.1K resulting in an overspend of 234K. Previously reported slippage to 10/11 to be reduced by 234K. The 124.8K
GCB6010	Purchase Scottish Water Asset	0.0	0.0	9.5									Transfer from revenue
GCF1302	Purchase Payments System	0.0	44.0	40.5								✓	Project complete and less than original estimate
GCK2000	Feasibility Studies: Overall	500.0	407.2	41.2									Feasibility study budget had been transferred to individual codes early in 09/10. Year end recharge adjustment by Finance increased budget again.
GCK2001	CCTV System Lerwick	0.0	118.7	120.1	✓	✓	✓	×	✓	✓	✓	✓	Complete, final A/C accrual made and payment to be processed during 10/11
GCK2002	Contingency & Final A/Cs	100.0	0.6	38.7									Year end recharge adjustment by Finance reduced budget to .6K.
<b>Total</b>		<b>2,214.5</b>	<b>1,864.5</b>	<b>1,471</b>									

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCA**** (Various projects)	Occupational Therapy Rolling Programme	868.8	842.9	781.1							✓		Ongoing Programme (all project stages), underspend of 26.5K over whole programme.
GCA0106	Older People's Rolling Programme for new care places	225.0	40.0	32.1	✓								Study ongoing: Viewforth - investigate options for redevelopment. Taing House and Edward Thomason House - Investigate options for additional beds and St Clements Hall, investigate conversion into additional housing units associated with King Erik House. (Feasibility). Some changes to brief resulted in additional work and awaiting client revenue costings for options. Summary of option costing (Capital ) presented to client.
GCA0231	Fire Upgrades to Care Homes	342.0	181.5	174.5	✓	✓	✓	N/A	✓	✓	✓		<b>ET House</b> - 95% complete just a few days work left, <b>Taing House</b> - date for start of works to be confirmed (work force on schools planned maintenance). <b>Laburnum and Viewforth</b> works likely to take place in summer 2010. Materials all ordered in advance to reduce any delay or disruption on site. Further slippage of 09/10 balance 7K required to 10/11. Note: due to delays in programme of works further budget may be required in 10/11.
GCA0233	Occupational Therapy Resource Centre	100.0	85.9	19.7	✓	✓							Site at Gremista identified, site investigation completed - favourable. Design team in place and design ongoing. Further slippage 30K required to 10/11.
GCA0234	Taing House Capital Maintenance	76.5	0.0	0.0					✓				Works delayed due to unavailability of rooms. Slippage reported to Council
GCA0235	Viewforth Capital Maintenance	40.5	0.0	0.0					✓				Works delayed due to unavailability of rooms. Slippage reported to Council
GCA0237	Eric Gray Resource Centre	0.0	15.0	3.7	✓								Site at Seafeld Identified. Awaiting input from external legal advisor on the ability of the Council to use the land for the purpose of the Resource Centre. Further slippage of 09/10 balance 11.3K required to 10/11.



Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCE1171	Little Tikes	38.3	23.0	44.3	✓	✓	✓	✓	✓	✓	✓		Tender within budget, Contractor appointed and pre start meeting held. Enabling Contract completed earlier than anticipated, previously reported slippage to be reduced by 21.3K 09/10 overspend
GCE1221	Happy Hansel Primary	0.0	0.0	12.5									A climbing frame transferred from revenue
GCE1315	Mid Yell Junior High School	4,000.0	4,468.1	4,283.4	✓	✓	✓	✓	✓	✓	✓		All modules for new school on site and all erected. Programme on schedule for completion 20 October. Further slippage of 09/10 balance 184.6K required to 10/11
GCE3402	Sandwich JHS Additional Support Needs	0.0	0.6	0.5	✓	✓	✓	✓	✓	✓	✓	✓	Project complete other than final retention which has been accrued and will be paid in 10/11
GCE1500	Education Capital Maintenance	1,354.5	1,250.1	124.8									Individual projects are noted below. The total maintenance spend in 09/10 was 1,484.1K resulting in an overspend of 234K. Previously reported slippage to 10/11 to be reduced by 234K. The 124.8K detailed here relates to recharges from Council Departments
XXE1001	Aith Maintenance		1.0	0.0		✓	✓	✓	✓				At design stage - external architects (Design)
XXE1002	AHS Maintenance		45.0	37.3		✓	✓	✓	✓	✓	✓		New sash & case windows for the Old English Block. Detailed design complete and statutory permissions obtained. Tender process commenced
XXE1003	Baltasound Maintenance			8.5							✓	✓	External redecoration final account and retention release. Building control works and heating optimisation.
XXE1004	Bells Brae Maintenance		636.0	627.1					✓	✓	✓	✓	Curtain walling project complete; on programme and on budget. Completed the design of phase 2 & 3 of the air conditioning project as the school have complained about serious over heating. Education instructed us to prioritise this latter project. (Construction) Air Conditioning tenders received 18/01/10

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
XXE1005	Brae Maintenance		0.0	15.9						✓	✓	✓	External redecoration final account and retention release for elastomeric roofing.
XXE1006	Bressay Maintenance		0.0	3.7						✓	✓	✓	Bressay kitchen refurbishment - Final account and retention release.
XXE1007	Burravoe Maintenance		36.0	36.2						✓	✓	✓	Complete
XXE1009	Cunningsburgh Maintenance		33.0	33.2						✓	✓	✓	Complete
XXE1010	Dunrossness Maintenance		0.0	0.2						✓	✓	✓	External redecoration final account and retention release.
XXE1014	Tingwall Maintenance		0.0	3.7						✓	✓	✓	External redecoration final account and retention release.
XXE1016	Hamnavoe Maintenance		12.5	3.6			✓	✓	✓	✓	✓		Roofing works design complete, out to tender
XXE1017	Happyhansel Maintenance		12.5	2.1			✓	✓	✓	✓	✓		Roofing works out to tender. Canteen works scheduled for summer 2010.
XXE1019	Lunnasting Maintenance		0.0	0.4						✓	✓	✓	External redecoration final account and retention release.
XXE1020	Mid Yell Maintenance		1.0	0.1						✓	✓	✓	Complete
XXE1021	Mossbank Maintenance		52.5	52.5						✓	✓	✓	Renewal of defective blockwork and plastering to multicourt. External painterwork final account and retention release.
XXE1022	North Roe Maintenance		0.0	2.9						✓	✓	✓	External redecoration final account and retention release.
XXE1023	Ollaberry Maintenance		0.0	39.7						✓	✓	✓	Structural works to defective blockwork walls and foundations
XXE1024	Olnafirth Maintenance		132.0	132.0			✓	✓	✓	✓	✓	✓	Complete
XXE1027	Sandness Maintenance		0.0	0.2						✓	✓	✓	External redecoration final account and retention release.
XXE1028	Sandwick Maintenance		127.0	126.9			✓	✓	✓	✓	✓	✓	Phase 1 complete and phase 2 being tendered
XXE1029	Scalloway Maintenance		0.0	25.3						✓	✓	✓	External redecoration final account and retention release. Alterations to Technical Room for legislative reasons.
XXE1030	Skeld Maintenance		0.0	0.2						✓	✓	✓	External redecoration final account and retention release.
XXE1027	Sound Maintenance		0.0	28.0						✓	✓	✓	Emergency switchgear renewals following electrical inspection and survey.
XXE1034	Whalsay JHS Maintenance		40.0	39.5						✓	✓	✓	Complete

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
XXE1035	Urafirth Maintenance		0.0	2.1						✓	✓	✓	External redecoration final account and retention release.
XXE1036	Uyeasound Maintenance		0.0	3.5						✓	✓	✓	External redecoration final account and retention release.
XXE1060	Janet Courtney Maintenance		135.0	134.5			✓	✓	✓	✓	✓	✓	Agreed with George McGhee that we can take possession of one floor at a time to upgrade fire doors and to renew the services. Works to one floor as pilot on site and phase one is complete.
GCG0232	Leog Replacement	400.0	105.0	133.7	✓	✓	✓		✓	✓	✓		Project on site. Contract agreed with Hjaltdland Housing association after statutory consents obtained. Progress payments at year end greater than initially anticipated, however additional funding of 15K is required for IT on this project, therefore it is proposed to only reduce 10/11 previously reported slippage by £13,472
GCH3100	Housing Staff Accommodation	9.9	7.9	0.0									Ongoing Programme - provision being reviewed
GCH3102	Housing Chalet Accommodation	11.0	8.8	0.0									Ongoing Programme
GCH3120	Housing Temp Accommodation (Homelessness)	14.4	11.5	0.0									Ongoing Programme
GCH3200	Housing Rolling Programme	0.0	7.1	3.1									Year end recharge budget adjustment by Finance
GCJ3001	Capital Grants to Water Based Facilities	30.0	29.6	21.6							✓		Grant payment to Hamnavoe incorrectly paid from GCL3006 in error, this budget should have been spent in full. Carry forward 5.5K of this apparent balance to GCL3006 in 2010/11 as 210.5K is needed for committed grants***. Small amount of GCJ3001 retention - £382 to be paid in 10/11
GCJ3002	Knab Dyke	71.0	88.0	101.1							✓	✓	Additional drainage works to contract. Overspend of £13K due to additional drainage works
GCJ3003	Play Areas and Park Equipment	210.0	209.5	210.3							✓		Ongoing Programme, on schedule and fully spent in 09/10. Minor overspend
GCJ3006	Capital Grants to Voluntary Organisations (General)	426.0	426.0	221.2							✓		Some committed grants cannot be paid due to legal and contract issues - c/f of 210.5K required to 10/11. *** See comment under GCJ3001 above.

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
G CJ3020	Islesburgh Capital Maintenance	36.0	6.0	13.4							✓	✓	Original work complete however further work required relating to leaks which were discovered when the work was carried out. Previously reported slippage to 10/11 to be reduced by 09/10 7.4K overspend.
GCL4100	Old Library Centre Maintenance	0.0	20.0	0.0									Study on options to be carried out in house, report by Summer 2010
GCL4402	Mareel	2,967.2	1,912.5	1,795.9	✓	✓	✓	✓	✓	✓	✓		Works ongoing on site. Some delays due to severe weather, but contractor anticipates being on programme by May. Slippage of 09/10 balance 116.6K required to 10/11.
GCL4403	Lerwick Library Design Phase	0.0	2.0	0.0									Year end recharge budget adjustment by Finance
UCL5310	Construction Assets	0.0	0.0	27.7									Transfer from revenue
UCL5350	Art & Design Assets	0.0	0.0	84.2									Transfer from revenue
	Shetland College Extension	0.0	0.0	0.0	✓								Feasibility Study completed and approved. Review of study ongoing in parallel to procurement of design team for Phase 3 construction project
<b>Capital Programme</b>		<b>11,221.1</b>	<b>9,741.0</b>	<b>9,448.1</b>									

## PROJECTS FUNDED OUTWITH CAPITAL PROGRAMME

GCA0236	New Temporary Care Home for Lerwick (Montfield) - 100% NHS Funding	0.0	2,050.0	1,436.8							✓		Works commenced on phase 2 (Care Home) on 17 August 2009, anticipated completion July 2010. Works continuing on site to programme
GCE1304	Anderson High School Replacement, including moving Train Shetland from premises at the Knab	15,000.0	2,012.2	1,802.0	✓								Pre-Consultation Study completed. Proposal on relocation to be published early summer 2010, informed by output from Blueprint for Education. Slippage of 09/10 balance 210.2K required to future years.
<b>Programme</b>		<b>15,000.0</b>	<b>4,062.2</b>	<b>3,238.8</b>									

Code	Project Name	Orig Approved Budget inc c/f 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCY5114	South Whiteness Burial Ground	11.0	2.6	2.1	✓	✓	✓	✓	✓	✓	✓	✓	Final snagging work complete
GCY5120	Dunrossness Burial Ground	0.0	0.6	0.0									Year end recharge budget adjustment by Finance
GCY5121	Fetlar Burial Ground	358.1	264.6	191.2	✓	✓	✓	✓	✓	✓			55K saving due to lower tender - some slippage previously identified, further slippage of 40K required to 10/11
GCY5122	Bigton Burial Ground	0.0	5.0	4.4	✓	✓	✓	✓	✓	✓	✓	✓	Final certificate processed
GCY5123	Lund Burial Ground	0.0	3.2	0.8	✓	✓	✓	✓	✓	✓	✓	✓	Final snagging work complete
GCY5124	Bixter Burial Ground	10.0	20.6	3.6	✓	✓	✓	✓	✓				Land purchase problems have resulted in this being delayed
GCY5125	Voe Burial Ground	5.0	5.0	0.6									No response from land owner
GCY5126	Muckle Roe Burial Ground	5.0	17.5	7.5	✓	✓							Land, design and planning almost complete, additional funding this year to do advanced drainage to alleviate problems in existing site. This project to be accelerated due to land purchase problems at Bixter.
GCY5127	Skerries Burial Ground	10.0	10.0	0.6	✓								Design and land investigation
GCY5129	Energy Recovery Plant Update Works	230.0	85.0	20.4	✓	✓	N/A	N/A	N/A	✓			Slippage previously reported, but further slippage of 64.6K now required
GCY5132	Esplanade Toilets	100.0	87.6	180.0	✓	✓	✓	✓	✓	✓	✓	✓	Project complete, and final A/C received from LPA (NB LPA are the client for this & the Harbour House project, they invoice the SIC for a proportion of the costs). Overspend relates to incorrect c/f of budgets and increase of 10K for Architectural Fees -10/11 18K budget to be removed
GCY5133	Rova Head Reinstatement	60.0	74.2	72.9	✓	✓	✓	✓	✓	✓	✓	✓	Individual projects are noted below. The total maintenance spend in 09/10 was 1,484.1K resulting in an overspend of 234K. Previously reported slippage to 10/11 to be reduced by 234K. The 124.8K detailed here relates to recharges from Council Departments
GCY5137	Landfill Phase 2	20.0	52.5	35.2	✓	✓	✓	✓	✓	✓			Out to tender, due back May 2010
GCY5139	Wheelie Bin Purchase	126.0	126.0	82.6	✓	N/A	N/A	N/A	N/A	✓			Slippage of 43.4K required to 10/11
GCY5302	Mass Calibration Lab Equipment	0.0	0.0	(19.2)									Insurance Claim

Code	Project Name	Orig Approved Budget inc c/f 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCY5504	TF Facility Management Software	0.0	100.0	94.7	✓	✓	N/A	N/A	N/A	✓	✓		Building Services had intended to fund this from their revenue savings in 09/10, however, no revenue savings were identified. Slippage of 5.3K required to 10/11
GCY5505	New Mid Yell Workshop	195.0	212.5	193.7	✓	✓	✓		✓	✓	✓		Slippage of 43.4K to 10/11 previously advised, further slippage of 18.8K now required
GCY6000	Roads Rolling Programme	0.0	4.9	0.0									Year end budget adjustment by Finance
GCY6106	Haggersta to Cova A971	70.0	70.1	69.8	✓	✓	✓						Reported separately.
GCY6117	A971 West Burrafirth Junction - Brig Walls	0.0	5.0	20.2	✓								Although scheme is not in proposed 5-year programme, Roads are continuing to progress it to STAG Stage 2 meantime.
GCY6118	Germatwatt Footways	0.0	12.5	5.9	✓	✓							Although scheme is not in proposed 5-year programme, Roads are continuing to progress land acquisition.
GCY6120	A970 Oversund Junction	13.0	13.0	15.6	✓	✓	✓	✓	✓	✓	✓	✓	Complete, apart from retention, 2.6K overspend on 09/10
GCY6121	B9081 Mid Yell Link	260.0	428.1	433.8	✓	✓	✓	✓	✓	✓	✓	✓	Construction complete apart from minor alteration to a kerb line and snagging. Road extended by 100m to rectify various safety hazards - 5.7K overspend 09/10
GCY6122	Papa Stour Road	0.0	96.2	110.9	✓	✓	✓	✓	✓	✓	✓		2009/10 works complete. Resurfacing due in 2010/11 - overspend 14.7K 09/10
GCY6124	A970 Scord to School	0.0	13.4	3.6	✓								Although scheme is not in proposed 5-year programme, Roads advise they must progress design meantime for Planning purposes.
GCY6125	B9071 Bixter to Aith Phase 2	0.0	19.2	7.8	✓	✓							Progressing land acquisition in expectation that the schemes provisional construction date of 2011 will be confirmed.
GCY6126	Sletts Road Sea Wall, Lerwick	0.0	9.5	15.8	✓	✓	✓	✓	✓	✓	✓		Works on site.
GCY6127	Murrister Depot Replacement	180.0	30.0	0.3	✓	✓	✓		✓	✓	✓		Finalising land acquisition. Slippage of 29.7K required to 10/11. Tenders received and contractor appointed on a design and build basis.
GCY6128	Bixter Bus Interchange	160.0	159.3	145.6	✓	✓	✓	✓	✓	✓	✓		Complete apart from minor snagging.

Code	Project Name	Orig Approved Budget inc c/f 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCY6129	B9071 Parkhall to Sand Junction	0.0	0.2	0.0	✓								Although scheme is not in proposed 5-year programme, Roads are continuing to progress it to STAG Stage 2 meantime.
GCY6130	B9082/3 Gutter to Cullivoe	0.0	0.3	4.6	✓								Medium-scale improvements are in proposed 5-year programme. Design will resume shortly.
GCY6131	Gulberwick Road	0.0	0.2	7.4	✓	✓							Although scheme is not in proposed 5-year programme, Roads advise they must progress design meantime for Planning purposes.
GCY6132	Gremista Footways	0.0	0.2	19.1	✓	✓	✓	✓	✓	✓			Funding from 3 Capital Rolling Programmes can be made available in 2010, this scheme is due to start on site in 2010/11
GCY6133	Vidlin Shore Road Footway	0.0	1.2	8.6	✓	✓							Since funding may be available in proposed 5-year rolling programmes, Roads are progressing land acquisition. 7.4K overspend on 09/10
GCY6134	Scalloway East Voe Footway	0.0	6.2	4.6	✓								Since funding may be available in proposed 5-year rolling programmes, Roads are progressing outline design.
GCY6135	Burravoe Yell Footway	0.0	6.2	4.6	✓	✓							Since funding may be available in proposed 5-year rolling programmes, Roads are progressing land acquisition.
GCY6136	Tingwall Footways	0.0	6.2	4.6	✓								Since funding may be available in proposed 5-year rolling programmes, Roads are progressing outline design.
GCY6202	Burra Bridge Walkways	0.0	4.5	0.0	✓	✓	✓	✓	✓				Although not in proposed 5-year programme, Roads advise this scheme may <b>have</b> to be done shortly for safety reasons.
GCY6204	Trondra Bridge Walkways	0.0	2.5	0.0	✓	✓	✓	✓	✓				Although not in proposed 5-year programme, Roads advise this scheme may <b>have</b> to be done shortly for safety reasons.
GCY6205	Laxaburn Bridge	0.0	1.0	10.9	✓	✓							Progressing design of scheme, proposed for construction in 2011/12. 9.9K overspend on 09/10

Code	Project Name	Orig Approved Budget inc c/f 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCY6206	Burnbeach Seawall Scalloway	0.0	1.0	7.7	✓								Although not in proposed 5-year programme, it may be desirable to build this scheme in collaboration with an adjacent developer. 6.7K overspend on 09/10
GCY6207	Strandloch Bridge Tingwall	0.0	3.5	7.7	✓	✓	✓	✓					Although not in proposed 5-year programme, Roads advise this scheme may have to be done shortly for structural reasons. 4.2K overspend on 09/10
GCY6298	Advance Design of Schemes	0.0	121.7	70.0									Evaluating of options for future schemes.
GCY6299	Completed Schemes	0.0	7.3	7.9	N/A	N/A	N/A	N/A	N/A	N/A	✓		Compulsory purchase West Burrafirth to Parkhall, budget previously allocated by council
GCY6401	Scord Quarry Plant Purchases	250.0	250.0	241.8	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	Complete, new budget allocated in 10/11
GCY6405	North Mainland Roads Office	0.0	0.5	0.5	✓	✓		✓	✓	✓	✓		Replacement mess & office for north mainland roads squad. Tenders received and contractor appointed on a design and build basis.
GCY7202	Tingwall Airport (H&SE Works)	500.0	161.0	120.4	✓	✓	✓	✓	✓				Design complete, tenders issued and contract award end Nov 09 Further c/f of 40.6K required to 10/11
GCY7212	Bressay Link	0.0	44.9	26.1	✓								Work underway and Stage 1 reports due by Mar 2010
GCY7213	Whalsay Link	500.0	470.0	407.1	✓								Pending location decision, consultation ongoing
GCY7214	Fetlar Breakwater	300.0	220.0	76.4	✓	✓							Design ongoing - c/f of 143.6K required to 09/10
GCY7254	FMU Rolling Programme	1,080.0	1,251.6	1,241.6	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	Progress on vehicle and plant purchase up to date and within budget
GCY7601	Ferries Minor Works/Purchases	162.0	135.0	131.4	N/A	N/A	N/A	N/A	N/A	N/A	✓		Projects in delivery phase and will be complete by Mar 2010
GCY7603	New Ferry - Yell Service	0.0	121.6	121.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	ISD-07-09 refers, budget previously allocated by council
GCY7626	Ferry Terminals Structural Improvements	261.0	257.0	293.8	✓	✓	✓	✓	✓	✓			CPS progressing Vidlin & Ulsta Ferry Terminal repairs. Overspend due to Laxo repairs
GCY9006	Energy Conservation	0.0	5.5	6.4									Year end recharge budget adjustment by Finance



Code	Project Name	Orig Approved Budget inc c/f 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
GCY9016	Public Toilets	0.0	2.1	0.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	Fully Committed, but hall committee unable to process final claim before year end, 1.6K slippage required to 10/11.
GCY9200	Minor Works	0.0	140.8	156.9									For most of these programmes, there has been good progress on those works ordered.
GCY9201	Development Related Roads	0.0	24.0	25.1									See GCY9200 comment above.
GCY9202	Bridge Replacement	315.0	125.3	124.4									See GCY9200 comment above.
GCY9203	Footways	0.0	100.0	115.5									See GCY9200 comment above, the outturn figure includes GCY interim adjustments.
GCY9204	Street Lighting Replacements	198.0	167.3	116.6									See GCY9203 comment above.
GCY9205	Plant Purchases	0.0	17.0	16.6									See GCY9200 comment above.
GCY9206	Traffic Management	0.0	36.0	27.1									See GCY9203 comment above.
GCY9207	Accident Investigation & Prevention	90.0	90.0	21.9									See GCY9200 comment above.
GCY9208	Minor Works & Purchases Airstrips	18.0	18.0	0.4									Tingwall car park extension should be ordered shortly
GCY9209	Minor Works & Purchases Bus Services	0.0	20.0	32.8									See GCY9200 comment above.
GCY9210	Road Reconstruction	270.0	178.6	134.0									See GCY9200 comment above.
GCY9211	Roads Rolling Drainage Improvements	72.0	48.5	34.4									See GCY9200 comment above.
GCY9212	Roads Rolling Crash Barrier Replacement	135.0	134.3	125.4									See GCY9200 comment above.
GCY9213	20MPH Speed Limits at Schools	360.0	249.7	257.1									Council, the outturn figure includes GCY interim adjustments.
<b>Total Infrastructure General Fund Capital Programme</b>		<b>6,324.1</b>	<b>6,359.0</b>	<b>5,713.9</b>									

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	09/10 Outturn	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
RCM2208	Scalloway Dredging Consents	0.0	0.0	1.8	✓	✓	✓	✗	✓				Planning consent work carried out 09/10 - reduce 10/11 budget by £1,815. Tender due early June, anticipate contractor on site late August
RCM2309	Peerie Dock Symbister	0.0	5.7	5.6	✓								No further work to be undertaken until final decision on Whalsay Ferry Terminal
RCM2314	Uyeasound Harbour Development	0.0	239.2	220.1	✓	✓	✓	✓	✓	✓	✓	✓	Site works complete, final account due 10/11. Accrual for final account made at year end. Funding from HIE received.
RCM2315	Scalloway Water Main	50.0	3.0	2.2									Project slippage of £824 to 10/11 request required
RCM2316	Walls Pier	100.0	140.0	109.0	✓	✓							Project slippage of £30,946 to 10/11 request required. Consents in progress
RCM2313	Tugs for Sellaness	11,152.0	13,245.4	10,266.0	✓	✓	✓	✗	✓	✓	✓		Committed (ring fenced) project - c/f of balance to 10/11 required *£2,980,845
PCM2101	Plant Vehicles & Equipment	150.0	150.0	76.6									Balance of £73,402 fully committed c/f to 10/11 required
PCM2104	Navigational Aids - Sullom Voe	70.0	70.0	17.1									Balance of £52,891 fully committed c/f to 10/11 required
<b>Total</b>		<b>11,522.0</b>	<b>13,853.3</b>	<b>10,698.4</b>									

Code	Project Name	Original Approved Budget 2009/10 £000	Amended Budget 2009/10 £000	2009/10 Outturn £000	Feasibility / Options	Outline Design	Consents	Land	Full Design	Tender	Construction / Implementation	Completion	Status as at 31 March 2010 (budget information relates to period 12/13 of 2009/10)
HCH3303	Land & Property Acquisition	678.8	678.2	505.2	✓	✓							Delays in pursuing options - internal fees due - est outturn 370K
HCH3404	Environmental Improvements	259.3	259.2	180.7	✓	✓	✗	✗	✓	✓	✓		One contract completed, retentions due on previous - est outturn 160K
HCH3512	Community Care Projects	107.1	107.1	128.5	✓	✓	✓	✗	✓	✓	✓		Unst extra care conversions.
HCH3525	Feasibility Studies	25.7	25.7	43.3	✓								Internal fees due.
HCH3526	Opportunity Conversion	124.9	124.8	73.9	✓	✓	✓	✗	✓	✓	✓		One conversion completed.
HCH3706	Heating Replacement Programme	157.1	157.1	129.1	✓	✓							Mossbank contract complete.
HCH3708	External Re-render Programme	387.8	387.8	216.6	✓		✗	✗					Impact of delays on last years contracts slowed programme down.
HCH3709	Landward Crudens	0.0	28.4	17.8								✓	Retentions due but not completed
HCH3710	Lerwick Crudens	1,146.9	1,118.6	633.9	✓	✓		✗					Phase 1 completed. Phase 2 progressing through planning/building warrant -decant programme agreed. Est outturn 550K. To go out to tender end April 2010.
HCH3711	Retentions/ Final Accounts	40.0	40.0	3.4	✗	✗	✗	✗	✗	✗	✗	✓	Individual projects are noted below. The total maintenence spend in 09/10 was 1,484.1K resulting in an overspend of 234K. Previously reported slippage to 10/11 to be reduced by 234K. The 124.8K detailed here relates to recharges from Council Departments
HCH3712	Housing Quality Standard	360.0	360.0	319.1	✓	✓	✗	✗	✓	✓	✓	✓	Kitchen replacement contract complete.
HCH3714	Replacement MIS System	200.0	200.0	0.2	✓	✗	✗	✗	✗	✓			Delays in tendering process - slippage required to 2010/11.
HCH3800	Capital Rec/ Sale Council Houses	(890.0)	(890.0)	(632.4)	✗	✗	✗	✗	✗	✗	✗	✗	Slow down in RTB Sales due to mortgage availability.
HCH3801	Capital Rec - Sale of Land	0	0	(5.0)	✗	✗	✗	✗	✗	✗	✗	✗	
<b>Total HRA Capital Programme</b>		<b>2,597.6</b>	<b>2,596.9</b>	<b>1,614</b>									



## General Fund

Service Area	Project Cost Centre	General Fund Projects	Existing Budget Allocation	CPS-12-10 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	7,053	318,053
Community Care	GCA0233	Joint Occupational Therapy Centre	2,700,000	30,000	2,730,000
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	11,328	786,328
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	328,892		328,892
Community Care	GCA1005	SC RP Housing Renovations	25,831		25,831
Community Care	GCA1006	SC RP Professional Fees	24,528		24,528
Community Care	GCA1007	SC RP Specialist Aids Reurbishment	45,868		45,868
Community Care	GCA1008	Sensory Impairment	20,000		20,000
Childrens Service	GCG0232	Leog Replacement	295,000	(13,472)	281,528
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	(21,322)	336,678
Schools	GCE1315	Mid Yell JHS	3,350,000	184,669	3,534,669
Schools	GCE1500	Education Capital Maintenance	1,813,000	(234,034)	1,578,966
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	210,496	510,496
Sport & Leisure	GCJ3020	Islesburgh Maintenance	30,000	(7,405)	22,595
Culture	GCL4100	Maintenance RP - Old Library Centre	85,000		85,000
Culture	GCL4402	Cinema and Music Venue	1,587,500	116,611	1,704,111
Culture	GCL6000	Maintenance RP - Train Shetland	100,000		100,000
Culture	UCL5203	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	77,500		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	150,000		150,000
Development	GCD1576	Fibre Optic Cable	1,100,000		1,100,000
Environment	GCY5121	Fetlar Burial Ground	38,000	40,000	78,000
Environment	GCY5124	Bixter Burial Ground	10,000		10,000
Environment	GCY5125	Voe Burial Ground	0		0
Environment	GCY5126	Muckle Roe Burial Ground	364,500		364,500
Environment	GCY5129	Energy Recovery Plant	195,000	64,593	259,593
Environment	GCY5132	Replacement Esplanade Toilets	18,000	(18,000)	0
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	43,422	102,922
Environment	GCY5200	Public Toilets Essential Maintenance	60,000		60,000
Environment	GCY9016	Public Toilets Grant Funding	0	1,625	1,625
Building Services	GCY5501	Maintenance RP - Recladding Gremista Workshop	564,000		564,000
Building Services	GCY5504	FT Facility Management Software	0	5,332	5,332
Building Services	GCY5505	New Mid Yell Workshop	42,500	18,809	61,309
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	29,748	279,748
Roads	GCY6129	B9071 Parkhall to Sand Junction	20,000		20,000
Roads	GCY6130	B9082/3 Gutter to Cullivoe	50,000		50,000
Roads	GCY6131	Gulberwick Road	15,000		15,000

Service Area	Project Cost Centre	General Fund Projects cont...	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
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
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
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	150,000		150,000
Transport	GCY7202	Tingwall Airport (H&SE Works)	338,000	40,617	378,617
Transport	GCY7213	Whalsay Link	1,000,000		1,000,000
Transport	GCY7214	Fetlar Breakwater	2,600,000	143,609	2,743,609
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
			0		0
		Sub Total	31,567,184	653,679	32,220,863
Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour)	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
Port Operations	RCM2208	Scalloway Dredging	3,000,000	(1,815)	2,998,185
Port Operations	RCM2315	Scalloway Water Main	287,000	824	287,824
Port Operations	RCM2316	Walls Pier	1,400,000	30,946	1,430,946
			0		0
			0		0
		Sub Total	4,687,000	29,955	4,716,955
		General Fund Total	36,254,184	683,634	36,937,818

Harbour Account

Service Area	Project Cost Centre	Funded directly from Harbour Account	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	PCM2101	Ports & Harbours Plant & Equipment	70,000	73,402	143,402
Ports & Harbours	PCM2104	Ports & Harbours Nav Aids	70,000	52,891	122,891
		Sub Total	140,000	126,293	266,293
Service Area	Project Cost Centre	Funded through debt charges from the Harbour Account	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	RCM2313	Sellaness Tugs	361,500	2,980,845	3,342,345
		Sub Total	361,500	2,980,845	3,342,345
		Harbour Account Total	501,500	3,107,138	3,608,638
Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by financial arrangement.	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
Schools	GCE1304	AHS New Build	15,000,000	210,212	15,210,212
		AHS Financing Arrangement Total	15,000,000	210,212	15,210,212

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure	Existing Budget Allocation	CPS-12-10 Adjustments	Proposed Budget Allocation
HRA	HCH3303	Land/Property Acquisition	678,851		678,851
HRA	HCH3304	Ground Works at Brae	300,000		300,000
HRA	HCH3305	Ground Works at Hoofields	950,000		950,000
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	199,817	199,817
HRA	HCH3800	Cap Rec/Sale Council Houses	(889,886)		(889,886)
		HRA Total	3,847,645	199,817	4,047,462
Total Overall Capital Budget			55,603,329	4,200,801	59,804,130



## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Head of Capital Programming**

**Report No.: CPS-13-10-F**

**Subject: Indicative 5-year Capital Programme**

### **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. The Finance Review Working Group considered this report on 10 May 2010.
- 1.3 The Council considered and approved a report that explained the principles of the 'gateway' process on 24 March 2010 (Min Ref: 47/10). That report presented a process and documents for assisting in the assessment of capital projects.
- 1.4 The Council considered and approved a report that set out the process for prioritising projects that have been through the above 'gateway' process on 19 May 2010 (Min Ref: 75/10).
- 1.5 This report provides an update on the prioritisation process and presents an indicative 5-year capital programme for information, comment and decision.

### **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 and Prioritisation Process are key steps 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 Councillors agreed at the meeting of 24 March 2010 to adopt the Gateway Process as the first step towards setting a sustainable 5-year Capital Programme.
- 3.3 Councillors agreed a process for prioritising those projects that have been assessed under the 'gateway' process on 19 May 2010.
- 3.4 Service Need Cases (SNCs) have been prepared for the majority of projects currently planned for years 2011/ 12 through to 2014/ 15, with the balance expected by early July.

### **4.0 Proposal**

- 4.1 I have attached the indicative 5-year capital programme as Appendix A.
- 4.2 This indicative programme takes account of final outturn spend from 2009/10 (the subject of a separate report) and predicted slippage in 2010/11, where this information is currently available to Capital Programme Service.
- 4.3 I have highlighted the projects where budgets have been re-profiled in line with predicted slippage in 2010/11.
- 4.4 It should be noted that any decision taken as a result of the Lerwick Long Term Care Project feasibility study (the subject of a separate report) will likely result in re-profiling of other Social Care projects
- 4.5 In terms of developing the Capital Programme for years 2011/12 through to 2014/15 it must be recognised that the scale of the currently approved General Fund capital programme for 2010/11 will be very challenging to deliver. With slippage from 09/10 this will total £36.938m, but could be reduced to £29.633m if Members approve slippage as indicated in Appendix B.
- 4.6 It is suggested the AHS Financing Arrangement be re-profiled resulting in a reduction of £14m to the 2010/11 Capital Programme against this heading.
- 4.7 It is expected that, for this year, the rationalisation process prior to October 2010 will involve significant re-programming of projects currently in year 2010/11, based on evidence of slippage as that information becomes available.



## **5.0 Member Involvement**

- 5.1 At each stage of the prioritisation process, an update will be presented to Members with a covering report for information and approval.
- 5.2 The next stage will be for Members to consider the Service Need Case reports. The appraisal team will consider all these reports in time for them to be presented to Full Council on 15 September 2010.

## **6.0 Timing**

- 6.1 The proposed timing of the next stages is as follows:
  - Service Need Case reports to be presented to Full Council for approval on 15 September 2010.
  - Rationalised version of 5-year capital programme to be reported to Full Council for approval on 27 October 2010

## **7.0 Financial Implications**

- 7.1 Approved Budget Strategy for 2010/11 for the General Fund Capital Programme recommends a five year spending target of £100 million to provide extra flexibility, allowing one year to be higher or lower than average so long as the average is maintained over five years.
- 7.2 The slippage from 2009/10 in Report CPS-12 (also on this agenda) results in a General Fund Capital Programme budget of £36.938m for 2010/11.
- 7.3 The further proposed slippage amendments from 2010/11 in this report (see Appendix B attached) will decrease the General Fund Capital Programme budget in 2010/11 by £7.305m, resulting in a possible draw on Reserves to £29.633m in 2010/11, leaving a potential £70.367m budget for the next four years of the Capital Programme.
- 7.4 The AHS Financing Arrangement re-profile will result in a reduction of £14m in the 2010/11 Capital Programme.
- 7.5 There is no re-profiling required to the ring-fenced 2010/11 Harbour Account or Housing Revenue Account Programmes at this stage.
- 7.6 The 'gateway' process will further enable appropriate scrutiny of projects and the prioritisation process will ensure that the Capital Programme is managed to enable the Council to maximise the most beneficial 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:

- 9.1.1 Note the content of the indicative 5-year capital programme and the amendments that are highlighted, and;
- 9.1.2 provide feedback that can be incorporated into a final proposal, scheduled for presentation on 27 October 2010, and;
- 9.1.3 approve the allocation of slippage detailed in Appendix B.

Our Ref: RMS/RS/CPS-13-10-D2

17 June 2010

Encs. Appendix A – Indicative 5-year Capital Programme June 2010  
Appendix B – Summary of Budget Adjustments to 2010/11

## Summary of Bids for Years 1-5

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Actual	Provisional	Provisional	Provisional	Provisional	
	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Agreed by Council	30/06/2010?	n/a	n/a	n/a	n/a	n/a
<b>Total Funding Available</b>	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	100,000,000
<b>General Fund &amp; Reserve</b>						
Committed	6,856,463	635,724	194,000	237,000	234,000	8,157,187
Rolling Programmes	10,108,686	9,169,419	8,623,201	8,140,579	7,218,163	43,260,048
<b>Sub Total</b>	16,965,149	9,805,143	8,817,201	8,377,579	7,452,163	51,417,235
Balance available for new projects	3,034,851	10,194,857	11,182,799	11,622,421	12,547,837	48,582,765
New Projects Bids	12,667,669	19,084,000	15,318,000	8,145,000	4,560,000	59,774,669
<b>Total General &amp; Reserve Fund Bids</b>	29,632,818	28,889,143	24,135,201	16,522,579	12,012,163	111,191,904
<b>Variance General / Reserve Fund</b>	(9,632,818)	(8,889,143)	(4,135,201)	3,477,421	7,987,837	(11,191,904)

<b>Other A/Cs (Ring Fenced)</b>						
Harbour A/C	3,608,638	340,000	140,000	140,000	140,000	4,368,638
AHS Financing Arrangement	1,210,212	2,000,000	5,000,000	15,000,000	15,000,000	38,210,212
Housing (HRA)	4,047,462	2,597,645	2,597,645	2,597,645	2,597,645	14,438,042
<b>Sub Total</b>	8,866,312	4,937,645	7,737,645	17,737,645	17,737,645	57,016,892

<b>Total All Funds</b>	<b>38,499,130</b>	<b>33,826,788</b>	<b>31,872,846</b>	<b>34,260,224</b>	<b>29,749,808</b>	<b>168,208,796</b>
					<b>Years 6-10</b>	<b>22,976,600</b>
					<b>Future Years</b>	<b>84,869,000</b>
						<b>276,054,396</b>

## 5 Year Capital Programme - Proposed Budgets as at 30-06-10

## CPS-13-10 Appendix A

Ongoing **Committed** projects

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Ness Of Sound Farm	12,000	12,000	12,000	12,000	12,000	60,000
Final A/Cs Contingency	100,000	100,000	100,000	100,000	100,000	500,000
Water Based Facilities (Marinas)	382	0	0	0	0	382
Energy Recovery Plant	259,593	85,000	82,000	125,000	122,000	673,593
Public Toilets Grant Funding	1,625	0	0	0	0	1,625
Rova Head Reinstatement	10,000	0	0	0	0	10,000
Cinema and Music Venue (ongoing)	1,704,111	278,724	0	0	0	1,982,835
B9081 Mid Yell (Hillend Section)	10,000	0	0	0	0	10,000
Little Tikes	336,678	10,000	0	0	0	346,678
Mid Yell JHS (ongoing)	3,534,669	150,000	0	0	0	3,684,669
Leog Replacement	281,528	0	0	0	0	281,528
Care Homes Fire Upgrade	318,053	0	0	0	0	318,053
<b>Sub Total</b>	<b>6,568,639</b>	<b>635,724</b>	<b>194,000</b>	<b>237,000</b>	<b>234,000</b>	<b>7,869,363</b>

Reserve Fund						
Water Main, Scalloway	287,824	0	0	0		287,824
<b>Sub Total</b>	<b>287,824</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>287,824</b>

### Total Committed Projects

<b>6,856,463</b>	<b>635,724</b>	<b>194,000</b>	<b>237,000</b>	<b>234,000</b>	<b>8,157,187</b>
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### Rolling Programmes

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Copper Pipework Replacement	150,000	150,000	150,000	150,000	150,000	750,000
Disability Discrimination Act Works	100,000	100,000	100,000	100,000	100,000	500,000
Feasibility Studies	400,000	400,000	400,000	400,000	400,000	2,000,000

# 5 Year Capital Programme - Proposed Budgets as at 30-06-10

# CPS-13-10 Appendix A

## Rolling Programmes

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Burial Ground Rolling Programme	<i>see below</i>	<i>see below</i>	<i>see below</i>	<i>see below</i>	<i>see below</i>	0
<i>Fetlar Burial Ground</i>	78,000	0	0	0	0	78,000
<i>Bixter Burial Ground (Updated)</i>	10,000	453,000	12,000	0	0	475,000
<i>Voe Burial Ground (Updated)</i>	0	10,000	419,000	8,000	0	437,000
<i>Muckle Roe Burial Ground (Updated)</i>	364,500	228,000	8,500	0	0	601,000
<i>Skerries Burial Ground (Updated)</i>	0	0	10,000	250,000	6,250	266,250
Wheelie Bins	102,922	44,500	37,000	37,000	37,000	258,422
Public Toilets Essential Maintenance	60,000	60,000	60,000	60,000	60,000	300,000
Housing Staff Accommodation	10,969	10,969	10,969	10,969	10,969	54,845
Housing Chalet Accommodation	12,175	12,175	12,175	12,175	12,175	60,875
Skerries/Foula School House Maintenance	100,000	0	0	0	0	100,000
Housing Temporary Accom (Homelessness)	16,025	16,025	16,025	16,025	16,025	80,125
PC & LAN Replacement	278,000	203,000	257,000	202,000	202,000	1,142,000
SSIS Upgrade	77,500	0	0	0	0	77,500
Schools ICT Equipment	395,000	395,000	395,000	395,000	395,000	1,975,000
Photocopier Replacement	75,000	75,000	75,000	75,000	75,000	375,000
Shetland Public Sector Network	251,000	238,000	250,000	256,000	256,000	1,251,000
ICT Planning Project	150,000	0	0	0	0	150,000
Roads Rolling Programme	<i>see below</i>	<i>see below</i>	<i>see below</i>	<i>see below</i>	<i>see below</i>	0
Advanced Design of Schemes	170,000	150,000	130,000	100,000	100,000	650,000
Scord Quarry Fixed Plant Replace	250,000	250,000	250,000	250,000	250,000	1,250,000
North Mainland Roads Office	74,500	0	0	0	0	74,500
<i>General Minor Road Improvements &amp; Purchases</i>	100,000	100,000	100,000	100,000	100,000	500,000
Development-Related Road Improvements	60,000	100,000	200,000	200,000	200,000	760,000
<i>Roads Rolling Bridge Replacements</i>	350,000	350,000	350,000	350,000	350,000	1,750,000
Footways Improvements	250,000	100,000	100,000	100,000	100,000	650,000
<i>Roads Rolling Streetlighting Replacement</i>	200,000	200,000	200,000	200,000	200,000	1,000,000
Traffic Management Road Improvements	50,000	100,000	110,000	140,000	140,000	540,000
<i>Roads Rolling Accident Investigation &amp; Prevention</i>	100,000	100,000	100,000	100,000	100,000	500,000
<i>Roads Rolling Air Service</i>	20,000	20,000	20,000	20,000	20,000	100,000
Bus Service Infrastructure Development	40,000	40,000	60,000	60,000	60,000	260,000

# 5 Year Capital Programme - Proposed Budgets as at 30-06-10

# CPS-13-10 Appendix A

## Rolling Programmes

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Roads Rolling Road Reconstruction	300,000	500,000	500,000	300,000	300,000	1,900,000
Roads Rolling Roads Drainage Improvements	80,000	80,000	80,000	80,000	80,000	400,000
Roads Rolling Crash Barrier Replacement	150,000	150,000	150,000	150,000	150,000	750,000
Roads Rolling Speed Limits for Schools	150,000	0	0	0	0	150,000
Education Capital Estate Maintenance (Updated)	see below	see below	see below	see below	see below	0
Aith Maintenance	12,500	300,000	133,000	0	tba	445,500
AHS Maintenance	70,000	73,000	10,000	10,000	tba	163,000
AHS Maintenance Old English Block	300,000	250,000	0	0	tba	550,000
Baltasound Maintenance	5,000	110,000	105,000	0	tba	220,000
Bells Brae Maintennace	295,700	60,000	0	0	tba	355,700
Brae JHS Maintennace	34,000	0	0	165,000	tba	199,000
Burravoe Maintenance	0	100,000	0	0	tba	100,000
Cullivoe Maintenance	5,000	0	0	0	tba	5,000
Cunningsburgh Maintenance	30,000	0	0	0	tba	30,000
Dunrossness Maintenance	5,000	0	0	30,000	tba	35,000
Foula Maintenance	50,000	0	0	0	tba	50,000
Hamnavoe Maintenance	175,000	0	0	0	tba	175,000
Happyhansel Maintenance	156,500	60,000	60,000	0	tba	276,500
Lunnasting Maintenance	0	0	50,000	0	tba	50,000
Mossbank Maintenance	40,000	0	0	30,000	tba	70,000
North Roe Maintenance	10,000	0	0	0	tba	10,000
Ollaberry Maintenance	16,000	0	0	0	tba	16,000
Olnefirth Maintenance	30,000	0	0	0	tba	30,000
Sandwick Maintenance	120,000	53,000	90,000	140,000	tba	403,000
Scalloway Maintenance	5,000	0	0	0	tba	5,000
Sound Maintenance	7,000	145,700	100,000	0	tba	252,700
Whalsay JHS Maintenance	50,000	0	0	150,000	tba	200,000
Urafirth Maintenance	0	0	50,000	0	tba	50,000
Whiteness Maintenance	0	0	0	50,000	tba	50,000
Janet Courtney Maintenance	142,266	172,734	125,000	125,000	tba	565,000
Old Bruce Hostel Maintenance	0	0	75,000	0	tba	75,000
New Bruce Hostel Maintenance	20,000	0	0	0	tba	20,000

## 5 Year Capital Programme - Proposed Budgets as at 30-06-10

## CPS-13-10 Appendix A

### Rolling Programmes

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Social Care Rolling Programme	see below	see below	see below	see below	see below	
SC RP Inspection Health & Safety - No 5	26,465	27,789	29,178	30,637	31,403	145,472
SC RP Building Fabric - No 5	41,850	43,942	46,139	48,448	49,659	230,038
SC RP Electrical Sys Upgrade - No 5	38,542	40,469	42,493	44,618	45,733	211,855
SC RP Mechanical Sys Upgrade - No 5	16,492	17,317	18,183	19,092	19,569	90,653
SC RP Plant Equip Replacements - No 5	2,160	2,268	2,381	2,500	2,563	11,872
SC RP Safety Surfaces - No 5	22,055	23,158	24,316	25,532	26,170	121,231
Additional Care Home Beds	185,000	0	0	0	0	185,000
SC RP Special Studies - No 5	2,129	2,236	2,348	2,465	2,527	11,705
SC RP Special Aids Stock Items - No 5	94,685	99,419	104,390	109,609	112,349	520,452
SC RP Specialist Aids - No 5	277,433	291,305	305,870	321,163	329,192	1,524,963
SC RP Minor Adaptions - No 5	46,703	49,038	51,490	54,065	55,417	256,713
SC RP Major Adaptions - No 5	328,892	240,336	252,353	264,971	271,595	1,358,147
SC RP Housing Renovations - No 5	25,831	153,123	160,779	168,818	173,038	681,589
SC RP Professional Fees - No 5	24,528	25,754	27,042	28,394	29,104	134,822
SC RP Specialist Aids Reurbishment - No 5	45,868	48,162	50,570	53,098	54,425	252,123
SC RP Sensory Impairment - No 5	20,000	0	0	0	0	20,000
Refurbishment of Play Areas & Park Equip - No 3	175,000	175,000	175,000	175,000	175,000	875,000
Community Organisation Grants No 4	510,496	300,000	300,000	300,000	300,000	1,710,496
Vehicle & Plant Replacement Programme	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
Ferries Capital Rolling Programme	180,000	180,000	180,000	180,000	180,000	900,000
Urgent Repairs to Ferry Terminals	290,000	290,000	290,000	290,000	290,000	1,450,000
<b>Rolling Programmes Total</b>	<b>10,108,686</b>	<b>9,169,419</b>	<b>8,623,201</b>	<b>8,140,579</b>	<b>7,218,163</b>	<b>43,260,048</b>

### Bids for New / Future projects

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Lystina House - maintenance	15,000	0	0	0	0	15,000
Taing House - maintenance	76,500	0	0	0	0	76,500
Viewforth - maintenance	40,500	0	0	0	0	40,500
4 Market Street - maintenance	0	0	0	125,000	0	125,000

## Bids for New / Future projects cont

## CPS-13-10 Appendix A

Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
6 Hillhead (Family History Group) - maintenance	0	20,000	0	0	0	20,000
Islesburgh - maintenance	22,595	0	0	0	0	22,595
Old Library Centre - maintenance	85,000	0	0	0	0	85,000
Train Shetland - maintenance	100,000	0	0	0	0	100,000
Shetland College Extension (NB SIC costs only)	500,000	1,200,000	663,000	150,000	0	2,513,000
Old Craigielea - maintenance	50,000	0	0	0	0	50,000
TF Facility Management Software	5,332	0	0	0	0	5,332
Recladding Gremista Workshop	564,000	69,000	0	0	0	633,000
New Mid Yell Workshop	61,309	0	0	0	0	61,309
Weathersta - Depot Buildings - maintenance	10,000	0	0	0	0	10,000
Gremista Landfill Phase 2	2,600,000	110,000	0	0	0	2,710,000
Papa Stour Road	15,000	0	0	0	0	15,000
A970 Scord to School	20,000	0	0	0	0	20,000
B9071 Bixter to Aith Phase 2 <b>SNC Updated</b>	150,000	1,400,000	500,000	50,000	0	2,100,000
Breiwick Road Sea Wall	250,000	0	0	0	0	250,000
Murraster Depot Replacement	279,748	0	0	0	0	279,748
B9071 Parkhall to Sand Junction (Design only)	20,000	20,000	5,000	0	0	45,000
B9082/3 Gutter to Cullivoe <b>No SNC</b>	50,000	150,000	100,000	0	0	300,000
Gulberwick Road (Design only)	15,000	15,000	0	0	0	30,000
Laxaburn Bridge Replacement <b>No SNC</b>	0	250,000	0	0	0	250,000
Strand Loch Bridge, Tingwall <b>No SNC</b>	0	450,000	0	0	0	450,000
Joint OT Resource Centre - No 8	530,000	2,000,000	200,000	0	0	2,730,000
Eric Gray Replacement - No 11	236,328	3,000,000	2,050,000	320,000	0	5,606,328
Laburnum No 16 - New Build	0	200,000	1,300,000	300,000	50,000	1,850,000
Laburnum No 16 - Refurbishment/Extension	0	0	100,000	540,000	10,000	650,000
Viewforth Replacement - No 17	400,000	2,500,000	1,500,000	400,000	0	4,800,000
Isleshavn Replacement - No 18	300,000	2,700,000	2,000,000	160,000	0	5,160,000
Laburnum - maintenance	20,000	0	0	0	0	20,000
Fibre Optic Cable	1,100,000	0	0	0	0	1,100,000
Tingwall Airport H&SE Works	378,617	0	0	0	0	378,617
Whalsay Link	100,000	500,000	6,400,000	6,000,000	4,500,000	17,500,000
Fetlar Breakwater	643,609	2,000,000	100,000	0	0	2,743,609
Skerries South Mouth	200,000	0	0	0	0	200,000
Sub Total	<b>8,838,538</b>	<b>16,584,000</b>	<b>14,918,000</b>	<b>8,045,000</b>	<b>4,560,000</b>	<b>52,945,538</b>



Reserve Fund				CPS-13-10 Appendix A		
Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Fund	Actual	Provisional	Provisional	Provisional	Provisional	
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Fish Market Roof, Scalloway	0	0	150,000	0	0	150,000
Old Breakwater, Symbister	0	0	150,000	0	0	150,000
Skerries Pier	0	0	0	100,000	0	100,000
Scalloway Dredging	2,998,185	0	0	0	0	2,998,185
Walls Pier	830,946	2,500,000	100,000	0	0	3,430,946
Sub Total	3,829,131	2,500,000	400,000	100,000	0	6,829,131
Total New / Future Bids	12,667,669	19,084,000	15,318,000	8,145,000	4,560,000	59,774,669

#### Other Accounts (Ring Fenced Expenditure)

Harbour Account	Committed & Future Projections					
Project	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Actual	Provisional	Provisional	Provisional	Provisional	Provisional
Note: Base prices 2008/2009	10/11	11/12	12/13	13/14	14/15	Yrs. 1-5
Tugs for Sellaness	3,342,345	0	0	0	0	3,342,345
Sub Total	3,342,345	0	0	0	0	3,342,345
Plant, Vehicles & Equipment	143,402	70,000	70,000	70,000	70,000	423,402
Navigational Aids - SV	122,891	70,000	70,000	70,000	70,000	402,891
Sub Total	266,293	140,000	140,000	140,000	140,000	826,293
Tug Jetty CP System	0	200,000	0	0	0	200,000
Sub Total	0	200,000	0	0	0	200,000
Total	3,608,638	340,000	140,000	140,000	140,000	4,368,638

# 5 Year Capital Programme - Proposed Budgets as at 30-06-10

# CPS-13-10 Appendix A

## Other Accounts (Ring Fenced Expenditure) cont...

AHS Financing Arrangement	Committed & Future Projections					
AHS New Build	1,210,212	2,000,000	5,000,000	15,000,000	15,000,000	38,210,212

Housing Revenue Account	Committed & Future Projections					
Land & Property Acquisition	678,851	678,851	678,851	678,851	678,851	3,394,255
Ground Works at Brae	300,000	0	0	0	0	300,000
Ground Works at Hoofields	950,000	0	0	0	0	950,000
Enviromental Improvements	259,266	259,266	259,266	259,266	259,266	1,296,330
Community Care Projects	107,103	107,103	107,103	107,103	107,103	535,515
Feasibility Studies	25,655	25,655	25,655	25,655	25,655	128,275
Opportunity Conversion	124,862	124,862	124,862	124,862	124,862	624,310
Heating Replacement Programme	157,103	157,103	157,103	157,103	157,103	785,515
Re-harling Programme	387,758	387,758	387,758	387,758	387,758	1,938,790
Lerwick Crudens	1,146,933	1,146,933	1,146,933	1,146,933	1,146,933	5,734,665
Retentions/Final Accounts	40,000	40,000	40,000	40,000	40,000	200,000
Housing Quality Standard	560,000	560,000	560,000	560,000	560,000	2,800,000
Replacement MIS system	199,817	0	0	0	0	199,817
Capital Rec-Sale Council Houses	(889,886)	(889,886)	(889,886)	(889,886)	(889,886)	(4,449,430)
	4,047,462	2,597,645	2,597,645	2,597,645	2,597,645	14,438,042

<b>Total</b>	<b>8,866,312</b>	<b>4,937,645</b>	<b>7,737,645</b>	<b>17,737,645</b>	<b>17,737,645</b>	<b>57,016,892</b>
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## Bids for New / Future projects - Desirable Prioritisation

Project	Total
<b>Note: Base prices 2008/2009</b>	<b>Yrs. 6-10</b>
Energy Recovery Plant wind Turbine	1,500,000
Shetland College Extension (No 12) b/f	0
B9071 Parkhall to Sand Junction	500,000
Burra Bridge	100,000
Trondra Bridge	100,000
Burn Beach Sea Wall, Scalloway	250,000
Walls Drainage Improvement	250,000
Gremista Roads Store Replacement	200,000
B9071 Laxo to Vidlin	50,000

## Bids for New / Future projects - Desirable Prioritisation

Project	Total
<b>Note: Base prices 2008/2009</b>	<b>Yrs. 6-10</b>
B9122 Bigton Loop Road	150,000
A970 Hillswick Junction to Urafirih	50,000
SC RP Care Homes Additional Beds (No 9)	11,975,000
Sandwick JHS Additional Classrooms (No 20)	451,600
Happyhansel PS Additional Classrooms (No 21)	300,000
Fernlea (Whalsay) SCT	60,000
Freefield Centre	40,000
Sella Ness Pier	7,000,000
<b>Total Years 6-10</b>	<b>22,976,600</b>

## 5 Year Capital Programme - Proposed Budgets as at 30-06-10

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### Bids for New Projects - Future Years

Project	Total
Note: Base prices 2008/2009	Future
11 Hill Lane - maintenance	30,000
2-4 Bank Lane - maintenance	20,000
Quendale House - maintenance	100,000
Town Hall Further Planned Improvements	352,000
Rural Toilets Spiggie	100,000
Rural Toilets Sands of Sound	100,000
Energy Recovery Plant Water Jacket	420,000
Burial Grounds Software Package	50,000
Lerwick Library Redevelopment (No 15)	2,477,000
A971 Haggersta to Cova	2,100,000
A971 W Burrafirth Junction to Brig o' Walls	3,150,000
Papa Stour Road - Cost Unknown	0
Gulberwick Road - Cost Unknown	0
Strand Loch Bridge, Tingwall b/f	0
Roads Testing Laboratory move from Hayfield	100,000
Germatwatt Footways	1,300,000
	0

Project	Total
Note: Base prices 2008/2009	Future
Lerwick Primary Provision (No 14) - Cost Unknown	0
Halls of Residence (No 23) - Cost Unknown	0
Scalloway JHS Science Block (No 24)	300,000
Family Centre (No 19) - Cost Unknown	0
Leog - maintenance	70,000
Water Based Facilities (Marinas) (No 4)	2,000,000
Indoor Childrens Activity Centre (No 22)	850,000
Offices for Transport Service	550,000
Whalsay Ferry	8,000,000
Fetlar Breakwater b/f	2,600,000
Bluemull Sound	18,800,000
Yell marshalling areas	2,000,000
Bressay Tunnel	34,400,000
Skerries South Mouth b/f	0
Scalloway Dredging b/f	0
West Pier Scalloway	5,000,000
Total Future Years	<b>84,869,000</b>



## General Fund

Service Area	Project Cost Centre	General Fund Projects	Proposed CPS-12-10 Budget Allocation	CPS-13-10 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	318,053		318,053
Community Care	GCA0233	Joint Occupational Therapy Centre	2,730,000	(2,200,000)	530,000
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	786,328	(550,000)	236,328
Community Care	GCA0238	Viewforth Replacement	400,000		400,000
Community Care	GCA0239	Isleshavn Replacement	500,000	(200,000)	300,000
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 Adaption	46,703		46,703
Community Care	GCA1004	SC RP Major Adaption	328,892		328,892
Community Care	GCA1005	SC RP Housing Renovations	25,831		25,831
Community Care	GCA1006	SC RP Professional Fees	24,528		24,528
Community Care	GCA1007	SC RP Specialist Aids Reurbishment	45,868		45,868
Community Care	GCA1008	SC RP Sensory Impairment	20,000		20,000
Childrens Service	GCG0232	Leog Replacement	281,528		281,528
Childrens Service	GCG0233	Laburnum - Refurbishment/Extension	100,000	(100,000)	0
Childrens Service	GCG0234	Childrens Service New Build (Laburnum)	200,000	(200,000)	0
Childrens Service	GCG0235	Maintenance RP - Laburnum	20,000		20,000
Schools	GCE1171	Little Tikes	336,678		336,678
Schools	GCE1315	Mid Yell JHS	3,534,669		3,534,669
Schools	GCE1500	Education Capital Maintenance	1,578,966		1,578,966
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	510,496		510,496
Sport & Leisure	GCJ3020	Islesburgh Maintenance	22,595		22,595
Culture	GCL4100	Maintenance RP - Old Library Centre	85,000		85,000
Culture	GCL4402	Cinema and Music Venue	1,704,111		1,704,111
Culture	GCL6000	Maintenance RP - Train Shetland	100,000		100,000
Culture	UCL5203	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	(325,000)	15,000
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	77,500		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	150,000		150,000
Development	GCD1576	Fibre Optic Cable	1,100,000		1,100,000
Environment	GCY5121	Fetlar Burial Ground	78,000		78,000
Environment	GCY5124	Bixter Burial Ground	10,000		10,000
Environment	GCY5125	Voe Burial Ground	0		0
Environment	GCY5126	Muckle Roe Burial Ground	364,500		364,500
Environment	GCY5129	Energy Recovery Plant	259,593		259,593
Environment	GCY5132	Replacement Esplanade Toilets	0		0
Environment	GCY5133	Rova Head Reinstatement	140,000	(130,000)	10,000
Environment	GCY5137	Gremista Landfill Phase 2	2,600,000		2,600,000
Environment	GCY5139	Wheelie Bins	102,922		102,922
Environment	GCY5200	Public Toilets Essential Maintenance	60,000		60,000
Environment	GCY9016	Public Toilets Grant Funding	1,625		1,625
Building Services	GCY5501	Maintenance RP - Recladding Gremista Workshop	564,000		564,000
Building Services	GCY5504	FT Facility Management Software	5,332		5,332
Building Services	GCY5505	New Mid Yell Workshop	61,309		61,309
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	279,748		279,748
Roads	GCY6129	B9071 Parkhall to Sand Junction	20,000		20,000
Roads	GCY6130	B9082/3 Gutter to Cullivoe	50,000		50,000
Roads	GCY6131	Gulberwick Road	15,000		15,000

Service Area	Project Cost Centre	General Fund Projects cont...	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
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
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
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	150,000		150,000
Transport	GCY7202	Tingwall Airport (H&SE Works)	378,617		378,617
Transport	GCY7213	Whalsay Link	1,000,000	(900,000)	100,000
Transport	GCY7214	Fetlar Breakwater	2,743,609	(2,100,000)	643,609
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
			0		0
Sub Total			32,220,863	(6,705,000)	25,515,863
Service Area	Project Cost Centre	Port Operations Capital Funding (Non Sullom Voe Harbour)	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
Port Operations	RCM2208	Scalloway Dredging	2,998,185		2,998,185
Port Operations	RCM2315	Scalloway Water Main	287,824		287,824
Port Operations	RCM2316	Walls Pier	1,430,946	(600,000)	830,946
			0		0
			0		0
Sub Total			4,716,955	(600,000)	4,116,955
General Fund Total			36,937,818	(7,305,000)	29,632,818

Harbour Account

Service Area	Project Cost Centre	Funded directly from Harbour Account	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	PCM2101	Ports & Harbours Plant & Equipment	143,402		143,402
Ports & Harbours	PCM2104	Ports & Harbours Nav Aids	122,891		122,891
Sub Total			266,293	0	266,293
Service Area	Project Cost Centre	Funded through debt charges from the Harbour Account	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
Ports & Harbours	RCM2313	Sellaness Tugs	3,342,345		3,342,345
Sub Total			3,342,345	0	3,342,345
Harbour Account Total			3,608,638	0	3,608,638

Service Area	Project Cost Centre	Capital Expenditure not funded by the Capital Programme to be met by financial arrangement.	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
Schools	GCE1304	AHS New Build	15,210,212	(14,000,000)	1,210,212
AHS Financing Arrangement Total			15,210,212	(14,000,000)	1,210,212

Housing Revenue Account

Service Area	Project Cost Centre	Ring Fenced Housing Expenditure	Proposed CPS-12-10 Budget Allocation	CPS-13-10 Adjustments	Proposed Budget Allocation
HRA	HCH3303	Land/Property Acquisition	678,851		678,851
HRA	HCH3304	Ground Works at Brae	300,000		300,000
HRA	HCH3305	Ground Works at Hoofields	950,000		950,000
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	199,817		199,817
HRA	HCH3800	Cap Rec/Sale Council Houses	(889,886)		(889,886)
HRA Total			4,047,462	0	4,047,462
Total Overall Capital Budget			59,804,130	(21,305,000)	38,499,130



## DRAFT REPORT

To: Shetland Islands Council

30 June 2010

From: Depute Chief Executive

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

#### **1 Introduction and Key Decisions**

1.1 In March 2010, Members agreed a framework for bringing together the Council's approach to strategic planning, service planning and the budget process. This Report provides an update of how all the activity has come together and asks Members to take decisions with regard to:

- Assumptions and choices for setting next year's budget.
- Growth items for next year's budget.
- Areas to target for savings for next financial year.
- Areas to protect from savings, for strategic reasons.
- A proposed 'efficiency' programme.

1.2 There are two complementary reports on this agenda: one to approve the refreshed Corporate Plan; and one on the 2009/10 outturn position.

1.3 The scale of savings required for 2011/12 to meet the Council's current policy is significant and daunting. On current information, it will not be possible to make savings of the extent required to meet the current financial policy framework without impacting on the current level and quality of service and without impacting on staffing levels.

#### **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. Members will have to make choices over some key strategic policy decisions, such as:

- The financial policy framework.
- The level of public sector jobs, economically or financially driven.

- Centralised and cost effective models of service delivery which meet the tests of best value, or retention of services to meet community aspirations, especially in more rural areas.
- Economic policy direction and the extent of any shift required between direct service provision and out-sourcing to the voluntary or private sector.
- Transport policy direction, around fixed links or ferries.

### 3 Risk Management

- 3.1 The recent Report by the Controller of Audit to the Accounts Commission, under Section 102 (1) of the Local Government (Scotland) Act 1973, identified some key strategic risks, such as:

*“The council has not demonstrated that it can set a clear strategic direction, backed by sound and consistent decision making. We found little evidence of elected members acting in the interests of Shetland Islands Council as a whole. The events of recent months have led to a significant proportion of members expressing concerns about the quality of strategic leadership in the council.”*

And

*“The council faces a challenging financial future. It has agreed budget savings for 2010/11 but has yet to demonstrate how it can sustain its current level of services in future years whilst maintaining its target reserves balance and delivering its capital plans. This will require difficult decisions to be taken and clear and consistent leadership by elected members.”*

- 3.2 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.
- 3.3 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.
- 3.4 Failure to address these key risks could result in:
- The Council’s financial policy not being achieved, with the reserves being utilised now to support the current models of service delivery and not retained for enjoyment by future generations.
  - Not being able to address growing and changing services needs, so there is the potential that those in our community who require more services may not have all their service needs met
  - Difficulty in demonstrating value for money and best value in service deliver models, so not meeting a core statutory duty.
  - Members potentially facing challenges from Audit Scotland, and others, that the Council is not able to take, “difficult decisions” and provide “clear and consistent leadership” to their staff and to the community.
  - Reputational damage from the service users and communities concerned, regarding mixed messages or inability to take decisions.



### 3.5 Taking the difficult decisions, which may be required, could result in:

- Staffing cuts and job losses, in a time of recession where other job opportunities might not be readily available.
- Disruption to services and services users, as any changes are implemented.
- Dissatisfaction from the community about reduced services.
- Disagreement within the community as to where the service reductions should be targeted.
- The Council taking decisions which are in Shetland's overall best interests but are not seen by individual communities to be in their best interest, which could be politically damaging for Members.
- Staff and union unrest and dissatisfaction to any changes which may have a negative impact on staffing arrangements.

## 4 Background

### 4.1 In March 2010, the Council agreed that any changes to services, to meet challenging financial targets, would be tested against the strategic objectives in the Single Outcome Agreement, the updated Corporate Plan, and specifically the following key corporate objectives:

- 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.

### 4.2 Members agreed to integrate the service planning and budgeting process, starting from now to plan from next financial year. A significant change to previous years is the decision to consider growth items at one stage in the year, and not on a piecemeal basis. At this stage, Members are invited to make decisions as to which, if any, growth items they wish to build into the budget 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 (including growth in staffing, which has been the subject of significant debate over the last committee cycle).

### 4.3 Further, Members established a system to manage the savings required of £9.9M in 2010/11, this included a provision for school use of SRT premises (£0.4m) which required to be actioned, but was removed in advance from the budgets in the budget setting report. Due to the recent decision of the SCT, the budget requires to be reinstated and added by virement to non-specific savings to be found, this will not increase the overall savings target of £9.9m. In summary, at this early stage in the year, the Management Team have identified £1.4 m towards the overall savings target (which is 14%). In order to give this process some impetus, I am proposing a Spend to Save budget of £1m, to be met from the underspend on last years accounts, to target early retirement and voluntary redundancy requests. I consider that this might give managers security that where they can identify ongoing net staffing reductions, through management reviews or changing the way the current services are provided; any one-off costs could be met from this corporate budget. This might encourage staff to pro-actively seek economies

and efficiencies, in order that the £9.9m target is achieved this year. Additional training costs required from any redeployment situation could also be met from this allocation.

- 4.4 The Financial Resources Member Officer Working Group has overseen the compilation of this Report and has put forward ideas and suggestions as to where to target activity over the coming year.
- 4.5 The overall timeline and activities for taking this work forward has been achieved with the updated Corporate Plan, the HR policy framework review and a high level service planning process being completed in time for this Report to be prepared.
- 4.6 With the approval of the Corporate Plan today, the Council can give a clear political direction to the areas where they want to focus activity over the remaining term of office. The Single Outcome Agreement has already been approved, which has been a driver for the updated Corporate Plan, with a greater emphasis on an “outcome” based approach (ie what will we do to make a difference or address a particular need).

## **5 The Overall Financial Policy Framework**

- 5.1 The Head of Finance will, in the autumn and as usual, prepare a Report for the Council for the year ahead. However, Members wished to give a steer early in the year as to which areas of the Council could increase their budget and which areas needed to be cut back, recognising the significant financial difficulties facing the public sector. Specifically, Members agreed that, growth items requiring Committee decisions in 2010/11 and later years must identify potential savings within the General Fund which equate to the sum sought.
- 5.2 A separate Report on today’s agenda presents the outturn position for the 2009/10 financial year. This demonstrates a favourable position, financially, with the target draw on reserves comfortably met and the overall reserves balance at £275m (the target was £261m by April 2010). Whilst demonstrating a healthy financial position, the position does call into question the Council’s incremental approach to budgeting, hence the new approach now adopted.
- 5.3 With another successful financial year banked and the reserves relatively healthy, it would be easy to sit back and do nothing. The Council has always underspent its budget; why would there be any reason to expect it to be otherwise the case? Some may also argue that drawing back on public sector investment at the time of recession is the last thing that a public authority should do.
- 5.4 There are, however, a number of areas where “doing nothing” might be too risky an option to adopt, such as:
  - The scale of the public sector spending cuts is unprecedented.
  - The scale of growth of community care services is unlikely to be less than £2m per annum, for the foreseeable future.
  - There is a degree of uncertainty over the continuation of the Housing Support Grant, currently worth c £1m per annum from Government grant.

- There are some contingent liabilities, which the Council may still be required to meet (such as unsettled legal claims and a contribution to the Pension Fund from the Shetland Towage transfer).

5.5 The Financial Resources Member / Officer Working Group also commented that they do not consider the £250m reserves balance to be a “target”; they consider it to be a “floor” level. The Members of the Group consider that the policy has served the Council well in restraining spend. The group consider that retaining stability of that Financial Policy is necessary at this time. In time, the Group may consider introducing index linking to the reserves target balance in order to provide further stability in planning for future generations.

5.6 The Community Planning Partnership has recognised the extent of the possible impact on public sector reductions across the community and intends to carry out an exercise to explain how services might need to change to live within the allocations from the Scottish Government. Moving money around all the public sector “pots” is no longer a solution to the overall funding difficulties.

5.7 There are two strategic service reviews in hand at the moment: the Education Blueprint and Ports for the Future. Both those projects have looked afresh at the service needs and changes placed upon us through demographic changes and global economic markets. Both projects have worked back from a “service need analysis” to put together options for changing how we deliver services, which provide a better mix of quality and cost, so in line with Best Value principles. It is important, I believe, to ensure those projects are supported to their agreed political conclusion, before starting any more fundamental service reviews. The organisation, and the community, only has the capacity to handle a small number of these strategic reviews at any one time. However, that said, even if all the savings which could be expected to be secured from these reviews were achieved, (a) the savings will take longer than one year to accrue and (b) the Ports for the Future savings have already been banked in the Head of Finance’s longer term projections.

5.8 Using certain assumptions, the funding gap for next financial year, could be from **£15 – 17 m**, depending on assumptions used. There is a potential £3-4 million cut in Scottish Government revenue support, the Council needs to find £8 - £9m to meet the overall draw on reserves policy and there are real growth items to consider, at £3 - £4m. This scenario assumes that the £9.9m savings required in the current year will be met and that inflation and wage awards will be around 1%.

5.9 It is my opinion, therefore, that the Council must tackle at a fundamental level the cost structures and quality of some services in order to live within its means and secure the reserves for future generations to enjoy.

## **6.0 High Level Service Planning Process**

6.1 The high level service planning process was a useful exercise in analysing data on cost and quality and using that management information to identify which areas of service might need to change in light of the need to secure savings. Appendix 1 is my assessment of the Council’s services, with high

quality, high performance being a common theme throughout most of the services provided. The work programme of proposed changes has been drawn into an Efficiency Programme (Appendix 2). This Appendix highlights: service reviews; systems reviews; working practice reviews; spend to save initiatives; and maximising income to the Council projects. It will be for the Interim Chief Executive to determine the relative priorities of this work programme. As a matter of principle, the process of reviews will follow a corporate process, in line with best value principles on option appraisal, assessment criteria, effective consultation, benchmarking with other similar providers/services and alternative methods of delivering the services.

- 6.2 Using the current year's budget data, the Table below provides an indication of the broad areas of where the Council spends its resources, ranked in order of highest spend. This pattern of spend would be similar in other areas for most services, other than transport costs and economic development activity.

Table 1: Spend<sup>1</sup> by Service Area (Current Net Estimate for 2010/11)

<b>Service</b>	<b>£m</b>
Schools	38
Community Care	23
Corporate / Dept Overheads	15
Transport	15
Roads	9
Children's Services	9
Development	7
Environment & Building	7
Community Learning & Development	5
Housing	2
Planning	2
<b>Total</b>	<b>131</b>

<sup>1</sup> General Fund, Support Services, Trading and Reserve Funds

- 6.3 Overall, an analysis would suggest that the Council is statutorily required to provide about £75m worth of services (about 57% of the current net spend). Expenditure on discretionary services is therefore about 43% (or £56m per annum). There are only a limited number of statutory functions and posts, illustrated by the list below, which is not intended to be exhaustive:

Head of Paid Service  
Monitoring Officer  
Section 95 Officer and Financial Accounting Function  
Chief Social Work Officer  
Statutory Education Officer  
Chief Inspector of Weights & Measures  
Environmental Officer  
Planning Officer  
Pension Contributions for Staff Retired Early  
External Audits  
Building Maintenance Inspections  
Statutory Inspections

- 6.4 As already mentioned, the appropriate mix of quality and cost for the Schools Service is being addressed through the Education Blueprint project. The

project needs to run its course in order to identify which, if any, savings will be secured from that project. At a strategic level, it is essential that the cost of the Schools Service is reduced from the current level of spend.

- 6.5 Community Care is the only service, which is recognised nationally to be a growth area, due to the changing demographics. The current model of delivery has developed over the years and is documented in the Community Health and Care Partnership Agreement, which is updated annually. The service has grown quite quickly, to respond to growing service needs. Any efficiencies which may be identified may reduce the level of growth in years to come. If services changes are to be made in this service area, there will need to be changes to the quality and level of service provided (which will mean targeting services at those in greatest need and an acceptance of waiting lists for some services). Members have a choice to:
- Exclude it from any savings targets and allow the service to grow at the level of current need in line with current service levels (£2m pa)
  - Limit the rate of growth, to start the process of targeting and prioritisation (say £1m pa)
  - Consider it alongside all other services and require the service to make a contribution to the corporate savings objectives.
- 6.6 The Financial Resources Member / Officer Working Group recommended that the community care service be allowed to grow at a rate of £2m for 2011/12, to meet the current identified level of need. Whilst I have been convinced that the policy direction for care services, to support more people for longer in their own home, is the most appropriate and the most cost effective, it is such a significant area of cost that I consider it appropriate to carry out a high level costing exercise to determine the relative costs of: care at home; supported accommodation; and permanent care (in the small units in Shetland and for larger care homes).
- 6.7 The re-examination of charges for care at home was recognised by the Financial Resources Member / Officer Working Group to be controversial, with a history of decisions being taken then over-turned. However, it was also recognised that there is inequitable treatment between individuals who receive care in a care home (who pay for the service) and those who receive care at home (who do not currently pay). The Working Group considers that this situation will not go unchallenged but, for the moment, do not consider that introducing charges for care at home should be progressed.
- 6.8 The corporate and departmental overheads include all the costs of running the Council, including office accommodation and assets. The Working Group determined that there were not a significant number of surplus assets to be sold to release the Council from a liability and generate income. There is, however, an opportunity to share assets and facilities, across community planning partners and (potentially) the private sector. Members of the group also noted that the recent office accommodation proposals had not been developed on a "spend to save" basis. There are, however, areas of efficiency in how the Council carries out its internal business processes, which has the potential to secure efficiencies and savings (if staff can be redeployed elsewhere). Whilst it is not the highest cost service, I consider that the Council should focus attention on these internal efficiency projects, alongside Education Blueprint and Ports for the Future. That would give balance to the change management programme and provide evidence to the

community that the Council is committed to securing efficiencies across the board. Some potential areas for work are included in Appendix 2 and are likely to focus on: financial processes; human resources processes; stores; internal charging arrangements; electronic records management; and waste audits.

- 6.9 Transport services, through ferries, buses and planes, are at the heart of how this community works. The services have grown and evolved over the years, to support the current pattern of life and work. The cost structures are broadly fixed around the timetabling of transport services; to radically change the cost structure will require a radical change to the service levels. However, the current debate around the Whalsay ferries and fixed link options has highlighted how transport links need to be assessed for: access to markets; access to public and other services; and access to leisure and social activity. There is no doubt that the provision of fixed links to some of the island communities would enable the Council and community planning partners to significantly alter the current method of services to the islands. Whilst some of those impacts would be negative (such as reduction in public sector jobs and potential reduction of services currently located in the isles) it would open up the isles to (near) 24-hour access to mainland-based services. This would be the most significant “spend to save” initiative, which the Council could consider, where it is affordable to do so. The Executive Director of Infrastructure has a desire to carry out a review of the Ferry Service as this has synergies with the Ports for the Future project and is pertinent in light of the Scottish Government review.
- 6.10 The Environment and Building Services areas were able to demonstrate, for the most part, good quality services at reasonable unit costs. There are a few management proposals to improve systems and efficiencies. The area of technical services across the Council might be worthy of review, to avoid any duplication and to make sure we capture efficient working practices. Otherwise, any changes would impact on service levels.
- 6.11 With a generally reducing Capital Programme of major road improvements, the Roads Service structure needs to be re-examined to ensure that it remains appropriate.
- 6.12 Economic Development is an entirely discretionary spend, over which Members have freedom over the amount of spend and the type of programmes and activities. There is evidence to support the view that the Council’s investment in new and emerging industries has created private sector opportunities in Shetland that may not have developed without public sector assistance. Investment and spend in this area has a direct link to the Council’s key corporate objective of “maintaining the economically active population throughout Shetland”.
- 6.13 Similar to Community Care, spend on Children’s Services has grown over the years to address the increased demand for preventative and protection services, to keep children and young people safe from harm. The quality and level of service is good and savings in this area would have a direct impact on the level of provision able to be offered and may result in waiting lists for services.

- 6.14 Community Learning and Development is predominantly discretionary spend, where Members have choice over the level of service able to be provided, sometimes alongside partner organisations in the voluntary sector.
- 6.15 The Housing expenditure is predominantly in support of homelessness services, for which the Council has a statutory duty.
- 6.16 The philosophy around charging for planning applications and building warrants seek to ensure that the cost of the application process is met through fees but the Council is left with the cost of the strategic work, including the Development Planning process.
- 6.17 With that overview of services, I will now turn to how to address the funding gap for 2011/12. 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 and on the priorities from the updated Corporate Plan. At a high level, any change needs to be tested for the impact on:
- 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.
- 6.18 The Council should also focus its efforts and activities on services for those most in need. Whilst the, so called, universal services help enormously in making Shetland a good place to live and work, in times of financial difficulties, the Council needs first and foremost to fulfil its statutory role, with a focus on statutory provision, regulatory services, preventive work and early intervention.

## **7.0 Assumptions and Choices for setting next year's budget**

- 7.1 It is then necessary to prepare for growth items in future years. Members are invited to make decisions as to which, if any, growth items they wish to build into the budget. Table 2 below lists the current bids for growth for the 2011/12 budget process, and more detail is contained in Appendix 3. The Working Group did not accept all of the growth items put forward. In particular, the Working Group would wish to propose that all future costs regarding single status, for example relief cover and training costs, should be met within existing resources. A determined effort will therefore be required to reduce costs (hours, overtime, use of consultants, temporary posts, etc) in order to free up funding to pay for the financial commitments required to implement fully the single status package. This will be a challenging, but necessary, approach.

Table 2: Growth Bids for 2011/12

Area	Item	Estimated Cost 2011/12 £000
Community Care	Care at Home	500
	Telecare	70
	Montfield Care Home	283
	ILP Outreach	200
	Eric Gray Resource Centre	450
	Day Care	250
	Traineeship Scheme	50
	Off-island placements	200
College	Learning for ASN Adults	23
Children's Services	Kinship care payments	100
Economic Development	Tall Ships	762
Train Shetland	Modern Apprenticeship Programme	158
Housing	Homelessness	100
Planning	Carbon Reduction Commitment	17
Environment	Reduction in income from drill cuttings and annual increase in landfill tax	106
Energy Costs	Increased Contract Prices	140
Energy Costs	Increased fuel costs for ferries	53
All	Revaluation of properties for rates	300
TOTAL		3,762

- 7.2 As I mentioned previously, the Council has choice over a significant percentage of the current level of spend, with regard to the quality and level of service provided, about £56m and about 43%. I would intend to avoid targeting significant further savings on the following service areas for the following reasons:

Schools, savings already being addressed through Education Blueprint.

Ports, savings already being addressed through Ports for the Future.

The Member Officer Working Group considered that this was appropriate, given the current effort, which both Heads of Service were making to provide long-term savings on running costs. This would equate to about 20% of jobs across the remainder of the (approximately 400 posts, assuming an average cost of £30,000 per post). It may be unrealistic to expect this level of change over such a short time frame.

- 7.3 The service review programme, shown in Appendix 2, has the potential to yield savings, but these will be over a longer time frame and perhaps into the 2012/13 financial year. As already indicated, the two larger service areas proposed for further detailed review are:



- The internal ferry service; and
- community care services;

alongside the reviews of the internal business processes.

- 7.4 I estimate that the various activities outlined in Appendix 2 have the potential to yield in the order of £2m.
- 7.5 One of the assumptions in the plans for next years budget is for a 1% provision for wage increases and inflation. It may be the case that the Council has to state that there is no specific provision for wage awards and to take that proposal to the national negotiating forums, the staff and unions for consultation. Fundamentally, it is a question of protecting as many jobs as possible at zero wage rises, or allowing a lesser number of staff to obtain a wage rise. Each 1% increase in wage inflation adds £0.9m to the pay bill. This would be a fundamental change in direction for the Council, which has in the past, not taken an active stance into the national negotiation framework.
- 7.6 Given the actual revenue outturn against budget for last financial year was £4m lower than the budgeted figure, as a principle, I consider that the baseline budget for planning for next financial year should be on 2009/10 actual, plus any real increases for wage awards, new services or contractual obligations. This, I hope, will avoid the drift which can occur between actual activity and spend and planning ahead, where there is a tendency to set budgets on a “just in case...” basis. This is a real cut, across the board, as a starting point.
- 7.7 The predicted savings from Ports for the Future has already been assumed in the long term planning assumptions. The proposed figure will be impacted upon by the late delivery of the tugs.
- 7.8 For information, the Council is not negotiating with NHS Shetland for a Resource Transfer for the Montfield Care Home until their Clinical Strategy is complete, at the end of 2010.
- 7.8 Members will have heard the proposals for the Education Blueprint. Given the timeline for statutory consultation and the implementation of any changes, which may be approved, it is likely that savings could only be secured from part way through next financial year and only then on a planned basis. It is a longer-term change management programme, with few immediate savings.
- 7.9 The time may be right for an overall review of the Council's approach and philosophy on charging, bearing in mind that one of the corporate objectives is to not cause further poverty or deprivation from any actions. The charging may therefore need to be targeted at those more able to pay for services, with more innovative practices, perhaps using smart cards and ICT, to enable individuals and families on lower income to pay less for services. An overall increase of 10% on fees and charges could yield the Council an additional £0.9 per annum.

## 8 Proposals

- 8.1 The overall Financial Reserves of the Council as well within the policy framework, standing at £275m at March 2010. However, Members of the Working Group consider that there are significant challenges ahead, which mean that the Council should continue on its plans to reduce, on an ongoing basis, the revenue costs of the Council.
- 8.2 Some progress has been made on securing savings against the approved budget in the current financial year at £1.4m against the target savings of £9.9m. I am proposing the creation of a dedicated “spend to save” programme at £1m, to be met from the underspend on last financial years accounts, to allow managers to pro-actively seeks savings from management restructuring or service changes, on a “spend to save” basis. This fund will be under the direction of the Interim Chief Executive, once appointed.
- 8.3 The picture, which emerges for next financial year’s estimates, is a potential gap of between £15 – 17m, presuming that the £9.9m in the current year is achieved and depending on a number of factors. It is too early to predict with any confidence the likely actual gap, but it is significant enough at this stage to be a daunting target to achieve.
- 8.4 The growth items for next year’s budget have been considered in detail by the Financial Resources Member / Officer Working Group. Identified growth for priority services and known contractual commitments stand at £3.7m. This is within the planning assumptions used to predict the gap for next financial year. The Working Group recommend that the growth items be built into the budget, with savings required on other budgets to meet the costs.
- 8.5 For targeting where the savings will be secured, the Working Group would wish to give a degree of leeway to the port services and the schools service, due to the significant amount of effort currently in hand to secure savings on running costs on an ongoing basis through the Education Blueprint and Ports for the Future. To acknowledge the ever increase demand for services, Members wish to also give a degree of priority to the community care service from contributing significantly to the targeted savings and to acknowledge the revenue growth requirements at £2m for 2011/12. This is subject to a high level review of the relative costs of the various models of care.
- 8.6 Members are also invited to consider and approve the various activities and tasks outlined in the Efficiency Plan at Appendix 2. Overall, it is anticipated that savings of about £2m per annum could be secured from the various actions outlined.
- 8.7 No specific proposals are made with regard to the recommended level of wage award to take to the national negotiated forum. There is evidence, elsewhere, that wage awards at zero percent are being discussed and, in some areas, actual reductions in terms and conditions. Otherwise, I am proposing to reset the baseline level for general spend at the 2009/10 outturn level, rather than the current year budget (except for known contractual obligations and new service commitments).
- 8.8 Members are invited to approve an overall review of charging, with a view to increasing yield by at least £0.5m overall, but targeting charges in a way

which does not expand any poverty or deprivation difficulties for individuals and families.

- 8.9 Protected services will be those which are required to be provided by statute or regulation, services targeted at those with particular needs, preventative work and early intervention activity (to avoid greater spend at a later date). The anticipated gap is significant and if in the order of £15m - £17m, represents a potential significant cut to the levels of discretionary activity currently enjoyed by this community.
- 8.10 I therefore propose that over the summer months, the relevant Heads of Service be asked to prepare proposals as to the impact of a cut in discretionary activity and an increase in charges of up to £17m. This work will include an assessment as to how any change might impact on the Council's ability to deliver the single outcome agreement targets and with a focus on the three key strategic objectives:
- 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.
- 8.11 Given the scale of the task facing the Council, it is proposed that a dedicated project team be established to work on the proposals alongside the Heads of Service, similar to the arrangements put in place for single status but by prioritising this work from within existing resources. The Financial Resources Member / Officer Working Group will oversee the process, until a decision is reached on establishing a dedicated committee on finances and resources.
- 8.12 Communication with staff, the public and the unions will be an important part of this project, to ensure that the messages are clear and that staff are involved at an early stage in any discussions around changes.

## **9 Financial Implications**

- 9.1 The financial prospects for 2011/12 are so concerning that it is necessary to begin the work programme for meeting the challenges earlier, and in a more comprehensive way, than ever before. That is the purpose of this report, drawing much earlier conclusions than usual about the 2009/10 Outturn, and making much earlier assumptions about spending pressures and financial constraints than would normally be attempted. This will allow a substantial work programme to be commenced over the summer, which will provide the best possible platform for meeting the challenges in the 2011/12 budget exercise ahead. There will, as usual, be a budget strategy report to the Council in September 2010 which updates the Council on the financial circumstances and prospects, but which will also this year report on the progress of this work programme.
- 9.2 A virement for £0.4m is required to reinstate the SRT School Use budget and corresponding corporate savings budget in 2010/11. The 9.9m of savings to be found in 2010/10 included a provision for this and therefore will not increase as a result of this virement.

## **10 Policy and Delegated Authority**

10.1 Authority to set the Budget rests with the Council.

## **11 Recommendations**

11.1 I recommend that the Council agree the proposals for addressing the significant funding gap on the revenue account in 2010/11 and for 2011/12, as follows:

- (a) Approve the virement set out in paragraph 9.2 and the creation of a spend to save budget in 2010/11, at £1m, to be used to target ongoing revenue savings from management restructuring or service changes, with a view to making a significant contribution to the £9.9m savings required in the current financial year, to be met from the underspend on the 2009/10 revenue account; and
- (b) Seek proposals and ideas from Heads of Service to secure ongoing savings of up to £17m from the 2011/12 financial year, and beyond; and
- (c) Consider and approve the introduction, in principle, of the growth items in Appendix 3, subject to adequate savings being identified on other budgets to meet the additional costs; and
- (d) To expect ports, schools and community care services to not contribute significantly to the £17m target at this stage, due to the other work programmes and identified service needs; and
- (e) Approve the Efficiency Plan at Appendix 2 and delegate to the relevant Executive Director or Head of Service the authority to progress the tasks as outlined but to note that where these require a policy change, the outcome will be reported back for specific approval through the relevant committees; and
- (f) Encourage Heads of Service to pursue initiatives which will increase the overall yield from fees and charges; and
- (g) Target savings on discretionary spend activity and to test any changes to the current levels of service against the three key strategic objectives of: maintaining an economically active population; equalities; and overall economic impact; and
- (h) Note that the Executive Team will establish a dedicated Project Team to work on the savings, efficiency and communications programmes for the Council, to work alongside the Financial Resources Member / Officer Working Group.





**Summary of Services – Value and Interim Quality Assessment  
by Depute Chief Executive**

<b>Service Area</b>	<b>Cost of Service £</b>	<b>Quality of Service</b>
Education & Social Care Directorate (incl Admin)	£1,569,324	No benchmarking data
Museum	£1,196,000	Service Level Agreement
Schools	£36,982,493	High attainment / achievement <sup>1</sup>
Library & Info Services	£1,058,325	High usage
Community Work	£367,348	No benchmarking data
Sport & Leisure	£1,792,212	High usage
Community Care	£23,228,817	High Level of Service
Criminal Justice	£22,824	High Level of Service
Children and Family Social Work	£4,582,045	High Level of Service
Fostering and Adoption	£671,792	No benchmarking data
Children's Residential Services	£1,638,727	No benchmarking data
Children's Short Break Services	£1,378,897	No benchmarking data
Educational Psychology	£347,383	No benchmarking data
Youth Services	£742,322	No benchmarking data
Housing	£2,386,346	Good service / low mgt costs
Adult Learning	£447,547	No benchmarking data
Train Shetland - Vocational Training Short Courses	£557,462	No benchmarking data
Environmental Health	£922,767	High Level of Service
Building Services	£889,399	Good Level of Service
Trading Standards	£244,339	High Level of Service
Cleansing	£2,033,189	High Level of Service
Waste	£1,820,636	High Level of Service
Burial Grounds	£1,248,697	High Level of Service
Roads	£9,485,008	Good Level of Service
Planning	£2,245,693	Good Level of Service
Transport	£15,214,694	High Level of Service
Ports and Harbours	£2,957,769	No comparable service <sup>2</sup>
Economic Development	£7,799,354	High Level of Service
Chief Executive's office	£1,447,217	No benchmarking data
HR	£1,299,182	Good service satisfaction
Policy	£663,454	Excellent service satisfaction
ICT	£1,823,231	Good service satisfaction
Finance	£2,547, 418	Excellent service satisfaction Identified audit risk
Assets & Property	£2,701,556	Identified audit risk
Safety & Risk	£333,167	Good service satisfaction
Committee Services	£264,108	Excellent service satisfaction
Registration Services	£51,112	No benchmarking data
Legal Services	£553,978	Excellent service satisfaction
Emergency & Resilience	£117,754	Excellent service satisfaction
Capital Programming	£1,223,705	Identified audit risk

<sup>1</sup> Education Blueprint

<sup>2</sup> Ports for the Future





### Efficiencies Plan

This plan sets out how the Council will deliver on becoming an efficient organisation. However, given the nature of the projected reduction in public sector spend, this plan also covers reviews which could potentially lead to changes in service levels.

### Process of Determining Type and Prioritisation of Review

The Council has in place systems for delivering on strategic direction, through the Single Outcome Agreement, Corporate Plan and Service planning. A process of High Level Service Planning around seven cross-service areas of activity, and a benchmarking assessment of every service area in terms of cost, quality, value relative to the rest of the Council, strategic direction, level of risk and political acceptability, has resulted in the following programme of activity. These areas of review have been categorised into the following:

- Service reviews
- Systems reviews
- Management reviews
- Working Practices reviews
- Spend to Save initiatives
- Maximise Income to the Council

In addition to these actions other actions resulting from this process have been included in individual Service Plans and the Corporate Plan.

### Process of Reviews

All reviews will be undertaken in a consistent way, using a corporate process and format which follows a set format and draws together all the necessary factors for consideration. These will be in line with Best Value principles.

This will include an option appraisal process, assessment criteria will include:

- strategic fit, including legal responsibilities for equalities and sustainable development
- stakeholder involvement/consultation (using principles of National Standards for Community Engagement)
- benchmarking
- means of provision

Implications (e.g. legal, financial, human resource) will also be considered.

Guidelines will be developed, taking cognisance of the lessons learnt through the Blueprint for Education and Ports for the Future.

**Delivery Plan**

**Service Reviews** (N.B.: the monetary savings and implications of these reviews can only become known after a full scoping stage)

<b>Efficiency Saving Proposed</b>	<b>Monetary saving</b>	<b>Priority and timescale for delivery</b>	<b>Responsible Officer</b>	<b>Risk Implications</b>
Blueprint for <b>Education</b>	Substantial revenue savings opportunities. Includes: - knitting - achieved: -	Decision-making on proposals – June 2010	Helen Budge	These have been determined for the Project
Complete the <b>Ports</b> for the Future review – efficiencies in harbour operation – including reduction in pilot numbers, Vessel Tracking System Operators in VTS instead of pilots, changes to towage service and launch crew operations and shift patterns	Savings already been included in budgets.	High  June 2010	Roger Moore	Potential employee reorganisation
Review models of <b>Care</b> (capital and revenue choices), with an objective to demonstrate the most cost effective policy direction and choices over levels of service – including an options appraisal for the level and quality of services provided – permanent care, respite care			Christine Ferguson	Potential service reorganisation
Carry out a review of <b>Business Support</b> across the Council, to		High Priority – no impact on service delivery	TBC	Potential service and employee reorganisation

## Appendix 2

identify most effective model of service delivery (decentralise / centralise model)		on service delivery		employee reorganisation
Carry out a review of the <b>Roads</b> Service, including high-level option appraisal on cost and quality to compare the cost of in-house provision with out-sourced works; staffing levels and winter maintenance staffing and level of service			Ian Halcrow	Potential employee reorganisation.  Potential change to service
Carry out a review of the <b>Transport</b> Service - covering:  - Transport infrastructure, services and charging policy, with an objective to determine if service changes and pricing policy initiatives could avoid significant capital investments  - Provide a high-level option appraisal of the cost and quality of service (bus, plane and ferries) by comparing the differences in in-house provision, out-sourced to the private sector and community provided solutions  - Provide information on, and consider, the utilisation of assets (bus, planes, ferries); identify peak demand, low demand and			Michael Craigie	Potential service and employee reorganisation

## Appendix 2

borderline commercial services				
Carry out a review of <b>Fleet Management</b> , to identify efficiencies in plant usage, savings in fuel usage and vehicle procurement			Michael Craigie	
Review <b>burial grounds</b> provision	Potential substantial savings in capital costs (£400k a year)		Jim Grant	Potential change to service
Review the <b>Pest Control</b> Service	£6,000 saving a year		Maggie Dunne	Potential change to service
Review <b>community-based learning</b> (College Community Learning, Adult Learning, Community Learning and Development)			George Smith	Mitigate any risks by ensuring that the outcomes do not affect the College's ability to claim WSUMS
Review of deployment of <b>youth work</b> resources: management structure; level of youth work support in age 5-10; provision of youth workers (increased emphasis on volunteering); and to include role of SYIS (gaps and duplication with statutory services)	5% savings being proposed		TBC	Potential employee reorganisation
Review <b>Grant Aid Schemes</b> , to determine if voluntary sector groups could operate with a lower		2010/11 – Operational Priority	Neil Watt	Potential change to service

## Appendix 2

rate of grant				
Review funding and provision of COPE, and Moving On			Christine Ferguson / Neil Grant	

### **Systems Reviews**

<b>Efficiency Saving Proposed</b>	<b>Monetary saving</b>	<b>Priority and timescale for delivery</b>	<b>Responsible Officer</b>	<b>Risk Implications</b>
Review of finance processes – LEAN event to look at streamlining timesheets and sickness absence admin, maximising opportunities from CHRIS 21, Integra e-Series	To be confirmed – in order to cash savings, this must complement other review activity, such as review of business support across the Council	Project brief to be developed by August, and decision on priority will then be made.  Probable High Priority.	Graham Johnston	None
Potential LEAN event in the Gremista stores (including looking at removing potential overlap of provision with Marine stores)	To be confirmed – in order to cash savings, this must complement other review activity, such as review of the Roads Service	Project brief to be developed by August, and decision on priority will then be made.	Stephen Cooper	None
LEAN project to streamline Roads processes, similar to Building Maintenance.	To be confirmed – in order to cash savings, this must complement other review activity, such as review of assets, estates and buildings	Project brief to be developed by August, and decision on priority will then be made.	Ian Halcrow	None
LEAN review of charging mechanisms for training	To be confirmed – probably little cashable	Project brief to be developed by August,	George Smith	None

## Appendix 2

	savings	and decision on priority will then be made.		
Introduce more effective Electronic Records Management	To be confirmed – probably little cashable savings	2010/11 – Operational Priority	Anne Cogle	None
Implement all the outputs from the waste audit process	Potential to save £200,000 in reducing waste across the Council	2010/11 – Operational Priority	Jim Grant / Mary Lisk	None
Maximise use of the CoInS system – to reduce queries being made to Committee Officers	To be confirmed – probably little cashable savings	2010/11 – Operational Priority	Anne Cogle	None
More effective use of on-line planning application facilities	To be confirmed – probably little cashable savings	2010/11 – Operational Priority	Iain McDiarmid	None
Improve handling process for planning applications to reduce submission error rate	To be confirmed	2010/11 – Operational Priority	Iain McDiarmid	None
Improved use of online booking through Train Manager Pro	To be confirmed – probably little cashable savings	2010/11 – Operational Priority	Fiona Stirling	None
Implement new computerised housing management system	Should lead to a number of operational efficiencies, e.g. introduction of appointments system for repairs	2010/11 – Operational Priority	Chris Medley	None
Reduce the number of agendas being sent out by paper	To be confirmed	2010/11 – Operational Priority	Anne Cogle	None

## Appendix 2

Cease Inter-Departmental charging if not required.	Ongoing	2010/11 – Operational Priority	All Managers	None
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### **Management Reviews**

<b>Efficiency Saving Proposed</b>	<b>Monetary saving</b>	<b>Priority and timescale for delivery</b>	<b>Responsible Officer</b>	<b>Risk Implications</b>
Carry out a review of the Shetland College organisational structure	To be confirmed	2010/2011 – financially driven to meet funding allocation	George Smith	Potential employee reorganisation
Review of assets, estates and buildings to look at potential efficiency savings from creating a Technical Support section to include DLO, Roads, Capital Projects, Energy, Housing and Asset & Properties	To be confirmed	2010/2011 – management review	Robert Sinclair, Gordon Greenhill and Hazel Sutherland	Potential employee reorganisation
Complete staffing restructure review of Capital Programme Service	To be confirmed	2010/11 – Operational Priority	Robert Sinclair	Potential employee reorganisation
Carry out a review of the Council's crofting estates management function, identifying improvements in the way this is administered	To be confirmed	2010/11 – Operational Priority	Jan Riise	Potential employee reorganisation
Carry out a review of the parks and playing fields service	To be confirmed	2010/11 – Operational Priority	Neil Watt	Potential employee reorganisation

## Appendix 2

Carry out a review of Anti-social behaviour function and community safety	To be confirmed	2010/11 – Operational Priority	Executive	Potential employee reorganisation
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### Working Practices

Efficiency Saving Proposed	Monetary saving	Priority and timescale for delivery	Responsible Officer	Risk Implications
Improve Civic Government Licensing service by reducing complexity of regime and stop non- mandatory licensing	£1,000 saving a year	2010/11 – Operational Priority	Maggie Dunne	None
Maximise positive impact of use of wheelie bins - this will speed up collection time and reduce need for Saturday overtime on commercial refuse collection	£3,000 saving a year	2010/11 – Operational Priority	Jonathan Emptage	None
Deploy Building Services staff flexibly, to undertake work when buildings are unoccupied	£5,000	2010/11 – Operational Priority	David Williamson	None
Review management of play-parks and multi-courts	To be confirmed	2010/11 – Operational Priority	Neil Watt	None
Review shift arrangements on the ferries and analyse pool crew arrangements	To be confirmed – to be aligned with the review of Transport	2010/11 – Operational Priority	Ken Duerden	Potential employee reorganisation
Investigate opportunities for joint working (e.g. Fleet Management	To be confirmed	2010/11 – Operational Priority	David Polson	Potential employee reorganisation



## Appendix 2

Unit, Tingwall Airport, ferries engineering and ports engineering).		Priority		reorganisation
Maximise efficiencies offered by telecare	Ongoing as technology develops	2010/11 – Operational Priority and ongoing	Christine Ferguson	Potential change to service
Apply primary schools staffing ratio policy – reduction of 3 FTEs in secondary and 5 FTEs in primary this year	To be confirmed	2010/11 – Operational Priority and ongoing	Helen Budge	Employee reorganisation
Islesburgh House to be connected to the District Heating Scheme	£9,500 savings each year	As soon as practicably possible	Neil Watt	None
More effective joining up with Shetland Recreational Trust	To be confirmed	2010/11 – Operational Priority and ongoing	Neil Watt	Potential change to service
EDI – web-based book ordering, cataloguing and invoicing to be fully implemented	To be confirmed	2010/11 – Operational Priority	Silvija Crook	None
Activation of thermostats in the Old Library Centre to be fully explored	To be confirmed	2010/11 – Operational Priority	Silvija Crook	None
Consider dropping Vehicle Body Repair MA currently offered at Shetland College due to high cost of delivery and low numbers of trainees	To be confirmed	2010/11 – Operational Priority	George Smith	Potential change to service
Consider less frequent apprentice review visits by Vocational	To be confirmed	2010/11 – Operational Priority	Margaret Simpson	None – aim to still meet SDS rules

## Appendix 2

Training staff		Priority		SDS rules
Discontinue Westside Community Work minibus as the least used of the area vehicles	To be confirmed	As soon as practicably possible	Bill Crook	Potential change to service
Establish 5-year Capital Programme and adoption of Gateway process	Difficult to quantify but may result in a reduction in abortive spend on major capital projects	2010/11 – Operational Priority	Robert Sinclair	None
Deliver more efficient procurement – stronger central direction on savings  Including: <ul style="list-style-type: none"> <li>▪ Introducing E-tendering and E-Procurement</li> <li>▪ Reducing consultant fees paid</li> <li>▪ Scotland Excel to be used for procurement of new library van and library book supplier.</li> <li>▪ Procurement of roads materials through Scotland Excel</li> </ul>	£1 million	2010/11 – Operational Priority and ongoing	Robert Sinclair	None
Introduce Investment Centres rather than Cost Centres for loan funding	To be confirmed	2010/11 – Operational Priority	Neil Grant	None

## Appendix 2

Shared gardening services between King George V park and Islesburgh	£500 per annum savings	2010/11 – Operational Priority	Neil Watt	None
Review the Cleaning Service at Islesburgh Complex	To be confirmed	2010/11 – Operational Priority	Neil Watt	Potential change to service
<p>Maximise / share existing assets and facilities. E.g.</p> <p>Look at whether remote working for Development staff with ICT links would reduce the need for dedicated office space</p> <p>Relocation of Capital Programming Service staff to Council-owned accommodation, thereby ending the lease on the Greenhead premises</p> <p>Dispose of St Clements – identified as surplus assets</p> <p>(Already done – none) Revenues to share premises with Citizens Advice Bureau and the Pensions Services</p> <p>Efficiencies from move to new Housing offices</p> <p>Community Work offices to explore joint usage of clerical and buildings within SIC and</p>	<p>To be confirmed</p> <p>Not yet quantified but anticipated due to co-</p>	2010/11 – Operational Priority	<p>Neil Grant</p> <p>Robert Sinclair</p> <p>Alan Rolfe</p> <p>Stephen Morgan</p> <p>Andrew Hall</p> <p>Chris Medley</p>	

## Appendix 2

Community Planning partners	location of staff and move to more energy efficient building		Bill Crook	
Develop procedures for more efficient use of King Harald Street Record Store	To be confirmed	2010/11 – Operational Priority	Anne Cogle	None
Transfer responsibility of the Knab Store from Islesburgh to the Building Maintenance Service so that they can achieve savings through bulk buying and the storage of equipment and machinery.	To be confirmed	2010/11 – Operational Priority	Neil Watt	None
Negotiate better travel deals with Loganair for trainees (have already done this with Northlink)	To be confirmed	2010/11 – Operational Priority	George Smith	None
Review Licensing function – to clarify lines of responsibility and eliminate wasteful processing	To be confirmed	2010/11 – Operational Priority	Brian Hill	None
Review the shift pattern at the Waste to Energy Plant	To be confirmed	2010/11 – Operational Priority	Jim Grant	Employee reorganisation

**Spend to Save**

<b>Efficiency Saving Proposed</b>	<b>Monetary saving</b>	<b>Priority and timescale for delivery</b>	<b>Responsible Officer</b>	<b>Risk Implications</b>
Create salt store to allow bulk buying	To be confirmed	2010/11 – Operational Priority to investigate and report	Ian Halcrow	Cost
Purchase rented offices, such as Solarhus (previous example of spend to save on Quendale House)	To be confirmed	2010/11 – Operational Priority to investigate and report	Alan Rolfe	Cost
Employ additional lawyers, to reduce external spend for specialist advice (Crofting Estates, Employment Law, projects such as Total, EDU etc)	To be confirmed	2010/11 – Operational Priority to investigate and report	Jan Riise and Brian Hill	Cost
Use reserves to assume greater risk and reduce insurance premiums	To be confirmed	2010/11 – Operational Priority to investigate and report	Jan Riise, Sandra Pearson	Cost
Invest in comprehensive management development training	To be confirmed	2010/11 – Operational Priority to investigate and report	Denise Bell	Cost
Install a wind generator at Sella Ness	To be confirmed	As soon as practicably possible	Roger Moore	Cost
Replace all streetlamps with more energy efficient types – carry out a review of this policy, incorporating a possible presumption against	To be confirmed	2010/11 – Operational Priority	Ian Halcrow	Cost

## Appendix 2

new schemes				
Adopt a more passive fund investment management policy, to determine if in-house provision would be more cost effective	Potential to save £2.5million in consultant fees a year	To be confirmed	Graham Johnston	Potential change to service

### Maximise Income to the Council

Efficiency Saving Proposed	Monetary saving	Priority and timescale for delivery	Responsible Officer	Risk Implications
Review the <b>Corporate Charging framework</b> and philosophy surrounding this. E.g:  - Charge for black bags  - Introduction of soil sample charge for planning applications	To be confirmed  £5,000 income / year	2010/11 – Operational Priority as part of communication strategy re public fund reductions	Stephen Cooper  Douglas Irvine	Change to service
Make more use of the Business Gateway budget to cover service costs	£30,000	2010/11 – Operational Priority and ongoing	Neil Grant and Douglas Irvine	None
Make more effective use of INTERREG project funding to offset service costs	£20,000	2010/11 – Operational Priority and ongoing in the future	Douglas Irvine	None
Make best use of Individual learning accounts to generate income for Adult Learning classes	To be confirmed	2010/11 – Operational Priority	Nancy Heubeck	None

## Appendix 2

income for Adult Learning classes				
Look at implications / benefits of setting up a dedicated European and External Funding Unit	To be confirmed	2010/11 – Operational Priority to investigate and report	Emma Perring	Cost
Increase fees for lairs and interment, currently cheapest fees in Scotland by approx £300.	£51,000 income / year	2010/11 – Operational Priority	Jim Grant	Politically sensitive, but not charging for child funerals would be easier, with little impact on budget.





Area	Item	Estimated Cost 2011/12 £	Short description of service, gap in service need or outcome to be achieved	No of new / transferred staff
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Education and Social Care Department				
Community Care	Care at Home	500,000	Increase in hours to support additional clients at home. Average cost for high needs clients is £15K per annum. Estimate is based on a further 30 – 35 clients with high dependency levels	Estimated 18.5FTE SCWs
	Telecare	70,000	To continue with dedicated Telecare Project Manager and admin support for a further year. Costs met in 2010/11 by Scottish Govt	Extend fixed term contracts for existing staff
	Montfield Care Home	283,000	3 months running costs due to only 9 months needed in 2010/11	None – all in post from July 2010
	ILP Outreach	200,000	To meet the needs of approx 12 new clients as outreach rather than in dedicated supported accommodation estimated at £19,500 per client	Estimated 3FTE Snr SCWs (practitioners) and 3FTE SCWs
	Eric Gray Resource Centre	450,000	Based on EGRC feasibility study – Phase 1 – Complex needs service. Building will not be completed in 2011/2012 however; staffing needed to provide 1:1 support for 10 new service users in other settings.	Estimated 1FTE Snr SCW 15.5FTE SCW
	Day Care	100,000	Provide service at weekends and some evenings/Fridays	Estimated 3.7FTE SCWs

Growth Items for 2011/12 Budget

Appendix 3

Area	Item	Estimated Cost 2011/12 £	Short description of service, gap in service need or outcome to be achieved	No of new / transferred staff
	Annsbrae	150,000	To increase staff cover to 24/7 to meet increased needs	Estimated 5.6FTE SCWs
	Traineeship Scheme	50,000	Support for rolling traineeship programme in collaboration with Shetland College	1FTE Co-ordinator post
	Off-island placements	200,000	2 additional clients supported outwith Shetland	None
Shetland College	Learning for ASN Adults	23,000	The college was approached this session to develop a part-time programme for ASN Adults, modelled on the college's existing New Directions programme. Specialist staff would be required to co-ordinate and deliver elements of such a programme.	1 PT
Train Shetland	Train Shetland Modern Apprenticeship Programme	158,000	27% reduction in 2010 Skills Dev Scot contract for new apprentices. Local industry demand remains high and applicant numbers are high. SDS have also withdrawn trainee travel & lodging <u>within</u> Shetland. Aim to fund 25 apprentice places and travel and lodging for trainees in "fragile areas" of Shetland who have to leave home.	
Children's Services	Kinship care payments	100,000	From April 2011 kinship carers require to be assessed, supported and receive allowances in line with foster carers,	None
Housing	Homelessness	100,000		

Area	Item	Estimated Cost 2011/12 £	Short description of service, gap in service need or outcome to be achieved	No of new / transferred staff
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Economic Development				
Economic Development	Tall Ships	762,000	The Tall ships event and the Council financial contribution was agreed at Development Committee min ref 33/09, subject to future years budget estimates exercises. The council has also entered contractual arrangements with the Tall Ships Races 2011 company. The event is very important for Shetland Economically. The estimated economic impact of the 1999 event was £2.4m	None
Infrastructure Services				
Planning	Carbon Reduction Commitment	17,000	CRC is a mandatory scheme. The Councils carbon saving performance is compared against all other participants and the cost figure noted would be the maximum penalty i.e. if the Council was to come bottom of the performance league table in 2011/12.	
Environment	Reduction in income from drill cuttings and annual increase in landfill tax	106,000	The closure of the SCOMI process plants in Shetland has resulted in a loss of income from the disposal of drill	None

Growth Items for 2011/12 Budget

Appendix 3

Area	Item	Estimated Cost 2011/12 £	Short description of service, gap in service need or outcome to be achieved	No of new / transferred staff
			cuttings. There is no indication of these reopening in the foreseeable future.  There is a small amount of waste household waste that goes to landfill. This incurs an annual growth of £8/Tonne Landfill Tax, which goes to Customs and Excise.	
Energy Costs	Increased Electricity Contract Prices	140,000	Cost rises are due to increasing cost of electricity, oil, and district heating.	None
Transport	Transport Fuel Prices	53,000	£53k per 1p increase for transport fuel costs so depends on what the rise	None
All				
All	Rates Bills	300,000	A revaluation of the Council owned properties would result in an increase in the rates to be paid by the Council.	None
TOTAL		3,762,000		



## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Head of Finance**

### **Whalsay Transport Links: Cost To Council Of Tunnel Compared To Ferry Service**

**Report No: F-035-F**

#### **1. Introduction**

- 1.1 Further to the Special Infrastructure Committee meeting on 28th May 2010, this report provides an update on the comparison of the long term costs of a tunnel versus the long term costs of continuing a ferry service to Whalsay in light of the agreed tunnel costs presented at that meeting.
- 1.2 The findings of the Member/Officer Working Group on the question of alternative and external funding proposals for the tunnel option will be covered in this report.

#### **2. Links To The Corporate Plan**

- 2.1 The Council's Corporate Plan includes an aim of seeking to ensure the Council is sustainable in everything it does. The affordability of providing key lifeline services, such as the provision of Whalsay transport links is a major component of that.

#### **3. Risk Management**

- 3.1 The assessment of long term affordability of options for service delivery involves long term projections of cost, which are inevitably approximate to some degree. The key to managing the risks associated with long term estimation is to do sensitivity analysis on the findings, to establish how robust the conclusions are in the event that some of the key assumptions change over time.

#### **4. Background**

- 4.1 On 27th May 2010 the Tunnel Working Group met to agree an estimated cost of a tunnel to Whalsay. The group comprised: Council officers, Dr A Say - Natural Capital, Prof A Sloan - Donaldson Associates, Mr G Fossberg and Mr J E Henning - Norwegian Public Roads Authority, Prof E Grov - International Tunnelling Association, Mr K Vikane - AF Gruppen and Mr P E Moen - Tunnel & Geoconsult.

- 4.2 At the Special Infrastructure Committee on 28th May these figures were presented to the Council and noted.
- 4.3 The analysis in this report is based on the Tunnel Working Group agreed estimated figures of £83.6m for the construction of a tunnel to Whalsay, with a budget of £112m required in order to include all risks (optimism bias).
- 4.4 The only proper technique for comparing the costs of different options over lengthy time periods is to use discounted cash flows to calculate Net Present Values (NPV). The NPV is a measure of the current lump sum which would have to be spent today to finance an option over the long term, taking into account the investment returns which would be lost if that money is spent. The NPV allows a direct comparison to be made between options with very different cash flow profiles over time. It is therefore entirely suited to comparing a tunnel (with big immediate capital costs, but lesser ongoing operating costs over time) with a ferry service (with lower immediate capital costs, but with a larger mix of ongoing operating costs and periodic renewal costs).
- 4.5 NPV deals with comparative costs for the Council, but there are other considerations for the Council to take into account.
- 4.6 The tunnel option involves much greater initial capital costs than the ferry option, which poses questions about how that can be accommodated within Council financial policy framework. If, for example, the tunnel option costs in the order of £100 million, it will be impossible to accommodate that within the financial policy framework (which states that the capital programme for all projects should not exceed £100 million over five years, and which requires the Council's Reserves to be maintained above £250 million). A temporary exception has already been made to that policy framework for the Anderson High School, but only on the basis that the Charitable Trust would buy it and lease it back. The Charitable Trust does not have the capital to make a further, larger exception for a Whalsay Tunnel, and it is by no means evident that the Council could afford the resulting lease payments, either.
- 4.7 The analysis in this report deals purely with the cost of different options for the Council. As such, it ignores the costs and benefits of these options for the Whalsay community, and indeed for Shetland as a whole. These factors may be highly significant, and may deserve full consideration at an appropriate point, but only in respect of options that are affordable for the Council. It is therefore valid for this report to confine itself to the immediate question of relative costs and affordability for the Council.

## **5. Net Present Value (NPV) Analysis**

- 5.1 Attached as Appendix A is the NPV analysis for the tunnel versus ferry service comparison, excluding any allowance for optimism bias on either side of the comparison. The summary table from that analysis is reproduced below as Table 1.

## 5.2 Table 1

<b>SUMMARY TABLE OF NET PRESENT VALUES (NPV)</b>					
	<b>Discount Rate %</b>	<b>Tunnel NPV £million</b>	<b>Ferry NPV £million</b>	<b>Tunnel Over/(Under) Ferry NPV £million</b>	<b>Margin of Difference over cheapest option %</b>
£83.6 million tunnel versus ferry service with 63.7% financial support from Scottish Government (£11.5k per metre tunnel construction cost)	5	68.5	41.6	26.9	65

- 5.3 Appendix A evaluates the lifetime costs of a drill and blast tunnel compared with the costs over the same period of continuing the ferry service with amended replacement ferries and terminals. The evaluation includes all connecting road works but doesn't include any estimate of Optimism Bias for the tunnel project (although agreement by the Tunnel Working Group suggests that adding 44% to the tunnel construction element of the cost estimate would be appropriate to reflect the risks of such an unusual project). Even without an allowance for optimism bias (which would worsen the case for the tunnel option) the NPV results show that the tunnel is £27million (65%) more costly, than the ferry option. These are not marginal results, and conclusively prove that the tunnel option is very much more costly to the Council than continuing with the ferry service.
- 5.4 It is also the case that the tunnel option, which would cost between £23-29 million for each of three consecutive years would be virtually impossible to programme within the existing Council financial policy framework (which currently provides a maximum of £100 million of funding over 5 years for all projects. Such a financial burden could only be accommodated if no other significant projects were progressed in those years which is, from all points of view unrealistic and undesirable).
- 5.5 The only factors which would be material enough to call that finding into question would be if the Scottish Government ceased to provide expenditure related revenue support grant for the ferry service, or if capital grants in the order of £25-30 million could be obtained for the tunnel. While neither of these apply, the Council should recognise that the continuation of the ferry service to Whalsay is much cheaper for the Council, and therefore represents the best value option, which the Council should pursue.
- 5.6 The Member/Officer Working Group tasked with exploring alternative and external funding options met with Scottish Government and EU related officials in Edinburgh on Monday 21 June 2010 in Edinburgh. The main points which arose from that meeting were as follows.

- 5.6.1 The Council's long term vision for fixed links is something the Scottish Government will be happy to discuss with the Council. There is nothing in its policies, nor its current consultation of Ferry Services in Scotland, which rules out due consideration of fixed link solutions. The Scottish Government do have a policy aversion against tolls on fixed links, however. The Scottish Government would expect the Council to make its case for fixed links on the basis of fully detailed STAG appraisals, and the current appraisal for Whalsay does not do so, and would therefore have to be reworked over a significant timescale.
- 5.6.2 The Scottish Government envisage an extreme shortage of resources for capital spending over the next five years or so, with the prospects thereafter uncertain but not currently seen to be much brighter. Capital funding is sure to see much bigger reductions than revenue funding. Almost all of their foreseeable capital resources are committed to the Forth Crossing, the Southern General Hospital project in Glasgow, and to the programme of new school building across Scotland. They held out no realistic hope of substantial new sums for fixed links in Shetland in the foreseeable future. The Scottish Government officials offered the view that it may be 12-15 years before the economy, and public spending, get back in real terms to where they were before the current crisis.
- 5.6.3 The Scottish Government will continue the current Grant Aided Expenditure (GAE) mechanism for distribution of revenue support to Councils, albeit that the money which will flow through the system will be reduced in real terms for at least the next planning period up to 2015. This helpfully clarifies that the existing support mechanism for inter-island ferries, based upon actual gross spending by the Council, will remain in place for the foreseeable future. This deals, for the moment at least, with the danger (referred to at 5.5 above) of that mechanism being eliminated. It was clear, however, that unless any form of alternative deal is struck, that if the Council stops operating ferry services then ferry service GAE support would cease.
- 5.6.4 EU Structural funds for the current round (up to 2013) are fully committed. The post 2013 programme may have less funding than the current round (£500 million for Scotland as a whole) and will be biased away from big infrastructure projects towards social funding initiatives. It will be important for the Council to seek to influence the shape of the post 2013 programme, but this is clearly a process in which the uncertain outcome is several years away.
- 5.6.5 The Scottish Futures Trust is a vehicle for advice on funding options which the Council may find it useful to consult, but it has no money of its own to allocate. The kind of options they may be able to help with might therefore cover options to phase the costs of fixed links over time, but are unlikely to alter the real cost to the Council.
- 5.6.6 The door is open for discussion of the possible conversion of Council and Scottish Government financial inputs into the ferry service into funding for capital or financing charges for fixed links. Any such dialogue may take some time, however, and would need



to meet Scottish Government financial objectives (i.e. be cheaper for them) to have much prospects of success. Another difficulty would be that even if a big up front investment in fixed links would be cheaper for the Scottish Government in the long run, they almost certainly do not have the available capital sums in the short to medium term. A further difficulty would be that if such a deal involved supported borrowing then that may affect the Scottish Government Balance Sheet, which they would wish to avoid.

5.6.7 The Scottish Government officials concluded that there was more to discuss over the medium to longer term, but that discussions were not so far advanced as to warrant ministerial involvement yet. A note of this meeting would, though, be prepared and sent to John Swinney, the Scottish Government Finance Secretary.

## **7. Policy And Delegated Authority**

7.1 Responsibility for the Capital Programme is a matter for full Council, as described in Section 8 of the Council's Scheme of Delegation.

## **8. Conclusions**

- 8.1 The NPV calculation in Appendix A and Table 1 above show that in Net Present Value terms the tunnel option is much more expensive for the Council than the continuation of the ferry service at a tunnel cost of £83.6 million (based on tunnelling costs of £11,500 per metre), especially while the ferry service continues to benefit from direct grant support from the Scottish Government. This conclusion would only need to be revised if Scottish Government support for ferry services is significantly reduced, or if substantial capital grants become available for tunnels.
- 8.2 Even if the tunnel option had a lower NPV the Council would still face the extreme difficulty of fitting the tunnel option, with its much higher initial capital costs, into its financial policy framework.
- 8.3 Only if the tunnel option had a lower NPV than the ferry option, and the Council's financial policy framework could be altered to accommodate the higher initial capital costs, would it be relevant to evaluate the costs and benefits of the tunnel option for the Whalsay community and the wider community of Shetland as a whole.
- 8.4 Exploratory talks with Scottish Government and EU officials have identified some avenues which will be worth exploring further, but there is virtually no prospect of external funding or alternative funding options transforming the situation in the short to medium term (up to five years).
- 8.5 The Council therefore needs to consider what is to be done about the Whalsay transport link in this context. The choice is whether to make a once in a generation investment in ferries and terminals, or whether to make the minimum investments necessary to keep the service going, in the hope that fixed links become a viable option in a few years time.

## **9. Recommendations**

- 9.1 I recommend that the Council consider this report and notes that in present circumstances the tunnel option is not affordable and it does not represent best value and, consequently, the Council should reaffirm the intention of pursuing the best value option for the continuation of the ferry service as the transport link to Whalsay.
- 9.2 The alternative to that would be for the Council to defer a long term decision on the Whalsay route, and to call for reports on the minimum investments required to keep the route operational, in the hope that circumstances change to such an extent that fixed links become a viable option for the Council.

Date: 22 June 2010  
Ref: GJ/HKT/BR

Report No: F-035-F

# WHALSAY FIXED LINK : Drill & Blast Tunnel versus New Ferry Service

## PROJECT DETAILS

## Whalsay Drill &amp; Blast Tunnel

## New Ferry Service

## Capital

£000

£000

Project Costs (Tunnel Construction £11.5k per metre)

83,645

Mechanical Equipment Replacement (every 25 years)

3,000

Replacement Lining for Tunnel (50 years)

Not known

Linga Vessel replacement cost (every 25 years)

6,000

B600 Vessel replacement cost (every 25 years)

9,000

Terminal refurbishment (every 20 years)

2,300

Terminal reconstruction (every 60 years)

12,000

Capital Grants

0%

0

0%

0

## Revenue

Employee costs

1,620

Operating costs

553

71

Vessels (excluding financing charges)

1,103

Terminals/Stores (excluding financing charges)

138

Overheads

195

Gross Costs

553

3,127

Revenue Support Grant £1500 per additional road length km

(12)

63.7% of Gross Costs

(1,992)

Charge income

(391)

Net Costs

541

744

## Discounted Cash Flow

## Discount Rate (%)

5.00

All amounts at current prices

Financial Year	Project Year	Discount Factor	Whalsay Drill & Blast Tunnel			
			Capital Cash Flow	Revenue Cash Flow	Discounted Cash Flow	Cumulative Discounted Cash Flow
			£000	£000	£000	£000
2009/10	0	1.000	0	0	0	0
	1	0.952	375	0	357	357
	2	0.907	38	0	34	392
	3	0.864	2,258	0	1,951	2,342
	4	0.823	753	0	619	2,962
	5	0.784	1,753	0	1,374	4,335
	6	0.746	29,768	0	22,213	26,549
	7	0.711	24,850	0	17,660	44,209
	8	0.677	23,850	0	16,143	60,352
	9	0.645	0	541	349	60,700
	10	0.614	0	541	332	61,032
	11	0.585	0	541	316	61,349
	12	0.557	0	541	301	61,650
	13	0.530	0	541	287	61,937
	14	0.505	0	541	273	62,210
	15	0.481	0	541	260	62,470
	16	0.458	0	541	248	62,718
	17	0.436	0	541	236	62,954
	18	0.416	0	541	225	63,179
	19	0.396	0	541	214	63,393
	20	0.377	0	541	204	63,597
	21	0.359	0	541	194	63,791
	22	0.342	0	541	185	63,976
	23	0.326	0	541	176	64,152
	24	0.310	0	541	168	64,320
	25	0.295	0	541	160	64,480
	26	0.281	0	541	152	64,632
	27	0.268	0	541	145	64,777
	28	0.255	0	541	138	64,915
	29	0.243	0	541	131	65,046
	30	0.231	0	541	125	65,171
	31	0.220	0	541	119	65,291
	32	0.210	0	541	114	65,404
	33	0.200	3,000	541	708	66,112
	34	0.190	0	541	103	66,215
	35	0.181	0	541	98	66,313
	36	0.173	0	541	93	66,406
	37	0.164	0	541	89	66,495
	38	0.157	0	541	85	66,580
	39	0.149	0	541	81	66,661
	40	0.142	0	541	77	66,738
	41	0.135	0	541	73	66,811
	42	0.129	0	541	70	66,881
	43	0.123	0	541	66	66,947
	44	0.117	0	541	63	67,010
	45	0.111	0	541	60	67,070
	46	0.106	0	541	57	67,128
	47	0.101	0	541	55	67,182
	48	0.096	0	541	52	67,234
	49	0.092	0	541	50	67,284

New Ferry Service			
Capital Cash Flow	Revenue Cash Flow	Discounted Cash Flow	Cumulative Discounted Cash Flow
£000	£000	£000	£000
0	0	0	0
1,000	0	952	952
4,150	0	3,764	4,717
12,800	0	11,057	15,774
6,400	0	5,265	21,039
1,350	0	1,058	22,097
500	0	373	22,470
0	744	529	22,999
0	744	504	23,502
0	744	480	23,982
0	744	457	24,439
0	744	435	24,874
0	744	414	25,288
0	744	395	25,683
0	744	376	26,059
0	744	358	26,417
0	744	341	26,757
0	744	325	27,082
0	744	309	27,391
6,000	744	2,669	30,060
0	744	280	30,341
0	744	267	30,608
0	744	254	30,862
0	744	242	31,104
2,300	744	944	32,048
0	744	220	32,268
0	744	209	32,477
0	744	199	32,676
0	744	190	32,866
9,000	744	2,367	35,234
0	744	172	35,406
0	744	164	35,570
0	744	156	35,726
0	744	149	35,875
0	744	142	36,016
0	744	135	36,151
0	744	128	36,280
0	744	122	36,402
0	744	117	36,519
0	744	111	36,629
0	744	106	36,735
0	744	101	36,836
0	744	96	36,932
0	744	91	37,023
8,300	744	1,057	38,080
0	744	83	38,163
0	744	79	38,242
0	744	75	38,317
0	744	72	38,388
0	744	68	38,456

50	0.087	0	541	47	67,331	0	744	65	38,521
51	0.083	0	541	45	67,376	0	744	62	38,583
52	0.079	0	541	43	67,419	0	744	59	38,642
53	0.075	0	541	41	67,460	0	744	56	38,698
54	0.072	0	541	39	67,498	9,000	744	699	39,397
55	0.068	0	541	37	67,535	0	744	51	39,448
56	0.065	0	541	35	67,570	0	744	48	39,496
57	0.062	0	541	34	67,604	0	744	46	39,542
58	0.059	3,000	541	209	67,813	0	744	44	39,586
59	0.056	0	541	30	67,843	0	744	42	39,628
60	0.054	0	541	29	67,872	0	744	40	39,668
61	0.051	0	541	28	67,900	0	744	38	39,706
62	0.049	0	541	26	67,926	0	744	36	39,742
63	0.046	0	541	25	67,951	0	744	34	39,777
64	0.044	0	541	24	67,975	14,300	744	663	40,439
65	0.042	0	541	23	67,998	0	744	31	40,470
66	0.040	0	541	22	68,019	0	744	30	40,500
67	0.038	0	541	21	68,040	0	744	28	40,528
68	0.036	0	541	20	68,060	0	744	27	40,555
69	0.035	0	541	19	68,078	6,000	744	233	40,788
70	0.033	0	541	18	68,096	0	744	24	40,813
71	0.031	0	541	17	68,113	0	744	23	40,836
72	0.030	0	541	16	68,129	0	744	22	40,858
73	0.028	0	541	15	68,144	0	744	21	40,879
74	0.027	0	541	15	68,159	0	744	20	40,899
75	0.026	0	541	14	68,173	0	744	19	40,918
76	0.025	0	541	13	68,186	0	744	18	40,937
77	0.023	0	541	13	68,199	0	744	17	40,954
78	0.022	0	541	12	68,211	0	744	17	40,971
79	0.021	0	541	11	68,222	9,000	744	206	41,177
80	0.020	0	541	11	68,233	0	744	15	41,192
81	0.019	0	541	10	68,244	0	744	14	41,206
82	0.018	0	541	10	68,254	0	744	14	41,220
83	0.017	3,000	541	62	68,315	0	744	13	41,233
84	0.017	0	541	9	68,324	2,300	744	51	41,283
85	0.016	0	541	9	68,333	0	744	12	41,295
86	0.015	0	541	8	68,341	0	744	11	41,306
87	0.014	0	541	8	68,349	0	744	11	41,317
88	0.014	0	541	7	68,356	0	744	10	41,327
89	0.013	0	541	7	68,363	0	744	10	41,337
90	0.012	0	541	7	68,370	0	744	9	41,346
91	0.012	0	541	6	68,376	0	744	9	41,355
92	0.011	0	541	6	68,382	0	744	8	41,363
93	0.011	0	541	6	68,388	0	744	8	41,371
94	0.010	0	541	6	68,394	6,000	744	69	41,440
95	0.010	0	541	5	68,399	0	744	7	41,447
96	0.009	0	541	5	68,404	0	744	7	41,454
97	0.009	0	541	5	68,409	0	744	7	41,461
98	0.008	0	541	5	68,413	0	744	6	41,467
99	0.008	0	541	4	68,418	0	744	6	41,473
100	0.008	0	541	4	68,422	0	744	6	41,478
101	0.007	0	541	4	68,426	0	744	5	41,484
102	0.007	0	541	4	68,429	0	744	5	41,489
103	0.007	0	541	4	68,433	0	744	5	41,494
104	0.006	0	541	3	68,436	11,300	744	75	41,569
105	0.006	0	541	3	68,439	0	744	4	41,574
106	0.006	0	541	3	68,443	0	744	4	41,578
107	0.005	0	541	3	68,445	0	744	4	41,582
108	0.005	3,000	541	18	68,464	0	744	4	41,586
109	0.005	0	541	3	68,466	0	744	4	41,589
110	0.005	0	541	3	68,469	0	744	3	41,593
111	0.004	0	541	2	68,471	0	744	3	41,596
112	0.004	0	541	2	68,474	0	744	3	41,599
113	0.004	0	541	2	68,476	0	744	3	41,602
114	0.004	0	541	2	68,478	0	744	3	41,605
115	0.004	0	541	2	68,480	0	744	3	41,608
116	0.003	0	541	2	68,482	0	744	3	41,610
117	0.003	0	541	2	68,483	0	744	2	41,613
118	0.003	0	541	2	68,485	0	744	2	41,615
119	0.003	0	541	2	68,487	6,000	744	20	41,636
120	0.003	0	541	2	68,488	0	744	2	41,638
Total Cash Flow		95,645	60,592			115,700	84,828		
NET PRESENT VALUE					<u>68,488</u>				<u>41,638</u>

NET PRESENT VALUE DIFFERENCE : FIXED LINK COST OVER / (UNDER) FERRY SERVICE COST

26,851



## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Head of Finance**

### **HOUSING REVENUE ACCOUNT: NEW BUILD HOUSING PROGRAMME FUNDING**

**Report No: F-037-F**

#### **1. INTRODUCTION**

- 1.1 Members will be aware of the ambitious New Build Housing Programme which the Council wishes to progress. Members will also be aware that dialogue is ongoing with the Scottish Government regarding Round 3 funding for the New Build Housing Programme from their Incentivising New Council House Building Fund. That dialogue has also opened up uncertainty about the future of the Housing Support Grant (currently worth around £1.2 million per annum to the Council's Housing Revenue Account).
- 1.2 The immediate problem is that the unresolved dialogue with the Scottish Government is now clashing with the need to progress particular housing schemes on the ground. This report sets out the issues and invites the Council to decide whether to delay progress on housing schemes and await the outcome of the external funding dialogue, or to commit its own resources to allow unimpeded progress.

#### **2. LINKS TO THE CORPORATE PLAN**

- 2.1 The Council's Corporate Plan includes the objective of tackling the chronic shortage of social housing for rent in Shetland, in light of the very high waiting lists, which currently exist. The Council's proposed New Build Housing Programme is a direct response to that problem.

#### **3. RISK MANAGEMENT**

- 3.1 There is undoubtedly an element of risk associated with commencing the New Build Housing Programme before the prospects for capital and revenue funding from the Scottish Government are resolved. But there is also a risk (verging on a certainty) that if a start is not made to building new social housing then the waiting list problem will get even worse, with all the human and economic harm which will flow from that.
- 3.2 The best way of managing the funding risk, while reducing the risk of a worsening housing situation, is to make commitments to the projects which are ready to proceed at the moment, leaving the further commitments to projects which are still in development till later (when the funding issues will surely have been finally resolved). That is the risk management strategy behind this report.

- 3.3 Failure to comply with European Union procurement regulations could result in challenge through the courts and cost the Council money together with delay to the projects.

#### **4. NEW BUILD HOUSING PROGRAMME: PROGRESS REPORT AND NEXT STEPS**

- 4.1 The Council has already embarked upon the strategy of limited commitments in advance of final decisions on external financial support. The Council has committed up to £1.25 million of funding, indirectly from HRA Reserves, to cover the costs of groundwork at the Brae and Hoofields Schemes, and to take all other proposals to pre-tender stage.
- 4.2 Tenders for the groundwork at Hoofields are back. The Housing Service is awaiting de-crofting at Brae and then this is ready to go, with planning permission and building warrants in place already.
- 4.3 What is needed now is to conclude detailed design for Hoofields, and to get the remaining works out to tender for both schemes. This is necessary so that the works above ground can follow straight on from the ground works as the scheme progresses. Standing Orders prevents the Council from awarding contracts unless the estimated expenditure has been approved previously by the Council.
- 4.4 The Housing Service are also running a Council approved pilot at Virkie. This pilot will hopefully see properties built and sold at no cost to the Council. However, if the market fails there needs to be fallback funding to pay for the houses and take them into HRA use.
- 4.5 As a minimum the Housing Service need approval of enough money to conclude Hoofields, Brae and Virkie. All of this will be spread over several years but it is the authority to proceed that is currently needed, together with the budget to cover the activity. It is important to bear in mind that the Hoofields groundworks and housing construction contracts are inextricably linked. The groundworks cannot proceed without a decision on the housing construction contract. Furthermore, any change to the size of the construction contract will have to be considered in light of the European Procurement regulations.
- 4.6 The amounts required in total will be of the order of £9.5 million for Hoofields (£0.9 million already approved as part of the original funding report in March 2010), £1.55 m for Brae (£0.35 million already approved as part of the original funding report in March 2010) and £0.45m for Virkie. There is also a requirement for £0.125 million to bring the other Landward schemes to pre-tender stage.
- 4.7 There is therefore a current requirement for the Council to decide on total funding for the Hoofields, Brae, Virkie and other Landward schemes of £11.625 million, of which £1.25 million is already approved. The extra funding approval being sought in this report is therefore £10.375 million, if the Council wishes these schemes to proceed without delay. Any Round 3 funding or income from sales would reduce the funding requirement, but it would be appropriate to provide full funding authority at this stage.
- 4.8 The Council's funding strategy for the New Build Housing Programme is based upon HRA debt financing of the capital spend, with the burden reduced by

Round 3 Capital funding and extra Housing Support Grant from the Scottish Government, with the burden further limited by increased use of the Housing Repairs and Renewals Fund to carry more of the costs of the Repairs and Maintenance programme while the debt burden is temporarily higher. This strategy is aimed at minimising the burden of building new houses upon existing tenants.

- 4.9 In my view this strategy can be immediately deployed, and adapted in the event that funding dialogue with the Scottish Government is unsuccessful. In the worst case scenario, the Council might have to seriously delay, or even cancel, the projects beyond Hoofields, Brae and Virkie, but would nevertheless have options available which would allow those schemes under way to be completed.
- 4.10 In an ideal world all the funding elements would be in place in advance, and the consequent long term financial plan would have been worked out in detail. In reality, the funding dialogue is continuing, and the detailed plan is therefore not finalised. The question for the Council is whether it wishes to proceed in the meantime with the projects that are ready to go, or whether it wishes to delay progress in order to finalise the plan for the whole programme before proceeding with the schemes that are currently ready to progress.

## **5. SCOTTISH GOVERNMENT FUNDING: THE CURRENT POSITION**

- 5.1 The Round 3 funding submission, seeking £5.16 million (£30,000 per housing unit on a total programme of 172 housing units) is still under consideration by the Scottish Government. An update will be provided at the Council meeting for any recent developments. The meeting with the Housing Minister on 22 June 2010 indicated that the Scottish Government announcement on Round 3 funding should be available by the middle of July 2010.
- 5.2 The Housing Support Grant mechanism (currently worth £1.2 million per annum to the Council) is to be subjected to reform by the Scottish Government, the detail of which will be set out in a consultation process with local government, which has not yet commenced. The intention of that consultation appears to be to reduce entitlements to HSG which, given that the Shetland Islands Council is the only authority currently in receipt of HSG, points to phased abolition of HSG. An update will be provided at the Council meeting for any recent developments. The meeting with the Housing Minister on 22 June 2010 indicated a timetable for the HSG reform process to be complete by the end of September 2010.
- 5.3 A fully worked out funding plan exists in the event of complete success in our negotiations with the Scottish Government (it was, of course, part of the submissions made to, and under consideration by, the Government at the present time). A similar full funding plan has not been prepared to cater for partial or complete failure of the quest for external funding. It has simply not proved possible to conduct the negotiations and cover all other work priorities and plan fully for some degree of failure in the funding bid. This is why the Council will need to think carefully about whether it is ready to commit to parts of the New Build Housing Programme at the present time or not.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 In the worst case scenario the approval of funding to complete the Hoofields, Brae and Virkie new build schemes would add £11.625 million to the HRA debt burden over a period of years, without any assistance from Round 3 funding and in circumstances in which HSG is being phased out. This would take the HRA debt level up from around £44 million to £56 million (the level it was last at in real terms as recently as 2004/05). My view is that this worst-case scenario is manageable (given the Council's track record in reducing the HRA debt burdens from a real peak of £84 million in 1995) and is a risk worth running in view of the pressing need to directly and substantially tackle the major housing shortage in Shetland. That, however, is ultimately a judgment that the Council will need to take.
- 6.2 The question is whether the Council is ready to take that judgment now in order to avoid delays to the Hoofields, Brae and Virkie schemes, or whether it wishes to await the outcome of funding negotiations with the Scottish Government, and the more detailed financial planning which can follow from that.

## **7. POLICY AND DELEGATED AUTHORITY**

- 7.1 Responsibility for Capital Programmes, including the New Build Housing Programme, are matters for full Council.

## **8. CONCLUSIONS**

- 8.1 The Council needs to decide whether to embark on the New Build Housing Programme projects which are ready to go or not. Proceeding in advance of the final outcome of financial negotiations with the Scottish Government involves some degree of risk, but the risk of the housing problem becoming worse if a start is not immediately made is considered by me to outweigh the financial risk, which is viewed by me as manageable in any event.

## **9. RECOMMENDATIONS**

- 9.1 I recommend to the Council that extra funding of £10.375 million (in the form of HRA debt, financed by General Fund Reserves and backed by HRA Reserves) should be immediately committed to the whole Hoofields project (i.e. both the enabling works and construction of 76 houses as advertised), Brae, Virkie and other Landward schemes in the New Build Housing Programme, acknowledging that the New Build Housing Programme may have to be modified and other expenditure cuts pursued and revenue increases sought if financial negotiations with the Scottish Government over capital and revenue funding are not successful.

Date: 25 June 2010  
Ref: GJ/DS

Report No: F-037-F





## REPORT

To: **Audit and Scrutiny Committee**  
**Shetland Islands Council**

**7 June 2010**  
**30 June 2010**

From: **Policy Manager**

**CE-18-F**

### **Annual Audit and Scrutiny Committee activity report**

#### **1 Introduction**

- 1.1 When the original Scrutiny Committee was established back in 2006, a requirement was established for an annual report to be produced, outlining the areas that the Committee had covered during the past 12 months. This report fulfils that requirement.

#### **2 Links to Corporate Priorities**

- 2.1 This report does not directly contribute to the priority areas set out in the Council's Corporate Plan 2008-11. However, the audit and scrutiny function is an important part of ensuring that the Council is challenging itself and delivering continuous improvement.
- 2.2 Ensuring that there are mechanisms in place for delivering effective governance and accountability are fundamental Best Value 2 characteristics which all Councils in Scotland are required to meet. At the moment governance and accountability are seen as risk areas for the Council by Audit Scotland, so it's perhaps more important than ever that Audit and Scrutiny is carrying out its role effectively.

#### **3 Work carried out**

- 3.1 The following section seeks to show the value added by the Committee, by listing a few of the main areas of activity and the changes that have resulted in performance levels.
  - **Annual Efficiency Statement – 2009**  
The Committee considered the Council's Efficiency Statement, which is required by the Scottish Govt each year. This showed that the Council had made almost £700,000 in efficiency savings during 2008-09.

The main value added by the Committee is the fact that it provides a forum for discussing the savings, highlighting good practice and seeking to share this wherever possible.

- **Housing Voids Investigation - Update Reports**

The Committee have had regular updates on this item during the year. Since the Audit and Scrutiny Committee carried out its investigation into Council house voids in 2008, the performance has improved almost threefold from 22% of high demand houses re-let within 4 weeks to 64%.

- **Promoting Attendance update**

Sickness absence was highlighted at the Committee in April 2008 as an area that the Council needed to target. At that time it was recognised that the overall sickness absence rate had increased from 5.2% in 2005-06 to over 6% by 2008. This was well above the corporate target of 4.5%.

In the current financial climate, getting more employees to turn up to their work more of the time is a key efficiency saving. Therefore, the Committee sought to work with Human Resources to raise awareness of the fact this was important and highlight this as a priority for managers. Update reports were provided in September 2009 and March 2010.

Since the Committee first considered this, there have been notable examples of absence being tackled across Council services (Community Care – down from 11.41% to 8.48%, the whole Executive Services Dpt – down almost 2%, Sport and Leisure – down almost 2%). As shown at the recent service performance reviews, the overall rate of sickness absence in the Council is now 5.6%, which is moving in the right direction, but still above the corporate target.

- **Strategic Audit Risk Analysis**

With the Council being classed as a “high risk” Council by Audit Scotland, ways in which the Council can demonstrate that it is taking a proactive role in managing and dealing with strategic risks is of vital importance. The Committee received a report in September 2009 setting out the strategic risk analysis carried out by Audit Scotland, together with an action plan as to progress in dealing with these. That Plan is now reported to the Executive on a quarterly basis.

- **Statutory Performance Indicators (SPIs)**

The SPIs are not everyone’s favourite way of monitoring performance. Very often the indicator is not that suitable for a Council this size, with indicators being skewed by small numbers. However, on the other hand, they do allow us comprehensive benchmark data to compare ourselves against other Councils – with Orkney and the Western Isles being key comparator authorities.

The Audit & Scrutiny Committee has played a key role in monitoring these indicators, scrutinising good and bad performance and speaking to officers to understand the reasons behind these. It can be useful to have at least recorded the reasons why an indicator is a poor measure of this Council’s performance.

Reports were presented to the Committee in October and November 2009, with a report showing how we compared with the rest of Scotland being at the Committee in January 2010. This showed that the Council was in the top 10 Councils in Scotland on 36 of the 106 indicators; best performing Council on 16 of the indicators; in the bottom 10 Councils in Scotland on 48 of the 106 indicators and poorest performing Council on 7 of the indicators.

- **Risk Implications in Committee reports**

The Risk Management Strategy aims to embed risk management into the way business is carried out across the Council. A way to achieve this is to have report authors considering risk implications when drafting their reports. This was agreed by the Committee and subsequently incorporated into the Committee report template. Feedback suggests that this is a very useful way of getting risk management into officers' thinking when putting together proposals in reports.

- **Diesel usage**

Update reports were provided to the Committee in November 2009 and June 2010. Since the Committee first looked at this and set a corporate target of reducing diesel ultra usage by 5% each year for 4 years, there has been an overall decrease of 6.06%. (See separate report on this agenda)

- **LEAN – Recruitment admin and Building Maintenance**

The Committee received 2 reports outlining the outcomes from the pilot LEAN exercises in Building Maintenance and Staffing Recruitment. These projects applied the LEAN methodology to eliminate waste from processes. An important element of the methodology is that it gives the staff at the frontline the responsibility to come up with solutions. Both projects reported very positive outcomes to the Committee and as a result, LEAN is now being incorporated into the Council's efficiencies work as part of seeking to deliver on the £9.9million saving agenda.

- **Staffing numbers**

The Head of Organisational Development provided a report showing where the main areas of growth in staffing numbers has occurred over the lifetime of this Council. This provided a useful forum to discuss the reasons for the growth and how this might be controlled going forward. Performance management of staffing numbers to ensure that growth is curtailed will be key to achieving savings targets.

- **Improving Sector Efficiency and an Overview of Local Govt in Scotland**

The Audit & Scrutiny Committee was presented with two reports that had been prepared by Audit Scotland on behalf of the Accounts Commission early in 2010. These reports provided important observations on the local government environment in Scotland, with a focus being on the impact that economic downturn is having and will have on Councils in years to come. Being able to have a discussion with Members on the key messages from national reports like these is important in showing that the Council is aware of and responding to national developments.

## **5. Financial Implications**

5.1 There are no financial implications arising from this report.

## **6. Policy and Delegated Authority**

6.1 As described in Section 10 of the Council's Scheme of Delegations, the remit of the Audit and Scrutiny Committee includes reviewing Council performance information. However, as this report is reviewing the performance of the Audit and Scrutiny Committee, it is being referred to the Council for consideration.

## **7. Conclusion**

7.1 This report has summarised the key areas of Audit and Scrutiny Committee activity between August 2009 and June 2010. It's sought to show the value that has been added by the Committee during the past year.

## **8. Recommendations**

8.1 I recommend that the Committee discuss the information in this report before it is then passed on to the full Council for further consideration by all Members.

June 2010

CE-18-F



## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Head of Finance**

**Report No: F-036-F**

**Submission of Abstract of Accounts 2009/10 for audit.**

### **1. Introduction**

- 1.1 The Local Authority Accounts (Scotland) Regulations 1985 (as amended) requires the Council to submit its unaudited financial statements for 2009/10 to the Controller of Audit by 30 June 2010.
- 1.2 At the same time, a copy of the financial statements has to be passed to the Council's auditor, Audit Scotland.
- 1.3 There is no specific requirement for the unaudited financial statements to be laid before the Council at this time. However the auditor recommended, in the Report to Members on the 2008/09 Audit, that it is best practice for the statements to be presented to the Council at the time of the submission to the Controller of Audit.
- 1.4 This report is intended to provide members with the unaudited version of the Abstract of Accounts 2009/10.

### **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 reviewing financial performance relative to the Council's financial policies.

### **3. Risk Management**

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

### **4. 2009/10 Abstract of Accounts**

- 4.1 The work involved in preparing the Abstract of Accounts is such that the document is not available in time for the clearance and distribution of this report to the Audit and Scrutiny Committee or the Council.

- 4.2 The intention therefore is to table the Abstract of Accounts 2009/10 at the Council meeting, with the highlights being verbally reported to the meeting.

## **5. Financial Implication**

- 5.1 This report on the Abstract and the unaudited Abstract of Accounts 2009/10 has no specific financial implications, at least in form of requiring decisions over proposals to incur expenditure.

## **6. Policy and Delegated Authority**

- 6.1 As a statement of the council's financial affairs for 2009/10, the Abstract of Accounts would usually be first presented to the Audit and Scrutiny Committee to allow them to express their view on it to the Council. However the work involved in preparing the Abstract and the scheduling of the Audit and Scrutiny Committee makes that impossible and so the document is presented directly to the Council meeting.

## **7. Conclusion**

- 7.1 The Abstract of Accounts for 2009/10 is presented to the Council in accordance with the recommendation of our auditor and to allow members an early view of the accounts.

## **8. Recommendations**

- 8.1 It is recommended that the Council notes the contents of this report and the Abstract of Accounts for 2009/10 and awaits the audit of the Accounts and the Report to Members on that audit.

Our Ref: DAH/GP/A/9/32  
Date: 21 June 2010

Report No: F036-F



## **REPORT**

To: Shetland Islands Council

30 June 2010

From: Depute Chief Executive

### **UPDATE ON AUDIT QUALIFICATION WITH REGARD TO GROUPING ACCOUNTS**

#### **1. Introduction**

- 1.1 This Report presents an update on the work being done to address the Audit Qualification regarding the Council grouping its accounts with Shetland Charitable Trust.

#### **2. Links to Corporate Priorities**

- 2.1 There are no explicit links to the Council's Corporate Plan.

#### **3. Risk Assessment**

- 3.1 Addressing this risk and securing a resolution to the satisfaction of all parties will address the fundamental challenges facing the Council from the Accounts Commissions decision to call Shetland Islands Council to a Public Hearing, where the question of financial accountability and effective governance are key areas of concern.

#### **4. Background**

- 4.1 The Council at its meeting of 28 October considered a report on this subject and approved the recommendations therein. These were that the Council's previous request to the Shetland Charitable Trust for its accounts was simply an attempt to resolve the impasse and did not signify any acceptance of the need to group accounts, that the Council could do no more to resolve the impasse and that it called on the auditor to understand the Council's impossible position and to remove the qualification from its Abstract of Accounts and any threat of other sanctions against the Council.
- 4.2 However, despite that approach, consideration of this issue is still live. It is one of the fundamental reasons given by the Accounts Commission for having called Shetland Islands Council to a Public Hearing on 28 and 29

June 2010. The ongoing concerns are described in the Report by the Controller of Audit to the Accounts Commission, under Section 102 (1) of the Local Government (Scotland) Act 1973, which states that, “the Council’s financial statements had been qualified for the fourth consecutive year ...”

Specifically, the Report by the Controller of Audit states: -

“The accounting treatment of the Shetland Charitable Trust resulted in the qualification of the financial statements in relation to group accounts for the fourth consecutive year in 2008/09. Group financial statements are required to present a complete picture of the council’s activities and financial position. The Council’s group accounts do not include the Shetland Charitable Trust and its subsidiaries. It is the view of the appointed auditors that due to the nature of the Council’s relationship with the trust their omission results in a material mis-statement of the group accounts. In a report to council on the matter dated 28 October 2009 the Head of Finance described this situation as ‘a total impasse’ and noted ‘the plain fact is that the council can do no more to make the grouping of accounts happen. The Council had asked once again for Charitable Trust cooperation, and had once again been refused, it is powerless to act further.’ At its meeting in October 2009 the council confirmed its view that it had now done all it could do on the matter. At the end of 2009 the trust consulted on options to change its composition, including an option for the trust to be made up of 8 elected members and 7 other trustees. In February 2010 the trustees voted against the proposed changes to the trust composition. The Council is currently looking into this issue and is discussing the evidence to support its case with the appointed auditor. It is likely that there will be a further qualification on the 2009/10 financial statements. The appointed auditor will provide an update in the Report to Members and the Controller of Audit on the 2009/10 Audit.”

## **5. Progress Report**

- 5.1 The Head of Finance and the Assistant Chief Executive have entered into a positive dialogue with Audit Scotland, to attempt to clarify Audit Scotland’s position. A letter was received by the Council dated 5 May 2010, copy attached in full at Appendix A, from the Assistant Director (Local Government), Fiona Mitchell-Knight. That letter has raised some further issues, which the Head of Finance and the Assistant Chief Executive are exploring further with Audit Scotland. There remains some need for further clarification of Audit Scotland’s thinking, where clarification for both parties would be beneficial in moving things forward, and that is being sought in further correspondence.
- 5.2 Even so, Audit Scotland’s position is clear. Whatever legal arguments are put forward regarding trust law and separate governance arrangements, the Statement of Recommended Practice for the grouping of accounts will continue to apply, in their view, to the Accounts of Shetland Islands Council and Shetland Charitable Trust.



- 5.3 It is appropriate at this time to wait for the outcome of the Public Hearing and any requirements or recommendations on this matter which the Accounts Commission might make to Shetland Islands Council, before deciding the best way forward for this issue. Members may, in time, have to consider how the current impasse might be resolved to remove the qualification from the accounts. This might be secured through a partnership approach with Shetland Charitable Trust which does not compromise the legal independence of the Trust, its charitable status and the separate accountability requirements placed upon its Trustees.

## **6. Financial Implications**

- 6.1 There are no financial implications associated with this Progress Report, beyond the staff time spent in attempting to resolve this matter.

## **7. Policy and Delegated Authority**

- 7.1 The Audit and Scrutiny Committee's remit extends to expressing views on Audit Scotland's Report to Members. The Audit and Scrutiny Committee asked for this item to be referred to a Full Council meeting, in order that all Members could consider the matter. In time, the final decision on Financial Policy and Governance matters to address this issue will rest with the Council.

## **8. Recommendations**

- 8.1 I recommend that the Council:
- (a) note that several issues remain to be clarified, between the Council and Audit Scotland, in order that it may be possible to determine the best way forward to resolve this issue; and
  - (b) note that these issues are being actively pursued with Audit Scotland by the Head of Finance and the Assistant Chief Executive.



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## Appendix 1

21 May 2009

Morgan Goodlad  
Chief Executive  
Shetland Islands Council  
Town Hall  
Lerwick  
SHETLAND  
ZE1 0HB

Dear Morgan

### Shetland Islands Council Group Accounts 2008/09

As part of our annual audit for 2008/09 we have reviewed the council's proposed treatment of Shetland Development Trust and Shetland Charitable Trust in the Shetland Islands Council group accounts. I feel that it is appropriate that we share our conclusions on this issue with you at this stage so that the council can consider its response in advance of the financial statements being presented for audit.

### Background

1. In 2005/06, PricewaterhouseCoopers (PwC) issued an adverse opinion on the council's financial statements due to the council's failure to include group accounts. The council has been preparing group accounts since 2006/07 but has not included the results of Shetland Charitable Trust (SCT) and its subsidiaries nor those of the Shetland Development Trust (SDT). On this basis the council's audit opinion has been qualified by us since 2006/07. In our opinion, the substance of the council's relationship with these trusts and its related subsidiaries represents a significant interest and their omission results in a material misstatement of the group accounts. We have reviewed the status of these relationships on an annual basis.
2. Following the qualification of the accounts in 2007/08 the Accounts Commission considered a report by the Controller of Audit under Section 102(1) of the Local Government (Scotland) Act 1973 on the 2007/08 Annual Audit of Shetland Islands Council. The Commission noted with considerable concern the continuing qualification and strongly urged the Council to take appropriate action to resolve this situation during the current year.

### Shetland Development Trust (SDT)

3. Following some structural changes to SDT, we are pleased to note that the council has agreed to consolidate the groups of SDT into the 2008/09 accounts. The results of this consolidation will be reviewed by us as part of the audit of the 2008/09 financial statements.

#### Shetland Charitable Trust (SCT)

4. In February 2009 you accepted our view regarding the relationship of SCT with the council, and recommended to the council members that the results of SCT be consolidated into the council's group accounts. At a council meeting on 18 February 2009 the council accepted this recommendation.
5. On 26 March 2009 the same council members, acting as trustees of SCT, unanimously approved a recommendation not to make the SCT accounts available to the council for consolidation based on the conclusions of legal advice.
6. We acknowledge that in reaching its decision not to provide the accounts for consolidation by the council, the trust's prime interest appears to be in preserving the monies it holds to be used for the benefit of the Shetland community. However as auditors of Shetland Islands Council we have a statutory responsibility to report our opinion as to whether or not the financial statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the SORP.
7. Whilst the trust is a separate entity, with its own status to consider, because of the nature of the council's relationship with the SCT we are of the opinion that in order to comply with these accounting requirements, the financial results of SCT and its subsidiaries should be consolidated into the council's group accounts. This remains our view. If the results of SCT and its subsidiaries are not consolidated into the council's 2008/09 group accounts, in our opinion there will be a material mis-statement of the group accounts which will attract another qualified audit opinion. The wording of the audit opinion is still to be determined.
8. A more detailed explanation of the factors which led to this conclusion are noted in **appendix 1**. In forming this opinion, we have not reviewed the structure of the trust or expressed any concerns about the trust's relationship with the council. Our concerns about SCT relate to the group accounting issue only.

#### Conclusion

9. In order to avoid a qualified audit opinion on the 2008/09 financial statements, the council will need to include the results of both SDT and SCT in its group accounts. The responsibility for resolving this issue lies with the council and the trust. In the meantime, we are arranging to talk to OSCR to discuss some of the trust's concerns about consolidation of its results into the council's group.

If you or your successor, David Clark, would like to discuss this matter further please do not hesitate to contact myself or Mark Ferris.

I would also like to take this opportunity to wish you well in the future.

Yours sincerely



**Fiona Mitchell-Knight**  
**Assistant Director of Audit (Local Government)**

Enc  
cc Graham Johnston, Head of Finance



## Shetland Islands Council Group Accounts 2008-09

### Audit requirements

1. We have a statutory responsibility to report our opinion as to whether or not the financial statements of Shetland Islands Council give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2008 *Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice* (known as the SORP).

### Accounting requirements

1. The SORP notes that “for a variety of legal, regulatory and other reasons, undertakings, including local authorities, often choose or are required to conduct their activities not through a single legal entity but through several undertakings under the ultimate control of the parent undertaking of that group, ie the reporting authority. For this reason the financial statements of the reporting authority by itself do not present a full picture of its economic activities or financial position. Group financial statements are therefore required in order to reflect the extended service delivery and economic unit that conducts activities under the control of the parent reporting authority.”
2. The SORP says that the determining factor for assessing the nature of a reporting authority's relationship with another body is control. Specifically a local authority should include in its group accounts as a subsidiary any bodies over which :
  - the authority is able to exercise **control** over the operating and financial policies of the entity' and
  - the authority is able to gain **benefits** from the entity or is exposed to the risk of potential losses arising from this control.

In applying these definitions a reporting authority should have regard to the substance of the relationship being considered over the legal form.

3. Applying the guidance in the SORP, we are of the opinion that the following are all examples of factors which support the inclusion of the SCT and its subsidiaries in the councils group.

### Factors which indicate the council's control over the policies of the trust

#### Structure

4. The trust has 24 trustees – the 22 SIC councillors, the Lord Lieutenant of Shetland and the Head Teacher of Anderson High School. The Chief Executive of the council was Chief Executive of SCT until 2008. In 2008/09 there were some operational and managerial changes within the SCT, including the appointment of a trust general manager to replace the council's chief executive.
5. Audit Scotland auditors have consistently taken the view, that whilst councillors acting as trustees are acknowledged to have different roles with regard to their legal status and duties, the fact that they would not be trustees if they were not councillors, indicates control over the trust for accounting purposes. This reflects the fact that the SORP requires the substance of the relationship to be considered over the legal form.

6. This view is consistent with that expressed in a report to the council on 4 July 2007 where the Chief Executive acknowledges that the structure of the trust "provides a coordinated approach such that community benefits can be maximised and that clear accountability for performance is vested principally with the elected members, albeit in an extended and separate but related role."

***Council involvement in the activities of the trust***

7. Council officers are included on a working group to review organisations funded by SCT. The council nominees were appointed to develop terms of reference for the group in March 2009. This is evidence that the council officers can influence the strategic priorities of the SCT.
8. On 30 March 2009 trustees approved a report which authorised the Director of Education and Community Services to act on behalf of the SCT and approve applications from community development and community support grants to organisations operating in Shetland. Examples of where this authorisation has been used include:
  - the Council's Head of Service Community Development approved a range of grants, totalling approximately £20,000, for approval by the trustees on 26 March 2009
  - the Council's Head of Service Community Care approved a range of grants, totalling approximately £2,000, for approval by the trustees on 26 March 2009.

Whilst the total amounts of grant approved in these particular instances were not of significant value it is evidence of the council's influence in directing the use of trust funds.

***Conclusion: The fact that the majority of trustees are council members and the involvement of council officers in strategic and operational activities in the trust indicate that the council can exercise control over the trust's activities.***



## **Evidence of access to benefits / exposure to risks**

### ***Purpose of the trust***

9. The purpose of the trust is to make grants or loans for any charitable purpose which benefits the Shetland Islands or its inhabitants. There is evidence that if the trust no longer existed the council would provide these services instead or subsidise the trust in providing the services. This is evidence of the benefits the council is receiving from the trust's operations and evidence of the exposure the council has if the trust cannot continue to operate its level of service:
- on 3 December 2008 a report was agreed by the council which discussed the impact of the world financial crisis on the council and the SCT. The report acknowledges that the charitable trust relies heavily on investment income to fund its current service provision. The report says that "if the circumstances in the markets jeopardise the Trust's ability to fund the various activities covered at present the council will need to consider whether it will need to provide alternative funding"
  - the charitable trust reduced costs by working with the council and transferring the funding of activities on 1 April 2006 from the Islesburgh Trust back to the council. The total funding that the charitable trust gave to the Islesburgh Trust in 2005/06 was £1.075 million
  - on 1 April 2005 the council took over the activities of the Shetland Welfare Trust, a recipient of grant funding from the Shetland Charitable Trust. The funding that the charitable trust previously provided was £2.850 million. This is a transfer of activity back to the council to reduce the overall cost to the charitable trust.

### ***Financial relationships***

10. The SCT was created by SIC to receive the oil disturbance payments (until the agreement was terminated at 1 Sept 2000) which otherwise would have been received by the council. Total disturbance payments paid to SIC totalled £81m.
11. The trusts current sources of income are; investment income and rental income there is no ongoing financial support from/ to the council. However the following inter-related transactions that have taken place between the council and the SCT also support the inclusion of these bodies in the council's group accounts:
- Shetland Leasing and Property Developments Limited (SLAP), is a wholly owned subsidiary of the charitable trust, purchasing, developing and letting various properties throughout Shetland. SLAP purchased four ferries which it leased to the council. The council approached SLAP to enquire if it would consider selling the ferries directly to them. The board of SLAP considered this proposal and decided to concentrate on its core activities of leasing and property development and therefore agreed to the sale of the four ferries for £20 million to the council on 31 March 2006. This joint decision between the council and SLAP has had the beneficial effect of reducing lease payments on the general fund by £2.25 million per annum (although it had an immediate effect of reducing the available reserves by £20 million)

- in February 2006, the council purchased all shares in Shetland Towage Ltd, a wholly owned subsidiary of the Shetland Charitable Trust, for a consideration of £3.6 million as part of the council's rationalisation of port activities. The assets received had a value of £5.5 million. The staff of Shetland Towage were subsequently transferred to the council which is now providing towage services at the Sullom Voe Terminal
- in 1997 the council sold to and leased back from SCT the oil terminal. Rents for the oil terminal paid to the council and then paid onto SCT £17m at March 08. Annual rental income approx £1.7m
- SCT has been approached by the SIC to invest in Anderson High School via SLAP in a sale & lease back arrangement. This is currently under consideration by both parties.

***Conclusion: There is evidence that if the trust could no longer provided funding to the community, the council would instead subsidise this funding. This means that the council is currently benefitting from the services provided by the trust. The council also benefits from access to funding arrangements provide by the SCT. Both these areas provide evidence of the benefits the council is receiving from the trust's operations and evidence of the exposure the council has if the trust cannot continue to operate its level of service.***

#### **Overall conclusion**

12. In our opinion the factors described above demonstrate that the council is able to exercise control over the operating and financial policies of the trust. Due to this control the council is able to gain benefits from the trust and is exposed to the risk of funding the trust's activities. Therefore to comply with the SORP the results of SCT and its subsidiaries should be consolidated into the SIC group. Due to the value of transactions going through the SCT group accounts the omission of these results is considered material to the group accounts of the council. As a result their omission in 2008/09 would require us to report a qualified opinion on the 2008/09 financial statements for Shetland Islands Council.

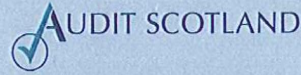


**Appendix A**  
**Letter from Audit Scotland dated 5 May 2010**

Address:  
7<sup>th</sup> floor  
Plaza Tower  
East Kilbride  
G74 1LW

Telephone:  
0845 146 1010  
  
E-mail:  
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[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



5 May 2010

Graham Johnston  
Head of Finance  
Shetland Islands Council  
Town Hall  
Lerwick  
SHETLAND  
ZE1 0HB

Dear Graham

**Shetland Islands Audit Qualifications**

I was surprised to see it reported that the council was unaware of the factors which influence our audit qualification, in particular in relation to our view that the council receives benefits in the form of services from the trusts operations. You have since sought clarification of our position and answers to some specific queries in an email to Carol Hislop on 24 April. Our response is detailed below.

**Group accounts audit qualification 2008/09**

On 21 May 2009, I sent a letter to the former Chief Executive, Morgan Goodlad explaining the factors which influenced our decision on the group qualification. This letter was copied to you. It contains an explanation of how our conclusions are reached, based on consideration of the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice (known as the SORP). I have attached this letter at Appendix 1.

The appendix to my May letter explains that the SORP says that the determining factor for assessing the nature of a reporting authority's relationship with another body is control. Specifically a local authority should include in its group accounts as a subsidiary any bodies over which:

- the authority is able to exercise **control** over the operating and financial policies of the entity; and
- the authority is able to gain **benefits** from the entity or is exposed to the risk of potential losses arising from this control.

In applying these definitions the SORP says the council should have regard to the substance of the relationship being considered over the legal form.

The appendix to my May letter (paragraph 9) refers to one of the factors influencing the qualification being the evidence we have with regard to the council's access to benefits/ exposure to risks from its relationship with the SCT.

Our subsequent review and conclusion of the position was then included in our Report to Members and the Controller of Audit on the 2008/09 Audit. This details the range of factors which support our view on the inclusion of SCT in the council's group accounts. One of these factors reported is that "SCT provide services (arts and culture, amenity and environment, recreation and care facilities) which benefit the council community in addition to those services provided by the council. There is evidence that if the trust no longer existed the council would provide these services instead or subsidise the trust in providing the services."

Providing services to the Auditor General for Scotland and the Accounts Commission

G:\Local Government\Clare\SCF\Shetland Islands Council\2009-10\Outputs\Financial statements\10-05-08\_tr-to-council\_gpacounts\_SIC.doc

5 May 2010

The correspondence referred to reflects our conclusions in relation to the 2008/09 accounts. We therefore feel it is now useful to layout our current position on both of the audit qualifications in advance of the 2009/10 financial statements audit. We have also answered your specific queries raised in your email.

#### **Group accounts audit 2009/10**

The accounting treatment of the Shetland Charitable Trust resulted in the qualification of the financial statements in relation to group accounts for the fourth consecutive year in 2008/09. In a report to council on the matter dated 28 October 2009 you described this situation as 'a total impasse' and noted 'the plain fact is that the council can do no more to make the grouping of accounts happen. The council had asked once again for Charitable Trust cooperation, and had once again been refused; it is powerless to act further.' The council also clarified that it asked the Charitable Trust for cooperation in February 2009, but that the trust had chosen not to supply the information requested. At its meeting in October 2009 the council confirmed its view that it had now done all it could do on the matter.

At the end of 2009 the trust consulted on options to change its composition, including an option for the trust to be made up of 8 elected members and 7 other trustees. In February 2010 the trustees voted against the proposed changes to the trust composition.

The assistant chief executive is currently looking into this issue and is discussing the council's evidence to support its case with us. It is likely that there will be a further qualification on the 2009/10 financial statements. We will provide an update in the Report to Members and the Controller of Audit on the 2009/10 Audit.

Our current position therefore remains as was reported in 2008/09.

#### **Email queries**

In response to your queries raised in your email of 28<sup>th</sup> April, we provide the following clarification.

*"1.SCT Structure: I understand from what you said at the Committee meeting and in discussion with the Chair and Vice Chair afterwards that SCT structure is no part of your qualification to the accounts, and that it wouldn't matter if there were no Councillor Trustees. And yet in paragraph 27 of the attached that structure (paragraph 28) is one of the key factors supporting the inclusion of SCT in the Council's group accounts. This appears to me to be a contradiction, and I hope you can clear it up."*

The audit qualification would be reviewed if the structure of the trust were changed. The impact on the qualification would depend on the remaining level of control that the council has the right to exercise over the trust. This is dependent on the proportion of trustees that are council members. The level of control that remains with the council would influence the accounting requirements prescribed by the SORP for the council's relationship with SCT.

However the structure of the trust is not the only factor relevant to our decision, other key factors that we consider are:

- benefits that the council gains from the services provided by SCT. SCT provides services (arts and culture, amenity and environment, recreation and care facilities) which benefit the council community in addition to those services provided by the council. Our evidence shows that if the trust no longer existed or was suffering financial difficulties the council would provide some services instead or subsidise the trust in providing these services
- any benefits obtained by the council through funding arrangements provided by the SCT
- any council officer involvement in the activities of the trust.



5 May 2010

We would consider all these factors and any other emerging facts to form a view as to whether or not the current evidence supports SCT as inclusion in the council's group accounts as prescribed by the SORP. Options to be considered would be whether the SCT should be accounted for as a subsidiary, an associate or not included in the group accounts.

*"2. Most of the content of paragraphs 27-34 of the attached points to the close working relationship between the SIC and the SCT. This closeness is not in dispute, although both organisations would naturally argue that this is a direct consequence of their separate but common interests in serving the Shetland community. What are the factors in that close working relationship which distinguish it from other close working relationships in the common interests of Shetland, and therefore (due to specific provisions of the SORP) warrant the grouping of accounts?"*

The key factor is that the majority of SCT trustees are council members, in our opinion the council therefore has the right to exercise control over the trust. As explained above, control is one of the two key factors in identifying a subsidiary for group accounts. The other key factor being benefits obtained by the council from its relationship with the trust.

*"3. I understand from the Chair of the Committee that you indicated to her that some simple inclusion in the SIC accounts of a statement declaring SCT subsidies to the SIC would fulfil the requirements of group accounting. Can you please clarify what is meant by SCT subsidies, and what form of statement would be satisfactory?"*

There appears to be a misunderstanding here as we are not aware of any "statement declaring SCT subsidies to the SIC." The required format of the group accounts is detailed in the SORP.

To clarify our position on the group accounts issue we would like to suggest that Carol Hislop meets the Chair of the Audit & Scrutiny Committee or attends a committee meeting to provide any necessary clarification on all aspects of the group qualification.

#### **Financial instruments audit qualification**

The 2008/09 accounts were also qualified due to the council's failure to account for its financial assets in accordance with accounting requirements. You gave assurances to us and to meetings of the council in December 2009 and March 2010 that this issue would be resolved for the 2009/10 accounts. We have confirmed that whilst you are currently reviewing this with the intention of resolving the issue for inclusion in the 2009/10 accounts, progress has been slow. I understand however that you have recently engaged additional help with this issue. Could you please confirm that this work will be completed in time for the figures to be reviewed as part of the audit of the financial statements, starting 1 July 2010. We will report an update on this issue as part of the audit of the financial statements audit and in the Report to Members and the Controller of Audit on the 2009/10 Audit.

I hope this letter clarifies our current view on the accounts qualifications and enables you to clarify the position on this issue to officers and elected members. Due to the importance of these issues I have copied my response to Hazel Sutherland and Willie Shannon also.

Page 4  
Graham Johnston  
Shetland Islands Council

5 May 2010

If you would like myself or Carol Hislop to answer any further queries or if you would like us to present our position to officers or elected members please let us know.

Yours sincerely



**Fiona Mitchell-Knight**  
**Assistant Director of Audit (Local Government)**

Direct dial: 0131 625 1937

cc Hazel Sutherland, Acting Chief Executive,  
Willie Shannon, Assistant Chief Executive



## **REPORT**

**To: Shetland Islands Council**

**30 June 2010**

**From: Head of Finance**

### **Investment Strategy Review** **Report No: F-034-F**

#### **1. Introduction**

- 1.1 The purpose of this report is to propose a new investment strategy for the Council's external investments as required by the Scottish Ministers' consent issued under The Local Government Investments (Scotland) Regulations 2010.
- 1.2 The Local Government Investments (Scotland) Regulations 2010 made under section 40 of the Local Government in Scotland Act 2003 came into force on 1<sup>st</sup> April 2010. These regulations and section 40 of the 2003 Act provide greater autonomy for local authorities in their investment activities than with the previous legislation. One stipulation of the Scottish Ministers' consent which is issued under these regulations, which this report will try and address, is the requirement to produce an Annual Investment Strategy.
- 1.3 As per the consent issued under the regulations the annual investment strategy requires to be approved by the full Council before the start of the relevant financial year, but as the Scottish Government only passed the new regulations in March 2010 the Council has until June 30<sup>th</sup> to approve an investment strategy for the remainder of 2010/2011.
- 1.4 The new legislation allows the Council to invest its reserves in a more focused strategic way specific to Shetland's requirements, which will also improve the long term potential investment return, as the old prescriptive legislation curtailed many investment options and opportunities.

- 1.5 At the 4<sup>th</sup> June 2010 the Council had three fund managers with total investments, under management of £224 million.

**Funds under Management as at 4th June 2010**

<b>Manager</b>	<b>Fund</b>	<b>% of Reserves</b>	<b>Value of Fund using 4th June figures</b>
Baillie Gifford – Capital Fund	Bond	17%	£39 million
Insight	Bond	18%	£40 million
GMO	Equity	34%	£76 million
Baillie Gifford	Equity	31%	£69 million

## **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 assisting the Council in ensuring the financial resources are managed so that the Council can sustain and develop the economy.

## **3. Risk Assessment**

- 3.1 An investment strategy will have some degree of risk in each of the following categories: investment risk, manager risk and market risk but this can be minimised through diversification of fund managers, different asset classes, benchmarks, investment markets, size of holdings etc.

## **4. Background**

- 4.1 The legislation the Council was bound to invest funds by, was previously by reference to the Trustee Investment Act 1961. In effect that legislation allowed the Council to only invest in certain specific UK bonds, various cash products and equities that met stated restrictive criteria.
- 4.2 These were the investment regulations the Council had to comply with for the reserves, once they were large enough to invest with external fund managers. The first such investment was the Capital Fund, which was invested with Baillie Gifford in 1986.
- 4.3 Various Council officers over the years have discussed with Government officials at both Westminster and more recently with the

Scottish Government, to have the regulations amended. At different times data was given to show that the regulations had curtailed investment returns and restricted the Council's investment arena. It was also pointed out how very different the legislation was to current local authority Pension Fund investment legislation. These efforts to keep this issue on the table have finally paid off and we now have new legislation.

- 4.4 The Local Government in Scotland Act 2003 vested in Scottish Ministers the power to make new investment regulations for local authority funds. The Scottish Government have now used the 2003 Act to pass new investment regulations, which allow the Council to invest its funds subject to Scottish Ministers' consent, which, in turn, requires an investment strategy, duly approved by the Council each year before the start of the coming financial year.

## **5. Current Investment Position**

- 5.1 The current investment position and the asset allocation situation is a reflection of the investments that were allowed per the Trustee Investment Act 1961.

- 5.2 The Council Reserves are invested at this time in the following asset classes in the percentages stated.

UK Equities (pooled funds)	45%
Overseas Equities (pooled funds)	21%
UK Gilts	25%
UK Index Linked Gilts	3%
Cash	6%

- 5.3 The predominant asset class for many years was UK Gilts (about 50% of Council Reserves in March 2005) but during the last few years this changed, as most cash withdrawals from the reserves were made from UK Gilts. This is due to their relatively low investment return, as they are low risk bonds issued by the UK Government. Equities were almost left untouched as the growth from this asset class though more volatile, over the long term increased the overall value of the reserves. The Council could only get an equity investment under the TIA 1961 through using pooled vehicle investments, which could meet the investment criteria. This was the route used to spread investment risk and have exposure to equity investments.

- 5.4 The Council's reserves has therefore under the TIA 1961 regulations been invested mainly in the UK and predominately in UK Gilts. This has had the long-term effect of a very strong bias to the UK market and within the UK to the bond market. This has not only curtailed the ability to spread investments overseas but has dampened the investment returns towards low risk Gilt returns. Over the last 25 years comparing the average annual return of UK Equities to UK

Gilts after inflation you have a 6.6% return as opposed to a 5.5% return. On an initial £200 million fund this would make a difference, in total, over 25 years of £58 million.

## 6. Proposed Investment Strategy

- 6.1 The Council invests its reserves for the long-term future benefit of Shetland. This intention forms the basis for planning the investment strategy, and the new legislation now allows the Council the opportunity to invest to further this intention.
- 6.2 Certain asset classes such as equities, bonds, property to name a few, are only to be considered if the investor takes a long-term view (greater than 5 years). This long-term view takes away the concern of short-term volatility that can be driven by daily news. Over the long term these asset classes ride out short-term fluctuations and add real value.
- 6.3 To achieve a future benefit for Shetland the Council is not only taking a long-term view but also trying to achieve a reasonable return on the investments. The various asset classes have broad historical expected rates of return, but it is the mix of these assets within the investment strategy, which will dominate the future expected return percentage. As a rough guide expected long term rates of return increase through the asset classes from cash, Gilts, corporate bonds.... up through to equities, and even within the asset classes returns vary depending on which sectors or geographical areas are chosen. The following table shows the returns of the asset classes over the last five years.

<b>Asset Class</b>	<b>5 Year per annum investment return (%)</b>
UK Equities	6.2
Overseas Equities	8.0
North America	3.8
Europe	8.8
Japan	1.1
Pacific	16.0
Emerging Markets	19.5
Total Bonds	5.4
UK Bonds	4.2
Overseas Bonds	7.1
Cash	4.8

- 6.4 The overriding factor that must always be at the forefront of all investment strategies is the protection of the reserves against undue risk. As with most things you cannot eliminate all risk and to achieve a benefit some element of risk is required. It is the control of this risk, which is important. This investment risk again increases as you go up through the expected returns from the asset classes. To try



and reduce investment risk a mix of investment classes is essential and a wide spread of investments within those classes. Basically it is a case of spreading the risk between hundreds of investments and preventing the scenario of all eggs in one basket.

- 6.5 With the new proposed investment strategy I intend to make proposals to benefit from the new legislation but it will be in a measured and concise manner. I do not intend to make large sweeping changes but rather a few fund changes and a few asset class percentage changes, which can be achieved over the next few months with guidance and advice from Hymans Robertson, the Council's investment consultants.
- 6.6 The first issue to consider is the number of fund managers and the quantity of investment mandates required. At present the Council has three fund managers managing four mandates. Baillie Gifford and Insight both have good long-term investment records with the Council; GMO the third fund manager has only managed their mandate for three years and have not yet had the benefit of the long term. I see no benefit in changing these fund managers.
- 6.7 In looking at the mandates there are two equity funds and two bond funds. Equity investing encapsulates a very wide investment arena and these two fund managers are investing all over the world. In contrast Gilts are only UK wide and even if overseas bonds were added you would only consider certain USA and European bonds. The bond markets can easily be covered by one fund and as Insight is a specialist bond manager, and has the best return over the past five years, i.e. a slight out performance of their benchmark compared to an under performance by Baillie Gifford then Insight is the preferred choice. There would also be economies of scale achieved with one manager with transaction costs and with fund management fees. Baillie Gifford who is predominately an equity fund manager currently has the other bond fund and it is this fund I propose to end.
- 6.8 Baillie Gifford's bond fund is currently valued at about £39 million and I propose to transfer some of this fund to Insight's bond fund and some to Baillie Gifford's equity fund. The level of funds to be transferred to each manager will depend on the equity bond split of the investment strategy.
- 6.9 The next step is to decide which asset classes should be chosen to give positive long-term returns. At present there is a 6% allocation to cash. I propose to take cash out of the investment strategy as cash returns are very low, base rate is only 0.5% and if in the future cash is to be considered, I would not advocate paying fund manager's fees to do so, when the Council's Treasury section manage cash on a daily basis.
- 6.10 The next asset class I will consider is bonds. The current allocation is 28% and as I stated in 5.3 this was much higher previously. I believe though this is close to a level that is of sufficient size to allow

the fund manager to broaden the scope of bond investments, which will not only increase opportunities and return but reduce risk as well. The level of funds I will propose for bonds is 25%, which gives a good level of diversification against other asset classes.

- 6.11 The last asset class to consider is equities. This asset class is truly global and over the long-term produces the highest return of the asset classes the Council invests in. The proposed allocation to this asset class is 75%, and to gain diversity and spread risk two fund managers, GMO and Baillie Gifford will have funds. The proposed asset mix of 75% equities and 25% bonds will be achieved with Baillie Gifford's bond fund being transferred, £16 million to Insight's Bond Fund and £23 million to Baillie Gifford's Equity Fund.
- 6.12 The next decision is the UK versus the overseas allocation split. Until now the equity investment has had a large UK bias (67% UK vs 33% Overseas) but given that the UK stock market is only 10% of the world market place, and our Fund Managers and investment consultants are advising us to invest more funds in overseas markets, I propose to move to a 50% UK and 50% overseas equity split. Various percentage splits between UK and overseas equities were considered but a 17% change is a large but not excessive move to achieve a 50% UK and 50% overseas equity split. This allocation will allow greater diversification of equity investments but remains a measured move in this direction.
- 6.13 GMO is only three years into their mandate so I do not intend to alter it; currently they have a 60% UK, 40% overseas equity split with about 41% of the Council's equities. To achieve a 50/50 overall equity split, Baillie Gifford who will have 55% of the Council's equities will have a split of 42% in UK equities and 58% in overseas equities.
- 6.14 All of the changes proposed can be achieved either by moving funds within a fund manager or between existing fund managers. This should ease the reorganisation, and all steps to achieve the new investment strategy will be taken with the advice of Hymans Robertson. The proposed new investment strategy will look like this:

<b>Manager</b>	<b>Fund</b>	<b>% of Reserves</b>	<b>Value of Fund using 4th June figures</b>
Insight	Bond	25%	£56 million
GMO	Equities	34%	£76 million
Baillie Gifford	Equities	41%	£92 million

- 6.15 The internal detail of the bond benchmark Insight will invest against and the types of bond investments, also the equity benchmark and equity products Baillie Gifford will invest into will be discussed with

the relevant fund manager along with Hymans Robertson, and be agreed upon before any investments are made.

- 6.16 There are no changes to the categorisation of the Council's reserves or the values currently held in those funds. The Capital Fund, Reserve Fund, Marine Fund, Repairs and Renewals Fund and Insurance Fund will not change. The only impact will be on the investment of each reserve fund, with a slight general increase to equity investments in line with the investment strategy.

## **7. Financial Implications**

- 7.1 The investment strategy employed by the Council will impact on the long-term projected investment returns of the Council's reserves.
- 7.2 As the Council reserves are used for both capital projects and ongoing revenue purposes, the returns from the external investments will have a direct impact on the Council's future operations.

## **8. Policy and Delegated Authority**

- 8.1 Only the Council has authority to approve an investment strategy and make alterations to a mandate, where urgency or risk is not a dictating factor.
- 8.2 Day to day responsibility for Fund Management is delegated to the Head of Finance of Executive Services Department and/or his nominees (SIC 25 July 1996 minute reference 97/96).

## **9. Conclusions**

- 9.1 The Local Government Investments (Scotland) Regulations 2010 came into force on 1<sup>st</sup> April 2010. The Scottish Ministers' consent issued under these regulations will allow the Council to adopt a new investment strategy, to improve the investment efficiency of the reserves.
- 9.2 There is no reason to change any of the fund managers currently in place, but two bond funds is not necessary as one manager could cover the bond market. There would also be other advantages in economies of scale on transaction costs and fund manager fees. Insight is the preferred bond manager as they are a specialist bond manager with a good out performance record with the Council since 2001.
- 9.3 Cash should be taken out of the investment structure as it is not efficient to pay fund manager fees on an investment which has a low rate of return, and could if required be invested by the Council's Treasury Section.

- 9.4 The allocation to bonds should be 25% of the reserves, this gives a large enough allocation to allow the fund manager to broaden the scope of investments and improve returns, while adding diversification and spread of risk to the investment structure.
- 9.5 Equities are the best long term returning asset class and an allocation of 75% of the reserves split between two fund managers gives diversification in investment and in fund management in a world wide asset class. A move also to a 50/50 split between UK and overseas equities will reduce the overweighting to the UK market and give the managers more scope to improve investment returns.
- 9.6 The overall investment strategy as per 6.13 above incorporates various changes from the current investment position, and will improve returns, reduce fees, increase diversification of investment and spread overall risk.
- 9.7 Authority is required to be granted to the Head of Finance to conduct the changes to implement the investment strategy and to discuss and approve the internal investments and benchmarks with Insight and Baillie Gifford.

## **10. Recommendations**

- 10.1 I recommend the Council approve the new investment strategy with Insight (bond mandate), GMO (equity mandate) and Baillie Gifford (equity mandate) as stated in 6.13 above.
- 10.2 I recommend the Council approve the new equity split of 50% UK equities and 50% overseas equities in the investment strategy
- 10.3 I recommend that delegated authority be granted to the Head of Finance or his nominee, to take action on behalf of the Council to discuss and approve the internal investments and benchmarks required with Insight and Baillie Gifford in consultation with Hymans Robertson, within the approved investment strategy.

Date: 14 June 2010  
Ref: CAB/OS

Rep No: F-034-F



## REPORT

To: Shetland Islands Council

30 June 2010

From: Head of Schools

### **Schools Service Charges:**

### **Increase in School Meal Charges**

### **Increase in Cost of Extended Nursery Session, Bell's Brae Primary School**

## **1. Introduction**

- 1.1 This report is to establish the additional increase in school meal charges, approved in the General Fund Revenue Estimates and Council Tax Setting Report (2010/11), and to seek approval for an increase to the cost of children attending the extended nursery session provided at Bell's Brae Primary School.

## **2. Link to Council Priorities**

- 2.1 The Council will ensure a model for education is developed by 2009 that considers the educational and financial viability for schools and communities and its outputs are then implemented.
- 2.2 The Council will work to create and maintain a culture where individual learners can strive to realise their full potential.

## **3. Risk**

- 3.1 Two areas of risk have been identified:
- Social and Economic Risk, as the additional increase to school meal charges is significantly greater than in previous years, and may be a concern in our community resulting in reduced uptake of school meals.
  - Financial risk as, locally, if we proceed as in previous years, the Schools Service budget for 2010/2011 will have to be increased.

## **4. Background**

- 4.1 At the meeting of Shetland Islands Council held on 17 February 2010 Members approved the General Fund Revenue Estimates and Council Tax Setting 2010/11 Report (Min Ref: SIC15/10). Appendix B(i) of

that report, Review of Charges indicated that the price of school meals would rise as follows:

<b>Meal</b>	<b>2009/10 Charge</b>	<b>2010/11 Charge</b>
Primary	£1.55	£1.65
Secondary	£1.65	£1.75
Staff	£3.10	£3.50
Visitor	£3.10	£3.50

In addition, Appendix F of the report included raising additional revenue by increasing each of the charges for school meals by a further 15p. This would mean for 2010/11 that a primary school meal would cost £1.80, a secondary meal would cost £1.90 and a Staff or Visitor meal £3.65.

- 4.2 In May 2002 approval was given by Members (SC Min Ref: 67/02) to providing a longer nursery session in Bell's Brae in one of the nursery classes. This amounted to the funded 2.5 hour session, plus an additional 1.25 hours. The additional 1.25 hours is paid for by parents.
- 4.3 In a report to Members in June 2003, reviewing the pilot, a charge of £3.00 was approved for this 1.25 hours. The charge was calculated on the amount required to meet the additional costs in staffing required to provide the additional time.
- 4.4 The pilot was then made established in May 2005 (SC Min Ref: 39/05) and since then no further increase has been made to the charge.

## **5. Proposals**

- 5.1 It is proposed that Members note the additional increase in school meal charges as approved in the General Fund Revenue Estimates and Council Tax Setting 2010/11 Report (Min Ref: SIC15/10). This would mean that for the school session 2010/11, commencing in August 2010, a primary school meal will cost £1.80, a secondary school meal will cost £1.90 and a staff/visitor meal will cost £3.65.
- 5.2 It is proposed that the cost of the extension to the nursery session at Bell's Brae be increased to £4.00.

## **6. Financial Implications**

- 6.1 It is estimated that the further increase in school meal charges from August 2010, will generate an additional £20,000, for the financial year 2010/11.
- 6.2 It is estimate that the increase in the charge for the extended session at Bell's Brae will generate an additional £2,000 for the remainder of the financial year 2010/11.

## **7. Policy and Delegated Authority**

- 7.1 The authority for setting and charging arrangements lies with the Council.

## **8. Recommendation**

I recommend that Shetland Islands Council:

- 8.1 note the increase in school meal charges approved in the General Fund Revenue Estimates and Council Tax Setting 2010/11 Report (Min Ref: SIC15/10).
- 8.2 approve the increase from £3.00 to £4.00 of the extended session at Bell's Brae.

June 2010

Our Ref:      Report No: ED-11-F







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## **REPORT**

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

**22 June 2010**  
**23 June 2010**  
**23 June 2010**  
**30 June 2010**

From: **Head of Finance**

**Amendment to Members & Officials Travel and Subsistence Rates**  
**Re: Overseas Travel**  
**Report No: F-030-F**

### **1.0 Introduction**

- 1.1 The purpose of this report is to seek Council approval to permit overseas travel and subsistence to be reimbursed on an actuals basis. This was inadvertently omitted from the recently revised members and officials travel and subsistence reports.

### **2.0 Links to Corporate Priorities**

- 2.1 This report links to the Council's Corporate Plan, in relation to managing our financial resources so as to ensure that revenue budgets are kept within agreed limits.
- 2.2 This report also seeks to ensure we are treating both members and officials fairly by ensuring reimbursement of overseas travel is the same for both.

### **3.0 Back ground**

- 3.1 The Report that was approved by Council on 25 March 2009 (Report No: F-011-F, Min Ref: 39/09) in respect of Members revised Travel and Subsistence Rates and on 17 February 2010 (Report No: F-001-F, Min Ref: 24/10) in respect of Officials revised Travel and Subsistence, confirmed the following:

**OVERNIGHT SUBSISTENCE RATES (away from home and either within or outwith the UK)**

- |                          |      |
|--------------------------|------|
| i) Within Central London | £131 |
| ii) Elsewhere            | £110 |

#### **4.0 Proposal**

- 4.1 To permit all costs associated with overseas travel ( including meals but excluding alcoholic beverages) to be reimbursed on an actuals basis on the production of relevant receipts, and
- 4.2 This be retrospectively applied to claims that have been made since the introduction of the revised rates, being 10 February 2009 in respect of members' and 1 April 2010 in respect of officials

#### **5.0 Financial Implications**

- 5.1 The cost implications will be minimal as there are not many members & officials who require to travel abroad on Council business.

#### **6.0 Policy and Delegated Authority**

- 6.1 The Head of Finance has no delegated authority in respect of the payment of travel and subsistence allowances to Members and therefore a decision of the Council is required.

#### **7.0 Recommendations**

- 7.1 I recommend that Members approve for overseas travel and subsistence (including meals but excluding alcoholic beverages) be reimbursed on an actuals basis on the production of receipts.
- 7.2 I recommend that Members agree that reimbursement of overseas travel be retrospectively applied to 10 February 2009 in respect of Members and 1 April 2010 in respect of Officials.
- 7.3 Note that the Scheme of Members' Approved Duties and Travel and Subsistence Allowances document and the Council's Travel Procurement Document will be updated with today's decisions, which will then be published and issued to all Members and Officials.

Date: 3 June 2010  
Ref: MGS/S/1

Report: F-030-F



## REPORT

**To:** Shetland Islands Council **30 June 2010**

**From:** Operations Manager - Ports

**Report No:** P&H-23-10-F

**Subject:** Correction to Published Table of Dues 2010/11

### 1 Introduction

- 1.1 On 17 February 2010 (min ref: 19/10) the Shetland Islands Council approved the Harbour Dues for 2010/11.
- 1.2 The Table of Dues to be levied at Sullom Voe and the Table of Dues to be levied at all piers and harbours are published as discrete documents although many of the charges are identical.
- 1.3 The published Table of Dues for All Piers and Harbours, which reflected Appendix B in the report to the meeting of 17 February 2010, did not include the proposed 3.5% increase for registered fishing vessels and salmon farm tenders in excess of 8m overall length, although the published Table of Dues for Sullom Voe does show the correct, approved charge.

### 2 Link to Council Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so that we can sustain the services we want to provide and help develop our economy, in particular to keep revenue budgets within sustainable limits.

### 3 Risk Assessment

- 3.1 The profitability of the Port of Sullom Voe and other Harbours is very important to the Reserve Fund, and the forecast for the Council's Reserves assumes that the current projected level of profitability is maintained through to 2016. If the £4m targeted income for 2010/11 is not achieved cuts in spending elsewhere will be required to compensate for income shortfall.

## **4 Background**

- 4.1 In paragraph 4.1 of the section entitled Review of Charging Structure in Report No: F-008-F it was proposed to adjust the charges for non-oil related traffic and for goods dues by 3.5% except for those items detailed in 4.8 of that report.
- 4.2 Registered fishing vessels and salmon farm tenders in excess of 8m overall lengths were not included in the exemptions.
- 4.3 However, Appendix B of the report F-008-F which was approved by Council (Min Ref: 19/10) did not take forward what was proposed in the main body of the report with respect to the vessels in excess of 8m overall lengths.

## **5 Proposals**

- 5.1 It is proposed that the Table of Dues to be levied at all Piers and Harbours from 1<sup>st</sup> April 2010 be amended to show the correct charge for registered fishing vessels and salmon farm tenders in excess of 8m overall length.

## **6 Policy and Delegated Authority**

- 6.1 In terms of Section 16 of the Council's Scheme of Delegation, the Council has overall responsibility for the setting of Harbour Dues.

## **7 Recommendations**

I recommend that the Shetland Islands Council approve:

- 7.1 that the Table of Dues for all Piers and Harbours be amended to show in Scale B – 2(b) the correct charge for registered fishing vessels and salmon farm tenders in excess of 8m overall length, namely £20.37 per metre or part of overall length.

21 June 2010  
Our Ref: JBE/SM RO-O

Report No: P&H-23-10-F





## **REPORT**

**To: Shetland Islands Council**

**19<sup>th</sup> May 2010**

**From: Assets Services**  
Legal & Admin  
Executive Services

### **Report No LA-23-F1**

Review of SIC Crofting Estates

#### **1.0 Introduction**

- 1.1 This report provides a strategic review of the Council's ownership of crofting estates ("the Estates").

#### **2.0 Links to Corporate Priorities**

- 2.1 Sustaining rural communities is a key Council priority within the Corporate Plan.
- 2.2 Delivering a more sustainable approach to Council spending and ensuring that it is being as efficient as possible in the way it procures goods and services is a key element of the Corporate Plan.
- 2.3 The Council is committed to reducing bureaucracy by making sure that the work that it does adds value and that any unnecessary or unproductive tasks are eliminated.

#### **3.0 Background**

- 3.1 The Council owns Estates at Busta (including Dale of Walls and Papa Stour), Gluss and Ollaberry ("the Busta Estates") and at Burra and Trondra ("the Burra Estate").
- 3.2 Management of the Estates is undertaken by the Asset and Properties Unit, with legal transactions being carried out by external solicitors, Inksters.
- 3.3 A strategic review of the Council's ownership of the Estates was last undertaken in 1996, with a report presented to Development Committee on

15 February 1996 (Report No 125.95). Following that report's recommendation, the Development Committee decided that the ownership and management of the Estates should remain under the Council's direct control.

- 3.4 In recent years community councils and individual customers have raised concerns with officers and elected members about the cost of legal transactions and the time taken to complete them.
- 3.5 As envisaged in terms of the report to the Council meeting on 17 February 2010 (minute ref 28/10), the Asset & Property Unit has already started a review of the Estates legal transactions by:
- \* undertaking an audit of selected files.
  - \* inviting customer input to the files being audited.
  - \* implementing guides to help applicants understand the process of purchasing land and the timescales involved.

#### **4.0 Proposal**

- 4.1 **First stage:** To decide if the Council wants to be a landlord and owner of crofting estates in Shetland.
- 4.2 **Second stage:**
- 4.2.1 If the decision is "yes", then investigate ways to improve:
- a) the management of the Estates.;
  - b) the delivery of associated legal services
- 4.2.2 If the decision is "no", then to consider options for disposing of the Estates.

#### **5.0 Risk**

- 5.1 If the recommendations in this report are carried out then there is a risk that a change in the provision of management or legal services may result in poorer service delivery or increased costs.
- 5.2 If the recommendations in this report are not carried out then there is a risk that the Estates may continue to operate at a loss, customer complaints may increase and there may be a loss of development potential.

#### **6.0 Current Financial Position**

- 6.1 After allowing for management costs, the Estates have run at a deficit for the last two years, producing losses of £11,000 and £20,000 in 2009-10 and 2008-09 respectively.



- 6.2 The figures do not include any capital cost recovery: £200,000 paid for Busta in 1975 and £20,000 paid for Burra in 1985. Through discussions with valuation professionals it is clear that crofting estates hold little value unless there are sporting/fishing rights or development potential through mineral extraction or other projects.
- 6.3 A regular source of income to the Estates has been from British Telecom who make a payment in return for a way-leave for plant and equipment. In recent years this has returned income of about £14,000 per annum. This rental payment stopped two years ago as the Council started negotiations with BT to receive a one-off capitalised payment. The value of this rental income, if recovered for the past two years, would bring the Estates closer to a cost neutral situation.
- 6.4 Income and costs from the Estates are incorporated into the Council's main accounts, so that any profit is paid into the general fund and any loss is absorbed by existing budgets.

## **7.0 Advantages to Retaining the Estates**

- 7.1 Rental income and capital from sales.
- 7.2 Ownership of the Estates presents the Council with a number of development opportunities, which may yield significant income. They include the proposed development of a wind farm by Viking Energy and exploiting mineral resources on the Estates. Subject to agreement with tenants there may also be potential for social housing development
- 7.3 With improvements to the management, there should be sufficient income to secure a cost neutral outcome to the Council.
- 7.4 There will be a significant capitalisation payment from British Telecom.
- 7.5 Ownership of the Estates gives the Council the opportunity to engage directly with rural communities.

## **8.0 Advantages to Selling the Estates**

- 8.1 The Council would lose the burden of loss and operating costs.
- 8.2 There would be a capital gain by selling, although this is unlikely to recover costs, or capital value.
- 8.3 There would be a loss of landlord's responsibilities and public liability.

## **9.0 Financial Implications**

- 9.1 Retaining the Estates allows potential for future income and capital with the short-term losses expected to reduce through this review process.

9.2 Selling the Estates may produce a small capital sum.

## **10.0 Conclusion**

- 10.1 In the absence of development the Estates have limited value – both capital and income. However, there is a realistic prospect that the Estates have significant development potential, particularly from renewables. On this basis, the Council may wish to retain the Estates.
- 10.2 In the immediate term the Council should seek to maximise its return from the Estates by reviewing the management and legal structure, which will allow the focus to be on service delivery in return for best value.

## **11.0 Policy and Delegated Authority**

- 11.1 Management of the Estates is not delegated to any specific committee. Therefore this review is properly within the remit of this Council meeting.

## **12.0 Recommendation**

- 12.1 I recommend that the Council decide to:
- a) retain ownership of the Estates and
  - b) confirm that the Asset and Property Unit complete its review of the management of the Estates, including the current arrangement that legal work is provided externally, and report back to the Council after the summer recess.



## **REPORT**

**To:** Shetland Islands Council

30 June 2010

**From:** Head of Planning  
Infrastructure Services Department

### **APPOINTMENTS TO LERWICK TOWN CENTRE BUSINESS IMPROVEMENT DISTRICT (BID) STEERING GROUP**

#### **1.0 Introduction**

- 1.1 The purpose of this report is seeking nominations from the Council to the Lerwick Town Centre Business Improvement District (BID) Steering Group.

#### **2.0 Links to Corporate Plan 2008-11 and Risk Analysis**

- 2.1 This could contribute to a risk to the perceived balanced investigation of a possible BID without Member representation.
- 2.2 Links to Corporate Priorities 1. Increased employment, 5. Quality of Life, 6. Equal opportunities. With section 2 – of a sustainable economy Tourism and Creative Industries as well as helping maintain a strong town centre for all of Shetland.
- 2.3 Delivering a more sustainable approach to Council spending and ensuring that it is being as efficient as possible in the way it procures goods and services is a key element of the Corporate Plan.

#### **3.0 Background**

- 3.1 The report to the Infrastructure Committee of 16 June 2009 (Minute Reference: INFRA 55/09) SIC Planning Service had been asked for assistance from the Lerwick Town Centre Association after it received a grant of £20,000 from the Scottish Government to investigate and promote the development of a Business Improvement Scheme for the Lerwick town centre.
- 3.2 A Statement from the Lerwick Town Centre Association is attached as Appendix 1, which provides background and update to the Lerwick BID.

#### **4.0 Proposal**

- 4.1 The Council has been asked by the Lerwick Town Centre Association to appoint 2 Members to represent the Council on the Lerwick BID Steering Group.

#### **5.0 Financial Implications**

- 5.1 Expenses incurred by Members in attending meetings etc are recoverable if they form part of an approved duty in terms of Section 3.2 of the Council's Scheme of Members' Approved Duties. The proposed expenses will be contained within the Members' Travel and Expenses budget, and have already been budgeted for under the 2010/11 Revenue Estimates process.

#### **6.0 Policy and Delegated Authority**

- 6.1 In the absence of any specific delegated authority for appointment a decision of the Council is required.
- 6.2 Attendance at meetings as a nominated or appointed representative is deemed an approved duty in terms of Section 3.2 of the Council's Scheme of Members' Approved Duties.
- 6.3 It is Council practice that voting, if necessary, shall be conducted by secret ballot using first-past-the-post principles.

#### **7.0 Recommendation**

- 7.1 I recommend that the Council appoint 2 elected Members to represent the Council on the Lerwick Town Centre Business Improvement District (BID) Steering Group.

Report Number : PL – 23-10-F

## Statement from the Lerwick Town Centre Association

Why do we need a Business Improvement District (BID) for Lerwick Town Centre?

The historic and cultural heart of Lerwick depends, as do all town centres, on a successful commercial base in securing and maintaining a vibrant and viable town centre. This commercial base is under threat.

Internet shopping, more frequent travel to the mainland, growth in retail out with the town centre and the threat of the new Tesco development as being promoted - all impact and will impact significantly.

Lerwick's traditional town centre has over the years seen gradual but significant losses of activity from the area such as:

- the relocation of the north boat service from Victoria Pier to Holmsgarth;
- the loss of the Swimming Pool from the area;
- the development of retail and offices out with the area;
- the significant loss of activity in the proposed movement of the Anderson High School to Clickimin.

These all contribute to a continual reducing footfall in the area and with it, serious commercial pressures and concerns of fragility.

The potential negative outcome is closure of shops and businesses, the potential for empty shops, the charity shop syndrome, reductions in opening hours, reduced employment, reduced levels of service and the loss of investment to maintain the properties in what is supposed to be an outstanding conservation area - all in all, a town centre spiraling to decline. An area, of little inspiration for local people and visitors alike. This scenario contradicts the aspirations of the Structure Plan for Shetland and the Lerwick Local Plan which states that the vitality and viability of Lerwick town centre is to be protected and enhanced.

The more positive outcome scenario is one where the current trend is reversed and that through additional investment and regeneration Lerwick town centre is returned to a vital, viable and vibrant area. A BID for Lerwick can assist in such a challenge.

This scenario will however only have a truly successful outcome if all parties with an interest in the area are involved and working together in real open partnership.

This is not an issue about a "few shops" but the bigger picture of save guarding the historic, cultural, social, tourist and commercial centre of Lerwick and Shetland. An area that should be, as is many times quoted, valued as a gateway for visitors and a flagship for the community, an area promoting a sense of place, activity and civic pride.

A Business Improvement District (BID) is basically a business led mechanism supported by legislation which allows businesses and all non domestic rate payers to vote to invest collectively by way of a levy, in the funding of additional management, projects and services within a clearly defined geographical area. Normally the levy is calculated on the business's ratable value.

A Lerwick town centre BID can help to:

- create a more vibrant and viable town centre;
- building on the tremendous asset value of this cultural and historical waterfront area;
- generate greater partnership working between public, private, voluntary and community organisations;
- create a safer more attractive environment;
- deliver additional investment to support town centre strategies, initiatives and action plans;
- attract more visitors to the town centre and the areas other attractions;
- create greater civic pride and input to town centre regeneration from business owners and managers;
- can assist in supporting additional town centre services and activities such as cleanliness, marketing, promotion and events.

A Lerwick town centre BID can also contribute to Shetland Islands Council's policy aspirations across a wide range of areas including planning, tourism, economic and social development and regeneration and:

- creating and maintaining accessible employment opportunities;
- maximizing the contribution of the town centre to the wider Shetland economy;
- creating a vibrant and viable town centre;
- contributing to the Lerwick Waterfront strategy;
- creating a long term sustainable future for the town centre;
- increasing the value of tourism to the local economy by attracting more visitors to the area;
- supporting the aims of the Single Outcome Agreement with particular reference to protecting, sustaining and enhancing Shetlands built and natural environment and cultural heritage for future generations to enjoy.

## **Background**

Lerwick Town Centre Association was formed in 1992 as a business organisation, open to all businesses in the outstanding conservation area of Lerwick. The association remains today with a current membership of 56 businesses. Businesses support the work of the association in striving to maintain a vibrant and viable town centre.

In 2008 the association was introduced to the concept of Business Improvement Districts (BID's) by Shetland Islands Council.

After due consideration Lerwick Town Centre Association agreed to adopt the BID model and concept as a new and different way of achieving its aims and raising the potential for greater investment in the area.

Following attendance at a BIDS conference in Stirling and the visit of the BID - Scotland Project Director to Shetland an application was submitted to BID Scotland for funding. A grant of £20,000 was awarded following which, match funding was agreed by Shetland Islands Council. This funding will now support the development of the Lerwick BID to the ballot stage, a process expected to take 1 year.

It has been agreed by the association that the BID development will initially be steered by the committee of the association ( Interim Working Group) and that part of the initial development will be the development of a formal Steering Group with fair business representation from the area. Key to the Steering Group will be the input from Shetland Islands Council and Members.

It has also been agreed that the Lerwick BID will develop as a new and separate identity to Lerwick Town Centre Association.

### **Development of the BID**

The key elements of developing the BID are:

- Employment of a Project Team.
- Establishing the formal Steering Group.
- Development of a Project Plan.
- Defining the area (3 areas are being developed for initial consideration).
- Development of an accurate database providing full details of the non-domestic ratable values of the defined area.
- Undertaking detailed surveys/ questionnaires with the businesses, employees and the public.
- Evaluating the local authorities service provision in the area.
- The production of a costed Business Plan based on the surveys with a proposal for the levy to fund the Business Plan.
- The ballot campaign and ballot.
- Setting up of a BID Company to take effect after the ballot if the ballot is successful.

**Note:** It would be normal for the BID to last for a 5 year term after which time a re-ballot would be required.

### **Shetland Islands Council**

For any BID to be successful it must, from the outset have the full support of the local authority. Shetland Islands Council will be key to the development of the Lerwick BID.

Apart from representation on the Steering Group support is requested as follows:

- The development of the BID generally.
- Support with BID legislation.
- Support with the organisation and management of the ballot - proposed June 2011.
- Support with the operating agreement between the Bid Company and the local authority.
- Support for the invoicing and collection of the levies.
- Support for the BID for the term of the BID.

**Note:** numbers eligible to vote including Shetland Islands Council are not expected to exceed 180.

### **Interim Working Group/ Project Team**

The Interim Working Group and appointed Project Team are currently involved in researching and developing the groundwork in advance of the setting up of the official Steering Group.

### **The Steering Group**

Essential to the Lerwick BID is the setting up now of the formal Steering Group.

It is not normal in Scotland for a Steering Group to be bound by constitution however it may be a consideration for the Lerwick BID to ensure good practice.

The Interim Steering Group is currently evaluating the business representation for the formal Steering Group. The representation will ideally be based on the ratios of the various business sectors i.e. the port / office/ retail/ banking/ services/ tourism/hotels/restaurants/cafes etc. We would hope to engage with other agencies and community groups in the process.

Steering Group Organisation – proposed in outline :

- 8 representatives from the commercial sector.
- Senior Council official.
- Council liaison officer – planning.
- Council officer representation – economic development.
- 1 / 2 Council Members – voting rights.
- Representation from Northern Constabulary.

Early discussions have already identified the value of representation from the departments of:

Planning – to act as Council liaison for the development of the BID and maintaining close links to the Council's aims and objectives in line with local policies and action plans.



Economic Development – to support the economic development of the BID with guidance in accessing other local and external funding streams to support the overall BID funding.

The Steering Group will have responsibility for:

- the open and transparent development of the BID at all stages;
- ensuring that all decisions and actions are fair and reasonable for the businesses in the proposed BID area;
- providing strategic direction for the BID development and the Project Team;
- defining the area;
- agreeing the Business Plan and proposed levy;
- supporting the BID campaign.





## REPORT

To: **Shetland Islands Council**

**30 June 2010**

From: **Head of Organisational Development**

**CE-20-F**

### **Gender Equality Scheme 2010-2013**

#### **1 Introduction**

- 1.1 The Sex Discrimination (Public Authorities) (Statutory Duties) (Scotland) Order 2007 places a statutory duty on the Council to review its Gender Equality Scheme every three years and publish a revised Scheme for 2010-2013.
- 1.2 The Gender Equality Scheme 2010-2013 sets out our renewed commitment to achieving equality of opportunity for men and women, as employees of the SIC and our partner organisations, our customers and the wider community.
- 1.3 This is a joint Gender Equality Scheme for Shetland Islands Council (SIC), SIC Schools Service, Shetland College, Shetland Licensing Board and ZetTrans. It forms a revised scheme for 2010-2013.

#### **2 Link to Corporate Priorities**

- 2.1 The Council's Corporate Plan 2008-2011 commits to deliver against our Community Planning priority of: 'ensuring that equal opportunities exist for all, no matter an individual's age, race, gender, faith, sexual orientation or disability and we will decrease social inequalities'.

#### **3 Risk Management**

- 3.1 Developing, approving and implementing a Gender Equality Scheme for 2010-2013 is a statutory requirement under section 2 (1) of the Sex Discrimination (Public Authorities) (Statutory Duties) (Scotland) Order 2007, therefore approving this scheme minimises risk to the Council.

#### **4 Background to Legislation**

- 4.1 The Sex Discrimination Act 1975 (as amended by the Equality Act 2006) places a statutory duty on all public authorities, when carrying out their functions, to have due regard to the need:
  - To eliminate unlawful discrimination and harassment; and
  - To promote equality of opportunity between men and women.

## 5 Proposal

- 5.1 To comply with legislation, under The Sex Discrimination (Public Authorities) (Statutory Duties) (Scotland) Order 2007, the Council and its partners must publish its revised Gender Equality Scheme, 2010-2013, by 29th June 2010.
- 5.2 The Gender Equality Scheme contains a Gender Action Plan. This identifies the actions required for the next year. The Action Plan will be updated on an annual basis. The first review of the Gender Equality Scheme 2010-2013 Action Plan will feature in the Equality Annual Report for 2010, which is due to be published in November this year.
- 5.3 Key objectives for 2010-2013 include:
- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.
  - Promote guidance on Community Involvement and Participation to ensure the needs of communities in relation to gender are sought and issues known.
  - Ensure the contractual agreement with Shetland Amenity Trust, to run Promote Shetland, is implemented.
  - Deliver on the Single Outcome Agreement strategic outcome: 'we will sustain and, where necessary, grow the number of childcare places, to meet identified need'.
  - Conduct an equal pay audit to monitor the application of the Council's pay scheme, to ensure the SIC complies with equal pay legislation and that there is no evidence of gender bias.
  - As part of the annual review process consider whether further publicity in relation to the Scheme itself is required.
  - Explore what positive action can be taken, through implementation of the Equality Act 2010, in challenging gender stereotypes and traditional male and female roles in the workplace.
  - Continue work with the Equalities Working Group within the SIC and work with partners when there is opportunity to do so.
  - ZetTrans must review and update the Transport Strategy, including consultation with communities through the existing Area Transport Forums and other methods, so that it meets the needs of Shetland's diverse communities.
  - The Schools Service must provide an annual SEEMIS and staffing report to the Schools Service Management Team for discussion and follow up action.
  - The Schools Service will consult school leavers regarding any schools' approaches to ensuring inclusive approach and improved services for LGBT learners.

- The Schools Service will arrange a Quality Assurance focussed visit to all schools to consider approaches to inclusion and how schools promote and ensure equality and fairness.
- The Schools Service will work with partners to ensure women returners are able to access training and support.

5.4 Organisational Development will be responsible for ensuring implementation of the Action Plan for the Council.

## **6 Financial Implications**

6.1 There will be an impact on resources to ensure successful implementation of the Action Plan to comply with the statutory requirements. At this stage this has not been quantified, but it is anticipated that this will be found within existing resources.

## **7 Policy and Delegated Authority**

7.1 The Executive Committee has authority to consider matters in relation to Policy Co-ordination. However, the duty to produce a Gender Equality Scheme has not been delegated and must be taken to full Council.

## **8 Conclusions**

8.1 The Report contains the revised Gender Equality Scheme for approval, as required under the Sex Discrimination (Public Authorities) (Statutory Duties) (Scotland) Order 2007.

## **9 Recommendations**

9.1 We recommend that the Council approve the revised Gender Equality Scheme, as outlined in Appendix A.

Date: 14 June 2010  
Ref: LG/EP

Report No: CE-20-F



# **Gender Equality Scheme 2010-2013**

for

**Shetland Islands Council  
Schools Service  
Shetland College UHI  
Shetland Licensing Board  
ZetTrans**

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# **1. Introduction**

This Gender Equality Scheme sets out our renewed commitment to achieving equality of opportunity for men and women, as employees of the Shetland Islands Council and our partner organisations, our customers and the wider community.

This is a joint Gender Equality Scheme for Shetland Islands Council (SIC), SIC Schools Service, Shetland College, Shetland Licensing Board and ZetTrans. It forms our revised scheme for 2010-2013.

## **2. Context**

### **2.1 National Context**

#### **2.1.1 Equal Opportunities**

The Scotland Act (1998) gives the Scottish Government power to encourage equal opportunities, particularly the observing of equal opportunities requirements. It provides the Government with power to impose duties on Scottish public authorities and cross border public bodies operating in Scotland.

The Scotland Act defines equal opportunities as:

*‘The prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.’*

#### **2.1.2 Best Value 2 Requirements**

The objective of Best Value is to ensure that management and business practices in local government deliver better and more responsive public services. Best Value in local government is about local authorities ensuring equal opportunities, being accountable and transparent by engaging with the local community, and continuously improving the outcomes of the services they provide. Best Value became a statutory duty following the Local Government in Scotland Act 2003.

Within the ‘Proposed Characteristics of a Best Value Council’ (characteristics that would be looked for during a BV2 corporate assessment), local authorities must be able to demonstrate that:

- The Council understands the needs of its different communities and involves them in developing a local vision, setting priorities and shaping services. It has clear strategies for consultation, representation and participation, which reflect the national standards for community engagement;
- The Council is clear about the outcomes it wants to achieve from its community engagement activity and adopts appropriate engagement approaches to achieve them;
- The Council uses a range of approaches to inform the community about its services, activities, performance and decision-making, which are accessible to all;
- The Council provides relevant information in understandable and appropriate languages and formats;
- Information promotes positive images of all population groups in the community, avoiding stereotypes; and
- The Council regularly evaluates its communication methods and adapts these in response to citizens’ feedback<sup>1</sup>.

### **Equalities Audit Framework: Indicators of a Best Value Council<sup>ii</sup>**

#### **Leadership:**

- Senior officers and elected members promote and lead an equality improvement agenda
- Equality outcomes are reflected in policies, strategic objectives and actions
- Equality is built into decision making and scrutiny arrangements
- Organisational learning around equality supports a culture of continuous improvement
- Reporting arrangements are accessible and they report on equality outcomes

#### **Human Resources:**

- The organisation values diversity in its workforce and provides equality of opportunity for all
- Staff are supported in meeting the organisations equality and diversity goals

#### **Service Delivery (inc. Equality Impact Assessment):**

- Services are delivered around the needs of diverse communities
- Equality impact assessments improve equality of outcomes
- Communities are satisfied that services meet their diverse needs
- The organisation has improved outcomes for its diverse communities

### **2.1.3 The Gender Equality Duty**

The Sex Discrimination Act 1975 (as amended by the Equality Act 2006) creates the general duty on all public authorities, when carrying out their functions, to have due regard to the need to:

- Eliminate unlawful discrimination and harassment; and
- Promote equality of opportunity between men and women.

The Sex Discrimination (Public Authorities) (Statutory Duties) (Scotland) Order 2007 places a statutory duty on local authorities to review and publish a revised Gender Equality Scheme every three years.

Over the past few years, the Council, Shetland College, ZetTrans, the Licensing Board and the Schools Service have produced a joint Race Equality Scheme, Gender Equality Scheme and Disability Equality Scheme.

All previous Schemes are available here:

<http://www.shetland.gov.uk/equalopportunities/documents.asp>

### **2.1.4 The Equality Act 2010**

Following the implementation of the Equality Act 2010, which will be fully implemented across Scotland by April 2011, this Gender Equality Scheme will be reviewed. A number of the actions outlined in the Action Plan of this Scheme will be amalgamated into a larger scheme that includes all strands of equality.

The Equality Act 2010 can be found via the following link:

[http://www.opsi.gov.uk/acts/acts2010/pdf/ukpga\\_20100015\\_en.pdf](http://www.opsi.gov.uk/acts/acts2010/pdf/ukpga_20100015_en.pdf)

The Equality Act aims to harmonise the discrimination law, and strengthen the law to support progress on equality. The previous six strands of anti-discrimination has been harmonised into one Act, and extended to produce what is known as 'protected characteristics'. These are:

- Age
- Disability
- Race
- Religion or Belief
- Sexual orientation
- Gender
- Gender reassignment
- Pregnancy & Maternity

The Equality Act also introduces a duty on local authorities to address the inequality arising from socio-economic disadvantage, and to place this objective at the core of their policies and programmes.

Many of the issues raised within each equality strand are not unique to individual equality groups, but affect the wider community as a whole. Previous Equality Schemes, including this one have stood alone as single frameworks, but equality strands (i.e. age, gender, race, etc) are not isolated themes; they can have an effect on and are affected by individual strands – as individuals we are all a complex mix. Shetland's rurality means that we should be seeing people as individuals rather than categorising them into equality groups.

## **2.2 Local Context**

### **2.2.1 Shetland Islands Council**

The Council is committed to fulfilling the duties imposed on it under the amended Sex Discrimination Act 1975 and working towards gender equality.

Shetland's community statement contains the following:

- We'll seek to create fulfilling, well paid jobs for all, whatever their talent
- Foster confident, thriving communities across Shetland
- Promote justice and equality, here and overseas
- Expand knowledge, extend opportunities and improve access

Shetland's community statement, known as 'The Shetland Resolution' can be found here:

<http://www.shetland.gov.uk/communityplanning/TheShetlandResolution.asp>

Shetland Community Planning Partnership, as part of their obligations under the Local Government Act (2003), is committed to promoting equalities, and through the Single Outcome Agreement approach, all Community Planning Partners have committed to embedding equalities in their service delivery. Local outcomes within Shetland's Single Outcome Agreement seek to promote equality of opportunity across the whole population of Shetland and contribute to the indicators that have been developed to monitor progress.

The Council's Corporate Plan 20010-2011 commits to deliver on the Single Outcome Agreement.

### **2.2.2 Schools Service**

The Schools Service Improvement Plan is committed to implementing all areas of Curriculum for Excellence, working effectively with partners to ensure that all individuals are able to be successful learners, confident individuals, responsible citizens and effective contributors. Specifically over this period, the Schools Service will be involved in implementing the Skills Strategy and the Parental Involvement Strategy to take account of equal opportunities and diversity, and in implementing the ASL legislation.

The Schools Service is also committed to the creation of a Blueprint for Education, which will ensure equity of provision across Shetland.

### **2.2.3 Shetland College UHI**

The Shetland College Strategic Plan, 2008-2011, ensures that the Shetland College UHI will:

- Take an active role in the development of a Skills Strategy for Shetland to ensure that individuals are equipped with the skills Shetland needs and improve inclusiveness and equality of opportunity through offering a range of programmes from Access 3 to degree to meet local demand; and
- Ensure adherence to equality, diversity and inclusion regulations in all college practices, and regularly review and refresh the college's Quality Manual and all policies and procedures.

Statement from the Director of Shetland College:

*'I will ensure Shetland College continues to adhere to its legal duty to promote gender equality and to take account of the needs of all people in our decision making across the whole organisation. With the support of Shetland Islands Council we aim to demonstrate best practice in recruitment and retention by providing excellent support for our staff. Equally we are committed to addressing any inequalities and discrimination which might hinder individuals and communities from achieving their full potential.'*

## **2.24 Licensing Board**

Shetland Islands Area Licensing Board adopted a Gender Equality Scheme on 6 April 2007. The Board acknowledged in that Scheme that it was committed to fulfilling its legal duty to work towards gender equality in its activities. The Board, in its Statement of Licensing Policy (2007), restated its commitment to appraising its policies, procedures and practice to furthering the goal of equal access for all to their services. The Statement of Licensing Policy also recognises that the Board cannot operate in isolation and that it should have due regard to the policies of Shetland Islands Council.

## **2.2.5 ZetTrans**

The Transport Strategy for Shetland (2008) ensures that the:

- Delivery of the Transport Strategy vision and objectives will improve accessibility for all groups in society, through the range of measures proposed (i.e. improved provision for pedestrians, cyclists and public transport users); and
- Delivery of the Transport Strategy, particularly the objectives related to social inclusion and accessibility, as well as integration will deliver transport improvements ensuring equal opportunities to all.

### **3. Our Gender Equality Objectives**

To promote Gender Equality, the SIC and its partner organisations will ensure:

- All staff are aware of Gender Equality issues and their responsibilities to promote gender equality;
- All staff have a greater awareness around transgender issues;
- All policies relating to Gender have been assessed for equality of opportunities, and appropriate amendments made;
- All employees are paid equally regardless of sex/gender; and
- Appropriate monitoring systems are in place to meet general and specific duties, including employee records for staff with caring responsibilities, flexible working requests and transgender employees.

#### **3.1 Shetland Islands Council**

In addition, the Council's guiding principles and rationale for meeting the general duty are:

- Gender balance within the workforce and equal pay;
- Eliminate unlawful discrimination and harassment and promote equal opportunities for transsexual and transgender people;
- To review the current gender profile of Shetland's population and the workforce of the Shetland Islands Council, identify issues and draw up an action plan to meet the identified needs;
- To ensure active, inclusive and meaningful consultation with service users, providers and the community in the development of the scheme and monitor its implementation; and
- To ensure that the Local Authority, the Schools Service, ZetTrans and NHS Shetland work together to meet the above objectives.

SIC Human Resources monitors the gender profile of the Council's workforce ensuring that Shetland Islands Council is maintaining its policy of non-discrimination.

#### **3.2 Schools Service**

In addition, the Schools Service will:

- Review and respond to information on gender, collated from schools using SEEMIS<sup>1</sup> and from Human Resources, to inform future action to address any gender imbalance in the workforce. Schools' information will be included in the annual Standards and Quality Report.

#### **3.3 Shetland College UHI**

Shetland College is committed to ensuring that all people within Shetland should be able to access further and higher education. Shetland College's mission is to make a major contribution to the local economy through provision of high quality further and higher education and training, which meets the needs of the population and employers.

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<sup>1</sup> South and East Ayrshire Education Management Information System

Shetland College is committed to ensuring that all students, staff and users of the college have equality of opportunity in whatever aspect of college activity they are engaged in and will work to ensure that that opportunity is not compromised through any form of discrimination.

The College will work with Shetland Islands Council to address the objectives and actions identified in this Gender Equality Scheme action plan, including those objectives and actions particular to the College. Shetland College UHI is committed to addressing the objectives identified in Shetland Islands Council Gender Equality Scheme and in addition shall:

- Build on existing information systems within the college to ensure full and required data is gathered re student population and college workforce;
- Build on appropriate consultation mechanisms, including the Equalities Committee. Ensure that the Equalities Committee brings to the table any issues relating to inequalities and discrimination and that action is taken to address these;
- Continue to carry out impact assessments of all policies and procedures within the college and put in place any actions required to address inequalities;
- Seek to address any under representation by gender on decision-making bodies within the college; and
- Seek to increase numbers of male and female students taking up courses in which their gender has been traditionally underrepresented.
- Seek to address any gender bias in attainment and achievement levels across all courses.

### **3.4 Shetland Licensing Board**

In addition, Shetland Licensing Board shall:

- Eliminate unlawful discrimination and promote equality of opportunity
- Consult with stakeholders;
- Assess impact of policies and services on the promotion of gender equality, and monitor policies for an adverse impact;
- Train staff in connection with the general duty; and
- Ensure public access to information and services.

### **3.5 ZetTrans**

In addition, ZetTrans:

- Is committed to developing an effective, efficient, safe and reliable transport system for Shetland; and
- The transport system will comprise an integrated network of accessible, and affordable internal, inter-island and external links, which will contribute to the development of a safe, healthy vibrant and inclusive society, a diverse, successful and self-sufficient economy, and enhanced environmental quality.



## 4. Review of 2007-2010 Gender Equality Scheme

Achievements have previously been reported in the Gender Annual Report 2009, and the Equality Annual Report 2009:

<http://www.shetland.gov.uk/equalopportunities/documents/GenderAnnualReport2009Final.pdf>

<http://www.shetland.gov.uk/equalopportunities/documents/EqualityAnnualReport2009.pdf>

The next Equality Annual Report will be published in November 2010. This will report on any further progress on the objectives of the Shetland Islands Council's and its partner organisations, any progress on the proposed actions outlined in Section 6 of this Scheme, any future achievements, and provide an update of the Gender Equality Scheme Action Plan. The Equality Annual Report 2010 will pull reporting on the three equality strands: race, disability and gender.

Some significant achievements from the above reports and those that have occurred since their publication are detailed below. These achievements illustrate that the Shetland Islands Council and its partner organisations have taken action to promote equality between men and women, developed our recording and reporting systems to help gather information on equality issues, and plan our services around meeting the needs of both men and women.

### 4.1 Shetland Islands Council

Achievements:

- An Equal Pay Statement has been published for Shetland Islands Council. An equal pay audit will now be conducted every three years to monitor the application of the Council's pay scheme to ensure the SIC complies with equal pay legislation and that there is no evidence of gender bias. Shetland Islands Council's Equal Pay Statement can be found here:  
<http://www.shetland.gov.uk/equalopportunities/documents/EqualPayStatement.pdf>  
The Equal Pay Statement will be reviewed following the first equal pay audit in 2010/11.
- In May 2009 the Policy Unit ran a pioneering Role Model Programme throughout schools in Shetland. This was to help raise young people's awareness of under representation of women and men in certain professions within Shetland. The aims of the Role Model Programme were to explore young people's perceptions of gender roles in employment and seek to inspire them to consider jobs that have been traditionally viewed as exclusively male or female. Human Resources have continued this work at the Anderson High School, challenging perceptions of traditional roles, promoting gender balancing of the

workplace, and exploring pupils' views on gender roles in employment, aiming to remove gender stereotypes within the public sector.

- On 22 May 2009 the Council and Unions signed a collective agreement for a new pay model and terms and conditions for local government employees, meeting the Council's objectives to implement a fair and sustainable Single Status offer. The introduction of Single Status has eliminated the payment of bonuses to predominately male groups of workers and promotes equal pay for equal work across genders.
- During 2009, the Community Care Service introduced a Trainee Social Care Worker Programme designed for those who have not previously considered a career in care to experience a structured programme consisting of work-based learning and taster placements in a variety of settings. Out of the 14 trainee placements, 7 were male and 7 were female.
- Employees returning to work following maternity leave has increased from 76% in the financial year 2007/08 to 93% in 2008/09. This has been mainly due to the increase in flexible working arrangements for working parents.
- The number of Shetland Islands Council employees taking childcare vouchers has increased from 48 in April 2009 to 51 in April 2010. This is due to a promotional push on the scheme, increasing awareness and interest<sup>iii</sup>.
- Equality Impact Assessments (EqIA) are carried out on all Service Plans and Policy documents, to ensure services meet the needs of our diverse communities. The EqIA for the Human Resources Service Plan 2010-11 highlighted a positive impact on women: by maintaining the numbers of remote working when reducing workforce numbers, this will increase proportions more likely to be taken by women who have more caring responsibilities. Previous Service Plans have taken positive action on promoting gender equality by focusing on improving the equal opportunity SPI re the number of women in top 2% & 5% of earners within SIC.

## **4.2 Schools Service**

Achievements:

- The SEEMIS<sup>2</sup> system for management of information has been introduced, which will give improved access to data at school and central level, to allow effective monitoring of equalities information.
- Mothers returning to work have been identified, and consultation carried out to improve arrangements for women returners. Further consultation with women returners will inform future action. The Schools Service have explored the uptake of flexible arrangements to support parents and to ensure that women returners are supported by ongoing contact with the service (e.g. through attendance at in-service training).
- Attainment data has been examined to identify any gender issues and promote equality through individual projects (e.g. targeting reading in one primary school where boys were achieving less well).

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<sup>2</sup> South and East Ayrshire Education Management Information System

- Information from our annual request to schools, regarding work to promote gender equality will, in future, be celebrated in our Standards and Quality Reports.
- The development of the Parenting Strategy including consideration of impact on gender. This included consultation with communities re support for families in Shetland.
- The Schools Service has worked with the Single Status team towards the final agreement, which means equal pay for equal work.
- The Schools Service has continued to support full day care in Mossbank and a vulnerable nursery service in Lunnasting.
- Crèche facilities are provided to allow staff to participate fully in the Blueprint consultation.

### **4.3 Shetland College UHI**

Achievements:

- As a partner of UHI, the college is now able to access national data regarding Shetland through the UHI Map, Scottish Neighbourhood Scheme.
- Shetland College managers and staff participated in Equality and Diversity training as part of the college's Staff Development Programme. All new staff continue to participate in the college's induction procedure, part of which outlines the Gender Equality Scheme and Action Plan. All new staff are made aware of the location of the documentation on the college's intranet.
- The college ensures that a representative number of males and females make up the decision-making bodies within the college.
- The college will continue to seek to increase numbers of male and female students taking up courses in which their gender has been traditionally underrepresented. An example of this is the Skills for Work Construction Crafts class in which an increasing number of females have signed up.
- In January 2010 the college had a HMIE Equality and Diversity Aspect Visit. A number of strengths were highlighted during the visit.
  - It was felt that there was a tremendous cultural diversity within the college, and overall, the college is very strong with regard to equalities.
  - College staff have fully bought into the inclusion agenda of the college.
  - The College Equalities Committee has a strong remit.
  - There have been very positive statements made about the college prospectus and the college website in relation to equalities.

Responses from students were that they felt supported. There were no instances of bullying and learners felt safe. All experienced positive integration, which reflects the college ethos.

### **4.4 Shetland Licensing Board**

Achievements:

- A Licensing Forum has begun operation and was consulted on Equality issues on 15 January 2009.

- Review of the impact of policies and services on the promotion of gender equality has begun.
- Two of the Administration Assistants and another Assistant Clerk have undertaken Equality and Diversity Training.

#### **4.5 ZetTrans**

Achievements:

- ZetTrans has become a partner organisation in the Rural Transport Solutions project. This project will enable ZetTrans be part of innovative trials relating to public transport and demand responsive services across Shetland, improving outcomes for its diverse communities. This project is part of the Northern Periphery Programme and is funded through the European Rural Development Fund.

## 5. What we know in 2010

### 5.1 Community Profile

#### 5.1.1 Population Structure

In 2009, mid-year estimates show that there are more men than women in Shetland (50.5% are men and 49.5% are women), a trend that has been consistent since the 2001 census<sup>iv</sup>.

For the 0-64 age group there are slightly more men than women in Shetland, and from 65 upwards, the gender profile changes, with more women than men (see Figure 1). This reflects the difference in life expectancy and premature mortality between genders.

The gender profile found in Shetland opposes that found in Scotland as a whole. In Scotland there are slightly more women than men across all age groups<sup>v</sup>. The skew in gender found in Shetland, is partly due to the out migration of women of childbearing age, which has implications on Shetland's birth rate. The trend of an increasing skew in the male to female ratio, with more males than females in the working age population, is projected to continue.

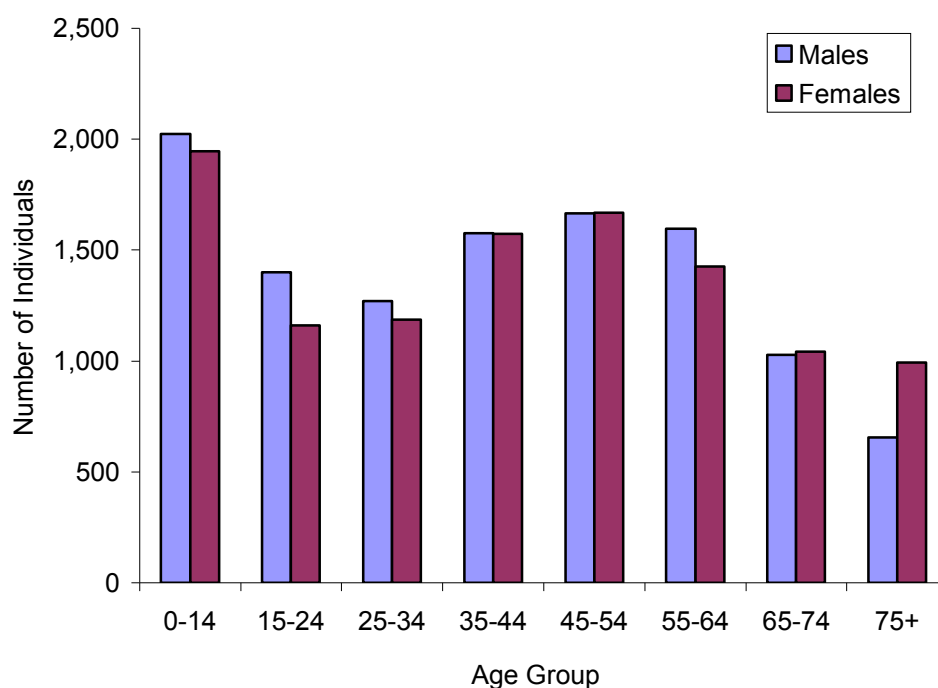


Figure 1: Gender breakdown of the Shetland population, 2009<sup>vi</sup>

#### 5.1.2 Issues Currently Known

Table 1 provides the gender breakdown of occupation groups in Shetland from the 2001 Census. Males dominate the skilled trade occupations (29.0% of the male working age population, compared to 5.93% of female), process plant and machine operatives (17.3% of males, and 2.8% of females) and the managers and senior officials occupations (11.2% of males, and 8.35% of

females). However, females dominate the administrative and secretarial occupations (18.0% of the female working age population, compared to 2.8% of male), personal service occupations (15.5% of females, 1.99% of males), and sales and customer service occupations (10.1% of females, 2.2% of males).

Table 1: Gender breakdown of occupation groups in Shetland (Census 2001)<sup>vii</sup>.

Gender		Males		Females	
Geographical Area		Shetland	Scotland	Shetland	Scotland
Male (or female) working age population (aged 16-74)		6,337	1,192,329	5,043	1,068,952
% of male (or female) working age population (aged 16-74) working as	Managers and senior officials	11.16	14.77	8.35	9.27
	Professional occupations	7.95	11.38	10.51	10.23
	Associate professional and technical occupations	13.21	13.57	12.04	14.44
	Administrative and secretarial occupations	2.84	4.96	18.01	21.40
	Skilled trade occupations	29.04	20.99	5.93	2.35
	Personal service occupations	1.99	2.34	15.55	12.49
	Sales and customer service occupations	2.16	4.47	10.13	13.29
	Process plant and machine operatives	17.26	14.95	2.82	3.73
	Elementary occupations	14.39	12.55	16.68	12.80

In the **Schools Service** in 2009, there was little difference between the attainment of boys and girls in most secondary subjects (as was the case in previous years). However, there is some evidence to suggest that boys in primary schools perform less well in writing and reading than girls, particularly in the early stages. Also, there continues to be some subjects preferred by boys (e.g. physics, technical education) and girls (home education, foreign languages)<sup>viii</sup>.

Table 2 provides a breakdown of **Shetland College** student enrolments by gender for the academic year 2007/08 and 2006/07. The overall trend is that there are more females enrolled in the College than males, in both further and higher education, and the proportion of females is slightly greater in higher education. This skew in the gender profile is more pronounced in the 2007/08 academic year than 2006/07, with a fairly even split in the academic year 2006/07 for FE programmes.

Table 2: Gender profile for Shetland College student enrolments, 2007/08 and 2006/07<sup>ix</sup>

Mode of Delivery	Total number of enrolments		Male		Female	
	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
All Enrolments	1723	2185	682 (40%)	1026 (47%)	1041 (60%)	1159 (53%)
Further Education programmes						
Further Education (FE)	1495	1982	602 (40%)	977 (49%)	893 (60%)	1004 (51%)

FE Full time	83	79	36 (43%)	39 (49%)	47 (57%)	40 (51%)
FE Part time / Distance Learning / Other Part time / Short / Full time / Evening / Weekend	797	1208	329 (41%)	609 (51%)	468 (59%)	599 (49%)
FE Day Release	506	543	206 (41%)	253 (47%)	300 (59%)	290 (53%)
FE Open Learning	109	104	31 (28%)	29 (28%)	78 (72%)	75 (72%)
<b>Higher Education programmes</b>						
Higher Education (HE)	228	204	80 (35%)	49 (24%)	148 (65%)	155 (76%)
HE Full time	69	75	21(30%)	11 (15%)	48 (70%)	64 (85%)
HE Part time / Distance Learning / Other Part time / Evening/Weekend	135	47	57(42%)	9 (19%)	78 (58%)	38 (81%)
HE Day Release	24	49	Figures are too small to be published (8%)	18 (37%)	22 (92%)	31 (63%)

In the academic year, 2007/08, the female prevalence is mirrored across the board in full time, part time, day release and open learning programmes. The part time courses are again analysed as a group since the actual figures for individual programmes were too small to publish separately. Greater excess is apparent in HE full time programmes; only 30% are male whilst 70% are female compared with 15% and 85% in 2006/07.

### 5.1.3 Summary

#### 5.1.3.1 Baseline Data

- There are more men than women in Shetland.
- The gender profile found in Shetland opposes that found in Scotland.
- The skew in gender found in Shetland, is partly due to the out migration of women of childbearing age.
- The trend of an increasing skew in the male to female ratio is projected to continue.

#### 5.1.3.2 Issues to Resolve:

Issues regarding gender include:

- The skew in gender found in Shetland, is partly due to the out migration of women of childbearing age, and this has implications on birth rate.
- A combination of negative net migration and natural change will further influence the population structure of Shetland.

Encouraging young females to settle in Shetland is part of the solution to stabilise the population structure, and equal opportunities for women may play a deciding role.

In relation to the Schools Service and Shetland College:

- In primary schools there continues to be some subjects preferred by boys (e.g. Physics, technical education) and girls (home education, foreign languages).

- There are more females enrolled in the College than males.

## **5.2 Workforce Profile**

The workforce profile for ZetTrans and Shetland College is included in that for Shetland Islands Council.

### **5.2.1 Shetland Islands Council**

The SIC holds gender data for 100% of the workforce. 75.14% of the SIC workforce are female, and 24.86% are male. Gender discrimination is still prominent in the top earners of council employees. In 2009/10:

- The percentage of council employees in the top 5% of earners that were women stood at 20.3% (28 out of 138); and
- The percentage of council employees in the top 2% of earners that were women stood at 13.0% (7 out of 54)<sup>x</sup>.

Both figures rank 32<sup>nd</sup>, the poorest performing Local Authority in Scotland.

There is a specific and identifiable local reason for these indicators illustrating a significant gender skew. The gender skew in the top 5% of earners and top 2% of earners is due to the merging of Shetland Towage with the Shetland Islands Council, which brought in a significant number of additional marine staff in the top pay bracket's, who were all male. When statistics are analysed for Council employees, excluding Marine Staff, figures are more comparable with other Local Authorities and Public bodies.

The gender breakdown of particular types of work within the SIC are monitored and reported on annually (see Figure 2).



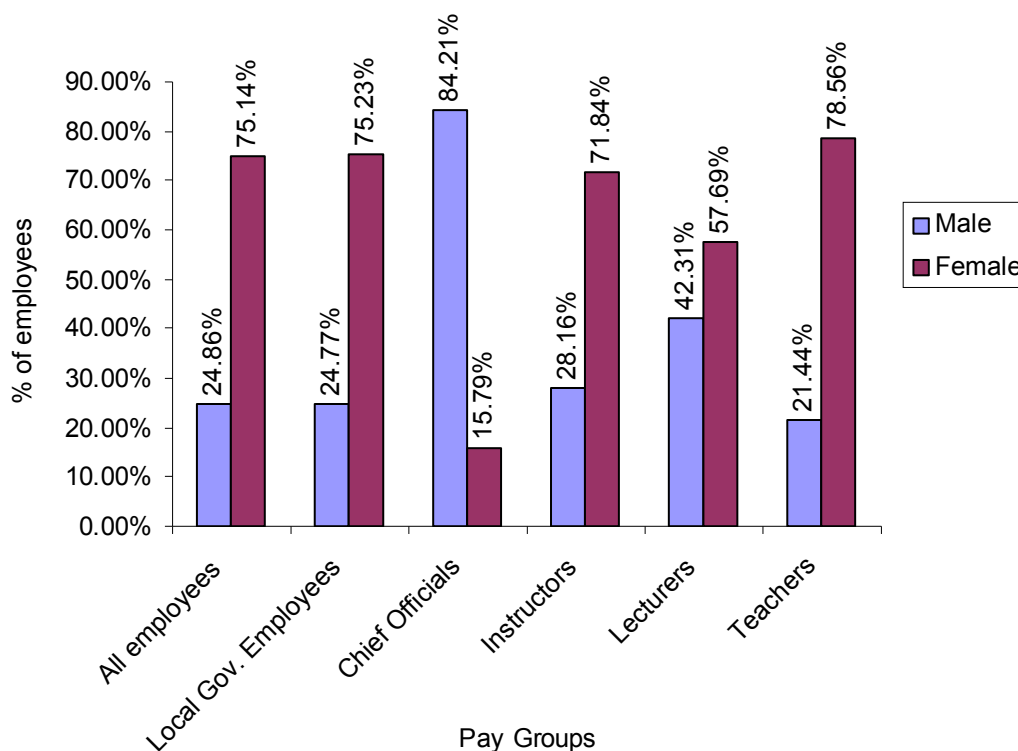


Figure 2: Gender breakdown of pay groups within the Shetland Islands Council, 2010<sup>xi</sup>.

Figure 3 provides the gender breakdown of job applications received by the Shetland Islands Council.

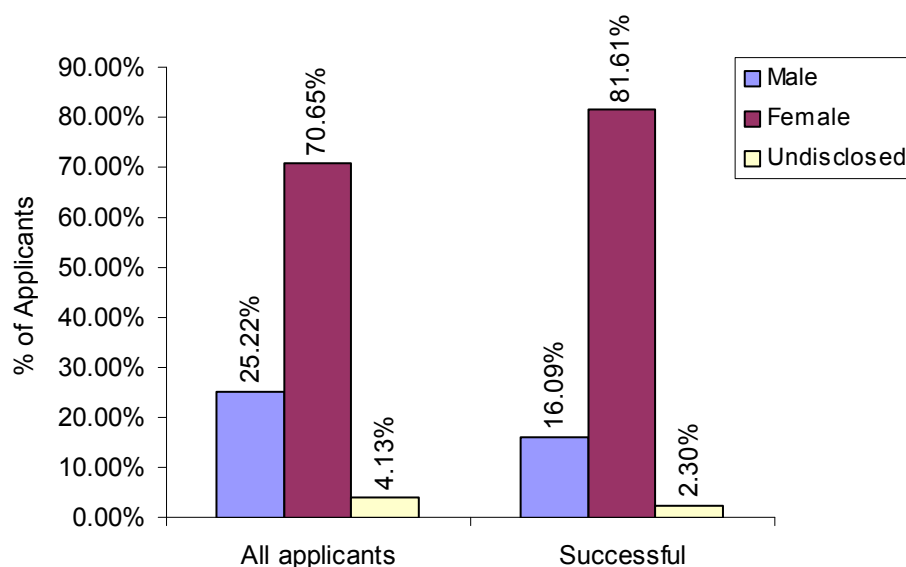


Figure 3: Gender breakdown of Job Applications received by the SIC. The gender breakdown of all applicants, and those that were successful in their application<sup>xii</sup>.

In the financial year 2009/10, there were a total of 5574 training applications received through the SIC. During this period:

- 79.8% of all training applications were from women
- 21.2% of all training applications were from men

This is comparable with the workforce profile of 75.1% female and 24.9% male.

In the financial year 2009/10, 222 Employee Review and Development Meetings took place. Of which:

- 80.6% were with female employees
- 19.37% were with male employees

This is skewed in comparison with the workforce profile of 75.1% female and 24.9% male. The proportion of males receiving an Employee Review and Development Meeting under represents the number of males that are employed by the SIC.

### **5.2.2 Schools Service**

Females make up the majority of teaching staff in Shetland. 42.1% of head and deputy head teachers in secondary schools are women and 57.9% are men. The percentage of head and deputy head teachers in primary schools that are women stands at 90.9% and men at 9.1%. There are more female head and deputy head teachers in primary schools than there are in secondary schools<sup>xiii</sup>.

## 6. What do we need to do?

Following the issues raised, the following actions must be taken:

### 6.1 Shetland Islands Council

Ongoing Actions from 2008-10:

- Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan.
- Continue to undertake Equality Impact Assessments, ensuring that all future policies are processed through the policy unit's template.
- Ensure effective data collection and follow up action to issues arising from the information within the Gender Equality Scheme.

New Actions for 2010-13:

- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.
- Promote guidance on Community Involvement and Participation to ensure the needs of communities in relation to gender are sought and issues known.
- Ensure the contractual agreement with Shetland Amenity Trust, to run Promote Shetland, is implemented<sup>3</sup>.
- Deliver on the Single Outcome Agreement strategic outcome: 'we will sustain and, where necessary, grow the number of childcare places, to meet identified need'.
- Conduct an equal pay audit to monitor the application of the Council's pay scheme, to ensure the SIC complies with equal pay legislation and that there is no evidence of gender bias.
- As part of the annual review process consider whether further publicity in relation to the Scheme itself is required.
- Explore what positive action can be taken, through implementation of the Equality Act 2010, in challenging gender stereotypes and traditional male and female roles in the workplace.
- Continue work with the Equalities Working Group within the SIC and work with partners when there is opportunity to do so.

### 6.2 Schools Service

Ongoing Actions from 2008-10:

- Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan.
- Continue to undertake Equality Impact Assessments, ensuring that all future policies are processed through the policy unit's template.
- Ensure effective data collection and follow up action to issues arising from the information within the Gender Equality Scheme.

New Actions for 2010-13:

- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010. A Quality Assurance visit by central officers

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<sup>3</sup> See Shetland.org.

will gather information on practice in schools to meet the equalities duties and we will arrange training to meet any identified needs

- Provide an annual SEEMIS<sup>4</sup> and staffing report to the Schools Service Management Team for discussion and follow up action.
- Schools Service will consult school leavers regarding any schools' approaches to ensuring inclusive approach and improved services for LGBT<sup>5</sup> learners.
- Arrange a Quality Assurance focussed visit to all schools to consider approaches to inclusion and how schools promote and ensure equality and fairness.
- Work with partners to ensure women returners are able to access training and support.

### **6.3 Shetland College UHI**

Ongoing Actions from 2008-10:

- Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan.
- Continue to undertake Equality Impact Assessments, ensuring that all future policies are processed through the policy unit's template.
- The college will continue to seek to increase numbers of male and female students taking up courses in which their gender has been traditionally underrepresented.

New Actions for 2010-13

- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.
- Ensure that learning and teaching materials used and developed adhere to equality, diversity and inclusion.

### **6.4 Shetland Licensing Board**

Ongoing Actions from 2008-10:

- Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan.
- Continue to undertake Equality Impact Assessments, ensuring that all future policies are processed through the policy unit's template.
- Consult with the new Licensing forum to seek opinions and suggestions towards improving equality of opportunity.

New Actions for 2010-13:

- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.
- Complete the Equality Impact Assessment of the policy and procedures adopted by the Board for the implementation of the Licensing (Scotland) Act 2005.
- As part of the annual review process consider whether further publicity in relation to the Scheme itself is required.

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<sup>4</sup> South and East Ayrshire Education Management Information System

<sup>5</sup> lesbian, gay, bisexual, transgender

## **6.5 ZetTrans**

Ongoing Actions from 2008-10:

- Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan.
- Continue to investigate, trial and implement improvements in the public transport service, which includes demand responsive transport that meets the needs of diverse communities.
- Continue to consult with communities to develop public transport services. One method is through External and Internal Transport Forums for consultation on specific transport issues.

New Actions for 2010-13:

- Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.
- Review and update the Transport Strategy, including consultation with communities through the existing Area Transport Forums and other methods, so that it meets the needs of Shetland's diverse communities.

## 7. Action Plan

Best Value Indicator 1 (Leadership):				
Senior officers and elected members promote and lead an equality improvement agenda				
Action/Task	Current Status	Target/Outcome	Lead Responsibility	End Date
Work with partners to address the objectives and actions identified in this Gender Equality Scheme Action Plan	Action Plan for 2010-13.	Objectives and actions have been addressed.	Shetland Islands Council Schools Service Shetland College UHI Shetland Licensing Board ZetTrans	2013
Provide an annual SEEMIS <sup>6</sup> and staffing report to the Schools Service Management Team for discussion and follow up action.	First joint SEEMIS and Census report October 2010.	Follow up action informs Service Improvement Plan.	Schools Service	Annually thereafter
Best Value Indicator 2 (Leadership):				
Equality outcomes are reflected in policies, strategic objectives and actions				
Action/Task	Current Status	Target/Outcome	Lead Responsibility	End Date
Continue to undertake Equality Impact Assessments, ensuring that all future policies are processed through the Policy Unit template.	All current policies have been processed through the policy unit's Equality Impact Assessment.  Equality Impact Assessments will be reviewed to comply with the Equality Act 2010 before April 2011.	All policies have been identified and processed through the policy template and that appropriate amendments have been made so that Gender is not a barrier to opportunities.	Shetland Islands Council Schools Service Shetland College UHI Shetland Licensing Board	Ongoing

<sup>6</sup> South and East Ayrshire Education Management Information System

Ensure the contractual agreement with Shetland Amenity Trust, to run Promote Shetland, is implemented.	There is a gender skew in Shetland's population and encouraging young females to settle in Shetland is part of the solution to stabilise the population structure	Promotion of Shetland's economic activity through job opportunities and stimulation of the private sector maintains a stable, gender-balanced population.	Shetland Islands Council	31 <sup>st</sup> August 2012
Best Value Indicator 3 (Leadership):				
Equality is built into decision making and scrutiny arrangements				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Consult with the new Licensing Forum to seek opinions and suggestions towards improving equality of opportunity	A Licensing Forum has begun operation and was consulted on Equality issues on 15 January 2009.	Stakeholders have been consulted and have contributed towards improving equality of opportunity	Shetland Licensing Board	2011
Review and update the Transport Strategy, including consultation with communities through the existing Area Transport Forums and other methods, so that it meets the needs of Shetland's diverse communities.	Planning in progress for consultation in early 2011.	Updated Transport Strategy.	ZetTrans	2011
Best Value Indicator 4 (Leadership):				
Organisational learning around equality supports a culture of continuous improvement				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Continue work with the Equalities Working Group within the SIC and work with partners when there is opportunity to do so.	Core working group meets on a regular basis within the SIC, and has ongoing contact with its partner organisations in regards to Equality and Diversity.	The Equalities Working Group supports continuous improvement in regards to Equality and Diversity.	Shetland Islands Council	Ongoing
Best Value Indicator 5 (Leadership):				
Reporting arrangements are accessible and they report on equality outcomes				

Action/Task	Current Status	Target/Outcome	Lead Responsibility	End Date
As part of the annual review process consider whether further publicity in relation to the Scheme itself is required	The Gender Equality Scheme is available on the Shetland Islands Council and Licensing Board's Website.	The scheme is easily accessed by the public and its content is promoted	Shetland Islands Council  Shetland Licensing Board	2010
Best Value Indicator 6 (Human Resources):				
The organisation values diversity in its workforce and provides equality of opportunity for all				
Action/Task	Current Status	Target/Outcome	Lead Responsibility	End Date
Conduct an equal pay audit to monitor the application of the Council's pay scheme, to ensure the SIC complies with equal pay legislation and that there is no evidence of gender bias.	The first equal pay audit, since the publication of the equal pay statement has yet to be carried out.	To address any unjustified pay inequalities between genders.	Shetland Islands Council	2010/11
Deliver on the Single Outcome Agreement strategic outcome: 'we will sustain and, where necessary, grow the number of childcare places, to meet identified need'.	There are 29 active childminders registered in Shetland. There are current gaps in childcare provision for Whalsay, Unst, Yell and West Side. The number of women of childbearing age is projected to fall sharply in the next 10 years <sup>xiv</sup> , which will directly affect the birth rate and the demand for childcare services. Population projections estimate a 33% decline in children aged 0-15 by 2033 <sup>xv</sup> .	The number of childcare places are sustained to meet identified need	Shetland Islands Council	2011
Explore what actions can be taken through implementation of the Equality Act 2010 in challenging gender stereotypes and traditional	2009/10: – 28 (out of 138) women in the top 5% of earners employed by the SIC.	Gender roles are challenged in the workplace, and women are supported in their aspirations in reaching senior management	Shetland Islands Council	2011



male and female roles in the workplace.	<p>– 7 (out of 54) women in the top 2% of earners employed by the SIC.</p> <p>More women than men in instructing, lecturing and teaching jobs.</p>	positions.		
Work with partners to ensure women returners are able to access training and support.	Updated collection of data on women returners.	Staff are aware of the range of opportunities to support women returners back to work.	Schools Service	Ongoing
Best Value Indicator 7 (Human Resources):				
Staff are supported in meeting the organisations equality and diversity goals				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Ensure equality and diversity training is reviewed to reflect and comply with the Equality Act 2010.	<p>Equality &amp; Diversity half-day course provided by TrainShetland.</p> <p>Head teachers have received Equality Training and organise training in their own schools according to improvement plans.</p>	Staff are made aware of gender equality issues and their responsibilities to promote gender equality, and there is a culture of inclusion in the workplace.	<p>Shetland Islands Council</p> <p>Schools Service</p> <p>Shetland College UHI</p> <p>Shetland Licensing Board</p> <p>ZetTrans</p>	April 2011
Best Value Indicator 8 (Service Delivery):				
Services are delivered around the needs of diverse communities				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Continue to consult with communities to develop public transport services that meet the needs of diverse communities. One method is through External and Internal Transport Forums for consultation on specific transport issues.	<p>This work is ongoing through the Rural Transport Solutions project.</p> <p>Consultation will also be carried out when reviewing the Transport Strategy.</p>	Consultation exercises carried out in early 2011.	ZetTrans	Ongoing

The College will continue to seek to increase numbers of male and female students taking up courses in which their gender has been traditionally underrepresented.	The overall trend is that there are more females enrolled in the College than males, in both further and higher education. The female prevalence is mirrored across the board in full time, part time, day release and open learning programmes.	Increased number of students enrolling on courses in which their gender has been traditionally under-represented.	Shetland College UHI	Ongoing
Ensure that learning and teaching materials used and developed adhere to equality, diversity and inclusion.	Organised workshops facilitated by colleagues from Scotland's Colleges in equality and diversity in relation to learning and teaching materials are in the staff development programme for 2010/2012.	All learning and teaching materials used and developed adhere to equality, diversity and inclusion.	Shetland College UHI	2013
Schools Service will consult school leavers regarding any schools' approaches to ensuring inclusive approach and improved services for LGBT <sup>7</sup> learners.	Current anecdotal evidence suggests that LGBT learners may have negative experience of school.	Improved ethos and increased awareness amongst staff of issues affecting LGBT learners	Schools Service	2013
Arrange a Quality Assurance focussed visit to all schools to consider approaches to inclusion and how schools promote and ensure equality and fairness.	Recent inspections evidence good practice and the Schools Service is committed to maintaining –and improving this, at a time of considerable change	Positive report on inclusive approaches in school, with strong evidence of good practice	Schools Service	2012
Best Value Indicator 9 (Service Delivery):				
Equality Impact Assessments improve equality of outcomes				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Complete the Equality Impact	Partially completed	Completion of the Equality Impact	Shetland Licensing Board	September 2010

<sup>7</sup> lesbian, gay, bisexual, transgender

Assessment of the policy and procedures adopted by the Board for the implementation of the Licensing (Scotland) Act 2005.		Assessment of the current Licensing Board's policy and procedure under the Licensing (Scotland) Act 2005.		
Best Value Indicator 10 (Service Delivery):				
Communities are satisfied that services meet their diverse needs				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Promote guidance on Community Involvement and Participation to ensure the needs of communities in relation to gender are sought and issues known.	The Policy Unit provides community Involvement Training, and use of the VOiCE tool <sup>8</sup> is mandatory.	The Council's relationship with communities across Shetland is constructive and respectful, and is consistent in its approach to involving communities.	Shetland Islands Council	Ongoing
Best Value Indicator 11 (Service Delivery):				
The organisation has improved outcomes for its diverse communities				
<b>Action/Task</b>	<b>Current Status</b>	<b>Target/Outcome</b>	<b>Lead Responsibility</b>	<b>End Date</b>
Ensure effective data collection and follow up action to issues arising from the information within the Gender Equality Scheme.	Current data presented within the Gender Equality Scheme 2010-13	Data on Gender is kept up to date and actions are tailored to the issues that arise from this data.	Shetland Islands Council Schools Service	Ongoing
Continue to investigate, trial and implement improvements in the public transport service, which includes demand responsive transport that meets the needs of diverse communities.	ZetTrans has become a partner in the Rural Transport Solutions project, through the Northern Periphery Programme funded by the European Rural Development Fund.	Establishment of the new service framework with contract implementation on the following timescales:	ZetTrans	Project area 1 – 2011 Project area 2 – 2012 Project area 3 – 2013 Project area 4 – 2014 Project area 5 – 2015

<sup>8</sup> VOiCE is a database planning and recording tool designed to assist individuals and organisations to design and deliver effective community engagement. VOiCE has been developed by SCDC on behalf of the Scottish Government.

## 8. References

- <sup>i</sup> Audit Scotland, 2010. *The Proposed Characteristics of a Best Value Council we would look for during a BV<sup>7</sup> Corporate Assessment – Consultation Version (March 2009)*. [Online] [http://www.audit-scotland.gov.uk/docs/local/2009/bv\\_090331\\_bv2\\_consultation\\_char.pdf](http://www.audit-scotland.gov.uk/docs/local/2009/bv_090331_bv2_consultation_char.pdf)
- <sup>ii</sup> Audit Scotland, 2010. *Equalities Audit Framework*. [http://www.audit-scotland.gov.uk/BV2/docs/bv\\_090331\\_bv2\\_equalities\\_framework.pdf](http://www.audit-scotland.gov.uk/BV2/docs/bv_090331_bv2_equalities_framework.pdf)
- <sup>iii</sup> SIC, Welfare Officer. *Sodexo Annual Report*.
- <sup>iv</sup> GROS, 2010. *Mid-Year Population Estimates Scotland*. [Online] <http://www.gro-scotland.gov.uk/statistics/publications-and-data/population-estimates/mid-year/index.html>
- <sup>v</sup> GROS, 2010. *Mid-2009 Population Estimates Scotland; Estimated population by sex, five year age group and administrative area: 28 April 2010. Table 2*. [Online] <http://www.gro-scotland.gov.uk/statistics/publications-and-data/population-estimates/mid-year/mid-2009-pop-est/list-of-tables.html>
- <sup>vi</sup> GROS, 2010. *Mid-2009 Population Estimates Scotland; Estimated population by sex, five year age group and administrative area: 28 April 2010. Table 2*. [Online] <http://www.gro-scotland.gov.uk/statistics/publications-and-data/population-estimates/mid-year/mid-2009-pop-est/list-of-tables.html>
- <sup>vii</sup> GROS, 2001. *Census, 2001*. [Online] [http://www.gro-scotland.gov.uk/files1/stats/key\\_stats\\_chareas.pdf](http://www.gro-scotland.gov.uk/files1/stats/key_stats_chareas.pdf)
- <sup>viii</sup> SIC, Schools Service, 2009.
- <sup>ix</sup> SIC, Policy Unit, 2009. *Gender Annual Report, 2009*. [Online] <http://www.shetland.gov.uk/equalopportunities/documents/GenderAnnualReport2009Final.pdf> (2009/10 data will be available after the academic year)
- <sup>x</sup> Policy Unit, SIC, 2010. *Statutory Performance Indicators, 2009-10*.
- <sup>xi</sup> SIC, Monitoring Report, 2010 (available from Human Resources)
- <sup>xii</sup> SIC, Monitoring Report, 2010 (available from Human Resources)
- <sup>xiii</sup> SIC, Human Resources.
- <sup>xiv</sup> GROS, 2009. *Population Projections Scotland (2008-based)*. [Online] <http://www.gro-scotland.gov.uk/files2/stats/population-projections/2008-based-pop-proj-scottish-areas/08-pop-proj-scottishareas.pdf>
- <sup>xv</sup> GROS, 2009. *Population Projections Scotland (2008-based)*. [Online] <http://www.gro-scotland.gov.uk/files2/stats/population-projections/2008-based-pop-proj-scottish-areas/08-pop-proj-scottishareas.pdf>