



Shetland Islands Council

17 December 2014

Chair's Report – Licensing Committee – 21 November 2014

Report No. SIC-1217-TP12

Taxi/Private Hire Car Tariffs Review

1.0 Summary

- 1.1 The purpose of this report is to consider the recommendation from the Chair of the Licensing Committee in relation to a report requiring a Council decision.
- 1.2 The Committee was presented with a report detailing the revised table of tariffs proposed subsequent to consultation with the Shetland Taxi Owners Association.

2.0 Decision Required

- 2.1 That the Council RESOLVE to adopt the recommendation from the Licensing Committee namely, to approve the table of tariffs given in Appendix 1.

3.0 Report

- 3.1 The Licensing Committee considered the tariffs and commented on the rates noting that this increase would bring them to the middle of the fee table compared against other islands authorities and Aberdeenshire. Members acknowledged the current pressure on taxi operators in a competitive workforce market in addition to the cost of fuel.
- 3.2 Members held the view that the increase in fares was responding to cost pressures and this was the optimum way to address this whilst keeping the use of taxis affordable to the public.
- 3.3 This report is presented to the Council on the basis that no objections were received from the consultation.

4.0 Implications

- 4.1 Detailed information concerning the proposals was contained within the report already circulated to Members, including the strategic and resources implications for the Council.

- 4.2 There are no additional implications to be considered by the Council, other than those set out in the report.
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For further information please contact:

Mr G Smith, Chair of Licensing Committee
21 November 2014

List of Appendices

Appendix 1 – Proposed Taxi and Private Hire Car Tariffs

Background documents:

Licensing Committee – 21 November 2014

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4392>

END

	Shetland Islands Council Taxi Tariffs Proposal November 2014
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		Current	Proposed
Rate 1: 0600-2159	For the first three quarters of a mile or part thereof	£3.50	£3.80
	For each additional quarter mile or part thereof	£0.40	£ 0.45
Rate 2: 2200-0559 - Current	For the first three quarters of a mile or part thereof	£4.00	£ 4.00
	For each additional quarter mile or part thereof	£0.50	£ 0.55
Christmas and New Year			
Rate 3: 0600-2159 25 and 26 December	For the first three quarters of a mile or part thereof	£5.25	£ 5.25
(50% Surcharge)	For each additional quarter mile or part thereof	£0.60	£ 0.60
Rate 4: 2200-0559 1 and 2 January	For the first three quarters of a mile or part thereof	£6.00	£ 6.00
(50% Surcharge)	For each additional quarter mile or part thereof	£0.75	£ 0.75
Waiting Time	£20.00 per hour or £0.40 per minute		£20.00 per hour or £0.40 per minute
Cleaning Charge	If car is soiled by passenger	£40.00	£ 40.00
Passenger Surcharge	For the carriage of five or more passengers for the fifth and subsequent passengers	£2.00	£ 2.00
Excursion Rate <i>(Taxi operators/drivers may not describe themselves as a "tour guide" unless they are properly trained and certificated to do so)</i>	When offering an excursion trip or service to an individual, group, or acting on behalf of an agent.	Taxi operators/drivers must use the taximeter on all hires, including excursions. Taxi operators/drivers are free to offer a lesser amount than displayed on the meter, expressed in monetary terms or as a percentage of the maximum fare at the commencement of the hire. This may be done on an individual basis, or as part of an agreement between the taxi operators and the contracting agent.	

Notes to Taxi Operators and Drivers:

1. Shetland Islands Council Engineers shall be at Victoria Pier Taxi Rank from 08:00 to 17:00 on Thursday 18th December 2014 to install the new tariff in to your meters.
2. Any operator/driver, who is unavailable to attend the taxi rank on this date, shall make themselves available to the Shetland Islands Council Garage, at Gremista, as soon as possible thereafter.
3. All tariffs are inclusive of VAT.
4. It is an offence to offer a taxi for hire if the taximeter is not used.



Shetland Islands Council

17 December 2014

Health & Social Care Partnership Strategic (Commissioning) Plan 2015-2018
Report No. SIC-1217-CRP17

Chair's Report – Social Services Committee 3 December 2014

1.0 Summary

- 1.1 The purpose of this report is to consider recommendations from the Chair of the Social Services Committee in relation to a report requiring a Council decision.
- 1.2 At its meeting on 3 December 2014, the Committee considered a report presenting the Shetland's Health and Social Care Partnership Strategic (Commissioning) Plan 2015-2018 (the Strategic Plan) for approval.

2.0 Decision Required

- 2.1 That the Council **RESOLVE** to adopt the recommendation of the Social Services Committee, namely to approve Shetland's Strategic (Commissioning) Plan 2015-2018.

3.0 Report

- 3.1 The Strategic Plan incorporates the directorate plan for the Community Health and Social Care Directorate. It complements the NHS Local Delivery Plan and the plans for the Council's Corporate and Executive Services, Children's Services, Development Service and Infrastructure directorates.
- 3.2 The Strategic Plan will be updated annually. The first annual revision in 2015/16 will expand and provide more detail on the strategic commissioning plans for localities across Shetland.
- 3.3 The Council and the Board have a well established process for developing joint strategic commissioning plans for health and social care services. These are in line with emerging guidance from the Scottish Government.
- 3.4 The proposals in the report to Social Services Committee and CHP Committee support the continuing development of services to meet the

health and care needs of the Shetland population in line with current national and local policy.

- 3.5 Copies of the report have been previously circulated, or can be accessed via the Council's website at the link shown, or by contacting Committee Services.
- 3.6 The Chair will present information to the Council as to any debate or issues that the Committee considered.

4.0 Implications

- 4.1 Detailed information concerning the proposals are contained within the report already circulated to Members, including the strategic and resources implications for the Council.
- 4.2 There are no additional implications to be considered by the Council, other than those set out in the report.

For further information please contact:

Cecil Smith, Chair of Social Services Committee
8 December 2014

List of Appendices

None

Background documents:

Report No. SIC-1217-CRP17

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4592>

END



Shetland Islands Council



Agenda Item

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Shetland Islands Council

17 December 2014

Health & Social Care Integration Update Report

CRP-22-14-F

Director of Corporate Services

1. Summary

- 1.1 This report presents up to date information regarding the Health and Social Care Integration Transition Programme established to implement the Public Bodies (Joint Working) (Scotland) Act 2014 in Shetland.
- 1.2 The main purpose of this report is to provide up to date information on the decisions taken by Shetland NHS Board (the Health Board) at a meeting of the Health Board on 16 December 2014. The outcome of the meeting will be tabled at the meeting of the Council on 17 December 2014 for information and comment.

2. Decisions Required

That the Council RESOLVES to:

- 2.1 NOTE that the draft Integration Scheme for the Shetland Health and Social Care Partnership to be established as a body corporate has been approved by the Social Services Committee for the purpose of wider consultation with stakeholders in line with the Regulations and Guidance for the Public Bodies (Joint Working) (Scotland) Act 2014;
- 2.2 NOTE the decisions taken by Shetland NHS Board (the Health Board) at a meeting of the Health Board on 16 December 2014 which will be tabled at today's meeting.

- 2.3 CONSIDER the information presented in this report and the decisions taken by the Health Board on 16 December and ADVISE the Director of Corporate Services of their views and any instructions with regard to the next stages of the Transition Programme for health and social care integration in Shetland.

3. Detail

- 3.1 At their meeting on 16 December, members of the Health Board will consider:-
1. The nomination of three members of the Health Board who will be voting members on the Integration Joint Board (IJB) of the Shetland Health and Social Care Partnership body corporate.
 2. Approval of the Draft Integration Scheme for the body corporate for the purposes of wider consultation. This has already been approved as a consultation draft by the Council's Social services Committee (Min Ref SSC 72/14).
- 3.2 The Integration Scheme must be submitted to the Scottish Government by 1 April 2015. Given the process and timescales required for the Integration Scheme to be approved by the Scottish Government and for the necessary statutory instruments to be laid before parliament in order to establish the body corporate, it is likely that there will be a gap between the removal of Community Health Partnerships (CHPs) from the statute book and the establishment of the body corporate. The Scottish Government has issued additional guidance on the arrangements that should be put in place to fill the gap.

Background

- 3.3 Shetland NHS Board (the Board) and Shetland Islands Council (the Council) approved the Body Corporate as the preferred model for Health and Social Care Integration (H&SCI) in Shetland under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) at meetings on 1 July 2014 and 2 July 2014 respectively.
- 3.4 The Scottish Government have published the first affirmative regulations laid in Parliament. These include matters to be included in the Integration Scheme. They have also issued a "Model Integration Scheme".
- 3.5 The Integration Scheme for Shetland's body corporate model has been drafted using the format of the Model Integration Scheme. The content draws on the work done through the Health and Social Care Transition

Programme in discussions with a wide range of stakeholders through workshops and meetings.

- 3.6 The Transition Programme Action Plan is attached at Appendix 1 for information.
- 3.7 The Scottish Government recently issued an integration implementation timetable and this is attached at Appendix 2.
- 3.8 The Integration Scheme must be submitted to the Scottish Government by 1 April 2015. Given the process and timescales required for the Integration Scheme to be approved by the Scottish Government and for the necessary statutory instruments to be laid before parliament in order to establish the body corporate, it is likely that there will be a gap between the removal of Community Health Partnerships (CHPs) from the statute book and the establishment of the body corporate. The Scottish Government has issued additional guidance on the arrangements that should be put in place to fill the gap.
- 3.9 We had hoped to avoid having a gap in Shetland by presenting the Integration Scheme for final approval by the Council and the Health Board in December 2014 together with Shetland's Strategic Plan 2015-2018. However, guidance from the Scottish Government received on 14 November 2014 indicates the criteria that will be used to assess Integration Schemes and in light of this, the Council's Social Services Committee has approved a Draft Integration Scheme for further consultation with stakeholders.
- 3.10 A small number of partnerships across Scotland have reached a similar stage in the development of their Integration Scheme, others are not as advanced.
- 3.11 At meetings of the Council's Social Services Committee and the Community Health Partnership (CHP) Committee held concurrently on 30 October 2014 the committees agreed to recommend to the Council and the Health Board respectively that they nominate three members each to be the members of the IJB with voting rights. The Council subsequently nominated three Councillors at the meeting of the Council on 5 November 2014. The Health Board will consider their nominations at the meeting on 16 December 2014. Once all the nominations have been made, it is intended that there will be an induction programme for those nominated to serve on the IJB.

4. Implications

Strategic

4.1 Delivery on corporate priorities

Implementation of health and social care integration will contribute to achieving the following outcomes in the Shetland's Single Outcome Agreement (SOA):

"We have tackled inequalities by ensuring the needs of the most vulnerable and hard to reach groups are identified and met, and that services are targeted at those most in need.";

"People are supported to be active and independent throughout adulthood and in older age"; and

"We live longer healthier lives".

4.2 Community and Stakeholder Issues

Members of the Social Services Committee and CHP Committee; representatives of the third sector, carers and staff have been able to comment and advise of their views on the proposals for the body corporate through regular meetings and through workshops. It is proposed that further comments and views are sought on the Draft Integration Scheme.

4.3 Policy and Delegated Authority

Social Services Committee is a sub-committee of Shetland Islands Council. In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Social Services Committee has delegated authority to take decisions in relation to those functions within its remit.

The CHP Committee is a formal sub-committee of Shetland NHS Board.

Reports for decisions relating to the work of the Community Health and Care Partnership require decisions of both the Council and Shetland NHS Board or their proper sub-committees where authority has been delegated.

The nomination of elected Members for approved duties such as membership of the IJB and decisions with regard to the establishment of the IJB are reserved to the Council.

4.4 Risk Management

The main risks associated with this report are failure to reach agreement with the Health Board with regard to the proposals for membership of the IJB and / or the arrangements for further consultation on the Integration Scheme which would delay work on the integration of health and social

care in Shetland.

4.5 Equalities, Health and Human Rights

The proposals in this report support the responsibilities of the Council and NHS Shetland with regard to equalities, health and human rights.

4.6 Environmental Issues

None.

Resources

4.7 Financial

There are no financial implications arising directly from this report. Shetland has received specific funding of £66,140 to support the implementation of the Act. This is being used to fund additional CHP projects manager resource, some additional capacity in the NHS finance team locally, work on localities and to cover the expenses of attending national events on integration.

4.8 Legal

The proposals in this report are compatible with the legislation on health and social care integration, the regulations and draft guidance as published to date.

4.9 Human Resources

The Joint Staff Forum will discuss any matters that affect staff as the work to implement the Act is developed further.

4.10 Assets and Property

There are no implications for assets and property arising directly from this report.

5. Conclusions

5.1 The Council and the Health Board must prepare an Integration Scheme for the body corporate model of integration and submit this to the Scottish Government before 1st April 2015.

5.2 A Draft Integration Scheme has been prepared and if it is approved by the Health Board on 16 December, it will be published and circulated for consultation with a wide range of stakeholders. If it is not approved by the Health Board, then this will cause a delay in the implementation programme. The Council's Social Services Committee has already approved the Draft Scheme for the purposes of wider consultation.

- 5.3 The Council has nominated three elected members of the Council to serve as members of the IJB with voting rights. It is anticipated that the Health Board will nominate three of their non-executive members for the IJB at a meeting on 16 December 2014. If the Health Board does not nominate members for the IJB, there will be a delay in the induction programme for the IJB.

For further information please contact:
Christine Ferguson, Director of Corporate Services
christine.ferguson@shetland.gov.uk

10 December 2014

Appendices

Appendix 1 – Transition Programme Action Plan

Appendix 2 – Integration Implementation Timetable

Background Documents

None

Health and Social Care Integration Transition Programme 2014/15 Action Plan

**Update for Steering Group Meeting
3 December 2014**

Work stream	Group	Lead officer (s)	Cost	Timescales	Updated Baseline Position July 2014	Risks	Progress
1. Governance <ul style="list-style-type: none"> Committee structures Schemes of Delegation 	Governance subgroup	Christine Ferguson Sarah Taylor	WER	Proposals developed for inclusion in the Scheme of Integration by December 2014 Detailed proposals for committees and schemes of delegation to be approved by end of March 2015.	CHP Committee is a sub-committee of Shetland NHS Board. Proposals affecting both partner agencies are also presented to SIC Social Services Committee. Decisions within corporate policies of the Board and the Council are delegated to these committees. The Council and the Board have agreed a Body Corporate model of integration. The Social Services Committee and CHP Committee will meet concurrently as a shadow arrangement in the meantime.	There is a risk of duplication and triplication unless a single framework combining committee roles and functions across both agencies can be agreed.	There has been an agreement by both SIC and NHS to have one set of committees with no duplication unless there is an imperative to do otherwise. The Good Governance Standard for Public Services prepared by the Independent Commission on Good Governance in Public Services will be used to ensure a comprehensive framework is established. The focus has been on the decisions for the composition of the I.J.B. These have been presented to committee and

							approved by SIC. NHS decisions still to be made.
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2. Finance <ul style="list-style-type: none"> Integrated budgets Cost and budget analysis by care group, locality and service 	Local Partnership Finance Team (LPFT)	Christine Ferguson	WER	Proposed financial governance arrangements for the Body Corporate to be developed by December 2014	Community health and care budgets are aligned. The detail at cost centre level is set out in the Partnership Agreement. Funding for some services is pooled, for example substance misuse, advocacy and carers strategies. Partnership groups e.g. Shetland Alcohol and Drugs Partnership (SADP), Carers Link Group agree priorities and spending allocations from within the total aligned budget envelope for that service area. Unit cost data is available for all community care services. Budget monitoring reports showing the spend against aligned and pooled budgets are presented to CHP and Social Services committees quarterly as	There is a risk that the Integration Scheme cannot be finalised for approval in Dec 2014 if the budgets of the Council and NHS Shetland including the budget allocations for functions that are to be delegated to the new integrated H&SC partnership are not agreed by Dec 2014.	Both SIC and NHS aim to set the budgets in December. SIC on 3 Dec and NHS on 16 Dec 2014. <u>Building Budgets</u> – public meetings were held from 31 July through to 21 Aug to ask the public where they feel the available budget should be concentrated for 2015-16. This information was used to inform the budgeting process. Further work is needed on programme budgeting and marginal analysis to support integrated budgets going forward.
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					part of the performance monitoring processes.		
3. ICT <ul style="list-style-type: none"> Shared systems and infrastructure 	Data Sharing Partnership (DSP)	Jane Cluness	TBA	<p>Update report September 2014</p> <p>WYFY is to be reviewed, incorporating changes to processes to take account of self-directed support legislation which came into effect on 1 April 2014. Timescale for completion of WYFY review TBA</p>	<p>Access to SWIFT and shared With You For You records is available to partner agencies. Secure e-mail links are being used. DSP, SWIFT Project Board and joint NHS/SIC ICT groups meet to discuss information systems projects that affect health and social care including the options for additional software/systems to assist electronic data transfer.</p>	There are a number of risks around information governance and records management as systems become better integrated.	<p>DSP continue to work on all aspects of data sharing linking with colleagues at a national level. An update report is required on outstanding issues in the context of the Public Bodies (Joint Working) (Scotland) Act, the Self-Directed Support (Scotland) Act 2013 and the review of With You For You (WYFY), Shetland's Single Shared Assessment process. Discussions are on-going on how to further develop the Service Level Agreement with CAB for Self Directed Support. There is a draft supported self assessment which is being trialled at present. Further work</p>

							is required to incorporate WYFY principles.
4. HR, Innovation and Change <ul style="list-style-type: none"> • Review of joint HR framework for Partnership Agreement • Support for staff consultation • Support for implementation of structural changes • Developing capacity for change management • Training and staff development • Joint protocols for recruitment 	Joint working group	Denise Bell Lorraine Hall	WER	Revised HR framework December 2014	HR Section has been updated for the Partnership Agreement 2014/15.	There are risks regarding the different terms and conditions, HR systems, policies and procedures operated by the two statutory agencies. Over time	<p>External facilitation for Action Learning Sets to support the localities project provided by NESS and SSSC has been completed. A detailed work programme on HR issues has been developed following the decision to implement a Body Corporate Integration Model.</p> <p>A comprehensive Workforce Development Strategy for Community Health & Care Service is being developed.</p>

and secondment							
<ul style="list-style-type: none"> Joint HR systems, policies and procedures 							
5. Communication Strategy <ul style="list-style-type: none"> Revise CHCP Communication Strategy Ensure communication of progress to all stakeholders 	Programme Board	Christine Ferguson / Sarah Taylor	WER	On-going	<p>Communications strategies are in place for CHP, for Shetland NHS Board and for SIC. All press releases are co-ordinated through the Chief Executive's Office for NHS Shetland and by SIC Communications Team for the Council. The Communications Strategy in the Partnership Agreement has been updated for 2014/15. Shared web pages have been set up and briefings and other information is posted regularly. There are links to information on Scottish Government website. Staff newsletters are</p>	<p>There are risks that information is not disseminated widely across staff groups and / or shared with stakeholders timeously.</p>	<p>A separate Communications Plan has been drafted for the Transition Programme. A stakeholder analysis and detailed plan for Jan – March 2015 is being prepared. This will include information on consultations and on progress with work on localities. Staffing issues including proposals with regard to the role of Chief Financial Officer for the IJB will be discussed with staff and staff representatives.</p>

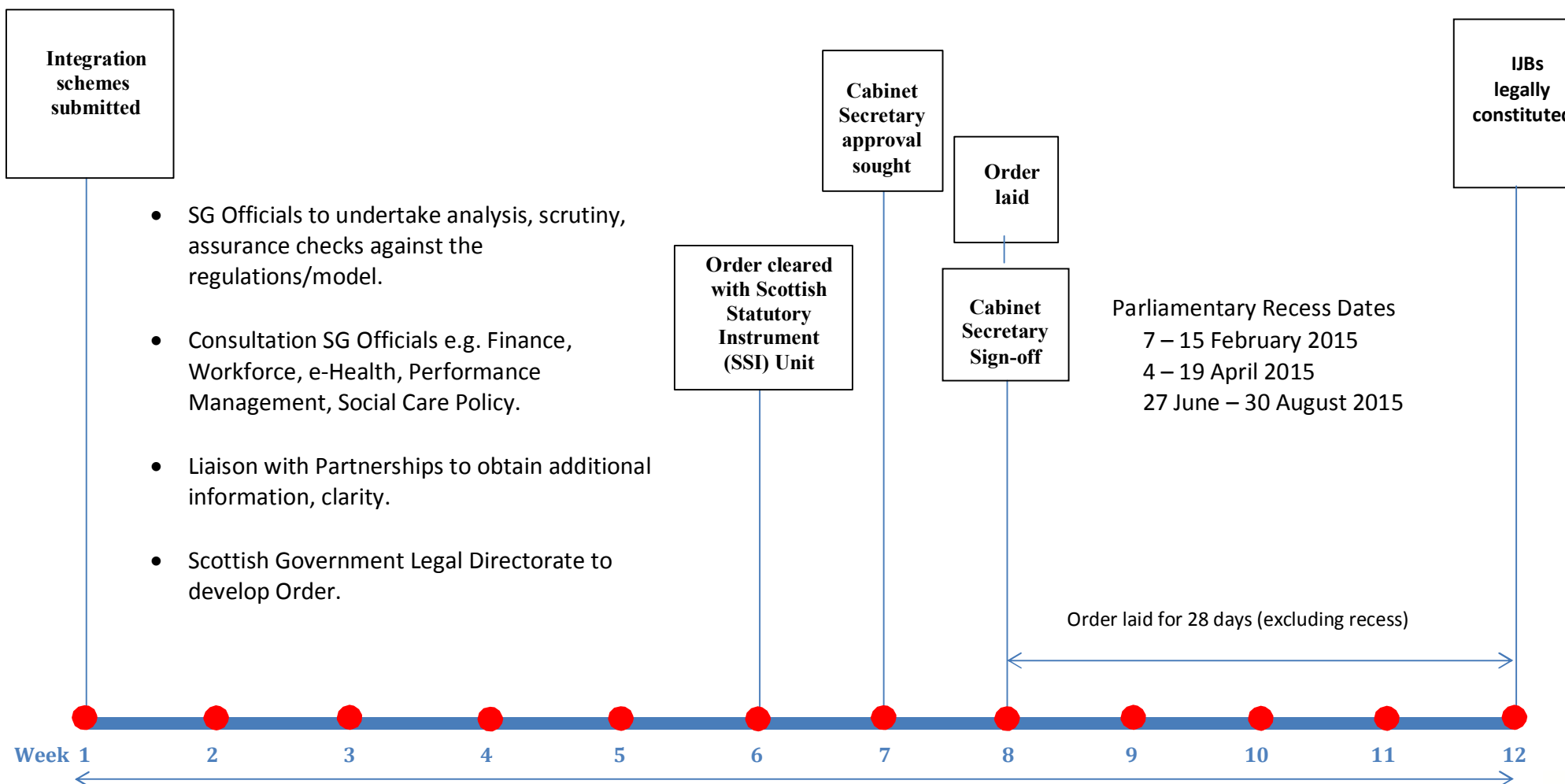
					prepared, circulated and posted on the website periodically. There is discussion at the Joint Staff Forum that meets regularly to exchange information with staff representatives in both SIC and NHS Shetland.		
6. Integrated Management Structures 1. Professional and clinical governance 2. Management capacity 3. Multidisciplinary locality service teams 4. Involving third sector partners	CHCP Management Team (CHCPMT)	Simon Bokor-Ingram	WER	Proposals on localities completed December 2014 Detailed implementation plan for localities model February 2015 Full implementation completed during 2015/16	Single management structure in place for most of CHP business reporting to the Director of Community Health and Social Care. Locality based primary care and community care services work closely together reporting through management structures based predominantly on clinical/professional disciplines e.g. nursing, social work, social care, OT The PID for the locality management arrangements has been	There is a risk that the locality arrangements will not be agreed in time for inclusion in the Integration Scheme. There is a risk that the clinical and care governance arrangements are not agreed in time for	A draft clinical and care governance strategy is being circulated for discussion. A review of the capacity at the third tier of management in the CHP and Social Care is being undertaken, led by Director of Community Health and Social Care. An independent review of the social work function and capacity is being undertaken and will be completed in August 2014.

					<p>agreed.</p> <p>Voluntary Action Shetland (VAS) are recognised by the Scottish Government as the Third Sector Link Group for Shetland.</p> <p>VAS are represented on the CHP Committee and on the Health and Care Partnership Strategic Team which is the Strategic Planning Group for Shetland's Health and Social Care Partnership.</p>	<p>inclusion in the Integration Scheme.</p>	<p>Work on localities is focusing on two pilot projects one in the North Isles and the other in Lerwick.</p> <p>A research project has been developed with IRISS (The institute for Research and Innovation in Social Services) and will support the work on localities and joint working.</p>
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Health and Social Care Integration

Example INTEGRATION SCHEME APPROVAL HIGH LEVEL TIMELINE

Integration Schemes must be submitted by 1 April 2015



Email: irc@scotland.gsi.gov.uk

Visit: www.scotland.gsi.gov.uk/hsci



Shetland Islands Council

17 December 2014

Inter Island Ferry Services and 2018 Northern Isles Ferry Services Contract Work with Transport Scotland - Update

Report No: TP-14-14-F

**Report Presented by
Executive Manager – Transport Planning**

Development Services Department

1. Summary

- 1.1. The purpose of this report is to update Members on work with Transport Scotland in respect of Inter Island Ferry Services and the 2018 Northern Isles Ferry Services contract and to seek approval for Position Statements on these two matters that have been developed to establish direction for future work.

2. Decision Required

- 2.1. That Shetland Islands Council RESOLVES TO :-

- 2.1.1. Approve the Statement of Common Objectives and Programme in Appendix 1 of this report as the basis for the next stage of working with Transport Scotland on replacement of inter island ferries and infrastructure and responsibility/ funding for inter island ferry services.
- 2.1.2. Approve the Statement of Common Objectives, Methodology and Programme in Appendix 2 of this report as the basis for the next stage of working with Transport Scotland on principles of the 2018 Northern Isles Ferry Services contract.

3. Detail

Inter Island Ferry Services – Background

- 3.1. There has been a long running but sporadic engagement between the Council and Scottish Government regarding ferry services in Shetland. It has ranged from funding of new vessels and terminals to undertaking work on routes and service levels.

- 3.2. However, a coherent position on all the components that need to be addressed to enable a sustainable long term position to be reached on responsibility for services, funding of services, funding of vessels, terminals and shore infrastructure has not been achieved to date.
- 3.3. As things stand Shetland Islands Council is responsible for the provision of inter island ferry services.
- 3.4. This is provided through a gross annual revenue budget comprising approximately £6.4m Scottish Government grant (allocated through the Local Government Grant settlement), £1.9m of fare income and £5.9m from the Council's General Fund Budget.
- 3.5. Furthermore, the Council has invested in excess of £30 million in replacement ferries and terminals in the last 12 years and the requirement for continued vessel and terminal replacement is estimated to cost £135m over the next 30 years. This is clearly unaffordable for the Council.
- 3.6. This has placed (and continues to place) a significant draw on Council resources that in other areas of Scotland are met through Scottish Government funding and service provision.
- 3.7. Transport Scotland has consistently distanced itself from these matters until such time as the Council decides to pass its responsibility for the services to Scottish Government (in the way Transport Scotland is currently responsible for West Coast Calmac routes).
- 3.8. Up until very recently, Transport Scotland has been clear that among others, a pre-condition for any transfer would be the simultaneous transfer of the funding arrangements outlined in 3.4 above as well as current and future capital spending related to ferry services.
- 3.9. An initial consideration of these conditions was part of a report to the Council's Development Committee on 27 November 2013 and although not considered to be attractive the Committee resolved to invite Scottish Government to discuss taking responsibility for inter island ferry services in Shetland (Min Ref 56/13).
- 3.10. This report and particularly the Statement of Common Objectives and Programme in Appendix 1 provide a positive step forward in meeting the requirements of this decision.
- 3.11. In addition to the work the Council has done directly on inter island ferry matters the process of Our Islands Our Future (OIOF) leading to the production of Scottish Government's Empowering Scotland's Island Communities Prospectus included has ensured that there is a very effective platform for working with Scottish Government further on these matters. The Prospectus states: -

"The Scottish Government understands the significant financial challenges that can fall on individual local authorities, and is committed to the principle of fair-funding in the provision of ferries and ferry infrastructure."

The Scottish Government recognises that the provision of transport services should not place a disproportionate financial burden on any Council..... with particular reference to the revenue and ferry replacement costs of internal ferry services of Orkney and Shetland, and commits to meaningful negotiation now to conclude this issue."

2018 Northern Isles Ferry Services (NIFS) Contract – Background

3.12. There are significant opportunities in the lead in to the procurement of the next NIFS contract that require early engagement with Scottish Government. These include amongst other things: -

- New vessels
 - More capacity
 - More efficient
 - New technologies – improved environmental performance
- Better service
 - Passengers and freight
- And all at a lower cost to the tax payer?
 - There is a win/ win opportunity here
- Aberdeen Harbour
 - Nigg Bay development proposal
 - Opportunity to remove constraints on vessel size

3.13. However, it is recognised that for there to be a realistic chance of opportunities to be realised there must be substantial progress by Scottish Government on several points of principle in order to meet the time constraints in the processes of procurement of new infrastructure and services.

3.14. Progress with Transport Scotland over the summer has not been at a satisfactory pace to give confidence that anything other than a refinement of the status quo is achievable.

3.15. The next section of the report describes the steps taken to address this.

4. Progress Update

4.1. Since the launch of the Scottish Government's Empowering Scotland's Islands Communities Prospectus on 16 June 2014 there has been a concentrated effort to work with Transport Scotland to ensure substantive progress is now made on the issues referred to at section 3 above.

4.2. A teleconference took place in July 2014, involving from Shetland the Leader and Depute Leader of the Council and the Chair of the Environment and Transport Committee and from Orkney the Convener and the Chair of the Development and Infrastructure during which the shared objectives of both island groups were discussed in terms of forcing progress with Transport Scotland.

4.3. Following this steer, the Executive Manager Transport Planning (also in the role of Lead Officer of ZetTrans) has subsequently met with senior Transport Scotland officials alongside officials from Orkney Islands Council, and HITRANS on a number of occasions over the summer, with the aim of

establishing a Position Paper to secure joint commitment to key principles and a timeline for progressing the OIOF commitments.

- 4.4. Discussions have also focused on arrangements for future involvement of the Island Councils in the establishment of the new Northern Isles ferry services which are due for contract renewal in 2018.
- 4.5. During this series of meetings, there has been a thawing of viewpoint from Transport Scotland culminating in the agreement to sign up to Position Statements on both inter island ferry issues (including ferry and infrastructure replacement, alternative models of responsibility for services and funding of services) and 2018 Northern Isles Ferry Services Contract.
- 4.6. Appendix 1 to this report contains a Statement of Common Objectives and Programme relating to inter island ferries.
- 4.7. Appendix 2 contains a Statement of Common Objectives and Programme relating to the 2018 Northern Isles Ferry Service Contract.
- 4.8. These Statements have now been agreed at officer level by Orkney Islands Council and Shetland Islands Council officials. Transport Scotland have confirmed that the Transport Minister has approved the papers from the Scottish Government perspective, subject to consideration by Shetland Islands Council and Orkney Islands Council.
- 4.9. The Council is invited to consider these papers, and, if approved, they will form the basis for a further stage of work which will ultimately underpin the Council's future consideration of matters such as the future responsibility and funding of internal ferry services and the principles that Scottish Government must take into account in the preparation of the next contract.
- 4.10. Whilst there remains a great deal of work to be done, the Statements, attached as Appendices 1 and 2 to this report, represent a good step forward in establishing a mutual understanding with Transport Scotland on the need for real and urgent progress and shared ownership of the issues and a timeframe for this work during 2015.
- 4.11. They are also a marked change in the approach from Transport Scotland to now recognise the need for a more rounded discussion on potential solutions for future ferry services which are tailored to the particular opportunities and challenges faced in Shetland and Orkney, within the wider context established by the Scottish Ferry Services Plan.
- 4.12. In terms of next steps, it is proposed that the Council contributes to the necessary Routes and Services Methodology Work and Scottish Transport Appraisal Guidance work which are required to ensure urgent progress is made. These costs are not anticipated to exceed a total of £10,000 and will be accommodated within existing budgets.
- 4.13. Recognising that the issues contained in this report are highly significant for the Council and it is important that Members are regularly updated on progress and have adequate oversight of the two work streams, it is intended to provide regular briefings through the Council's Policy Forum as well as seek formal direction and decisions through reports to the Environment and Transport Committee and the Council as required.

5. Implications

Strategic

- 5.1. Delivery on Corporate Priorities - The Council's Corporate Plan Update April 2014 states *"it is essential that our internal and external transport systems meet our individual and business needs, and are efficient, sustainable (can be maintained in the long term without harming the area for future generations), flexible and affordable"*. The proposals in this report will contribute to the delivery of this corporate objective.
- 5.2. Community /Stakeholder Issues – None arising directly from this report but there will be a need for community and stakeholder engagement as work progresses dependent on emerging issues.
- 5.3. Policy and/or Delegated Authority - The issues addressed in this report are of corporate significance in terms of the Council's objectives and are therefore referred directly to Council for decision.
- 5.4. Risk Management – The funding inter island ferry services in terms of annual revenue requirements and capital requirements to replace infrastructure are beyond what are affordable for Shetland Islands Council in the long term. If alternative arrangements cannot be established then there is substantial risk to the sustainability of services and ultimately the well being of Shetland as a whole and island communities in particular.

The short comings of the current Northern Isles Ferry Service have been well aired in the past (constrained capacity perhaps the most significant) and are a barrier to economic growth in Shetland. If these constraints cannot be addressed then Shetland's future needs will not be adequately met with the consequent risks to sustainable economic and social well being.

- 5.5. Equalities, Health and Human Rights - None.
- 5.6. Environmental - None.

Resources

- 5.7. Financial – The gross revenue cost of provision of the Inter Island Ferry Service is currently £14.2m, of which £6.4m is funded from the Ferries GAE allocation which forms part of the Scottish Government General Revenue Grant, £1.9m is funded by external fare income leaving a balance of £5.9m to be funded from the Council's General Fund (General Revenue Grant and Reservices).

The capital replacement cost of vessels and terminals to maintain current provision over a 30 year period is estimated to cost £135m.

The revenue cost of the research and consultancy work required as outlined in the report is likely to be in the region of £10,000 which will be met from existing budgets.

5.8. Legal - None.

5.9. Human Resources - None.

5.10. Assets and Property - None.

6. Conclusions

6.1. This report sets out the background and detail of ongoing work with Scottish Government on responsibility for and funding of inter island ferry services as well as work to be undertaken with Scottish Government on the 2018 Northern Isles Ferry Services contract.

For further information please contact:

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Date Cleared: 10/12/14

List of Appendices

Appendix 1

Internal Ferry Replacement – Statement of Common Objective and Programme

Appendix 2

2018 Northern Isles Ferry Services Contract – Statement of Common Objectives, Methodology and Programme

**FOLLOW UP TO OUR ISLANDS OUR FUTURE PROSPECTUS: JOINT
STATEMENTS WITH ORKNEY AND SHETLAND ISLANDS COUNCILS**

Joint Statement – cleared by Minister

**Transport Scotland, Orkney Islands Council, HITRANS, Shetland
Islands Council and ZetTrans Joint Statement
Internal Ferry Replacement
Statement of Common Objectives and Programme
(Working Document)
5 November 2014**

Introduction

The Scottish Ferries Plan (December 2012) establishes commitments to strengthening and improving the ferry services provided to Island communities and more generally the aspiration of the Scottish Government that all communities should be treated on an equal footing. Orkney Islands Council and Shetland Islands Council have engaged with Transport Scotland prior to and following publication of the Plan to inform the Orkney and Shetland content of the Ferries Plan.

The purpose of this Statement is to define future dialogue with Transport Scotland. It is also intended as a basis for incorporating the work of the Regional Transport Partnerships HITRANS and ZetTrans on these issues and to establish a common approach for all parties to move forward together .

Transportation matters are addressed in the *Our Islands Our Future Prospectus* which states that

“Inter-island ferries in some areas, particularly the Northern Isles, are provided by the local authorities and funded on a different basis from Calmac services. The Scottish Government understands the significant financial challenges that can fall on individual local authorities, and is committed to the principle of fair-funding in the provision of ferries and ferry infrastructure.

The Scottish Government recognises that the provision of transport services should not place a disproportionate financial burden on any Council such that it could be counter to the principles of Article 170, with particular reference to the revenue and ferry replacement costs of the internal ferry services of Orkney and Shetland, and commits to meaningful negotiation now to conclude this issue.”

This overarching position establishes the following points which provide context for joint working on these issues:

- A. The Scottish Government’s commitment to the principle of fair funding and fare structures in the provision of ferries and ferry infrastructure

- B. Recognition that the revenue and ferry replacement costs of internal ferry services in Orkney and Shetland should not place a disproportionate financial burden on the Council
- C. A commitment to meaningful joint working on this subject now.

This Statement is intended to set out the common objectives and coordinated action which is now required to deliver on the OIOF commitments and ensure substantive progress from this point onward on these issues. Although OIOF also addresses Fares including RET, these matters are beyond the scope of this project and will be addressed separately.

Common objectives

It is proposed that the following baseline objectives are agreed as reference points for joint working:

- 1) There will be fit for purpose ferries and associated infrastructure providing services with adequate levels of frequency, capacity, reliability and connectivity between islands within Orkney and Shetland waters within a timeframe that avoids failure of the current network of services (the exact deadline will be defined in the early steps of delivering this process)
- 2) Internal Ferry Services are lifeline, core public services providing the primary route for isles communities to reach essential services and their onward connections to the Scottish Mainland
- 3) They also enable access to important resources and labour markets necessary to support businesses and services throughout the islands
- 4) The Routes and Services Methodology work being undertaken will identify a 'model service profile' for inter-island ferry services. This is similar to the work carried out for the Ferries Plan. However, it is recognised that the most effective and efficient solutions will be designed from an operational and financial perspective for each community. It may be that the solutions for some communities may vary from the 'model service profile' which may help to secure the most appropriate package for Orkney and Shetland services in the long term.
- 5) All parties are committed to identifying the most efficient and effective mechanism for securing the public funding necessary for revenue and capital elements of the fit for purpose service for the long term
- 6) All parties are committed to accepting a fair and proportionate level of involvement in respect of responsibility for fit for purpose lifeline services for the long term
- 7) It is accepted that the funding of capital and revenue expenditure is likely to require innovative thinking to maximise the use of existing resources and to provide the opportunity to attract external funding..

8) All parties are committed to identifying a fair funding package

9) Where feasible, consideration will be given to low carbon transport options (including the suitability of alternative fuelled vessels, for example LNG and/or Hydrogen) with a view to maximising the opportunity to establish a package which can support Scottish industry and draw innovation and inward investment to Scotland.

10) All parties are committed to working together on a collaborative basis within the necessary timeframe to deliver these objectives including the available staff resources.

Routes and Services Methodology Work

As outlined in the Scottish Ferries Plan, the Scottish Government has confirmed its willingness to take on the responsibility of 'lifeline' ferry services currently operated by Local Authorities if requested.

Discussions are on-going between the Councils and Transport Scotland regarding the additional information required to complete the Routes and Services Methodology (RSM) work for Orkney's internal ferry services.

In order to provide Transport Scotland with disaggregated island specific transport information, an island household survey is required. In order to progress with this work it is proposed that the associated costs are met equally by HITRANS, Orkney Islands Council and Transport Scotland.

Following the survey analysis, consultants will carry out stage 1-4 of the RSM work before completing a final report. This will be presented to Transport Scotland for validation. It is expected that the total cost of consultant works will be in the region of £14,000. This sum will be shared equally by the three parties.

Shetland Islands Council is currently undertaking survey work to gather data to inform its work on reviewing fare models on the inter-island ferry service network and it is anticipated that this data will fit with the requirements of the RSM work. If there is additional work required then it is proposed that the costs are met equally by Transport Scotland, Shetland Islands Council and ZetTrans.

As per the revised timeline, following completion of the RSM work, a financial assessment of costs of providing the service against the current funding available be required .

**PROGRAMME OF DETAILED WORK REQUIRED BY ORKNEY ISLANDS
COUNCIL, SHETLAND ISLANDS COUNCIL AND TRANSPORT SCOTLAND**

Output and action	Target	Lead
PART 1 GENERAL		
Agree Joint Statement and establish resource requirements to secure delivery (including involvement of Scottish Government's Finance officials as necessary).	November 2014	ALL
Establish MoA to establish joint roles and responsibilities Agreed that this was as set out in this joint statement	November 2014	ALL

Output and Action	OIC/Target Date	SIC/Target Date
Work with TS to develop finance models and agree budget setting processes (Cap and Revenue)	September-December 2014	Early 2015
PART 2 RSM Work		
Gathering necessary further data and revising RSM report for steps 1-4 only (Needs, model service, current service and gaps in service.)	September 2014	Early 2015
TS to conclude validation of RSM steps 1 – 4 (Needs, model service, current service and gaps in service.)	late 2014, subject to consultant concluding RSM	Early 2015
If necessary further conference call between TS and OIC/ SIC to discuss option development step (step 5)	Timing subject to the completion, including validation, of steps 1-4	Timing subject to the completion, including validation, of steps 1-4
Review the option development step (5) and revise report.	Timing subject to the completion, including validation, of steps 1-4	Timing subject to the completion, including validation, of steps 1-4
TS to conclude validation of OIC/SIC's work to revise step 5 (option development)	Timing subject to the completion, including validation, of steps 1-4 and OIC/ SIC's initial	Timing subject to the completion, including validation, of steps 1-4 and

	work on steps 5.	OIC/ SIC's initial work on steps 5.
Carry out financial assessment of costs	Winter 2014	TS/OIC/SIC
Assess the vessels/Ports & Harbours used for the routes	Winter 2014	Early 2015
Calibration of RSM model to define the Orkney and Shetland "package" of services	Spring 2015	Spring 2015
Report to OIC/SIC on outcome and next steps (including consideration of the option of transfer of responsibility)	Mid 2015	Mid 2015

PART 3 – Procurement		
Commence work on joint vessel specification/procurement options for new Service requirements	Mid 2015	Mid 2015
Contract Management	2015-2018	2015-2018
Delivery and commissioning of new Ferry Infrastructure	2018/19 onwards	2018/19 onwards

Orkney Islands Council
Shetland Islands Council
ZetTrans
HITRANS
Transport Scotland
November 2014

STATEMENTS WITH ORKNEY AND SHETLAND ISLANDS COUNCILS

Joint Statement – approved by Minister

**Transport Scotland, Orkney Islands Council, HITRANS, Shetland
Islands Council and ZetTrans Joint Statement
2018 Northern Isles Ferry Service Contract
Statement of Common Objectives, Methodology and Programme
(Working document)
5 November 2014**

Introduction

The Scottish Ferries Plan (December 2012) establishes commitments to strengthening and improving the ferry services provided to Island communities and more generally the aspiration of the Scottish Government that all communities should be treated on an equal footing. Orkney Islands Council and Shetland Islands Council have engaged with Transport Scotland prior to and following publication of the Plan to inform the Orkney and Shetland content of the Ferries Plan. The Ferries Plan does not make any provision for Northern Isles ferry services beyond 2018.

The purpose of this Statement is to establish a process of collaboration with Transport Scotland on the development of the next Northern Isles Ferry Services contract (beginning in April 2018). It is also intended as a basis for incorporating the work of the Regional Transport Partnerships HITRANS and ZetTrans on these issues and to establish a common approach for all parties to move forward together to define the terms of the next NIFS contract and to develop options for the services and infrastructure needed to meet the islands needs now and in the future.

Transportation matters were addressed in the *Our Islands Our Future Prospectus*, which states: -

“Recognising the unique challenges of connectivity to our islands and the extent to which strong communities and local business rely on effective and fairly-priced transport links, particularly the vital importance of the lifeline ferry services from the mainland to the remote Island Areas, the Scottish Government will begin dialogue with island communities and other stakeholders to consider partnership governance arrangements.”

This overarching position is used to establish the following points which provide context for joint working on these issues:

- A. Passenger and Freight transport to/from the islands is an essential part of any and all economic activity and the sustainability of life in the Isles.
- B. The associated assets and infrastructure, and the businesses and communities that use them, are all vital components of strong, vibrant and sustainable island communities.

- C. The Scottish Government recognises the particular importance to the Islands Councils of local partnership in the decision-making arrangements for transport, and of fairly-priced and affordable travel both to/from the islands and within the island groups.
- D. A commitment to meaningful dialogue and collaboration on this subject now.

This Statement is intended to act as a practical tool to establish the common objectives and coordinated action which is now required to deliver on these commitments and ensure that the 2018 Northern Isles Ferry Services Contract is aligned with the economic and social needs of the Northern Isles.

Common objectives

It is proposed that the following baseline objectives are agreed as reference points for joint working on the 2018 contract:

- 1) For both freight and passenger services there will be fit for purpose ferries with associated infrastructure providing services with adequate levels of frequency, capacity, reliability and connectivity between mainland Scotland, Orkney and Shetland from the start of the next Northern Isles Ferry Services Contract in April 2018 (this is the prime objective).
- 2) All parties recognise the financial constraints and therefore all parties are committed to identifying the most efficient and effective mechanisms for funding necessary revenue and capital elements of the fit for purpose service for the long term following where relevant the modelling and planning parameters adopted in the Scottish Ferries Plan.
- 3) Where feasible, consideration will be given to low emissions (e.g. carbon, SO, NO) transport options (including the suitability of alternative fuelled vessels, for example LNG and/or Hydrogen) with a view to maximising the opportunity to establish a package which can support Scottish industry and draw innovation and inward investment to Scotland.
- 4) Partners will as far as possible be committed to using Scottish skills, expertise and resources in developing and delivering solutions and infrastructure.
- 5) There will be genuine commitment by the Councils, RTPs and Transport Scotland to work together to identify and appraise opportunities and options to achieve the most efficient fit for purpose ferry services to the Northern Isles, which will not be limited necessarily to the status quo.
- 6) All parties are committed to working together on a collaborative basis to deliver these objectives including the available staff resources.

Methodology

It must be recognised from the outset that time pressure is already very significant if there is to be any genuine opportunity to consider alternative models to the status quo.

Lead in times for procurement of the next contract are significant and working back from April 2018 it can quickly be seen that substantial progress on the principal features of the new contract need to be well developed in early 2015.

It is likely that partners recognise there is an urgency to make progress and will already be developing views on potential models of service delivery, alternative vessels/ infrastructure, etc. Partners will undoubtedly have given thought to problems, opportunities and constraints from each of their perspectives with some well thought through ideas in place.

However, there is not at this stage a shared understanding of the views and opinions of each of the partners or an alignment of views at this time.

Therefore, it is important that partners begin working together as a matter of urgency to reach a position where we can have a shared understanding of what the next contract needs to address and how that may be achieved.

The Pre-Appraisal phase of the STAG framework provides an ideal means of enabling this. STAG is a process that all partners are experienced in and is always applied proportionately. The Pre-Appraisal phase ensures a structured, objective, evidence-based approach to identifying the problems and opportunities, agreeing objectives, generating options and carrying out initial sifting of options.

The following provides a set of steps and milestones to carry out the Pre-Appraisal phase of the STAG process which will give partners confidence that a thorough and inclusive approach is being undertaken which will in turn provide a firm foundation for a STAG Part 1 appraisal.

Output and Action	Target	Lead
Agree Joint Statement and establish resource requirements to secure delivery	November 2014	ALL
Establish MoA to establish joint roles and responsibilities Agreed that this would be as set out in this joint statement	November 2014	ALL
STAG Pre-Appraisal Analysis of Problems and Opportunities, Objective Setting, Option Generation, Sifting and Plan for Development of Process	Subject to Committee approval by Councils	Appointed facilitator

Appoint Pre-Appraisal Workshop Facilitator	By 30 November 2014	SIC/ OIC/ HITRANS/ ZetTrans
Preparation by workshop Facilitator	During two weeks after appointment	Workshop Facilitator
Workshop in Edinburgh comprising representatives of Transport Scotland, Councils and RTPs. Format and detail to be developed by Facilitator Broad Programme for Part 2 Appraisal agreed	To be confirmed - subject to Council signing off	Workshop Facilitator
Output – Pre-Appraisal Stage Workshop Report Report to cover <ul style="list-style-type: none"> • the process undertaken over the course of the workshop • Summary of Problems and Opportunities • Statement of the Objectives agreed • Details of the Options generated and those sifted out (with details of supporting rationale) • Programme for next stage of process 	Spring 2015	Workshop Facilitator

Shetland Islands Council
ZetTrans
Orkney Islands Council
Transport Scotland
November 2014



Shetland Islands Council

17 December 2014

Constitutional Reform Project update	
CE-07-F	
Report Presented by Chief Executive	Chief Executive's Department

1.0 Introduction

- 1.1 This report seeks to update Members on the Council's Constitutional Reform project and the Our Islands Our Future (OIOF) campaign, in line with the project information sharing arrangements agreed at the Council on 10 October 2014 (Min. Ref. 73/14).

2.0 Decision Required

That the Council RESOLVE to:

- 2.1 NOTE the content of this update report.

3.0 Project Update

- 3.1 Members agreed at the Council meeting on 10 October 2014 to pursue the next phase of the project through three strands. An update against each is given below, for ease of reference.

Strand 1 - Pursue delivery of the UK Government's *Framework for the Islands*

- 3.2 Representatives of the OIOF campaign met the Secretary of State for Scotland and representatives of UK Government Departments in Edinburgh on 17 November 2014. That was the first meeting of the "Islands Working Group" which had been outlined as a proposal in the Framework. The meeting covered a number of important campaign areas, in particular island grid connections, fuel poverty and the Crown Estate and gave leaders the opportunity to directly address key senior government officials.
- 3.3 A number of actions arose from the meeting and are currently being pursued by Government representatives and OIOF officials.

- 3.4 As reported after the meeting, it was agreed to host the annual Islands Summit in March 2015. This had also been put forward as a proposal in the Framework.
- 3.5 The Framework contained 10 points, however, there were many more commitments and action points that require work to be progressed. A monitoring programme for the delivery of the Plan was agreed with the Project Sounding Board and the most up to date position is that over half of the actions have either been delivered in full or are being actively progressed. Key points include the appointment of the Council's Leader as OIOF representative on both the PILOT Energy Forum and the Aquaculture sub-group of the Crown Estate's Scottish Liaison Group.
- 3.6 It is clear from early engagement that the Secretary of State for Scotland is keen to facilitate the building of good relations between the campaign and Government departments. That was a key proposal in the Framework – to put the islands at “the heart of Government”. As part of ensuring that links are developed, we have now appointed to the secondment offered in the Framework. This is being shared between Shetland Islands Council and Comhairle nan Eilean Siar. The immediate priority for the secondment is to take forward the work on islands proofing, to seek to translate the concept into a practical and deliverable tool to help ensure future UK Government Departments take account of the particular needs of the islands when designing policy.

Strand 2 - Pursue delivery of those parts of the Scottish Government's *Empowering Scotland's Island Communities* document that can be delivered without full independence or through enhanced powers devolved to the Scottish Government.

- 3.7 Analysis of the document has been carried out and it is evident that a significant number of the proposals can be progressed regardless of the 'no' vote in the referendum. Pursuit of the delivery of those proposals will be discussed through the Scottish Government's Island Areas Ministerial Working Group.
- 3.8 A key achievement recently has been the creation by the First Minister of a post of Minister for the Islands. Mr Derek MacKay was appointed to this post as Minister for Transport and Islands. As noted by the Leader in commenting on the appointment, a Minister with responsibility for the islands was a specific request the OIOF campaign made of the Scottish Government. Mr MacKay played a key role in the operation of the Scottish Government's Ministerial Working Group, so is ideally positioned on the many and varied issues that have been put forward by the islands over the past 18 months.
- 3.9 Early contact with Mr MacKay has confirmed that he is in agreement that formal relations between OIOF and the Scottish Government will continue. Dates for meetings are being progressed. As well as pursuing the proposals in the Prospectus, we are monitoring the outputs from the Smith Commission regarding further powers that may be

devolved to the Scottish Government and potential for further devolution to local level.

- 3.10 A recent example of some of our successes has been the appointment of a representative of the island Councils to the important Joint Programme Monitoring Committee for European Structural Investment Funds (ESIF). The Council's Chief Executive attended the recent meeting of that group. An islands representative has also been appointed to the new Rural Development Operational Committee and each Council has a representative on the ESIF Highlands & Islands Territorial Committee. These appointments will ensure that the three island groups have a voice in key decision making on EU funding, which they did not have before.

Strand 3 - Ensure Shetland's position is put forward strongly at every opportunity, to secure the best possible outcomes for Shetland.

- 3.11 Operating in a very tight timescale during October 2014, two submissions were prepared with substantial input from the Project Sounding Board: one on behalf of the Council and one with colleagues in the OIOF campaign. These are both available on the Council's OIOF webpage at: <http://www.shetland.gov.uk/news-advice/SIC-SmithCommission.asp>
- 3.12 It is evident that, with 18,381 submissions from members of the public and 407 submissions from organisations, the Commission's ability to respond to individual points was going to be limited. However, the Smith Commission report contains a number of important areas which will form the basis of further discussions.

4.0 Implications

Strategic

4.1 Delivery on corporate priorities

The Council's strategic objective in this project, as stated at the outset, was to secure the best for Shetland, now and in the future. That is very much in line with the objectives of the Shetland Islands Council and the Shetland Partnership Board. Maximising the opportunities and managing the risks from significant constitutional reform is key to that.

4.2 Community/Stakeholder Issues

Input from key industry sector representatives was sought ahead of the Council's submission to the Smith Commission. Going forward, it is the intention that the project will liaise with partners and industry through the Shetland Partnership.

4.3 Policy and/or Delegated Authority

The implications of major constitutional reform could affect any of the arrangements with the Council's Policy framework and indeed the Council's constitution itself. Approving, adapting or amending any plan within the policy framework is reserved to full Council (Part A - 3(1)).

4.4 Risk Management

Constitutional reform offers potentially significant opportunities for Shetland, but equally recognised, also present possible threats. This project is featured as a priority in the Council's Corporate Risk Register and risks are monitored on a regular basis.

4.5 Equality, Health and Human Rights - None.

4.6 Environmental – None.

Resources

4.7 Financial

There are no financial implications from this report.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Asset and Properties – None.

5.0 Conclusions

- 5.1 This report has sought to update Members on the progress made on the Council's Constitutional Reform project and OIOF campaign since the subject was last considered by Council on 10 October 2014. Members are asked to note progress and comment, as considered appropriate.

For further information please contact:

Mark Boden – Chief Executive

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10 December 2014

END



**Shetland College Board
Shetland Islands Council**

**12 December 2014
17 December 2014**

Review of Tertiary Education in Shetland – Update Report

Report No: DV050-F

**Report Presented by: Director of
Development and Change Programme
Manager**

Development Services Department

1.0 Summary

- 1.1 This report summarises recent progress on the review of tertiary education in Shetland and makes recommendations on next steps.

2.0 Decisions Required

- 2.1 That Shetland College Board recommend that the Shetland Islands Council RESOLVES to:
- Note the recent progress joint working has made, including the development of the draft business model for an integrated operation;
 - Recognise that significant discussions continue regarding the overall structure of Tertiary Education in the region, and that the outcome of those discussions could materially affect the Shetland options for change;
 - Reaffirm that continued joint working between all partners is essential, especially locally, in identifying and delivering the best route forward;
 - Endorse the continuation of project support arrangements and project led joint working particularly in the areas of :
 - Business development;
 - Future SIC business, and;
 - Property issues and options;
 - Require the review project to continue to develop a business model for an integrated operation; and

- Note that once the regional context has been clarified, a further report will be brought forward with recommendations on new structural arrangements and an implementation plan to deliver them.

3.0 Detail

- 3.1 The Council considered options for Tertiary Education in Shetland during meetings in 2013. It tasked a project team with “confirming the viability of a single governance and delivery model for the sector” and to report on this for the consideration of the Council and other bodies.
- 3.2 A report setting out a draft business model for tertiary education in Shetland over the coming years has been now been developed from information provided by all partners. It has been the subject of extensive consultation and discussion with stakeholders between 7 November and 7 December 2014.
- 3.3 At this same time the University of the Highlands and Islands have been working on an updated medium term strategy. That exercise is due to report on conclusions early in the New Year. Discussions also continue between the University of the Highlands and Islands (including its FE Regional Board) and Scottish Government over some structural aspects of tertiary education in the region. It has become clear that the outcome of both these exercises could materially affect the Shetland options for change.
- 3.4 It would therefore appear necessary to carry on with the development of the proposed Shetland business model while those discussions continue. It is also clear that there are particular business areas which need to be progressed as a matter of priority regardless of the technical structure finally adopted by any new organisation.
- 3.5 It is clear that the sector must increase its income, and that more effective business development is needed to support that. It is also clear that costs must be contained, with property costs being the most significant area needing early attention.
- 3.6 Although it is not yet possible to recommend the detailed governance and legal structure that will best support the required changes for the reasons explained above, it is critical that the progress recently made on better joined-up working is not lost.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The review of Tertiary Education in Shetland links to the corporate priority of maximising the opportunities for further, higher and vocational learning opportunities, both for school leavers and for people returning to learning. These objectives are part of achieving the best start in life for everyone and supporting Shetland’s communities and businesses, which are strategic priorities of Shetland Islands Council. The review also links to the parallel Council priorities of achieving best value in all our activities and living sustainably within our means.

- 4.2 Community /Stakeholder Issues – Staff, Students, Business and local, regional and national partners have been engaged with and consulted throughout this process. Implementing the recommendations of this review will require further consultation and engagement with partners including integration of any new governance arrangements with the Shetland Community Planning Partnership.

Progress will also be reported to the Shetland Fisheries Training Centre Trust / NAFC – Marine Centre at their next meeting.

- 4.3 Policy and/or Delegated Authority –

The Council's Constitution – Part A – Governance provides in section (1) that;

Only the full Council will exercise the following functions;

- Adopting and changing the Constitution;
- Agreeing and amending the terms of reference of bodies within the political management framework.

This report reports progress on a review which will potentially change the Councils constitution and amend the terms of reference for a number of bodies within the political management framework.

Decision making in this area has this far been taken at full Council level with no delegation to functional committees, as the determination of new strategic direction and policy are matters reserved to the Council.

The Council's Constitution – Part C – also provides in section 2.8.1 that Shetland College Board will monitor progress against objectives which have been set by the Council in relation to matters including;

(a) Strategic direction for Shetland College.

- 4.4 Risk Management – The review project has followed Prince II best practice. All associated risk management arrangements will be recorded and managed in the Council's Risk Register system. The prime risk identified in recent assessments has been the length of time this area has been under review and the continuing negative effects uncertainty creates. This report therefore seeks to secure and build on progress already made, explain why some matters require further consideration but make sure that key actions are being actively pursued during that period.
- 4.5 Equalities, Health and Human Rights – The review has sought to ensure any equalities implications of proposals have been identified and considered.
- 4.6 Environmental – None

Resources

- 4.7 Financial – The financial implications of the current arrangements and projections for the next three years have been explored within the consultation draft business model which has been widely circulated and is available as a background document to this report.

The principal financial implication directly associated with the recommendations of this report lies in obtaining further clarity around the potential for enhanced income and reduced cost assumptions. These will be pursued as specific work streams over the next period supported by all partners.

For the next stage the review is committed to ensuring that the approved budgets already available to the project partners are being most effectively deployed through joined up working and to operating within these budgets.

Greater clarity on requirements and availability of implementation and transitional support for any new organisational arrangements, particularly relating to property and associated costs, is also identified as an area to be enhanced within the draft business model.

- 4.8 Legal – Legal advice on the draft business model has been provided by Shetland Islands Council throughout the review with further specialised input from the Scottish Funding Council and the University of the Highlands and Islands. It is anticipated that all these sources of advice will continue to be available during further development of the model and into any implementation phase.
- 4.9 Human Resources - HR advice on the draft business model has been provided by Shetland Islands Council throughout the review with further specialised input from the Scottish Funding Council and the University of the Highlands and Islands. It is anticipated that all these sources of advice will continue to be available during further development of the model and into any implementation phase. There have been opportunities for informal consultation with all affected staff through the stakeholder engagement process and this will continue. Formal staff consultation will take place in line with existing procedures of both organisations.
- 4.10 Assets and Property – Property advice on the draft business model has been provided by Shetland Islands Council throughout the review with further input from Shetland Leasing and Property Ltd. A specific work stream supported by all stakeholders has now been agreed to focus on taking this area forward as it has been agreed as being very important in making progress.

5.0 Conclusions

5.1 The Anderson Solutions Review in early 2013 commented that

“...even if SIC funding reductions were not a concern, change would still be recommended. The combination of weaknesses identified in the analysis of both the current and changing context is expected to continue to weaken the services over time.”

5.2 We are now almost at the end of 2014 and those comments remain valid. The prime risk identified in recent assessments has been the length of time this area has been under review and the continuing negative effects uncertainty creates. However we must move forward in step with our key partners at local, regional and national level if we are going to find a sustainable solution.

5.3 We therefore need to secure and build on progress already made, acknowledge and explain why some matters require further consideration, but make sure that the most important actions are being actively and effectively pursued during that period.

For further information please contact:

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Tel: 01595 744513 Email: jrsmith@shetland.gov.uk
Date Cleared: 5/12/14

Background Documents

A full set of background documents for this review can be found at

<http://portal.shetland.uhi.ac.uk/ster/SitePages/Home.aspx>

**Shetland Islands Council****17 December 2014****Response to Call for Evidence - Department of Energy & Climate Change (DECC) – Implementing the Wood Review Recommendations**

Report No: DV052-F

Director of Development Services**Development Services Department****1.0 Summary**

- 1.1 The purpose of this report is to obtain the Council's views on the Department of Energy and Climate Change (DECC) call for evidence on the implementation of the Wood Review Recommendations. A copy of the consultation document entitled "Implementing the Wood Review Recommendations" is attached as Appendix 1. A draft proposed response is attached as Appendix 2.

2.0 Decision Required

- 2.1 That the Council APPROVES the proposed draft response attached as Appendix 2 and delegates authority to the Director of Development Services (or his nominee) to submit the response to the DECC on the Council's behalf.

3.0 Detail

- 3.1 In June 2013, the Secretary of State for Energy and Climate Change, Edward Davey, tasked Sir Ian Wood to conduct an independently-led review of UK Continental Shelf (UKCS) oil and gas recovery.
- 3.2 The Wood Review final report made four key recommendations to maximise economic recovery from the UK Continental Shelf:
- Government and Industry should develop and commit to a new strategy for Maximising Economic Recovery from the UKCS (MER UK);
 - Stewardship of the UKCS should move to a new better resourced arm's length body, funded by industry;

- The body should be provided with additional powers to implement MER UK; and
 - The new body should work with industry to develop and implement new sector strategies, such as on exploration and decommissioning cost reduction.
- 3.3 The Government welcomed the report and is fully committed to implementing its recommendations. In July 2014, the Government announced that the Oil and Gas Authority (OGA) would be the new steward and regulator of the UKCS.
- 3.4 DECC have now issued a call for views on how to implement the Wood Review recommendations to maximise economic recovery of the UK Continental Shelf, with a closing date of 31 December 2014. Whilst from the content of the document it is obvious that DECC are mainly looking for the views of industry, there is an opportunity for the SIC to present its views on those questions which are applicable.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The purpose of this report resonates well with the Healthy Economy – Strong Communities section of the Corporate Plan 2013/17.
- 4.2 Community /Stakeholder Issues – The Council would seek to support an industry strategy to maximise oil and gas recovery from the UK Continental Shelf insofar as it supports economic activity on the Islands, and extends the life of the Sullom Voe Terminal.
- 4.3 Policy and/or Delegated Authority – This report is presented to Council because of its wide influence to direct future income and a strong economy.
- 4.4 Risk Management – None.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental - None.

Resources

- 4.7 Financial – There are no direct financial implications arising from this report.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets and Property – None.

5.0 Conclusions

- 5.1 Whilst it is clear that DECC are seeking the views of the industry on the implementation of the Wood Commission Review into Maximising Economic Recovery of UKCS Hydrocarbons, this consultation gives the Council to provide its views as an important stakeholder.

For further information please contact:
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Date Cleared: 12 December 2014

List of Appendices

Appendix 1 – DECC Consultation Document - Implementing the Wood Review
Recommendations

Available on COINS only or

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371357/20141105_WR_autumn_document-draft - FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371357/20141105_WR_autumn_document-draft_-_FINAL.pdf)

Appendix 2 – Response to DECC Consultation Document

END



Implementing the Wood Review Recommendations

Call for views on how to implement the Wood
Review recommendations to maximise economic
recovery of the UK Continental Shelf

06 November 2014

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Any enquiries regarding this publication should be sent to us at [insert contact for department].

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Introduction

The Wood Review

In June 2013 the Secretary of State for Energy and Climate Change, Edward Davey, tasked Sir Ian Wood to conduct an independently-led review of UK Continental Shelf (**UKCS**) oil and gas recovery.¹ The UK's oil and gas sector makes a substantial contribution to the economy, supporting around 450,000 jobs,² and supplies the UK with more than half of the oil and gas we use.³ It is vital, both for Britain's energy security and long-term economic outlook, that steps are taken to maximise the economic recovery of our indigenous hydrocarbon reserves. This approach is consistent with the Government's decarbonisation objectives. While we continue to decarbonise and transition into a low carbon economy, the Government's Carbon Plan⁴ has shown Britain will continue to need significant oil and gas supplies.

Sir Ian published the Wood Review⁵ in February 2014. The Review made four main recommendations to maximise economic recovery from the UKCS:

- Government and Industry should develop and commit to a new strategy for Maximising Economic Recovery from the UKCS (**MER UK**);
- Stewardship of the UKCS should move to a new better resourced arm's length body, funded by Industry;
- The body should be provided with additional powers to implement MER UK; and
- The new body should work with Industry to develop and implement new sector strategies, such as on exploration and decommissioning cost reduction.

Government Response and progress to date

Sir Ian Wood reported on the outcome of his review to a meeting of The Cabinet which took place in Aberdeen on 24 February 2014. The Government welcomed and accepted his report and recommendations and has made significant progress in taking forward work on the main recommendations as follows:

- The Government has formed an Interim Advisory Panel, chaired by Sir Ian Wood and attended by industry and Government representatives. The Panel, which has met several times, has a role in advising on Wood Review implementation.

¹ Announcement and Written Ministerial Statement <https://www.gov.uk/oil-and-gas-review-of-uk-offshore-oil-and-gas-recovery>

² *Economic Report 2013*. Oil & Gas UK. 2013. <https://cld.bz/N6D1Taa#6>

³ *Energy Trends*: Tables 1.3a & 1.3b. DECC. June 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/208560/et_june_2013.PDF

⁴ Government Carbon Plan <https://www.gov.uk/government/publications/the-carbon-plan-reducing-greenhouse-gas-emissions--2>

⁵ *UKCS Maximising Recovery Review: Final Report*. Sir Ian Wood. 24 February 2014 <http://www.woodreview.co.uk/>

- In July, the Government published its **formal response to the review**, setting out the proposed approach to implementing the review's recommendations. There are two key strands to this: establishing the OGA in law, as the successor to DECC, with the appropriate objectives, duties, powers and functions; and taking practical steps to get the OGA up and running as quickly as possible.
- The **final corporate structure** of the new regulatory body has been determined. The Oil and Gas Authority (**OGA**) will be a Government Company (**GovCo**), headquartered in Aberdeen with a significant presence in London. Subject to the successful appointment of a CEO, in spring 2015 the OGA will be established, initially as an Executive Agency (**EA**) which, subject to the next Government's legislative programme and the approval of Parliament, will then transition to a GovCo by summer 2016.
- A **CEO** that will lead and shape the OGA has been appointed. We will also shortly launch a **recruitment competition for the chair** of the OGA. The chair will subsequently lead the process of bringing together the OGA's board.
- The first part of putting the OGA on a legal footing has been initiated by the introduction into the **Infrastructure Bill** in July 2014 of clauses, which give the Secretary of State a duty, in consultation with industry, to publish a strategy for the achievement of MER UK and providing the Secretary of State with a power to raise a levy to provide stable funding for the OGA. The Infrastructure Bill is expected to pass into law next year.
- DECC is now in the early stages of work to prepare a **bill for the first session of the new Parliament** in 2015 (first session Bill), which will complete the establishment of the OGA as a fully arms'-length steward and regulator of the UK's oil and gas reserves. This involves developing and defining the objectives, duties, powers and functions that the new body will need in line with the Wood review recommendations and ensuring the smooth transfer of functions from DECC. The passage of any future legislation will be a matter for the Government of the day to determine, but DECC's objective is to have a draft first session bill, consulted on and ready for introduction very early in the new Parliament's programme. **This call for evidence is a key part of the preparation for this legislation.**
- Finally, in anticipation of the establishment of the OGA as an executive agency, DECC is actively recruiting specialist staff to fill vacancies and start to build the technical capacity of our teams, to give the OGA the best start possible.

Scope of this document

To ensure the OGA is a competent and influential regulator we will need to provide it with the tools and capabilities to make effective decisions, and to influence the oil and gas sector in order to implement MER UK effectively. To provide the OGA with these powers, we must explain to Parliament why they are necessary, proportionate and can be practically implemented, supported by a sound evidence base. We are, therefore, publishing this call for evidence to engage with, and give all relevant and interested, parties an opportunity to support our policy making by providing views and evidence as to how the Wood Review recommendations should be implemented. The purpose of this call for evidence is to seek views on how to put in place the recommendations of Sir Ian's report. It is not our intention to reopen questions addressed by the report.

In the spirit of the tripartite approach endorsed in the Wood Review, we would like to invite your comments on *how* we should implement the Wood Review's recommendations to ensure the OGA can fulfil its new and vital mission. We ask that, where possible, you provide evidence to support your responses.

This document is structured as follows:

Chapter 1 details the progress made on developing the governance, scope and remit of the OGA.

Chapters 2 - 5 set out:

- Potential characteristics of the MER UK strategy that will complement the legislation.
- Our current considerations regarding how the recommendations might be implemented in legislation.

Implementing MER UK for the onshore oil and gas sector

The Government Response affirmed our intention to extend MER UK principles to the recovery of onshore petroleum and to develop a separate strategy for this environment. The proposed duty to establish a strategy for the achievement of MER UK, set out in the Infrastructure Bill, which is currently being considered by Parliament, applies only to offshore oil and gas reserves.

The current nascent state of the unconventional oil and gas industry onshore means that it would be difficult to establish a clear and stable equivalent of the MER UK strategy for the onshore environment at this time. Nor is the need for such a strategy as pressing as it is offshore, where the maturity of the UKCS is creating new and urgent challenges. The Government will work with the OGA and industry to address the question in due course.

However, it is the intention that the OGA will take on all of DECC's current petroleum licensing functions, onshore and offshore and accordingly it intends that the levy making powers described above will apply to all holders of UK petroleum licences.

How to Respond, Next Steps and Implementation Timeline

On 11 November 2014 the consultation will be officially launched by DECC Ministers. As part of the call for evidence process, a number of workshops will be held to enable the questions raised in this document to be discussed in detail and for further evidence to be gathered. These workshops will take place in Aberdeen on 19 and 20 November 2014, London on 21 November 2014 and Norwich on 26 November 2014 with further sessions to be scheduled in December 2014. To register your interest in attending the workshops and for further information on them please visit <https://www.gov.uk/government/groups/wood-review-implementation-team>.

Key next steps are below:

Milestone:	Timescale:
Call for Evidence opens	6 November 2014
Launch Event	11 November 2014
Workshops (1 st round)	Mid-November 2014
Workshops (2 nd round)	Early December 2014
Call for Evidence closes	31 December 2014
Government response	Spring 2015
Shadow body operational	April 2015
Royal Assent for Infrastructure Bill (new powers in place)	April/May 2015 (subject to Parliament)
Policy development	Spring 2015
First Session Bill ready for introduction to Parliament	Summer 2015

The call for evidence will close on 31 December 2014. If you would like to respond we invite you to use the e-consultation form especially produced for this process, which can be found at: <https://econsultation.decc.gov.uk/decc-executive/wood-review-implementation-call-for-evidence>.

Alternatively, you can submit your comments by email to woodreviewimplementation@decc.gsi.gov.uk or in writing at the following address:

Wood Review Implementation Team

Area 3B, DECC

3 Whitehall Place

London

SW1A 2AW

Please note that due to the timescales we are working to we will not be able to grant any extensions beyond this date.

1. Setting up the Oil and Gas Authority: Governance and Scope

The Government intends to establish a new body, the OGA, to undertake the regulation of the UK's oil and gas reserves. It will have its headquarters in Aberdeen but will also require a substantial presence in London.

In its final form, the OGA will be established as a GovCo⁶ providing the operational freedoms from Government that it needs to be fully effective in meeting its objectives. DECC is now in the early stages of work to prepare a bill for the first session of the new Parliament in 2015, which will establish the OGA as a fully arms'-length steward and regulator of the UK's oil and gas reserves. This involves developing and defining the objectives, duties, powers and functions that the new body will need in line with the Wood Review recommendations and ensuring the smooth transfer of functions from DECC. The passage of any future legislation will be a matter for the Government of the day to determine, but DECC's objective is to have a draft first session Bill ready for introduction very early in the new Parliament's programme. The Government aim is for the OGA to be fully vested as a GovCo by summer 2016.

Initially, as an EA, the OGA will operate as an arm's-length agency of DECC taking over the current work programme of DECC's Licensing, Exploration and Development team and exercising its powers and functions on behalf of the Secretary of State. Once the current Infrastructure Bill achieves Royal Assent and the MER UK strategy and levy making powers are enacted, the OGA, operating as an EA will also be responsible for ensuring compliance with this legislation and for carrying out any necessary enforcement activity.

In line with the MER UK clauses in the Infrastructure Bill, once the MER UK strategy has been developed and approved by Parliament, the OGA and relevant parties will have an obligation to comply with it. The EA will be responsible for delivering specific outputs within a framework of accountabilities to Ministers. Recognising that EA status is a temporary step on the way to becoming a GovCo, DECC is committed to designing the framework of accountabilities to reflect, as closely as possible, the governance arrangements of the final GovCo. This will ensure the maximum possible operational independence of the OGA as an EA and will allow it to operate, so far as is possible, as it will as a GovCo in due course.

Work is currently underway to establish the OGA in its interim form as an EA. A detailed governance plan is being developed, outlining the EA's powers, responsibilities and accountabilities, recognising, as noted above, that it is an interim step towards the OGA becoming a GovCo. This plan will be set out within the OGA's Framework Document (which will explain the operating relationship between the OGA and SoS), which will come into effect once agreed across Government. As previously stated, we expect this to occur in spring 2015.

⁶ A private company, limited by shares, under the Companies Act 2006, with the Secretary of State of DECC as the sole shareholder.

1.1 The OGA's Remit

The OGA will be a strong, effective steward and regulator, using its influence and powers as a last resort for the good of the UK.

To do so, the OGA will:

- Work proactively with Industry and Government to develop and deliver a coherent tripartite agreed, long-term MER UK Strategy;
- ensure individual licence holders, and Industry more generally, are held to account for their performance and act in accordance with the MER UK Strategy;
- encourage, facilitate and support collaboration across Industry, ultimately using its powers as necessary, having regard to competition law, to require behaviours which will deliver MER UK; and
- provide advice and expertise to Industry and Government.

The OGA will fulfil all of the functions currently carried out by LED, including:

- Exercising its functions, such as awarding petroleum licences and issuing consents for related activity;
- applying powers as necessary to regulate third party access to upstream petroleum infrastructure;
- promoting sound commercial behaviours and efficient use of infrastructure, information and technology;
- working collectively with Industry and HM Treasury and with individual companies to maximise the commercial value of fields and the UK's petroleum resources as a whole;
- working with Industry on upstream emergency plans that are relevant to security of energy supplies; and
- providing input to longer term plans for gas storage and carbon capture.

1.2 Establishing the OGA

As noted above, the OGA will ultimately be established as a GovCo, and we are aiming for this to take place by summer 2016. The GovCo will be a private company, limited by shares, with the DECC Secretary of State (SoS) as its sole-shareholder. By virtue of this, the SoS will have a degree of control over the OGA as resides with the sole-shareholder of any private company; this is appropriate given that it will be delivering Government policy. However, we agree with the Wood Review's rationale for an arm's-length regulatory body being responsible for the management of the UKCS, rather than DECC. As such, the OGA will have the necessary level of independence to develop its own strategies and plans and to carry out its day to day operations in line with its agreed objectives. Crucially, it will have the means to be able to recruit the right calibre of staff, in both leadership and specialist technical functions, within a high level pay framework, agreed from time to time with the SoS.

As with other arm's-length regulators, we intend to establish both the OGA's powers, and a set of important legal controls, that the SoS will require over the body, in legislation and within the OGA's governance documents. We are currently working to develop the necessary governance documents in parallel with this legislation.

This work will identify the fundamental legislation necessary for the OGA to operate efficiently as a GovCo, which may include the following:

- **Purpose:** the legislation will need to make clear the purpose of the OGA in order to establish the space in which it will be lawful for it to operate.
- **Framework of control:** the legislation will set out the relationship between the OGA and Ministers and Parliament. It will need to specify in detail the nature of the strategic relationship between the OGA and Government and Parliament, as reflected in governance arrangements for the OGA. This will include how and by whom its board is appointed and how the board's accountabilities and reporting should operate. In line with the constitution established for most existing sectoral regulators, it is likely that the SoS will have a power, *in extremis*, to direct the OGA. Powers of direction usually exist to allow the elected Government of the day to ensure that arm's-length bodies do not exceed their powers and act in accordance with the wishes of the Government. This set of statutory relationships will be underpinned by a Framework Document (or equivalent) which will set out in detail the delegated freedoms that the OGA will enjoy. This arrangement will also need to be mirrored in the Memorandum and Articles of Association that the OGA will require commensurate with its status as a private limited company. The legislation will establish how the OGA is to be funded and to whom the OGA is accountable for the use of public funds.
- **Duties:** The OGA will adhere to all legislation that affects it, for example regulations concerning oil and gas as well as general regulations affecting all businesses such as health and safety and competition law.
- **Powers:** The Wood Review supports the use by the OGA of the full range of relevant existing powers available to DECC, for example the powers set out in the Petroleum Act (1998), which permit the SoS to issue licences, alongside some new powers, for example the power of the OGA to attend licence consortia meetings. The relevant existing statutory powers that DECC is currently able to use, in order to perform its oil and gas management functions, will need to be transferred from the SoS to the OGA.

Question

Do you foresee any unintended consequences with the intention set out? If so why? Please provide evidence and examples where possible.

2. Delivering Maximising Economic Recovery from the UKCS

The Wood Review concluded that a new holistic approach is needed to maximise economic recovery in the UKCS. This new approach underpins the MER UK Strategy, which the Government welcomed in its response to the report.

The Wood Review noted:

The Report details the key principles of MER UK central to which will be the regulator exercising its functions with a view to securing the maximum amount of economically recoverable petroleum from UK waters, and licence holders required to act in a manner best calculated to give rise to the recovery of the maximum amount of petroleum from UK waters as a whole, not just recoverable under their own licences.”⁷

The MER UK strategy requires tripartite working between the OGA, HM Treasury and Industry to maximise the significant economic and energy security opportunities still offered by the UKCS. The core principles and sector strategies described in the Wood Review provide the building blocks of the overarching MER UK strategy.

2.1 Government’s Response

Government accepted the core principles recommended by the Wood Review and is taking steps to establish the MER UK principles in statute. This is being achieved via clauses in the Infrastructure Bill, which is currently under Parliamentary consideration. Clause 30 establishes the “principle objective” as:

“... maximising the economic recovery of UK petroleum, in particular through –

- (a) development, construction, deployment and use of equipment used in the petroleum industry (including upstream petroleum infrastructure), and*
- (b) collaboration among the following persons—*
 - (i) holders of petroleum licences;*
 - (ii) operators under petroleum licences;*
 - (iii) owners of upstream petroleum infrastructure;*
 - (iv) persons planning and carrying out the commissioning of upstream petroleum infrastructure”.*

⁷ UKCS Maximising Recovery Review: Final Report. Sir Ian Wood. 24 February 2014, page 6
<http://www.woodreview.co.uk/>

There is a requirement on the SoS, to produce a MER UK Strategy to deliver MER UK. The clauses ensure that the SoS, as well as petroleum licence holders, operators appointed under those licences, owners of upstream petroleum infrastructure and those planning and carrying out the commissioning of upstream petroleum infrastructure, are required to adhere to the MER UK Strategy.

The MER UK Strategy is therefore a crucial document that commits the OGA, Government and Industry to work collaboratively to deliver MER UK.⁸ The clauses establish a robust framework for delivering an effective MER UK Strategy within 12 months of commencement of the Infrastructure Bill clauses. When developing the Strategy, a draft must be consulted on, any representations made in relation to the draft must be considered, and then a final draft presented for Parliamentary scrutiny, before the MER UK Strategy can be brought into force.

Given the central importance of the MER UK Strategy, and the fact that, subject to Parliamentary approval, there will be commitments from all parts of the tripartite arrangement to act in accordance with it, it is essential that it is subjected to detailed consideration. The process to produce the MER UK Strategy will be led by the OGA (once it is established) and will take some time to complete. However, we want to begin early discussions now on the high level principles, definition and scope of the Strategy, to inform the OGA's thinking on these issues. Starting this process now will help us ensure that we provide the OGA with the right powers to implement the Strategy.

To secure these powers within legislation, we need to set the parameters within which they will be used, providing the OGA with the required freedoms and Industry with the appropriate amount of protection by ensuring the powers are not too wide-reaching. In addition, it is difficult to have a detailed discussion on the proposed powers in the following chapters of this Call for Evidence without an indication of the likely requirements industry and the OGA will face in relation to the MER UK strategy.

This Call for Evidence therefore, asks for your views on the scope and definition of the MER UK strategy, and our initial proposals for underlying guiding principles which will enable MER UK to be delivered. In setting out these proposals we have attempted to strike a balance between creating principles that give clarity over what behaviours would deliver outcomes consistent with MER UK, without being overly prescriptive to the extent that it becomes an “operational” guide that could stifle innovation.

For the purposes of this call for evidence, below is an illustrative example of the relevant defining components of the strategy.

⁸ The MER UK Strategy should not be confused with the six Sector Strategies recommended in the Wood Review. The sector strategies are more detailed operational documents which will set out to address the specific challenges facing the UKCS.

Maximising Economic Recovery of UKCS Hydrocarbons

1. Definition

MER UK may be defined as maximising the cost-effective recovery of oil and gas from the UKCS, in order to maximise long-term added value to the UK as a whole.

All companies¹ within the industry will be motivated and/or required to work individually and in collaboration with others in such a way as to maximise the overall ultimate economic recovery of oil and gas from their own and other companies' licence areas, and so that the companies receive a reasonable economic return on their investment.

The benefits of MER UK will accrue through enhanced public and commercial¹ value, tax revenues, enhanced security of supply of primary fuels and key chemical feedstocks, import substitution and the direct and indirect benefits of hosting a substantial and in some regards, world-leading oil and gas industry and its supply chain in the UK.

In delivering MER UK, the OGA will work with the UK Government and the Devolved Administrations to contribute to maximising the spill over opportunities and benefits for the UK economy (for example in jobs, growth, skills, R&D and innovation, and exports) that flow from hosting a substantial and strongly rooted oil and gas industry across the UK. The aim of all partners, working together will be to sustain and further grow this key industrial sector and anchor it more firmly in the UK for the long term.

This MER UK strategy guides all parties to work to optimise these benefits for the good of the UK as a whole.

2. Approach

The achievement of MER UK will be guided by the following approach:

- Tripartite arrangement: Government – DECC, the OGA and HM Treasury - and industry will work together to maximise the economic recovery of oil and gas from the UKCS and so increase the returns to all participants in the long run.
- Collaboration: operators and licence holders¹ will start from a default position in which they will, with an open mind, explore all commercially acceptable avenues for collaborating (within the bounds of competition law) on maximising economic recovery of oil and gas in their fields, surrounding clusters and areas and across the UKCS as a whole consistent with the needs and reasonable expectations of their shareholders.
- In Regulation: the OGA will work as convener, facilitator and coach in motivating, encouraging and promoting behaviour consistent with MER UK. It will resort to the use of its statutory and licence powers where needed to deliver an outcome that is consistent with MER UK.

¹ This includes holders of petroleum licences, operators under petroleum licences, owners of upstream petroleum infrastructure and persons planning and carrying out the commissioning of upstream petroleum infrastructure.

- HMT will retain control of the fiscal framework, but will work with the OGA to ensure that tax and regulatory systems work together to support the MER UK strategy. DECC will proactively maintain open lines of reporting with the OGA.

MER UK all parties must continue to take account of the need for strong safety performance and regulation.

3. MER UK Strategy

For the purposes of this strategy, achieving MER UK will extend to include all stages of the basin's development, including:

- Exploration
- Development
- Production
- Decommissioning

Under the leadership of the OGA, the partners in the tripartite arrangement will work together to set the conditions to maximise economic recovery at each of these stages through:

- Revitalising exploration of the UKCS
- Effective asset stewardship to ensure production efficiency of UKCS assets is at the best international standards
- Collaborating on ways of managing the UKCS on a cluster and area basis so as to enable fields and areas to be operated and exploited optimally
- Collaborating to prolong the life of existing infrastructure, including achieving better and faster outcomes for operators seeking to access existing infrastructure
- Working to ensure that existing technologies are deployed to their full effect and that relevant new technologies and innovations are deployed to support MER UK
- Developing a new strategy, building on the work to extend the lives of existing assets, to achieve decommissioning at the lowest cost and to maximise the benefits of this very substantial opportunity for the UK supply chain
- Working across the basin to contain and reduce costs and so enhancing the international competitiveness of the UKCS.

Recognising the time value of money and the need for investor certainty, the OGA will work with operators and licence holders to ensure that projects are brought forward in good time consistent with a collaborative and more strategic approach to maximising recovery over clusters and areas.

The OGA, working with DECC, HMT and industry will determine and publish its operational priorities for tackling this agenda as well as clarifying success criteria, deliverables and milestones.

Question

Is this a useful start to defining the MER UK strategy, and are there any other factors that need to be considered?

3. New Regulatory Powers for the OGA

To be a strong, effective regulator the OGA will need to be appropriately resourced with knowledge, capability and experience. We recognise that the OGA also needs to be equipped with the right powers, although we intend that the OGA should succeed by influencing, facilitating and convening, only occasionally needing to resort to use of its harder regulatory powers.

The Wood Review recognised that it is appropriate for the OGA to be provided with some additional powers to ensure effective delivery of the MER UK Strategy. In providing the OGA with these new powers, we must ensure that they are fit for purpose and constrained by a degree of protection to prevent them from being used unreasonably and without merit. This Call for Evidence seeks to explore **how** we can provide the OGA with the additional powers recommended by the Wood Review, such that we strike the right balance between allowing it the operational capabilities and freedoms it needs, yet protecting Industry from unnecessary burdens. We are seeking further evidence from stakeholders on this and we would welcome your responses to the questions set out below.

3.1 Meeting Access

3.1.1 Background

The Wood Review recommended that the OGA should have the right to attend Operational and Technical Management Committee meetings as an observer, in order for it to fully understand the challenges faced by industry. In particular, the OGA should be able to attend meetings where matters relating to fulfilling licence obligations are under discussion, matters related to MER UK are being discussed, or meetings relating to an on-going dispute, for which the OGA is providing (or might in the future provide) dispute resolution. The purpose of this is to inform the OGA in its management of the UKCS, allowing it to better understand the challenges faced by Industry and to work with Industry to resolve issues from an earlier stage.

3.1.2 Government's Response

Government agreed with this recommendation and committed to consider what powers the OGA would need to ensure it could attend Industry meetings.

3.1.3 Other Jurisdictions

In the Netherlands and Norway, the state regulators frequently attend Operational and Technical Management Committee meetings. The Norwegian Petroleum Directorate (**NPD**), which holds the function of regulating the Norwegian Continental Shelf, holds observer status, without voting rights, at these meetings. They are able to submit questions and have questions posed to them. A similar arrangement in the UK could encourage effective collaboration and promote behaviours that deliver MER UK.

The IT portal discussed in section 3.2 ensures that information that is useful in decision making, which may not be raised at the meetings attended by the NPD, is still available to them and able to be taken into account.

3.1.4 Attending Meetings in Practice

Attendance of every meeting would not be an efficient use of the OGA's time, particularly in cases where operators are behaving in accordance with the MER UK Strategy. The OGA should adopt a targeted approach to attend meetings, primarily where there are concerns related to delivering MER UK or where disputes are discussed. The OGA should be able to attend meetings between parties operating under joint venture or those where one company is operating alone.

To allow the OGA to decide which meetings to prioritise, and to protect licence holders' freedom to define their own decision making structures, the power to attend meetings should not specifically define which meetings are in scope. However, in accordance with the principles of Better Regulation, we must also avoid taking powers which are too broad. In practice, it is expected that the tripartite approach will create a collaborative relationship between the OGA and Industry, and invitations to relevant meetings will be forthcoming. Nevertheless, the OGA will require a power to ensure that it is not locked out of meetings important to the delivery of MER UK.

Questions

Our current intention is to provide the OGA with a general power to attend all meetings, where issues are discussed that may impact on MER UK. The OGA will be able to require Industry to inform it in advance of key meetings, including Operational Committee meetings and Technical Committee meetings, and to provide it with agendas and papers. It will then be for the OGA to prioritise which meetings it attends. Failure by the company to advise OGA of forthcoming meetings and to provide the paperwork, and unreasonably withholding access for the OGA to attend meetings may result in the OGA using sanctions against the company.

- a) Do you agree with Government's current intention?
- b) How can the OGA ensure that important issues are not omitted from the agendas of meetings it attends?

3.2 Sharing Data and Information

3.2.1 Background

The Wood Review recommended that, in order to give full effect to its recommendations, the OGA should have the power to access appropriate and sufficient data from licence holders. This is all the more important in an industry which relies on good data to create value and support its safe operation.

3.2.2 Government's Response

The Government agreed with the principle that provision of good data promotes investment, creates value and supports safe operations. Further, it expressed its commitment to increasing the transparency and access to data and to ensure appropriate powers, resources and enforcement procedures are in place to facilitate the sharing of data. The Government notes that it already has wide powers to access data from licence holders.

3.2.4 Access to data under Licences

The sharing of data is a key part of the tripartite approach envisaged in the Wood Review and will inform the OGA and HM Treasury in the development of the MER UK strategy and fiscal environment. It should also help to promote exploration and development activity.

DECC currently has the power to require access to any data pertinent to the terms of a licence. Such data relates to production, asset stewardship, asset production efficiency and recovery efficiency, and includes geological, geophysical and seismic data. Current licences require that this data is made public after three years, a recent reduction from five years, which was reduced with the agreement of licence holders.

Not all licence holders provide this data to DECC or provide it swiftly. The timely provision of this data to the OGA should become the norm so as to avoid the OGA wasting resources on making further specific requests. The Wood Review recommends that production data should be provided monthly, within three weeks of the end of each reporting month.

The Wood Review found a need to further shorten the release period for production and seismic data and suggested a period of twelve months, down from three or four years, depending on the terms of individual licenses, and further suggested shortening the period for releasing speculative seismic data from the current ten years. In addition, the Wood Review recommended that when licences are relinquished, all relevant information should be passed to the OGA for the benefit of future licensees, as is the practice in Norway. The collection of such 'added value data' by the OGA would require an additional power.

3.2.3 Other Jurisdictions

The NPD uses an IT portal which allows licence holders to upload all discussion documents to a secure web space, accessible by the NPD. During and immediately preceding licencing rounds, the NPD follows negotiations between consortia partners, allowing the regulator to be better informed of the commercial environment than DECC is currently able to be.

The NPD website and mobile apps provide a wealth of data for public access; geographical datasets, wellbore statistics and field production information are presented in a clearly organised and accessible format. Such transparency underpins and promotes a more collaborative culture between government and industry. A similar platform for the UKCS could assist the tripartite approach envisioned in the Wood Review.

Data collected by the NPD is released depending on its commercial sensitivity, with a rule that interpreted data is more commercially sensitive.

3.2.5 Compliance

Not all licence holders currently comply with data requests. Given the importance of data to the market, transparency is a key part of the MER UK Strategy. Refusal to give access to data as set down in licences must therefore be considered a breach of licence conditions and the MER UK Strategy, and offending individuals and companies will be subject to the sanctions regime detailed in Chapter 4.

Questions

- a) What data is needed to further MER UK and after what length of time is it most appropriate to share?
- b) What considerations should be taken into account when developing the Wood Review recommendation for reducing the release timeframe for speculative seismic data? Should different considerations apply to 2D, 3D and 4D data?
- c) How can reporting be timetabled so as to minimise burden on licence holders whilst maintaining a supply of relevant and up-to-date data?

3.3 Dispute Resolution

3.3.1 Background

The Wood Review found that a significant number of disputes on commercial and technical issues including, but not limited to, access to processing and transport infrastructure and new field cluster developments, had the potential to impact on MER UK. As a solution, it was recommended that the OGA should work with Industry to develop protocols and processes for dispute resolution including the use of expert assessors where appropriate, noting that legislation already exists to allow the SoS to impose terms in third party access disputes. It was further recommended that the OGA should be provided with a power to resolve such disputes by making a non-binding recommendation to the parties, who could be subject to sanctions for a breach of MER UK, or other licence clauses, if they failed to accept the opinion.

3.3.2 Government's Response

Government welcomed the Wood Review's recommendation and agreed that it would be beneficial for the OGA to have an enhanced role in this area. It committed to provide the OGA with the power to resolve disputes and disagreements in good time on matters relevant to licences and MER UK.

3.3.3 The Dispute Resolution Process

The Wood Review suggested the scope of the OGA's dispute resolution processes should;

- be capable of determining disputes arising out of matters relevant to the licence and/or in relation to potential for collaboration;
- apply to disputes brought to the OGA within six months of the disagreement;
- apply to disputes within licence holding consortia; and
- result in a non-binding determination, which might be subject to sanction but would not prejudice the normal legal rights of the parties

The new dispute resolution power could be provided for in further legislation in a number of ways.

- (i) Setting out the whole scheme within legislation, as the third party access scheme is.
- (ii) Defining the scheme within legislation, setting parameters such as the scope of the scheme, referral requirements, applicable time limits and sanctions, and powers to require information, and allowing the OGA to define the detailed process by which it will determine disputes including the use of independent assessors. This is similar to the way in which OFCOM's dispute resolution scheme is set up.

Whilst it is our intention to provide the OGA with independence in its decision making, it would not be possible, nor would it be good law, to provide it with a broad power to create its own dispute resolution process, without setting parameters around the way that power should be used. This provides a degree of certainty to Parliament that the powers will be used appropriately, as well as protections to Industry.

We feel that option (ii) above provides both the required independence for the OGA and the industry protections needed and we would welcome your views on its viability and the necessary parameters below.

3.3.4 Necessary Parameters

- **Scope and Parties** - Other regulatory dispute resolution processes are restricted in their scope to specific types of dispute⁹ and the parties that may refer a dispute. The Government intends that the OGA should have the ability to require parties to enter the dispute resolution process and seeks evidence on who else should be able to initiate the process.
- **Timeframes** – Dispute resolution processes are usually structured and subject to deadlines for initiating the resolution process, for providing information and for reaching a conclusion. We would expect parties to bring a dispute to the OGA's attention without delay and that they would comply with any applicable timeframes during the process to assist the OGA in reaching a swift conclusion. We seek evidence as to when timeframes should apply during the dispute resolution process and also whether it would be appropriate to set a single deadline for the resolution of all types of dispute, and what that should be.
- **Sanctions** - Regulatory sanctions are usually imposed as a result of misconduct by a regulated party, whether that is their behaviour in the regulated market, non-compliance or non-cooperation with either agreed processes or their regulator. The Government intends to make sanctions available for non-compliance with the overall dispute resolution process, such as unreasonable delay or a failure to provide required information. We seek evidence on whether there is merit in this. This is not something currently available with the third party access dispute process, however, this process is open to disruption from unreasonable delays by the parties, something that could work against MER UK.
- **Expert Assessors, Provision of Information etc** - The Wood Review stated that the process for dispute resolution should include the use of expert assessors. The NPD has the power to instruct external consultants and subject experts where necessary or to require companies to undertake studies where such a study would assist it in determining a dispute. It is intended that this would form part of the OGA's dispute resolution process, and that the costs of the expert assessors would be paid by the parties in dispute.

Additionally, other dispute resolution processes contain powers allowing for specific information to be required and for inspections or studies to be carried out. We intend that the OGA will have the power to require Industry to provide all relevant information that it may need to resolve a dispute. The Government seeks evidence as to what, if any, additional powers should be provided for in the OGA's dispute resolution process.

Complexity of the Legal and Commercial process

The Wood Review also set out that the Industry should learn from past disputes and be given one year to come up with their solution to simplify the complexity and significantly reduce the time required in UKCS commercial and legal negotiations. The review stated that if the Industry cannot provide a satisfactory framework, the OGA should make and impose its own recommendations. We seek evidence as to what the specific difficulties are with the legal and commercial processes and how they could be addressed by the OGA.

⁹ For example, the DECC Third Party Access dispute process

Questions:

- a) To what degree should Government set the parameters of the OGA's dispute resolution process?
- b) Do you agree that the key parameters set out above are the right ones?

3.4 Reviewing Existing Powers

In parallel with this work, DECC plans to carry out a review of the existing powers available to LED and which will transfer to the OGA. The purpose of this is to ensure the current powers are effective and capable of use under the scheme envisaged for the OGA.

Question:

Do you have any views or evidence on the effectiveness of the existing powers and what could be done to make them more effective?

4. Sanctions Regime

An integral part of the MER UK Strategy is that it should be supported by a sanctions regime that is flexible enough to impose sanctions proportionate to breaches with sufficient powers to ensure compliance. In introducing the MER UK Strategy the Wood Review stated: “*Core to the strategy is: The evolution of the present Regulator to an independent, stronger, more experienced body with broader disciplines and powers*”.

The current sanctions regime was identified as not providing a range of possible sanctions that are proportionate to all levels of breach, consisting only of official notifications and revocation of licences. The new sanctions regime will be applied to both the new powers to be vested in the OGA as well as being used to enforce existing powers.

4.1 Government's Response

In the official response to the Wood Review, Government noted that some of the current sanctions exist in extreme form (such as licence revocation), making their use difficult and disproportionate in many cases, therefore proposing to create a more graduated regime. Other Regulatory functions provided by Government, such as those under the remit of Ofgem, Ofwat or the Financial Conduct Authority, have a broader range of sanctions available including publicised Improvement Notices and financial penalties, and it is envisaged that the OGA will have a similar suite of sanctions.

4.2 When may sanctions be pursued?

Currently a company is subject to sanction if it is in breach of the Model Clauses. Companies are jointly and severally liable in the event of a breach. The MER UK principles will create a duty for all licence holders and operators, both existing and new, to comply with the MER UK strategy. Where operators or licence holders are part of a joint venture, sanctions will only be applied to those parties acting in conflict with MER UK, to avoid imposing penalties on licence holders and operators who are acting in compliance with the MER UK strategy.

4.3 The Sanctions Process

In keeping with the tripartite approach set out in the Wood Review, any formal sanction would be preceded by discussion between the OGA and the companies involved. If the matter is not resolved, the first step would be for the OGA to issue an informal, private notification to the company/companies. The informal notification would indicate the time period by which the issue should have been rectified, after which the finding of a breach would be made public, and a formal Improvement Notice would be issued. A formal Improvement notice would set out key information on how the company/companies should improve performance. As is the case with other regulatory systems, we expect that a public declaration that a licence holder or operator is in breach will act as a strong deterrent. In the event that Improvement Notices are not sufficient to ensure parties comply with MER UK, the OGA will need access to other sanctions. These are described below.

4.4 Financial Penalties

In addition to the powers proposed by the Wood Review, Government proposes to equip the OGA with the power to impose financial penalties.¹⁰ The Wood Review neither recommended nor advised against the use of financial penalties in a sanctions regime. However, as part of a graduated suite of sanctions, such penalties do provide a proportionate sanction for violations not severe enough to warrant revocation of licence, but where Improvement Notices are not sufficient to deal with the breach. We also note that the Norwegian Government has the power to issue financial penalties to the oil and gas industry. The OGA should have the flexibility to apply the most appropriate sanction to each breach. We would like to seek views on whether or not industry believes financial penalties would be an appropriate enforcement tool for the OGA.

Financial penalties serve three purposes: to penalise wrongdoing; to remove financial benefit from breaching MER UK strategy; and to discourage others from similar action. It would also seem appropriate for a financial penalty to apply if the behaviour of the company was belligerent or uncooperative. This should also serve to deter others from similar courses of action.

As is the case with other Regulators, financial penalties, if introduced, should be capped at a ceiling which retains the deterrent nature of the penalty but remains flexible enough for application to companies of varied sizes and does not drive business away from the UKCS. The size of the actual penalty imposed should be dependent, among other things, on the nature of the breach, including intent or recklessness on behalf of the company, the seriousness of the breach's impact and the affordability of the penalty amount. Government seeks evidence as to what the limits should be for financial penalties and which breaches should attract the highest penalties.

4.5 Further Sanctions

If use of the sanctions listed above are not a sufficient deterrent to compel a licence holder to comply, further sanctions may be necessary. Currently, revocation is limited as a recourse as surface facilities remain the property of the ex-licensees. A solution to make revocation a more realistically usable recourse is to introduce a system by which these facilities can be easily transferred to a new licensee, subject to existing legal protections for the sanctioned party.

At this stage the Regulator should have options available: to suspend, transfer or to revoke the licence. In some circumstances it may be desirable to facilitate the transfer of a licence and the OGA would work with existing licensees to find a new, suitable licensee to take over. The Regulator would carefully consider what the appropriate response would be.

Questions

- a) Are the steps outlined above sufficient to ensure adherence to MR UK Strategy?
- b) Please provide views and evidence on whether financial penalties would be an appropriate and useful enforcement tool for the OGA?

¹⁰ *Government Response to Sir Ian Wood's UKCS: Maximising Economic Recovery Review*, p15
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/330927/Wood_Review_Government_Response_Final.pdf

5. Cost Recovery

The Wood Review noted that many regulatory bodies, including Ofgem, Ofcom and Financial Conduct Authority are fully funded by their respective industries and this funding model seems appropriate for the OGA.¹¹

5.1 Government's response

Government agrees with the Wood Review that the challenges of delivering MER UK require the OGA to be significantly better resourced than the current team in DECC and this will require financial flexibility to attract the most experienced and suitable candidates to work in the OGA. To ensure that the OGA will be in a position in future to attract a world class workforce, the Government considers it appropriate that, in the long-term, the OGA should recover its costs from companies regulated by the OGA. However, in the short term, from 2016-17 for a period of 5 years, Government has agreed to contribute £3m per year towards the costs of running the OGA to ensure it is well-funded from the outset, and to demonstrate Government's commitment to the tripartite approach to delivering MER UK.

To fully fund the OGA and the functions it will carry out, Government intends to introduce a full cost-recovery mechanism which will include a set of charges for services, including licence consents and permits,¹² along with a new levy on licence holders to cover the remaining net costs which the OGA will incur. The charges and levy will be cost reflective and will comply with the guidance in *Managing Public Money*. The total income from charges and levy in a financial year will not exceed the best estimate of the costs the OGA will incur in its role as a robust regulator and steward of the UKCS.

Clauses to provide for a levy-making power are included in the Infrastructure Bill which is currently undergoing Parliamentary scrutiny.

5.2 Scope of levy funded activity

DECC already charges companies for some services it provides in relation to licenses and consents. The existing charging powers are set out in section 188 of the Energy Act 2004 and the existing charging structure and levels are set out under the Gas and Petroleum (Consents) Charges Regulations 2013.¹³ Charges covered include a wide scope of services, including approvals of offshore Field Development Plans (FDPs), approvals and authorisation of pipelines and storage facilities, consents to drilling operations, and consideration of a license application. Together, however, the current schedule of charges only recover around 20% of the costs of the regulator in DECC.

Other costs, not currently recovered by DECC, encompass activity required to underpin those services (such as licencing policy, and work to prepare future licence rounds), and activities that benefit, to greater or lesser degree, all licence holders. We also do not recover the costs of

¹¹ *UKCS Maximising Recovery Review: Final Report*. Sir Ian Wood. 24 February 2014 p21
<http://www.woodreview.co.uk/>

¹² <http://www.legislation.gov.uk/ukxi/2013/1138/contents/made>

¹³ <http://www.legislation.gov.uk/ukpga/2004/20/part/4/crossheading/imposition-of-charges> and
http://www.legislation.gov.uk/ukxi/2013/1138/made?utm_source=feedly

activity to support the supply chain, research and development work (for example on innovative techniques for extraction of hydrocarbons) and costs related to collection and dissemination of data (for example surveys in relation to geological work). DECC intends that in the future, all of these costs should be recovered by Petroleum licence holders.

In the future, the OGA will also incur costs in the course of developing the MER UK strategy and implementing the Sector Strategies to maximise recovery of hydrocarbons from the UKCS. DECC intends that, in the future, all of these costs should be recovered by Petroleum licence holders, and provision for this has been made in the clauses added to the Infrastructure Bill.

DECC has reviewed the current charging regime and the set of activities the OGA is expected to undertake and proposes to set charges (under the section 188 of the Energy Act 2004 powers) for two new services the regulator currently undertakes, but for which the costs are not currently recovered. These are the costs associated with extending licences, and the costs for carrying out metering inspections.

Government proposes that the OGA's remaining activities should be recovered via the levy with the intention that the levy should come into effect in October 2015 (subject to Parliament). In this call for evidence DECC is asking for industry's views on the design of the levy to enable firm proposals on how the levy will be allocated among licence holders to be developed for a consultation on draft Regulations in the first quarter of 2015.

At the same time we will also consult industry on proposals to charge for metering inspections and process licence extension requests under revised Gas and Petroleum (Consents) Charges Regulations.

The table attached at annex B sets out our intent for what activities will incur a direct charge as opposed to the costs being recovered through the levy.

5.3 Levy design

In designing the levy, we wish to strike the right balance between simplicity and fairness, while making the costs industry faces as transparent and cost-reflective as possible. We will also ensure the Governance arrangements created for the OGA mitigate against the real or perceived risk that the OGA's decisions are influenced by the amount of levy different companies pay.

The levy-power proposed in the Infrastructure Bill envisages that through Regulations, where there is evidence of cost drivers, a levy could be based on licence acreage or output; different rates could apply to different types of licence (e.g. Exploration licence, Production licence); different ages of licences; or different terms of a licence.

Using such flexibilities could help ensure licence holders' levy rates better reflect the costs associated with the OGA's work in relation to particular licence holders.

We wish to ensure that from the outset there are effective and proportionate controls over the design and setting of the levy, so that the OGA faces adequate pressures to control costs and maximise efficiency. This process will involve the OGA submitting its annual business plans each year for the following financial year to DECC for approval.

- Levy calculation metrics. Licence acreage and production output are the two most obvious metrics to use for determining levy amounts per licence. Government deems that using acreage would be the most appropriate as this could be applied to all licence holders, it would mirror the approach taken for licence rentals, and would reinforce the disincentive to hoard unwanted acreage so that it is available for others. However,

recognising that pre-production licences will not be generating revenue we believe it is appropriate to levy pre-production licence holders at a lower rate per acre, and/or to exclude the costs of certain activities that do not relate to these types of licences, from the rates they will pay. Government deems that it is sensible to apply this principle (of setting different rates per acre and/or excluding certain costs) when setting the rates for different types of licences that the OGA will regulate – whether onshore, offshore, Carbon Dioxide Storage, or Gas Storage. Government will consult in Q1 2015 on the rates per acre we propose to apply to each type of licence.

- Collecting the levy: We believe that the process we use to collect the levy should be simple for both industry and the OGA, while enabling the OGA to remain in a positive cash-flow position.

Our initial views on how we might best achieve this are below. We welcome views and any evidence on our proposals:

- The annual levy rates would be set out in Regulations and would be subject to Parliamentary scrutiny following the “negative resolution” procedure.
- The annual levy for each licence will be paid annually in advance of the start of the financial year, in one single payment.
- The OGA would retain the right to amend the levy rates upwards or downwards within year should unforeseen circumstances lead to outturn costs deviating significantly from expected costs. However, this would entail approval from DECC, as well as the same level of Parliamentary scrutiny required for setting the annual rate.

Questions:

- a) Do you agree that using acreage is the most suitable metric on which to base the levy calculations?
- b) Do you have any comments or observations on our initial proposals for collecting the levy from industry?

Annex A: List of Questions

Chapter Number : Theme	Questions
1: Setting up the Oil and Gas Authority	Do you foresee any unintended consequences with the intention set out? If so why? Please provide evidence and examples where possible.
2: Delivering Maximising Recovery from the UKCS	Is this a useful start to defining the MER UK strategy, and are there any other factors that need to be considered?
3.1: New Regulatory Powers for the Authority – Meeting Access	<ul style="list-style-type: none"> a) Do you agree with Government's current intention? b) How can the OGA ensure that important issues are not omitted from the agendas of meetings it attends?
3.2: New Regulatory Powers for the Authority – Sharing Data and Information	<ul style="list-style-type: none"> c) What data is needed to further MER UK and after what length of time is it most appropriate to share? d) What considerations should be taken into account when developing the Wood Review recommendation for reducing the release timeframe for speculative seismic data? Should different considerations apply to 2D, 3D and 4D data? e) How can reporting be timetabled so as to minimise burden on licence holders whilst maintaining a supply of relevant and up-to-date data?
3.3: New Regulatory Powers for the Authority – Dispute Resolution	<ul style="list-style-type: none"> a) To what degree should Government set the parameters of the OGA's dispute resolution process? b) Do you agree that the key parameters set out above are the right ones?
3.4: Reviewing Existing Powers	Do you have any views or evidence on the effectiveness of the existing powers and what could be done to make them more effective?
4: Sanctions Regime	<ul style="list-style-type: none"> a) Are the steps outlined above sufficient to ensure adherence to MR UK Strategy? b) Please provide views and evidence on whether financial penalties would be an appropriate and useful enforcement tool for the OGA?
5: Cost Recovery Mechanism	<ul style="list-style-type: none"> a) Do you agree that using acreage is the most suitable metric on which to base the levy calculations? b) Do you have any comments or observations on our initial proposals for collecting the levy from industry?

ANNEX B: Current and Proposed schedule of direct charges and costs to be recovered under levy

<http://www.legislation.gov.uk/ukxi/2013/1138/contents/made>

Activities <u>currently</u> directly charged for under S.188 Powers	Additional Activities <u>proposed</u> to be charged for directly under S.188 Power	Activities to be recovered by levy.
Approval of an onshore or offshore Field Development Plan (FDP) - including approval to revisions and addenda.	Inspecting metering systems on offshore platforms and onshore production sites.	Developing UKCS Strategy (PILOT / MER UK)
Approval of an offshore Gas Storage Development Plan including approval to revisions and addenda.	Licence extensions	Responding to non-license related / public correspondence and FOI requests
Approval of an offshore carbon dioxide Storage Permit including approval revisions and addenda.		Data: Production returns & projections

Pipeline Works Authorisations and variations thereto.		Operational Licensing Policy
Pipeline deposit consents.		The Field Teams (Non FDP approval work)
<u>Consent to drilling operations</u> To drill a new well To drill a sidetrack To complete (perforate) a well To suspend a well To re-enter a well To abandon a well		Exploration Team (e.g. Fallow Work)
<u>Consent to Licence Changes</u> Change of licensee Change of the beneficiary of a petroleum field or subarea Change of the operator of a petroleum field or subarea		Upstream Emergency Planning

Production/Flaring /Vent consents.		Upstream Petroleum Infrastructure Third party access disputes resolution procedures.
Methodology proposed for the measurement of petroleum (PON6 approval)		Other activities not charged for directly within scope of Infrastructure Bill provisions.
Extended Well Tests		

Annex C: Glossary of Terms

DECC – Department of Energy and Climate Change

EA – a Government Executive Agency

First Session Bill - a new Bill that is introduced to Parliament during its first sitting session of its legislative programme

GovCo – a Government Company

HM Treasury – Her Majesty's Treasury

MER UK – Maximising Economic Recovery of the UKCS as recommended in the Wood Review

OGA– the Oil and Gas Authority (the new arm's-length regulatory body for the oil and gas sector)

Tripartite approach – an approach agreed by the Authority, Industry and Government

UKCS – United Kingdom Continental Shelf

Department of Energy & Climate Change
3 Whitehall Place
London SW1A 2AW
www.gov.uk/decc
URN 14D/385

Draft response to DECC call for views on how to implement the Wood Review recommendations to maximise economic recovery of the UK Continental Shelf. Note that responses have only been provided to questions which are deemed relevant to respond to. A full list of questions can be found in Annex A of the consultation document, Appendix 1.

- 1 Question: (Setting up the Oil and Gas Authority). Do you foresee any unintended consequences with the intention set out? If so why?

As a local authority situated in the heart of oil and gas-related activity on the UKCS, and hence with a vested interest in seeing a healthy and productive oil and gas Industry, we do not foresee any unintended consequences of these broad, good intentions. We would however like to see the proposed expert advisory function of the OGA being made accessible to more than Industry and Government – access to this expertise for Local Government would be extremely useful, not least for Shetland Islands Council; and would doubtless help to facilitate local understanding and relations between local authorities and the Industry companies who operate in their respective areas.

- 2 Question: (Delivering Maximising Recovery from the UKCS). Is this a useful start to defining the MER UK strategy, and are there any other factors that need to be considered?

From a Shetland perspective, our islands already act as an advanced hub for oil and gas-related activity on the UKCS – not least the extant oil and imminent gas terminals at Sullom Voe. With much of the future potential of the UKCS focused west of Shetland, our position will remain pivotal for some decades to come. It is therefore very much in our best economic interests that MER UK should be a guiding principle of all future oil and gas development on the UKCS, and as such this forms a pragmatic and well-considered start to defining the MER UK strategy. Consideration should be given to ensuring that Industry contributes fairly to the maintenance and development of facilities upon which their activity depends, i.e. port and harbour infrastructure and pilot and tug services.

- 3.1 Question: (New Regulatory Powers for the Authority – Meeting Access). a) Do you agree with the Government's current intention? b) How can the OGA ensure that important issues are not omitted from the agendas of meetings it attends?

a) Yes – it is logical that the OGA, if it is to be effective and well-informed, needs to be present at Industry meetings at which development issues are discussed

b) While it may prove, in practical terms, difficult to police the agendas of those meetings the OGA attends, it might prove useful if the OGA has the power to bring items to the agenda of key meetings, thereby compelling Industry to discuss important issues with the OGA present.

**Shetland Islands Council****17 December 2014****SIC Business Programme and Diary of Meetings 2015/2016**

GL-20-F

**Report Presented by
Executive Manager – Governance & Law****Corporate Services Department****1.0 Summary**

- 1.1 The purpose of this report is to seek Council's approval for the schedule of meetings for 2015/16. Along with the schedule of meeting dates is the proposed Business Programme, which identifies the business to be conducted by the Council and its Committees over the next financial year.

2.0 Decision Required

- 2.1 That the Council **RESOLVES** to approve:
- 2.1.1 the attached schedule of meetings and Business Programme for 2015/16; and
- 2.1.2 the parameters to be applied to the Business Programme as set out in section 3.2.

3.0 Background

- 3.1 At its meeting on 26 March 2014, the Council resolved to approve the setting of the Meetings Diary and Business Programme, adhering to the following principles, which have carried over into the setting of the Programme for 2015/16:
- The Business Programme will enable consistent and timely scrutiny of the budget and performance of each functional Committee and the Council on a quarterly basis;
 - Retain cycles of ordinary meetings to allow for policy making and public debate around regular Council business to be transacted in an equally consistent and timely fashion, and where there is no business requiring consideration, the meeting should be cancelled;

- That the process for updating the Business Programme is aligned to the process for the Council's Corporate, Directorate and Service Plans; and
- As far as possible, meetings are to be scheduled on Mondays to Wednesdays, mornings and afternoons.

3.2 Accordingly, the revised schedule of meetings is attached as **Appendix 1**, and the accompanying revised Business Programme is attached as **Appendix 2**. The Council also agreed previously that the following parameters will be applied to the Business Programme. These have been applied consistently by Committee Services throughout 2014, and it is recommended that these continue to be applied to the Business Programme for 2015/16:

- Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within 2 weeks of the meeting, the meeting will be cancelled;
- Special meetings may be called on specific dates for some items – other agenda items can be added, if time permits;
- PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;
- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, and if required according to the circumstances, the time, date, venue and location of any meeting may be changed, or special meetings added.

3.3 If approved, the Business Programme for 2015/16 will be presented by Committee Services to the Council and each Committee, on a quarterly basis, for discussion and approval, particularly in relation to the remaining projects and reports which are listed at the end of the business programme page for each Committee, as still to be scheduled.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – The recommendation in this report is consistent with the following corporate priorities:

Our Corporate Plan 2013-17

- To be able to provide high quality and cost effective services to people in Shetland, our organisation has to be run properly.
- Fully align the timetables, time spans and approaches for financial planning relating to the medium term yearly budgeting with Council, directorate and service planning.

4.2 Community /Stakeholder Issues – No consultation has taken place with the community or stakeholders, but the final Business Programme will provide the community and other stakeholders with important information, along with the Council’s Corporate and Directorate Plans, as to the planned business for the coming year.

4.3 Policy And/Or Delegated Authority – Section 18.2 of the Council’s Standing Orders for meetings states “The dates of ordinary meeting of the Council and other bodies which are part of the political management framework will be decided by the Council on the basis of a programme of meetings which will normally be decided each year.”

4.4 Risk Management – The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council’s Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial – The proposals in this report do not have any direct financial implications, but indirect costs may be avoided by optimising Member and officer time.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The setting of a comprehensive Business Programme for the Council and its Committees has addressed the issues raised by Members with regard to the timing of meetings, and puts an emphasis on the business decisions that will be required over the next year. Taken alongside the Council’s Corporate Plan and Service Plans, the Business Programme will illustrate the Council’s continued improvement towards planning and performance management, and

helps to communicate the Council's objectives and priorities, as well as providing a reference point for Members, Officers, the community and stakeholders.

For further information please contact:
Anne Cogle, Team Leader - Administration
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9 December 2014

List of Appendices

Appendix 1 – Schedule of Council / Committee Meetings 2015/16

Appendix 2 – Business Programme 2015/16

Background documents:

None.

END

Council / Committee Meeting Dates 2015/16 – V0.1

Quarter 1		
Cycle 1		
Committee	Date of Meeting	Time
<i>UK Parliamentary Pre-Election Period - Thursday 2 April to Thursday 7 May</i>		
SIALB	Tuesday 14 April 2015	10 a.m.
Licensing Committee	Tuesday 14 April 2015	10.30 a.m.
Planning Committee	Tuesday 14 April 2015	2 p.m.
Employees JCC	Wednesday 15 April 2015	11 a.m.
Development	Wednesday 22 April 2015	10 a.m.
Environment and Transport	Wednesday 22 April 2015	2 p.m.
Education and Families	Monday 27 April 2015	10 a.m.
Audit	Tuesday 28 April 2015	10 a.m.
Harbour Board	Wednesday 29 April 2015	10 a.m.
Shetland College Board	Wednesday 29 April 2015	2 p.m.
Social Services	Thursday 30 April 2015	10 a.m.
Policy and Resources	Monday 4 May 2015	10 a.m.
SIALB	Tuesday 12 May 2015	10 a.m.
Licensing Committee	Tuesday 12 May 2015	10.30 a.m.
Planning Committee	Tuesday 12 May 2015	2 p.m.
Shetland Islands Council	Wednesday 13 May 2015	10 a.m.
Special Shetland Islands Council	Wednesday 20 May 2015	9 a.m.
Cycle 2 – Performance Monitoring Meetings		
Committee	Date of Meeting	Time
Education and Families	Monday 25 May 2015	10 a.m.
Social Services	Monday 25 May 2015	11.30 a.m.
Development	Monday 25 May 2015	2 p.m.
Environment and Transport	Monday 25 May 2015	3.30 p.m.
Audit	Tuesday 26 May 2015	10 a.m.
Harbour Board	Tuesday 26 May 2015	2 p.m.
Policy and Resources	Wednesday 27 May 2015	10 a.m.
Shetland Islands Council	Wednesday 27 May 2015	2 p.m.
Shetland College Board	Thursday 28 May 2015	2 p.m.
Cycle 3		
Committee	Date of Meeting	Time
Employees JCC	Monday 8 June 2015	11 a.m.
SIALB	Tuesday 9 June 2015	10 a.m.
Licensing Committee	Tuesday 9 June 2015	10.30 a.m.
Planning Committee	Tuesday 9 June 2015	2 p.m.
Social Services	Wednesday 10 June 2015	10 a.m.
Development	Monday 15 June 2015	10 a.m.
Environment and Transport	Monday 15 June 2015	2 p.m.
Education and Families	Tuesday 16 June 2015	10 a.m.
Harbour Board	Thursday 18 June 2015	10 a.m.
Shetland College Board	Thursday 18 June 2015	2 p.m.
Policy and Resources	Monday 22 June 2015	10 a.m.
Audit Committee	Monday 29 June 2015	10 a.m.
Shetland Islands Council	Wednesday 1 July 2015	10 a.m.

Thursday, 11 December 2014

Quarter 2		
Cycle 4		
Committee	Date of Meeting	Time
SIALB	Tuesday 14 July 2015	10 a.m.
Licensing Committee	Tuesday 14 July 2015	10.30 a.m.
Planning Committee	Tuesday 14 July 2015	2 p.m.
Social Services Committee	Thursday 30 July 2015	10 a.m.
SIALB	Tuesday 11 August 2015	10 a.m.
Licensing Committee	Tuesday 11 August 2015	10.30 a.m.
Planning Committee	Tuesday 11 August 2015	2 p.m.
Cycle 5 – Performance Monitoring Meetings		
Committee	Date of Meeting	Time
Education and Families	Monday 17 August 2015	10 a.m.
Social Services	Monday 17 August 2015	11.30 a.m.
Development	Monday 17 August 2015	2 p.m.
Environment and Transport	Monday 17 August 2015	3.30 p.m.
Audit	Tuesday 18 August 2015	10 a.m.
Harbour Board	Tuesday 18 August 2015	2 p.m.
Policy and Resources	Wednesday 19 August 2015	10 a.m.
Shetland Islands Council	Wednesday 19 August 2015	2 p.m.
Shetland College Board	Thursday 20 August 2015	2 p.m.
Cycle 6		
Committee	Date of Meeting	Time
SIALB	Tuesday 15 September 2015	10 a.m.
Licensing Committee	Tuesday 15 September 2015	10.30 a.m.
Planning Committee	Tuesday 15 September 2015	2 p.m.
Sp Audit	Tuesday 22 September 2015	9.30 a.m.
Sp Shetland Islands Council	Tuesday 22 September 2015	11.30 a.m.

Council / Committee Meeting Dates 2015/16 – V0.1

Quarter 3		
Cycle 7		
Employees JCC	Tuesday 29 September 2015	11 a.m.
Education and Families	Wednesday 30 September 2015	10 a.m.
Social Services	Wednesday 30 September 2015	2 p.m.
Development	Monday 5 October 2015	10 a.m.
Environment and Transport	Monday 5 October 2015	2 p.m.
Audit	Tuesday 6 October 2015	10 a.m.
Harbour Board	Wednesday 7 October 2015	10 a.m.
Shetland College Board	Wednesday 7 October 2015	2 p.m.
SIALB	Tuesday 13 October 2015	10 a.m.
Licensing Committee	Tuesday 13 October 2015	10.30 a.m.
Planning Committee	Tuesday 13 October 2015	2 p.m.
Policy and Resources	Monday 26 October 2015	10 a.m.
Social Services	Thursday 29 October 2015	10 a.m.
SIALB	Tuesday 3 November 2015	10 a.m.
Licensing Committee	Tuesday 3 November 2015	10.30 a.m.
Planning Committee	Tuesday 3 November 2015	2 p.m.
Shetland Islands Council	Wednesday 4 November 2015	10 a.m.
<i>Budget Policy Forums</i>	<i>Monday 9 November</i> <i>Tuesday 10 November</i> <i>Wednesday 11 November</i>	<i>9 a.m. to 5 p.m.</i> <i>9 a.m. to 5 p.m.</i> <i>9 a.m. to 1 p.m.</i>
Cycle 8 – Performance Monitoring Meetings		
Education and Families	Monday 16 November 2015	10 a.m.
Social Services	Monday 16 November 2015	11.30 a.m.
Development	Monday 16 November 2015	2 p.m.
Environment and Transport	Monday 16 November 2015	3.30 p.m.
Audit	Tuesday 17 November 2015	10 a.m.
Harbour Board	Tuesday 17 November 2015	2 p.m.
Policy and Resources	Wednesday 18 November 2015	10 a.m.
Shetland Islands Council	Wednesday 18 November 2015	2 p.m.
Cycle 9 – Budget Setting Meetings		
Education and Families	Monday 23 November 2015	10 a.m.
Development	Monday 23 November 2015	2 p.m.
Social Services	Tuesday 24 November 2015	10 a.m.
Environment and Transport	Tuesday 24 November 2015	2 p.m.
Harbour Board	Wednesday 25 November 2015	10 a.m.
Shetland College Board	Wednesday 25 November 2015	11.30 a.m.
Policy and Resources	Wednesday 25 November 2015	2 p.m.
Sp Shetland Islands Council	Wednesday 2 December 2015	10 a.m.
Policy and Resources	Monday 7 December 2015	10 a.m.
SIALB	Wednesday 9 December 2015	10 a.m.
Licensing Committee	Wednesday 9 December 2015	10.30 a.m.
Planning Committee	Wednesday 9 December 2015	2 p.m.
Shetland Islands Council	Wednesday 16 December 2015	10 a.m.

Thursday, 11 December 2014

Council / Committee Meeting Dates 2015/16 – V0.1

Quarter 4		
Cycle 10		
SIALB	Tuesday 12 January 2016	10 a.m.
Licensing Committee	Tuesday 12 January 2016	10.30 a.m.
Planning Committee	Tuesday 12 January 2016	2 p.m.
Employees JCC	Monday 18 January 2016	11 a.m.
Education and Families	Tuesday 19 January 2016	10 a.m.
Development	Wednesday 20 January 2016	10 a.m.
Environment and Transport	Wednesday 20 January 2016	2 p.m.
Social Services	Thursday 4 February 2016	10 a.m.
Audit	Tuesday 9 February 2016	10 a.m.
Harbour Board	Wednesday 10 February 2016	10 a.m.
Shetland College Board	Wednesday 10 February 2016	2 p.m.
Policy and Resources	Monday 15 February 2016	10 a.m.
SIALB	Tuesday 23 February 2016	10 a.m.
Licensing Committee	Tuesday 23 February 2016	10.30 a.m.
Planning Committee	Tuesday 23 February 2016	2 p.m.
Shetland Islands Council	Wednesday 24 February 2016	10 a.m.
Cycle 11 – Performance Monitoring Meetings		
Education and Families	Monday 29 February 2016	10 a.m.
Social Services	Monday 29 February 2016	11.30 a.m.
Development	Monday 29 February 2016	2 p.m.
Environment and Transport	Monday 29 February 2016	3.30 p.m.
Audit	Tuesday 1 March 2016	10 a.m.
Harbour Board	Tuesday 1 March 2016	2 p.m.
Policy and Resources	Wednesday 2 March 2016	10 a.m.
Shetland Islands Council	Wednesday 2 March 2016	2 p.m.
Shetland College Board	Thursday 3 March 2016	10 a.m.
Cycle 12		
Committee	Date of Meeting	Time
SIALB	Tuesday 15 March 2016	10 a.m.
Licensing Committee	Tuesday 15 March 2016	10.30 a.m.
Planning Committee	Tuesday 15 March 2016	2 p.m.

Thursday, 11 December 2014



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Audit Committee			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	D/R
	<i>Ordinary</i> 28 April 2015 10 a.m.	Audit Scotland and External Advisers Reports	D
		Internal Audit – Annual Plan 2015/16	D
	<i>PPMF</i> 26 May 2015 10 a.m.	SIC Review of Internal Controls 2014-15	D
		Pension Fund Review of Internal Controls 2014-15	D
		Committee Business Programme 2015/16	D
	<i>Ordinary</i> 29 June 2015 10 a.m.	Audit Scotland and External Advisers Reports	D
		Internal Audit – Annual Report 2014/15	D
		Pension Fund Draft Accounts 2015-16	D
		SIC Draft Accounts 2015/16	D
		Zetland Educational Trust Draft Financial Statements 2015/16	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF & Ordinary</i> 18 August 2015 10 a.m.	Audit Scotland Reports	D
		Committee Business Programme 2015/16	D
	<i>Special</i> 22 September 2015 9.30 a.m.	Pension Fund Final Audited Accounts 2015-16 & Report to those Charged with Governance	R SIC 22 Sept
		SIC Final Audited Accounts 2015-16 & Report to those Charged with Governance	R SIC 22 Sept
		Final Audited Zetland Educational Trust Annual Report and Financial Statements to 31 March 2016	R SIC 22 Sept
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 6 October 2015 10 a.m.	Audit Scotland and External Advisers Reports	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Audit Committee - Continued			
			<i>D= Delegated R=Referred</i>
Quarter 3 1 October 2015 to 31 December 2015 <i>Continued</i>	<i>PPMF & Ordinary</i> 17 November 2015 10 a.m.	Statutory Performance Indicators 2014/15	D
		Internal Audit – Six Monthly Internal Audit Progress Report	D
		Audit Scotland and External Advisers Reports	D
		Committee Business Programme 2015/16	D
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 9 February 2016 10 a.m.	TBC	
	<i>PPMF & Ordinary</i> 1 March 2016 10 a.m.	Audit Scotland and External Advisers Reports	D
		Audit Scotland Annual Audit Plan 2014-15 - SIC	D
		Audit Scotland Annual Audit Plan 2014-15 – Pension Fund	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled as at Thursday, 11 December 2014

- Sumburgh Airport
- Code of Corporate Governance

Audit Committee - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Education and Families Committee			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	Ordinary 27 April 2015 10 a.m.	Consultation Report – Proposed Discontinuation of Secondary 4 Education or Closure of Mid Yell Junior High School, Secondary Department	R SIC 13 May
		Consultation Report – Proposed Discontinuation of Secondary 4 Education or Closure of Whalsay School, Secondary Department.	R SIC 13 May
	PPMF 25 May 2015 10 a.m.	Management Accounts – Quarter 4	D
		Children’s Services Directorate – Performance Overview – Quarter 4	D
		Development Services Directorate – Performance Overview – Quarter 4	D
		Children’s Services Directorate Plan – Integrated and Formatted Final Edit	D
		Development Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2015/16	D
	Ordinary 16 June 2015 10 a.m.	Pre-School Provision Entitlement – Cost Analysis	D
		Increased Entitlement to Pre-School Education for Two Year Olds	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	PPMF 17 August 2015 10 a.m.	Management Accounts – Quarter 1	D
		Children’s Services Directorate – Performance Overview – Quarter 1	D
		Development Services Directorate – Performance Overview – Quarter 1	D
		Committee Business Programme 2015/16	D



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Thursday, 11 December 2014

Education and Families Committee - continued			
<i>D= Delegated R=Referred</i>			
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 30 September 2015 10 a.m.	Child Protection Committee Annual Report	D
	<i>PPMF</i> 16 November 2015 10 a.m.	Children's Services Directorate – Performance Overview – Quarter 2	D
		Development Services Directorate – Performance Overview – Quarter 2	D
		Committee Business Programme 2015/16	D
	<i>Budget</i> 23 November 2015 10 a.m.	Children's Services Directorate Plan 2016-17	D
		Development Services – Directorate Plan 2016-17	D
		Management Accounts – Quarter 2	D
		2016-17 Budget and Charging Proposals	R P&R 25 Nov SIC 2 Dec
	Date of Meeting	Business	
Quarter 4 1 January 2016 to 31 March 2016	<i>Ordinary</i> 19 January 2016 10 a.m.	TBC	
	<i>PPMF</i> 29 February 2016 10 a.m.	Management Accounts – Quarter 3	D
		Children's Services Directorate - Performance Overview Quarter 3	D
		Development Services Directorate - Performance Overview Quarter 3	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

- Anderson High School
- Shetland Learning Partnership – Annual Report
- Review of Sport and Leisure
- School Meals Project Board - on-line payments / ordering system

Education and Families Committee - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Social Services Committee and CHCP Committee - Shetland Health and Social Care Partnership <i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 30 April 2015 10 a.m.	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
		Annual Review of Housing Allocations Policy	D
	<i>PPMF</i> 25 May 2015 11.30 a.m.	Management Accounts – Quarter 4	D
		Children’s Services Directorate – Performance Overview – Quarter 4	D
		Development Services Directorate – Performance Overview – Quarter 4	D
		Community Health and Social Care Services Directorate – Performance Overview – Quarter 4	D
		Children’s Services Directorate Plan – Integrated and Formatted Final Edit	D
		Development Directorate Plan – Integrated and Formatted Final Edit	D
		Community Health and Social Care Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2015/16	D
	<i>Ordinary</i> 10 June 2015 10 a.m.	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
		Corporate Parenting Report	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Social Services Committee and CHCP Committee - Shetland Health and Social Care Partnership - Continued

D= Delegated R=Referred

Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>Special</i> 30 July 2015 10am	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
	<i>PPMF</i> 17 August 2015 11.30 a.m.	Management Accounts – Quarter 1	D
		Children’s Services Directorate – Performance Overview – Quarter 1	D
		Development Services Directorate – Performance Overview – Quarter 1	D
		Community Health and Social Care Services Directorate – Performance Overview – Quarter 1	D
		Committee Business Programme 2015/16	D
Quarter 3 1 October 2015 to 31 December 2015	<i>Ordinary</i> 30 September 2015 2 p.m.	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
	<i>Ordinary</i> 29 October 2015 10 a.m.	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
		Chief Social Work Officer Report	D
	<i>PPMF</i> 16 November 2015 11.30 a.m.	Children’s Services Directorate – Performance Overview – Quarter 2	D
		Development Services Directorate – Performance Overview – Quarter 2	D
		Community Health and Social Care Services Directorate – Performance Overview – Quarter 2	D
		Committee Business Programme 2015/16	D
	<i>Budget</i> 24 November 2015 10 a.m.	Children’s Services Directorate Plan 2016-17	D
		Development Services Directorate Plan 2016-17	D
		Community Health and Social Care Services Directorate Plan 2016-17	D
		Financial Monitoring Report [NHS]	D
		Management Accounts – Quarter 2	D
		2016-17 Budget and Charging Proposals	R P&R 25 Nov SIC 2 Dec



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Social Services Committee and CHCP Committee - Shetland Health and Social Care Partnership - <i>Continued</i> <i>D= Delegated R=Referred</i>			
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 4 February 2016 10 a.m.	New Eric Gray Resource Centre Update	D
		Delays in Discharge from Hospital to Community Setting	D
	Date of Meeting	Business	
	<i>PPMF</i> 29 February 2016 11.30 a.m.	Management Accounts – Quarter 3	D
		Financial Monitoring Report [NHS]	D
		Children’s Services Directorate - Performance Overview Q3	D
		Development Services Directorate - Performance Overview Q3	D
		Community Health and Social Care Services Directorate - Performance Overview Q3	D
		CHCP Action Plan Main Priorities	D
		CHP Risk Register	D
		Quarterly Report on Health Improvement and Health Inequalities	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

Shetland Health and Social Care Partnership - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Environment and Transport Committee			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 22 April 2015 2 p.m.	Carriageway Condition Report	D
		Kerbside Collection	D
		Implementation of Recommendations from COWIE Report	R SIC 13 May
		Mandatory Carbon Reporting Targets	D
	<i>PPMF</i> 25 May 2015 3.30 p.m.	Management Accounts – Quarter 4	D
		Infrastructure Directorate – Performance Overview – Quarter 4	D
		Infrastructure Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2015/16	D
	<i>Ordinary</i> 15 June 2015 2 p.m.	Repair & Replacement Costings for Lifetime of Council Assets	D
		Home Energy Scotland Area Based Scheme [HESABS]	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF</i> 17 August 2015 3.30 p.m.	Management Accounts – Quarter 1	D
		Infrastructure Directorate – Performance Overview – Quarter 1	D
		Development Services Directorate Performance Report 3 Month/1 st Quarter 2015/16	D
		Committee Business Programme 2015/16	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Environment and Transport Committee - *continued*

D= Delegated R=Referred

Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 5 October 2015 2 p.m.	PURE Presentation & Hydrogen Update	D
		Climate Impacts Report	D
	<i>PPMF</i> 16 November 2015 3.30 p.m.	Infrastructure Services Directorate – Performance Overview – Quarter 2	D
		Development Services Directorate Performance Report – Quarter 2	D
		Committee Business Programme 2015/16	D
	<i>Budget</i> 24 November 2015 2 p.m.	Infrastructure Services Directorate Plan 2016-17	D
		Development Services Directorate Plan 2016-17	D
		Management Accounts – Quarter 2	D
		2016-17 Budget Proposals and Charges	R P&R 25 Nov
Quarter 4 1 January 2016 to 31 March 2016	<i>Ordinary</i> 20 January 2016 2 p.m.	Traffic Regulation Orders	D
		Burial Grounds	D
	<i>PPMF</i> 29 February 2016 3.30 p.m.	Management Accounts – Quarter 3	D
		Infrastructure Services Directorate - Performance Overview Q3	D
		Development Services Directorate Performance Report – Quarter 3	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

- School and Public Transport Review
- Transport Infrastructure project, including Fixed Links
- Smartcards (NEC)
- Refresh Shetland Transport Strategy

Environment and Transport Committee - END



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Development Committee			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 22 April 2015 10 a.m.	TBC	
	<i>PPMF</i> 25 May 2015 2 p.m.	Management Accounts – Quarter 4	D
		Development Services Directorate – Performance Overview – Quarter 4	D
		Economic Development Investments - Update	D
		SDT Annual Accounts 2014-15	D
		Development Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2015/16	D
	<i>Ordinary</i> 15 June 2015 10 a.m.	TBC	
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF</i> 17 August 2015 2 p.m.	Management Accounts – Quarter 1	D
		Development Services Directorate – Performance Overview – Quarter 1	D
		Economic Development Investments - Update	D
		Committee Business Programme 2015/16	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Development Committee -Continued			
		<i>D= Delegated R=Referred</i>	
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 5 October 2015 10 a.m.	TBC	
	<i>PPMF</i> 16 November 2015 2 p.m.	Development Services Directorate – Performance Overview – Quarter 2	D
		Economic Development Investments - Update	D
		Committee Business Programme 2015/16	D
	<i>Budget</i> 23 November 2015 2 p.m.	Development Services Directorate Plan 2016-17	D
		Management Accounts – Quarter 2	D
		2016-17 Budget and Charging Proposals	R P&R 25 Nov SIC 2 Dec
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 20 January 2016 10 a.m.	TBC	
	<i>PPMF</i> 29 February 2016 2 p.m.	Management Accounts – Quarter 3	D
		Development Services Directorate - Performance Overview Q3	D
		Economic Development Investments - Update	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

- Renewable Energy Development Plan
- Investments policy
- Community Benefit Policy
- Options for Housing in the Central Mainland

Development Committee - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
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Policy and Resources Committee			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 4 May 2015 10 a.m.	TBC	
	<i>PPMF</i> 27 May 2015 10 a.m.	Policy and Resources Committee Management Accounts – Quarter 4	D
		Overall SIC Management Accounts – End of Year	R SIC 27 May
		Asset Investment Plan – Progress Report – Quarter 4	R SIC 27 May
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 4	D
		Council Wide – Performance Overview – Quarter 4	R SIC 27 May
		Medium Term Financial Plan – General Fund	R SIC 27 May
		Medium Term Financial Plan – HRA	R SIC 27 May
		Updated Harbour Model	R SIC 27 May
		Corporate and Chief Executive Services Departments Directorate Plan – Integrated and Formatted Final Edit	D
		Planning and Performance Management Framework Update	R SIC 27 May
		Committee Business Programme 2015/16	D
	<i>Ordinary</i> 22 June 2015 10 a.m.	Chair's Report – Shetland College Board – 28 May: Shetland College Fees 2015/16	R SIC 1 July
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF</i> 19 August 2015 10 a.m.	Policy and Resources Committee Management Accounts – Quarter 1	D
		Management Accounts for the Pension Fund: 2015/16 – Projected Outturn at Quarter 1	D
		Overall SIC Management Accounts – Quarter 1	R SIC 19 Aug
		Asset Investment Plan – Progress Report – Quarter 1	R SIC 19 Aug
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 1	D
		Audit Scotland and Other External Reports	R SIC 19 Aug
		Committee Business Programme 2015/16	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Policy and Resources Committee (<i>continued</i>)			
		<i>D= Delegated R=Referred</i>	
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 26 October 2015 10 a.m.	Annual Report - Complaints	D
		Performance Management Strategy and Policy	R SIC 4 Nov
	<i>PPMF</i> 18 November 2015 10 a.m.	Pension Fund – 2015-16 Mid Year Investments Performance Review Report	R SIC 18 Nov
		Council Reserves – 2015-16 Mid Year Investments Performance Review Report	R SIC 18 Nov
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 2	D
		Committee Business Programme 2015/16	D
Quarter 3 1 October 2015 to 31 December 2015 <i>continued</i>	Date of Meeting	Business	
	<i>Budget</i> 25 November 2015 2 p.m.	Corporate and Chief Executive Services Departments Directorate Plan 2016-17	D
		Policy and Resources Committee Management Accounts – Quarter 2	D
		Management Accounts for the Pension Fund – Quarter 2	D
		Overall SIC Management Accounts – Quarter 2	R SIC 2 Dec
		Asset Investment Plan – Progress Report – Quarter 2	R SIC 2 Dec
		2016-17 Policy and Resources Committee Budget and Charging Proposals	R SIC 2 Dec
		2016-17 HRA Budget and Charging Proposals	
		Chair's Reports on 2016-17 Budget and Charging Proposals (<i>from each of the Committees/Harbour Board/College</i>)	
		Proposed Five-Year Asset Investment Plan 2016/21	
		2016-17 SIC Budget Book	R SIC 2 Dec
	<i>Ordinary</i> 7 December 2015 10 a.m.	TBC	



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Thursday, 11 December 2014

Policy and Resources Committee - Continued

D= Delegated R=Referred

Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 15 February 2016 10 a.m.	Irrecoverable Debt 2014/15	D
		Annual Investment and Treasury Strategy 2016/17	R SIC 24 Feb
	<i>PPMF</i> 2 March 2016 10 a.m.	Policy and Resources Committee Management Accounts – Quarter 3	D
		Management Accounts for the Pension Fund – Quarter 3	D
		Corporate and Chief Executive Services Departments - Performance Overview Q3	D
		Overall SIC Management Accounts – Quarter 3	R SIC 2 March
		Asset Investment Plan – Progress Report – Quarter 3	R SIC 2 March
		Council Wide – Performance Overview – Quarter 3	R SIC 2 March
		Annual Investment and Treasury Strategy 2016/17	R SIC 2 March
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

- Workforce Strategy
- Governance Review – Asset and Treasury Sub-Committee
- Single Outcome Agreement Annual Report 2014/15
- Single Outcome Agreement 2016/17
- Disposal of Quarff School
- Community Grants

Policy and Resources Committee – END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Harbour Board			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 29 April 2015 10 a.m.	Small Ports	D
	<i>PPMF & Ordinary</i> 26 May 2015 2 p.m.	Management Accounts – Quarter 4	D
		Pilotage Accounts – Quarter 4	D
		Harbourmaster's Report	D
		Capital and Revenue Project Progress Report	D
		Commercial Report	D
		Updated Harbour Model	R P&R 27 May SIC 27 May
		Infrastructure Directorate – Performance Overview – Quarter 4	D
		Harbour Board Business Programme 2015/16	D
	<i>Ordinary</i> 18 June 2015 10 a.m.	TBC	
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF & Ordinary</i> 18 August 2015 2 p.m.	Management Accounts – Quarter 1	D
		Pilotage Accounts – Quarter 1	D
		Harbourmaster's Report	D
		Capital and Revenue Project Progress Report	D
		Commercial Report	D
		Ports and Harbours Service Plan – Performance Overview – Quarter 1	D
		Small Ports Survey – Conditions Survey and Future Major Maintenance	D
		Harbour Board Business Programme 2015/16	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Harbour Board - continued			
<i>D= Delegated R=Referred</i>			
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 7 October 2015 10 am.	TBC	
	<i>PPMF & Ordinary</i> 17 November 2015 2 p.m.	Harbourmaster's Report	D
		Capital and Revenue Project Progress Report	D
		Commercial Report	D
		Ports and Harbours Service Plan – Performance Overview – Quarter 2	D
		Harbour Board Business Programme 2015/16	D
	<i>Budget</i> 25 November 2015 10 a.m.	Management Accounts – Quarter 2	D
		Pilotage Accounts – Quarter 2	D
		2016-17 Budget Proposals and Charges	R P&R 25 Nov
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 10 February 2016 10 a.m.	TBC	
	<i>PPMF & Ordinary</i> 1 March 2016 2 p.m.	Management Accounts – Quarter 3	D
		Pilotage Accounts – Quarter 3	D
		Harbourmaster's Report	D
		Capital and Revenue Project Progress Report	D
		Commercial Report	D
		Ports and Harbours Service Plan - Performance Overview Q3	D
		Harbour Board Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

Harbour Board - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Shetland College Board			
D= Delegated R=Referred			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	Ordinary 29 April 2015 2 p.m.	TBC	
	PPMF & Ordinary 28 May 2015 2 p.m.	Management Accounts – Quarter 4	D
		Student Enrolment Update – Quarter 4	D
		Shetland College Fees	R P&R 22 June SIC 1 July
		Principal's Update – Quarter 4	D
		UHI Regional Board Update – Quarter 4	D
		Shetland College Board Business Programme 2015/16	D
	Ordinary 18 June 2015 2 p.m.	TBC	
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	PPMF & Ordinary 20 August 2015 2 p.m.	Management Accounts – Quarter 1	D
		Development Services Directorate Performance Report: Three Month/First Quarter 2015/16	D
		Shetland College Board Business Programme 2015/16	D
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	Ordinary 7 October 2015 2 p.m.	TBC	



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Shetland College Board - continued			
<i>D= Delegated R=Referred</i>			
Quarter 3 1 October 2015 to 31 December 2015 <i>continued</i>	Date of Meeting	Business	
	<i>PPMF</i> <i>Budget & Ordinary</i> 25 November 2015 11.30 a.m.	Management Accounts – Quarter 2	D
		Student Enrolment Update – Quarter 2	D
		Principal's Update – Quarter 2	D
		Development Services Directorate – Performance Overview	D
		Annual Report on Institution-Led Review of Quality 2014/15	D
		Shetland College Board Business Programme 2015/16	D
		Shetland College Operational Plan 2015/16	D
		2016-17 Budget Proposals and Charges	R P&R 25 Nov
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 10 February 2016 2 p.m.	TBC	
	<i>PPMF & Ordinary</i> 3 March 2016 10 a.m.	Management Accounts – Quarter 3	D
		Student Enrolment Update – Quarter 3	D
		Principal's Update – Quarter 3	D
		UHI Regional Board Update – Quarter 3	D
		Shetland College Operational Plan 2015/16 – 6 month update	D
		Shetland College Board Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

Shetland College Board - END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Shetland Islands Council			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Ordinary</i> 13 May 2015 10 a.m.	SOTEAG Presentation	D
		Chair's Report – Environment and Transport Committee – 22 April - Implementation of Recommendations from COWIE Report	D
		Consultation Report – Proposed Discontinuation of Secondary 4 Education or Closure of Mid Yell Junior High School, Secondary Department	D
		Consultation Report – Proposed Discontinuation of Secondary 4 Education or Closure of Whalsay School, Secondary Department.	D
	<i>Special – Fund Managers</i> 20 May 2015 9 a.m. to 5 p.m.	SIC Fund Managers – Annual Investment Report 2014/15	D
		Pension Fund Managers - Annual Investment Report 2014/15	D
	<i>PPMF</i> 27 May 2015 2 p.m.	Overall SIC Management Accounts – End of Year	D
		Asset Investment Plan – Progress Report – Quarter 4	D
		Corporate Plan – Integrated and Formatted Final Edit	D
		Medium Term Financial Plan – General Fund	D
		Medium Term Financial Plan – HRA	D
		Updated Harbour Model	D
		Planning and Performance Management Framework Update	D
		Council Wide – Performance Overview – Quarter 4	D
	<i>Ordinary</i> 1 July 2015 10 a.m.	Chair's Report – Policy and Resources Committee – 22 June: Shetland College Fees 2015/16	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF</i> 19 August 2015 2 p.m.	Overall SIC Management Accounts – Quarter 1	D
		Asset Investment Plan – Progress Report – Quarter 1	D
		Audit Scotland and Other External Audit Reports	D
		Council Business Programme 2015/16	D
	<i>Special</i> 22 September 2015 11.30 a.m.	Pension Fund Final Audited Accounts 2015-16 & Report to those Charged with Governance	D
		SIC Final Audited Accounts 2015-16 & Report to those Charged with Governance	D
		Final Audited Zetland Educational Trust Annual Report and Financial Statements to 31 March 2016	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Shetland Islands Council (continued)			
<i>D= Delegated R=Referred</i>			
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 4 November 2015 10 a.m.	Chair's Report – Policy and Resources Committee 26 October: Performance Management Strategy and Policy	D
	<i>PPMF</i> 18 November 2015 2 p.m.	P&R 20 November: Pension Fund – 2015-16 Mid Year Investments Performance Review Report	D
		Council Reserves – 2015-16 Mid Year Investments Performance Review Report	D
		Council Business Programme 2015/16	D
	<i>Budget</i> 2 December 2015 10 a.m.	Overall SIC Management Accounts – Quarter 2	D
		Asset Investment Plan – Progress Report – Quarter 2	D
		Chair's Report - Policy and Resources Committee – 25 November - Budget and Charging Proposals 2016-17 [all Committees, including HRA, Harbour A/Cs and Asset Investment Plan 2016/21]	D
		2016-17 SIC Budget Book	D
		Chair's Report - Policy and Resources Committee – 25 November - Budget Proposals Pension Fund	D
	<i>Ordinary</i> 16 December 2015 10 a.m.	TBC	



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

Shetland Islands Council - Continued			
<i>D= Delegated R=Referred</i>			
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 24 February 2016 10 a.m.	Annual Investment and Treasury Strategy 2016/17	D
	Date of Meeting	Business	
	<i>PPMF</i> 2 March 2016 2 p.m.	Overall SIC Management Accounts – Quarter 3	D
		Asset Investment Plan – Progress Report – Quarter 3	D
		Annual Investment and Treasury Strategy 2016-17	D
		Council Wide – Performance Overview – Quarter 3	D
		SIC Business Programme and Diary of Meetings 2016-17	D

Planned Committee business still to be scheduled - as at Thursday, 11 December 2014

- Review of Membership of External Organisations

Shetland Islands Council – END



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

SIALB – Licensing Committee – Planning Committee

Quarter 1 1 April 2015 to 30 June 2015	Committee	Date	Time
	SIALB	Tuesday 14 April 2015	10 a.m.
	Licensing Committee	Tuesday 14 April 2015	10.30 a.m.
	Planning Committee	Tuesday 14 April 2015	2 p.m.
	SIALB	Tuesday 12 May 2015	10 a.m.
	Licensing Committee	Tuesday 12 May 2015	10.30 a.m.
	Planning Committee	Tuesday 12 May 2015	2 p.m.
	SIALB	Tuesday 9 June 2015	10 a.m.
	Licensing Committee	Tuesday 9 June 2015	10.30 a.m.
	Planning Committee	Tuesday 9 June 2015	2 p.m.
Quarter 2 1 July 2015 to 30 September 2015	SIALB	Tuesday 14 July 2015	10 a.m.
	Licensing Committee	Tuesday 14 July 2015	10.30 a.m.
	Planning Committee	Tuesday 14 July 2015	2 p.m.
	SIALB	Tuesday 11 August 2015	10 a.m.
	Licensing Committee	Tuesday 11 August 2015	10.30 a.m.
	Planning Committee	Tuesday 11 August 2015	2 p.m.
	SIALB	Tuesday 15 September 2015	10 a.m.
	Licensing Committee	Tuesday 15 September 2015	10.30 a.m.
	Planning Committee	Tuesday 15 September 2015	2 p.m.
Quarter 3 1 October 2015 to 31 December 2015	SIALB	Tuesday 13 October 2015	10 a.m.
	Licensing Committee	Tuesday 13 October 2015	10.30 a.m.
	Planning Committee	Tuesday 13 October 2015	2 p.m.
	SIALB	Tuesday 3 November 2015	10 a.m.
	Licensing Committee	Tuesday 3 November 2015	10.30 a.m.
	Planning Committee	Tuesday 3 November 2015	2 p.m.
	SIALB	Wednesday 9 December 2015	10 a.m.
	Licensing Committee	Wednesday 9 December 2015	10.30 a.m.
	Planning Committee	Wednesday 9 December 2015	2 p.m.



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Thursday, 11 December 2014**

SIALB – Licensing Committee – Planning Committee - *continued*

Quarter 4 1 January 2016 to 31 March 2016	SIALB	Tuesday 12 January 2016	10 a.m.
	Licensing Committee	Tuesday 12 January 2016	10.30 a.m.
	Planning Committee	Tuesday 12 January 2016	2 p.m.
	SIALB	Tuesday 23 February 2016	10 a.m.
	Licensing Committee	Tuesday 23 February 2016	10.30 a.m.
	Planning Committee	Tuesday 23 February 2016	2 p.m.
	SIALB	Tuesday 15 March 2016	10 a.m.
	Licensing Committee	Tuesday 15 March 2016	10.30 a.m.
	Planning Committee	Tuesday 15 March 2016	2 p.m.

Employees JCC

Committee	Date	Time
Employees JCC	Wednesday 15 April 2015	11 a.m.
Employees JCC	Monday 8 June 2015	11 a.m.
Employees JCC	Tuesday 29 September 2015	11 a.m.
Employees JCC	Monday 18 January 2016	11 a.m.

tbcc = to be confirmed

PPMF = Planning and Performance Management Framework meetings – no other business to be added

Budget = Budget setting meetings – other items can be added if time permits

Ordinary = Ordinary meetings – other items can be added

Special = Special meetings arranged for particular item(s) – other items can be added if time permits

END OF BUSINESS PROGRAMME as at Thursday, 11 December 2014