



**Policy & Resources Committee
Shetland Islands Council**

**27 May 2015
27 May 2015**

Shetland Islands Council 2014-15 Draft Outturn

F-030-F

Report Presented by Executive Manager – Finance

Corporate Services

1.0 Summary

- 1.1 The purpose of the 2014-15 Draft Outturn report is to present the actual spending position for Shetland Islands Council.
- 1.2 The 2014-15 actual spend will move the organisation towards achieving financial sustainability within the lifetime of the current Council.

2.0 Decision Required

The Policy & Resources Committee RECOMMENDS that the Council RESOLVES to:

- note the 2014-15 draft outturn position, and
- approve the 2014-15 proposed carry-forwards.

3.0 Detail

- 3.1 The detail of the 2014-15 draft outturn position is set out in Appendix 1 to this report.
- 3.2 This will be subject to final accounting and audit adjustments as part of the year end accounts preparation process.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities

The 2014-15 draft outturn position will contribute towards delivering the Medium Term Financial Plan. The actual spend is within the budget agreed for 2014-15.

4.2 Community/Stakeholder Issues – None.

4.3 Policy And/Or Delegated Authority

The Chief Executive and Directors have delivered within the Council's budget in accordance with the Scheme of Delegations and Financial Regulations. As set out in paragraph 2.2 the Policy and Resources Committee has responsibility for securing the co-ordination, control and proper management of the Council's financial affairs, and for making recommendations to the Council as to its capital and revenue expenditure. The approval of final revenue and capital expenditure is reserved to the Council.

4.4 Risk Management – None.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The total draw on reserves required to balance the budget in 2014-15 was £2.0m (unaudited figure) which is significantly lower than the £14.9m required in 2013-14 and the £21.5m required in 2012-13. Despite this progress the Council's reliance on reserves to balance its budget; in the medium term, it is forecast to remain at an unsustainable level and further work will be required, for example to identify savings, efficiencies and income generation, to ensure the Council can demonstrate its ability to live within its means year on year over the medium to long term.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The draft outturn position for 2014-15 will assist the Council in its progress towards achieving an ongoing financially sustainable position.

For further information please contact:
Steve Whyte, Executive Manager - Finance
01595 744607
Steve.Whyte@shetland.gov.uk

List of Appendices

Appendix 1 – 2014-15 Draft Outturn Position

Background documents:

Report: F-021-F Management Accounts for Social Services Committee: 2014-15 – Draft Outturn Quarter 4

Report: F-022-F Management Accounts for Education & Families Committee: 2014-15 – Draft Outturn Quarter 4

Report: F-023-F Management Accounts for Environment & Transport Committee: 2014-15 – Draft Outturn Quarter 4

Report: F-024-F Management Accounts for Harbour Board: 2014-15 – Draft Outturn Quarter 4

Report: F-027-F Management Accounts for College Board : 2014-15 – Draft Outturn Quarter 4

Report: F-028-F Management Accounts for Development Committee: 2014-15 – Draft Outturn Quarter 4

Report: F-029-F Management Accounts for Policy & Resources Committee: 2014-15 – Draft Outturn Quarter 4

Shetland Islands Council



2014-15 Financial Review

The Council's Draft Outturn Position

Securing the Best for Shetland

Contents

1. Executive Summary.....	2
2. General Fund	4
3. Harbour Account	7
4. Housing Revenue Account	8
5. Asset Investment Plan	9
6. Spend to Save	10
7. Carry Forwards	11

Executive Summary

- 1.01 The 2014-15 draft outturn report sets out the actual spending position for the Council.
- 1.02 The draft outturn position has exceeded the target set out in the Medium Term Financial Plan for the year and this successful management of the overall financial resources for 2014-15 is a crucial step to evidencing the organisation's ability to live within its means and aligning expenditure with available resources, a corporate objective.
- 1.03 All Council operating accounts have delivered an improved financial performance from that which was approved as the budget for 2014-15 and this has been done in an environment that was challenging for the public sector and in the face of increasing costs and changing needs and demands being placed upon it.
- 1.04 The total draw on reserves required to balance the budget in 2014-15 was £2.0m (unaudited figure) which is significantly lower than the £14.9m required in 2013-14 and the £21.5m required in 2012-13. Despite this progress the Council's current reliance on reserves to balance its budget is forecast to remain at an unsustainable level and further work will be required, for example to identify savings, efficiencies and income generation, to ensure that the Council can demonstrate its ability to live within its means year on year over the medium to long term.

2014-15 Draft Draw on Reserves Summary

- 1.05 The table shows that the draft draw on reserves is £2.0m against a target of £14.1m a reduction in the draw on reserves against the revised budget of £12.1m. Also shown is the carry-forwards requested of £5.4m which will result in an additional draw on reserves in 2015-16.

Spending Area	2014-15 Revised Budget £m	2014-15 Actual £m	2014-15 Variance £m	2014-15 Carry Forwards £m	2014-15 Revised Variance £m
General Fund	14.847	7.619	7.228	2.166	5.062
Harbour Account	(2.362)	(4.770)	2.408	0	2.408
Marine Fund	0.138	0.153	(0.015)	0	(0.015)
Housing Revenue Account	(0.192)	(0.363)	0.171	0	0.171
Asset Investment Plan (Capital Programme)	(407)	(1.102)	0.695	2.537	(1.842)
Spend to Save (Capital and Revenue)	2.125	0.487	1.638	0.655	0.983
TOTAL DRAW ON RESERVES	14.149	2.024	12.125	5.358	6.767

Reserves health check

- 1.06 The value of the externally invested reserves stood at £278.9m on 31 March 2015 (£203.4m 31 March 2014). The increase in their value is attributable to transfers to reserves of £46m and investment income of £29.2m. The income reflects a 14.3% return achieved during the financial year.
- 1.07 The level of reserves at 31 March 2015, achieved is the result of a temporary increase in funds invested from PWLB borrowing £31m, debt write-off from Westminster of £5m and £4m transferred from the Shetland Development Trust on winding up. There was no withdrawal from the fund manager portfolio reserves with close management of the cash in the bank sufficient to meet in year expenditure, alongside a better than average investment return.
- 1.08 This will be reflected in the updated Medium Term Financial Plan in June 2015. However, it is important to recognise that stock market values will fluctuate from year to year, and this should not form a basis for altering the current course if the Council still wishes to become financially sustainable by 2018. The additional investment return achieved will, once again, be set aside as part of the equalisation fund, which was established in 2012-13.

The 2014-15 General Fund

2.01 The 2014-15 General Fund budget and actual comparison is set out in the table below:

Line No.	Description	2014-15 Revised Budget £000s	2014-15 Actual £000s	2014-15 Variance £000s	Remove 2014-15 Carry Forwards £000s	2014-15 Revised Variance £000s
1	Chief Executive & Cost of Democracy	1,734	1,661	73	9	64
2	Children's Services	41,980	40,776	1,204	745	459
3	Community Care Services	20,728	19,310	1,418	545	873
4	Corporate Services	10,044	9,795	249	182	67
5	Development Services	13,978	12,661	1,317	460	857
6	Infrastructure Services	21,123	20,775	348	177	171
7	Fund Manager Fees	1,070	1,228	(158)	0	(158)
8	GENERAL FUND SERVICES NET EXPENDITURE (equals lines 1-7)	110,657	106,206	4,451	2,118	2,333
9	Cost Pressures & Contingency	1,821	91	1,730	48	1,682
10	Recharges Out (to Other Funds/External Bodies)	(2,106)	(3,167)	1,061	0	1,061
11	TOTAL NET GENERAL FUND EXPENDITURE (equals line 8 - 10)	(110,372)	(103,130)	7,242	2,166	5,076
12	Funded by:					
13	GRG/NNDR (Scottish Government Allocation)	(86,622)	(86,674)	52	0	52
14	Council Tax	(8,408)	(8,350)	(58)	0	(58)
15	TOTAL CORE FUNDING (equals lines 12-14)	(95,030)	(95,024)	(6)	0	(6)
16	Deficit to be funded from Reserves:					
17	Draw on Reserves – General Fund (Sustainable)	(6,353)	(6,353)	0	(2,166)	2,166
18	Draw on Reserves – General Fund (Unsustainable)	(8,494)	(1,266)	(7,228)	0	(7,228)
19	Draw on Reserves – Spend to Save	(495)	(487)	(8)	0	(8)
20	TOTAL FUNDING FROM RESERVES (equals lines 17-19)	(15,342)	(8,106)	(7,236)	(2,166)	(5,070)
21	TOTAL FUNDING (equals line 15 plus line 20)	(110,372)	(103,130)	(7,242)	(2,166)	(5,076)
22	Balanced budget (line 11+21)	0	0	0	0	0

Expenditure

- 2.02 The General Fund Services Net Expenditure was budgeted to be £110.6m in 2014-15 as shown at Line 8 in the table above, actual expenditure of £106.2m has been incurred resulting in an underspend for the year of £4.4m. This expenditure represents the spending on the day to day costs of Council services. Detailed variances are included in the individual committee reports. A high level summary is set out below:
- 2.03 Chief Executive & Cost of Democracy (**£0.1m or 4% underspend**)
- minor underspends from vacancies and on operating costs.
- 2.04 Children's Services (**£1.2m or 3% underspend**)
- mainly underspends on energy and maintenance £230k, supplies and services £323k and additional grant income £513k across the service.
- 2.05 Community Care Services (**£1.4m or 7% underspend**)
- mainly underspends on employee costs across the service £1.1m and additional boarding and accommodation income £411k.
- 2.06 Corporate Services (**£0.2m or 2% underspend**)
- mainly underspend on employee costs £348k offset by loss of income from rates discretionary relief £155k.
- 2.07 Development Services (**£1.3m or 9% underspend**)
- mainly underspends on grants £376k, increased income from Shetland Telecom £328k and fishing quota £197k and EU income £277k.
- 2.08 Infrastructure Services (**£0.3m or 2% underspend**)
- mainly increased waste income £320k and underspend on ferry fuel £420k offset by overspend on ferry employee costs and vessel breakdown (£642k)
- 2.09 Fund Managers Fees (**£0.1m or 15% overspend**)
- Fund Managers fees - these are calculated as a percentage of the total funds invested (£158k). These costs have increased because the Council is now investing more funds than the budget was based upon. This cost is more than offset by increased investment returns from Fund Managers.

Funding

- 2.10 The Scottish Government allocation is the Council's General Revenue Grant and the level of income that the Council will receive from the National Non-Domestic Rates Pool. There was additional income received of £52k which had not been budgeted. This related to late allocations of additional funding.
- 2.11 The decrease in Council Tax collected of £58k is due the budget for growth in properties estimated in the budget not being achieved.
- 2.12 The remainder of the funding required to balance the General Fund has to come from the Council's reserves. This was £8.1m in 2014-15 (Line 20 in the table at 2.01) against a budgeted draw of £15.3m, in line with the overall reductions in expenditure as explained in the previous section.

The 2014-15 Harbour Account

3.01 The 2014-15 Harbour Account budget and actual comparison is set out in the table below:

Line No.	Description	2014-15 Revised Budget £000s	2014-15 Actual £000s	2014-15 Variance £000s
1	Sullom Voe	12,830	11,921	909
2	Scalloway	643	627	16
3	Other Piers	581	329	252
4	Jetties & Spur Booms	3,419	4,636	(1,217)
5	Terminals	692	243	449
6	HARBOUR ACCOUNT SERVICES EXPENDITURE (equals lines 1-5)	18,165	17,756	409
	<u>Income</u>			
7	Income Generated from Harbours	(16,970)	(17,737)	767
8	Income Jetties & Spur Booms	(3,419)	(4,636)	1,217
9	TOTAL CORE FUNDING (equals lines 7-8)	(20,389)	(22,373)	1,984
10	TOTAL HARBOUR ACCOUNT NET INCOME (equals line 6 plus line 9)	(2,224)	(4,617)	2,393
	Contributions (from)/to Reserves			
11	Draw on Reserves – Marine Fund	(138)	(153)	15
12	Contribution to Reserves – Reserve Fund	2,362	4,770	(2,408)
13	TOTAL FUNDING FROM/(TO) RESERVES (equals lines 11-12)	2,224	4,617	(2,393)
14	Balanced budget (line 10 plus line 13)	0	0	0

3.02 The Harbour Account budgeted for a contribution to the Reserve Fund of £2.3m in 2014-15 and exceeded this by £2.4m to achieve £4.7m, comprising:

- underspending at Sullom Voe on fuel due to global low fuel price £384k, and support costs £554k; increased income on Scalloway and small piers £954k; reduced maintenance on the ferry terminals £448k; offset by 5 less tanker movements than anticipated resulting in 80 tanker movements in 2014/15 (£354k).
- Note the Jetties and Spur Booms expenditure is fully funded by Sullom Voe operators.

3.03 The increased contribution to the Reserve Fund includes a payment of £2m to the Pension Fund for Towage pension shortfall on the service transferring to the Council.

The 2014-15 Housing Revenue Account Budget

4.01 The 2014-15 Housing Revenue Account budget and actual comparison is set out in the table below:

Line No.	Description	2014-15 Revised Budget £000s	2014-15 Actual £000s	2014-15 Variance £000s	Remove 2014-15 Carry Forwards £000s	2014-15 Revised Variance £000s
	Expenditure:					
1	Supervision & Management	737	845	(108)	0	(108)
2	Repairs & Maintenance	2,369	2,598	(229)	0	(229)
3	Void Rents & Charges	207	126	81	0	81
4	Garages	25	19	6	0	6
5	Capital Funded from Current Revenue	1,338	986	352	0	352
6	Capital Charges – Dwellings	1,731	1,784	(53)	0	(53)
7	TOTAL EXPENDITURE (equals lines 1-6)	6,407	6,358	49	0	49
	Income:					
8	Interest on Revenue Balances	(4)	(3)	(1)	0	(1)
9	Rents – Dwellings	(6,471)	(6,539)	68	0	68
10	Rents – Other i.e. garages/sites etc	(124)	(179)	55	0	55
11	Contribution to Housing Repairs & Renewals Fund (Reserves)	(192)	(363)	(171)	0	(171)
12	TOTAL FUNDING (equals lines 8-11)	(6,407)	(6,358)	(49)	0	(49)
13	Balanced HRA budget (line 7 plus line 12)	0	0	0	0	0

4.02 The Housing Revenue Account (HRA) delivered against its 2014-15 budget. There was an increased contribution to the Housing Repairs and Renewals Fund of £171k.

- Increased costs on supervision, management and repairs and maintenance of £337k has been offset by a reduction in the need to fund capital from current revenue of £352k, due to increased capital receipts, and an increase in rents received of £123k.
- The net effect is an additional £171k contribution to the Housing Repairs and Renewals Fund.

The Asset Investment Plan (Capital Programme) Budget

5.01 The 2014-15 Asset Investment Plan budget and actual comparison is set out in the table below:

Description	2014-15 Revised Budget £000s	2014-15 Actual £000s	2014-15 Variance £000s	Remove 2014-15 Carry Forwards £000s	2014-15 Revised Variance £000s
Expenditure:					
New Developments - Contractually Committed Projects	6,049	4,554	1,494	2,383	(890)
Maintenance of Existing Assets	6,916	5,130	1,786	1,400	386
Spend to Save Projects	1,630	489	1,142	655	487
Housing Revenue Account Projects	2,087	2,286	(199)	0	(199)
TOTAL EXPENDITURE	16,683	12,461	4,222	4,437	(215)
Income:					
Capital Grants/External Funding	(9,754)	(9,373)	(380)	0	(380)
Capital Funded from Current Revenue (GF, Harbour and HRA)	(2,009)	(985)	(1,024)	0	(1,024)
Capital Receipts (General Fund and HRA)	(1,250)	(2,404)	1,154	0	1,154
TOTAL INCOME	(13,013)	(12,762)	(251)	0	(251)
Spend to Save – Draw on Reserves	(1,630)	0	(1,630)	(655)	(976)
Draw on Reserves	407	1,102	(695)	(2,537)	1,842
Borrowing – GF and Harbour	(2,447)	(801)	(1,646)	(1,246)	(400)
TOTAL DEFICIT FUNDING REQUIRED	(3,670)	301	(3,971)	(4,437)	466
TOTAL FINANCING	(16,683)	(12,461)	(4,222)	(4,437)	215
Balanced Asset Investment Plan	0	0	0	0	0

5.02 The Asset Investment Plan under-spent against its revised expenditure budget for 2014-15 by £4.2m. The most significant variances were as follows:

- There was accelerated spending on the new AHS project as a result of SFT guidance to pay fees which were not factored into the budget when it was set which resulted in an overspend (£1.3m). This was offset by slippage on the Scalloway School NHS Conversion £636k, Eric Gray Replacement £177k, Clickimin Roundabout/ Access Road £751k and the AHS Clickimin Path £700k; ET & Taing Ph2 £1.1m, ferry/terminal life extensions £580k, bridge replacements £484k and the Town Hall conservation project £396k.

Spend to Save Budget

6.01 The 2014-15 Spend to Save budget and actual comparison is set out in the table below:

Description	2014-15 Revised Budget £000s	2014-15 Actual £000s	2014-15 Variance £000s	Remove 2014-15 Carry Forwards £000s	2014-15 Revised Variance £000s
Expenditure:					
Revenue Projects	495	487	8	0	8
Capital Projects	1,630	488	1,142	655	486
TOTAL EXPENDITURE	2,125	975	1,150	655	495
Funded by:					
Draw on Reserves – Spend to Save	(2,125)	(487)	(1,638)	(655)	(983)
Capital Grant	0	(488)	488	0	488
TOTAL FUNDING	(2,125)	(975)	(1,150)	(655)	(495)
Balanced Spend to Save	0	0	0	0	0

6.02 The 2014-15 Spend to Save was underspent due to the reduced scope and slippage mainly on the ET & Taing House Phase 2 by £1.1m.

2014-15 Carry Forwards into 2015-16

7.01 The 2015-16 revenue budget did not include any carry-forward allocations. However, in line with the carry-forward scheme there are a number of carry-forward requests by Directorates into the new financial year. The table below sets these items out:

Directorate	Reason	2014-15 Carry-Forward Budget Request £000s	2015-16 Additions to Directorate Totals £000s
Executive & Corporate	External Funding Committed Expenditure 50% Underspend	112 4 75	191
Children's Services	External Funding 50% Underspend	423 322	745
Community Care	External Funding 50% Underspend	37 508	545
Development	External Funding Committed Expenditure 50% Underspend	101 101 258	460
Infrastructure	External Funding 50% Underspend	5 172	177
Contingency & Cost Pressure	50% Underspend	48	48
TOTAL EXPENDITURE			2,166
<i>Funded by:</i>			
General Fund - Draw on Reserves in 2015-16			(2,166)
TOTAL FUNDING			(2,166)
Balanced Carry Forwards			0

7.02 The 2014-15 outturn has been adjusted so that the revised variances in this report exclude the items above so that they are budgeted in the correct year.

7.03 The 2015-16 capital budget did not include any carry-forward money. However, in line with the carry-forward scheme only committed project underspends can be carried forward. The carry-forward requests by Directorates into the new financial year are set out in the table below:

Directorate	Reason	2015-16 Requested Additions to Directorate Totals £000s
Children's Services	Committed Projects	700
Community Care	Committed Projects	1,469
Development	Committed Projects	114
Infrastructure	Committed Projects	2,154
TOTAL EXPENDITURE		4,437
<i>Funded by:</i>		
General Fund-Draw on Reserves in 2015-16		(2,537)
Spend to Save-Draw on Reserves in 2015-16		(655)
Borrowing		(1,246)
TOTAL FUNDING		(4,437)
Balanced Carry Forwards		0

7.04 The 2014-15 outturn has been adjusted so that the revised variances in this report exclude the items above so that they are budgeted in the correct year.



**Policy and Resources Committee
Shetland Islands Council**

**27 May 2015
27 May 2015**

Progress Report – Asset Investment Plan

CPS-09-15-F

Executive Manager – Capital Programme

Capital Programme Service

1.0 Summary

- 1.1 The 5-year Asset Investment Plan (AIP) detailing budgets listed in Appendix A was approved on 3 December 2014 (Min. Ref, 96/14). This report advises the Council on the progress on the projects contained within the AIP.
- 1.2 It includes a summary of the financial status and predicted outturn for the full life of each project.

2.0 Decision Required

- 2.1 That the Policy and Resources Committee RECOMMENDS that the Council notes the progress on the projects within the AIP.

3.0 Detail

- 3.1 This report provides an overview of the full life of each project, based on the revised budget and the predicted outturn.
- 3.2 Where projects take place over a number of financial years, this report summarises the position from the beginning to completion of the project. Rolling programmes are not included in this report.
- 3.3 Quarterly monitoring reports on capital expenditure are now provided by the Executive Manager - Finance, detailing the progress of capital projects within the current financial year. These reports include information on rolling programmes.
- 3.4 The detailed project information is attached as Appendix A.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – This report forms part of the annual performance reporting arrangements on financial matters in support of the Financial Strategy, Reserves Policy and Budget Strategy.
- 4.2 Community/ Stakeholder Issues – None
- 4.3 Policy and/ or Delegated Authority – Approval of the financial strategy and budget framework is a matter reserved for the Council having taken advice from the Policy and Resources Committee.
- 4.4 Risk Management – The main areas of risk are financial in terms of over or under-spend. Regular progress reports to Committee and the Council enable Members to monitor the investment plan.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – None

Resources

- 4.7 Financial – This report shows that the full life predicted outturn cost of the projects in the Asset Investment Plan totals £104.3m, of which £40.1m is externally funded (38%), resulting in a total estimated cost to the Council of £64.2m. The expenditure to date on these projects is £46.3m with £58m spend outstanding.
- 4.8 Legal – None
- 4.9 Human Resources – None
- 4.10 Assets And Property – None

5.0 Conclusions

- 5.1 This report provides an update on progress in delivering the Asset Investment Plan and summarises the full life financial position for each project.

For further information please contact:

Robert Sinclair, Executive Manager Capital Programme 01595 744144

robert.sinclair@shetland.gov.uk

List of Appendices: Appendix A - Progress Report - Asset Investment Plan

Background documents: None

END

Capital Projects - Full Life Project Costs

CPS-09-14 Appendix A

Directorate	Service Area	Budget				Funding		Expenditure	
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to Date £	Project Cost Outstanding £
Childrens Services	Schools	48,974,402	0	48,973,628	773	31,813,247	17,160,381	3,126,221	45,847,407
		48,974,402	0	48,973,628	773	31,813,247	17,160,381	3,126,221	45,847,407
Community Care Services	Adult Service	4,657,083	0	4,206,228	450,855	2,000,000	2,206,228	2,849,940	1,356,288
	Occupational Therapy	8,790,449	0	8,786,801	3,649	1,534,000	7,252,801	3,210,208	5,576,593
		13,447,532	0	12,993,029	454,504	3,534,000	9,459,029	6,060,148	6,932,881
Development Services	Economic Development	2,414,219	0	2,443,523	(29,303)	287,220	2,156,303	2,443,523	0
	Housing	8,226,299	0	8,395,086	(168,787)	1,060,000	7,335,086	8,395,086	0
	Shetland College	5,036,186	0	5,139,789	(103,603)	2,309,000	2,830,789	5,134,789	5,000
		15,676,704	0	15,978,398	(301,694)	3,656,220	12,322,178	15,973,398	5,000
Infrastructure Services	Environmental Services	711,949	0	686,292	25,657	0	686,292	366,291	320,000
	Estate Operations	3,675,000	928,540	3,293,644	381,356	1,002,500	2,291,144	158,027	3,135,617
	Ferry Operations	1,243,978	0	1,188,640	55,338	0	1,188,640	1,021,784	166,856
	Roads	2,344,769	0	1,981,115	363,653	0	1,981,115	801,271	1,179,845
	Ports & Harbours	19,130,463	0	19,201,241	(70,779)	95,398	19,105,843	18,795,179	406,062
		27,106,158	928,540	26,350,932	755,226	1,097,898	25,253,034	21,142,552	5,208,380
	Total All Funds	105,204,796	928,540	104,295,986	908,810	40,101,365	64,194,621	46,302,319	57,993,667

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCE1221	Happyhansel PS Extension	509,657	0	508,884	773	322,366	186,518	508,884	0	Within budget and contract practical completion issued end March 2014 with some additional works completed summer 2014. Final account paid in March 2015.
GCE1304	Anderson High School Replacement	47,449,744		47,449,744	0	30,995,881	16,453,863	2,326,966	45,122,778	The project has progressed to detailed design stage and work is ongoing to finalise the project cost and programme.
GCE1305	Anderson High Clickimin Path Upgrade	1,015,000	0	1,015,000	0	495,000	520,000	290,372	724,628	SIC/Sustrans funded project. The west path and link to Staneyhill are complete and in use, works to the east path ongoing. Rugby pitch path complete but will not be in use until the roundabout is complete.
Total		48,974,402	0	48,973,628	773	31,813,247	17,160,381	3,126,221	45,847,407	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCA0241	Extensions to ET & Taing Houses - Spend to Save Project	2,657,083	0	2,206,228	450,856	0	2,206,228	1,486,228	720,000	Phase 1 complete, but Final A/C not yet settled. Phase 2 - scope of project reduced with anticipated underspend against set budget. Budget slippage to 15/16 required.
GCA0242	NHS Conversion Scalloway School	2,000,000	0	2,000,000	(0)	2,000,000	0	1,363,712	636,288	NHS funded project, works programme commenced August 2014. Upgrade to 'old' secondary premises complete and Primary School moved in December 2014. The Health Centre works are ongoing with completion estimate of August 2015.
GCA0237	Eric Gary Replacement	5,705,312	0	5,705,312	0	0	5,705,312	128,719	5,576,593	Detailed design ongoing with planning permission agreed in principal, full planning anticipated May 2015. Building Warrant to be submitted during May 2015. Anticipate tenders will be issued October 2015.
GCA0233	Occupational Therapy Resource Centre	3,085,137	0	3,081,489	3,649	1,534,000	1,547,489	3,081,489	0	Building officially opened on 24 July, 2013 with NHS jointly funding this project. Final account agreed less than anticipated.
Total		13,447,532	0	12,993,029	454,504	3,534,000	9,459,029	6,060,148	6,932,881	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCY5141	Landfill Capping	711,949	0	686,292	25,657	0	686,292	366,291	320,000	Phase 1 Project complete with anticipated saving of £26k in 14/15. The budget shown includes further phases due to start in 15/16 and 17/18.
GCY5507	Town Hall and Lystina Conservation Project	2,115,000	928,540	1,758,617	356,383	0	1,758,617	78,617	1,680,000	Only £79K spent in 14/15 financial year as efforts to secure external funding are ongoing. A members seminar is being planned to explain options.
GCY5512	Bells Brae PS Refurbishment	875,000	0	875,000	0	586,000	289,000	7,037	867,963	Bells Brae PS reroof at design stage with consultant appointments made. The main contract works are phased over two financial years - 15/16 & 16/17.
GCY5513	Sound PS Refurbishment	625,000	0	625,000	0	416,500	208,500	41,846	583,154	Sound PS reroof, main contract works onsite and phased over two financial years 15/16 & 16/17.
GCY6139	Clickimin Roundabout Works	872,000	0	872,000	0	0	872,000	121,330	750,670	Earthworks and culvert works progressing with services works commencing soon; this will be followed by kerbing and tarring. Slippage required to 15/16 to complete works.
GCY6205	Laxaburn Bridge Replacement	252,324	0	219,863	32,461	0	219,863	212,863	7,000	Bridge works complete and safety barrier installed at end October 2014. Fencing and reseeding still to be completed with carry forward required to next financial year for these works.
GCY6208	Effirth Bridge	214,455	0	209,045	5,410	0	209,045	209,045	0	Contract works complete with retention paid in 14/15.
GCY6209	Burra Bridge Bearings	385,989	0	210,207	175,782	0	210,207	120,288	89,919	Bearings installed and walkway under construction. Saving of 120K on this project previously transferred to cover Foula Bridge emergency works.
GCY6210	Trondra Bridge Bearings	500,000	0	350,000	150,000	0	350,000	17,745	332,255	Contract awarded with 10 week lead in time - anticipate start August 2015.
GCY6211	Foula Bridge	120,000	0	120,000	0	0	120,000	120,000	0	Project Complete - budget for emergency repairs created from savings on Burra Bridge following heavy rainstorm which rendered bridge unusable.

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCY7216	Viking Bus Terminus/Shelters	60,000	0	35,027	24,973	0	35,027	30,527	4,500	Main works complete but still to progress additional storage to COPE, a small carry forward will be required.
GCY7634	Ticket Machines - Spend to Save	159,978	0	106,793	53,185	0	106,793	106,793	0	BRO advises this project is complete and under budget.
GCY7635	Bigga Life Extension	900,000	0	900,000	0	0	900,000	783,144	116,856	New propellers fitted, shot blasting and re-engine completed in 14/15. BRO has requested balance to be carry forward to 2015/16 to complete works as retention is still to be paid and spare propellers are to be purchased.
GCY7636	Yell Ferries Monitoring System	134,000	0	131,847	2,153	0	131,847	131,847	0	Additional budget created from savings within Ferry Operations to enable purchase of enhanced monitoring system. Project completed in November 2014.
GCY7637	Linga Conversion	50,000	0	50,000	0	0	50,000	0	50,000	Design fees for propulsion and control systems upgrade delayed, carry forward of budget to 15/16 required.
GCM2313	Tugs for Sellaness	15,239,149	0	15,242,339	(3,190)	0	15,242,339	15,242,339	0	Final works completed summer 2014 - overspend relates to legal fees.
GCM2316	Walls Pier	3,205,314	0	3,225,893	(20,579)	95,398	3,130,494	3,224,743	1,150	Practical completion reached and the pier opened at end of May 2014. Overspend relates to final commissioning report, additional officer time & recharge. External funding less than originally anticipated. Final account and related officer time will not be processed until 2015/16.
PCM2141	Lerwick Terminal Life Extension	75,000	0	75,000	0	0	75,000	0	75,000	Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage required to 15/16.
PCM2142	Bressay Terminal Life Extension	75,000	0	75,000	0	0	75,000	0	75,000	Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage required to 15/16.

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
PCM2143	Belmont Terminal Life Extension	135,000	0	135,000	0	0	135,000	64,007	70,993	Refendering completed in 14/15. Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage required to 15/16.
PCM2144	Gutcher Terminal Life Extension	250,000	0	250,000	0	0	250,000	67,079	182,921	Refendering completed in 14/15. Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage required to 15/16.
PCM2146	Toft Terminal Life Extension	1,000	0	1,000	0	0	1,000	0	1,000	Dive survey funding
PCM2147	Vidlin Terminal Life Extension	50,000	0	61,068	(11,068)	0	61,068	61,068	0	Rubber D fendering replaced at Terminal.
PCM2148	Laxo Terminal Life Extension	50,000	0	68,061	(18,061)	0	68,061	68,061	0	Rubber D fendering replaced at Terminal.
PCM2149	Symbister Terminal Life Extension	50,000	0	67,881	(17,881)	0	67,881	67,881	0	Rubber D fendering replaced at Terminal.
Total		27,106,158	928,540	26,350,932	755,226	1,097,898	25,253,034	21,142,552	5,208,380	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCD1576	Fibre Optic Project Phases I, II & III	1,312,370	0	1,340,854	(28,484)	287,220	1,053,634	1,340,854	0	Contract phases 1, 2 & 3 complete. Phase 3 originally delayed by consent approvals and amended to landward route. Landowner / tenant compensation payments accrued at year end. Final splicing and testing being carried out by Council engineers.
GCD1577	Fibre Optic Project - Phases IV, V & VI	1,101,850	0	1,102,669	(819)	0	1,102,669	1,102,669	0	Works complete but retention accrual slightly less than actual payment. Remedial road works carried out by Roads Service £639.
UCL5203	Shetland College Extension	5,036,186	0	5,139,789	(103,603)	2,309,000	2,830,789	5,134,789	5,000	Practical completion issued end March 2014, with some further works carried out during summer holidays 2014. The final A/C has not yet been agreed with contractor but estimated costs have been accrued. Officer time will be required in 15/16 to complete final A/C.
Total		7,450,405	0	7,583,312	(132,907)	2,596,220	4,987,092	7,578,312	5,000	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
HCH3304	Brae New Housing	1,800,276	0	1,854,664	(54,388)	460,000	1,394,664	1,854,664	0	Contract works practically complete at end July 2014, with retention to be paid in 2015/16.
HCH3305	Hoofields New Housing	3,763,535	0	3,740,736	22,799	600,000	3,140,736	3,740,736	0	Project complete with final account agreed £4.3K less than anticipated. £9.2K refund also received from Scottish Water following commissioning works.
HCH3706	Heating Replacement Programme	300,000	0	369,201	(69,201)	0	369,201	369,201	0	Rolling programme of works with the budget and spend identified here for financial year 14/15 only.
HCH3711	Retentions/ Final Accounts	20,000	0	0	20,000	0	0	0	0	Budget held for outstanding final A/Cs
HCH3712	Housing Quality Standard	1,407,249	0	1,511,553	(104,304)	0	1,511,553	1,511,553	0	Numerous contractual appointments made (Kitchens / Windows / Insulation / Roofing etc.). Rolling programme of works with the budget and spend identified here for financial year 14/15 only.
HCH3715	Landward Crudens (Voe / Whalsay)	935,239	0	918,933	16,306	0	918,933	918,933	0	Project complete - snagging works and final accounts agreed less than anticipated. Internal recharge posted at financial year end.
Total HRA		8,226,299	0	8,395,086	(168,787)	1,060,000	7,335,086	8,395,086	0	



Shetland Islands Council

27 May 2015

Corporate Plan - 2015 update	
CE-02-15-F	
Report Presented by Executive Manager	Chief Executive's Department

1.0 Introduction

- 1.1 This report introduces the 2015 update to the Corporate Plan 2013-17. The purpose of the report is to provide an update to show some of the things that have been delivered to meet the Plan's underpinning objectives, and set out targets for this current financial year.

2.0 Decision Required

That the Council RESOLVE to:

- 2.1 APPROVE the 2015 update of the 2013-17 Corporate Plan, which is attached as Appendix 1.

3.0 Detail

- 3.1 The Council agreed the current Corporate Plan at its meeting on 12 June 2013 (min ref. 46/13). The timescale for that Plan means it runs through to the end of this Council term.
- 3.2 In order to keep an eye on progress, a report was produced in May last year (min ref. 37/14), setting out a list of achievements against objectives, updating wording and targets in the Plan.
- 3.3 The attached Appendix sets out a 2015 update on the 2013-17 Plan. This is presented in plain text format for ease of reference, but is not how the final content will appear in the published document.
- 3.4 The Plan is divided into ten sections, reflecting the areas Members wished to focus on in 2013.
- Supporting adults to be independent
 - The best possible start for every child
 - The transport services we need

- Healthy economy
- Strong communities
- Working with partners
- Vulnerable and disadvantaged people
- A properly led and well-managed Council
- Dealing with challenges effectively
- Living within our means

Each section is sub-divided into a narrative description of “**What we want to achieve**”, “**By the end of this Plan we will have**” and “**What we need to change and how we will do it**”. These are medium-term statements of our intent, not necessarily intended to be delivered this coming year.

The detail is then built up with a “**We have already**” section, to highlight achievements looking back over the past year and a “**This year we will**” section, looking ahead to this coming financial year. It is acknowledged that more could be done to ensure the wording in the Plan is free of technical terms. The original Plan achieved the Plain English Campaign’s Crystal Mark, and that is a standard we should aspire to.

- 3.5 Content for the report has largely been extracted from Departmental Service Plans, reflecting a strong linkage between the strategic “Corporate” Plan and service level delivery plans.
- 3.6 During discussions with Members, the point was made that this would be a useful time – with two years left to run in the Council term – to take another look at the 2013-17 Plan. That work has now begun and will progress over the next few months, with input from Members and senior managers.

4.0 Implications

Strategic

- 4.1 Delivery on corporate priorities
Effective Planning and Performance Management are key features of a well run organisation meeting the obligations of Best Value. The regular review and update of key plans is an important feature of the Council’s Planning and Performance Management Framework.
- 4.2 Community/Stakeholder Issues
This update report was prepared following discussions with key stakeholders, namely Councillors and senior management. Once the text has been agreed, the Plan will be entered into the original design template, published on the Council’s website and circulated to all staff.

- 4.3 Policy and/or Delegated Authority
The Councils Constitution – Part A Governance - specifies the Policy and Resources Committee as the managing body for the Corporate Plan but decision making responsibility is reserved to the full Council.
- 4.4 Risk Management
Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on service user needs and being subject to further negative external scrutiny.
- 4.5 Equality, Health and Human Rights - None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial
The actions, measures and risk management described in this report have been developed within the resource limits of existing approved budgets.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Asset and Properties – None.

5.0 Conclusions

- 5.1 This report has introduced the 2015 update on the 2013-17 Corporate Plan. Once the wording has been agreed, the new Plan will be published on the Council's website and circulated to staff.

For further information please contact:
Mark Boden – Chief Executive
01595 744501 chief.executive@shetland.gov.uk

19 May 2015

END

Supporting adults to be independent

What we want to achieve...

Providing high-quality care and support to an ageing population and to people with a disability is a basic principle of social justice and is an important hallmark of a caring and compassionate society.

The elderly population in Shetland continues to rise and so does the number of adults with complex needs. Everyone wants to live an active, independent life for as long as possible. We need to find ways to make that possible, including providing help when needed.

The way we provide help will have to be different to maintain the independence of an increasing elderly population within the available resources.

By the end of this plan, we will have:

- Redesigned services for elderly people and adults with a learning disability, autistic spectrum disorder, physical disability or mental-health problem to help them live as independently as possible.
- Increased services that help people to live longer independently in their own homes, for example by supporting people with their medicines as outlined in *Prescription for Excellence*, and provided extra-care housing options to provide support in homely settings.
- Provided people with direct payments and personal budgets where they want that, so they can make the choices they want for their lives.
- Arrangements in place for locality based integrated Health and Social Care resource allocation and management to focus on specific community needs.
- Built on established relationships with third sector partners to help to further develop effective capacity that supports people to live as independently as possible.

What we need to change and how we will do it...

We have to concentrate on helping people keep or regain their own independence, an approach sometimes called reablement. We will meet the highest levels of assessed needs first and find ways to help others to provide services when that actually works best.

We have already

- Implemented the 'Reshaping Care for Older People Change Plan', 2014/15.
- Reviewed the feasibility study and proposals for day services for people with

learning disability, autistic spectrum disorder and complex needs. The aim being to ensure any new build is affordable in terms of both capital and revenue and meets the needs of this care group in a way that is effective and sustainable in the longer term.

- Undertaken a review of the Supported Living Model for adults with learning disabilities.
- Begun the identification of current resources within identified localities and mapped current usage.
- Held locality based engagement events to explain what we want to achieve through integration and locality working.
- Worked with our third sector colleagues to develop a shared understanding of current and future needs in supporting people to remain active and independent.
- Completed the reprovision of Viewforth, accommodating residents in more modern and suitable surroundings.
- Further developed the range of 'technology enabled care' that we can offer to maintain people safely in their own homes.

This year we will:

- Continue to develop the implementation of technology enabled care across all service areas in order to support more people to remain at home and to reduce the need for paid staff and unnecessary intrusion into people's lives.
- Implement the actions arising from the review of Shetland's single shared assessment process, *With You For You*.
- Implement the Self Directed Support (SDS) Strategy to meet the provisions of the SDS (Scotland) Act 2013.
- Develop Integrated Locality Service Plans within localities that include all of the available assets.
- Assist the Shetland Partnership with implementing the redesign of community justice.
- Embed the redesign of Drug and Alcohol services to achieve consistently better outcomes for service users.
- Refresh the Disability Strategy.
- Implement the Integrated Care Fund Plan.
- Develop the Autism Strategy and Action Plan.

The best possible start for every child

What we want to achieve...

We are determined that all our young people will have the best opportunity to be successful learners, confident individuals and responsible citizens who contribute effectively to society.

We will continue to focus on ensuring all children are safe and protected from harm and providing high quality services to children and young people who are looked after.

We will also continue to focus on education so that pupils can have a high quality education, provided in an appropriate environment, with as many opportunities as possible including implementing Curriculum for Excellence in accordance with national timescales and milestones.

We will support people of all ages to get the most out of the Shetland Library, including through early years literacy, IT skills development and one-to-one support. We will strive towards increased levels of physical activity and encourage more people to take part in sport and other cultural activities.

We will provide the very best services we can within the resources available. We will make changes where we can to make services better or more sustainable. We will make sure we communicate well with service users and our partners both within the Council and externally.

By the end of this plan we will have:

- Continued to provide a full range of child protection services to ensure children and young people are protected from harm.
- Continued to provide high quality services to children and young people who are looked after.
- Implemented the Curriculum for Excellence and other government requirements in accordance with national timescales and milestones.
- Developed educational opportunities by establishing a partnership between secondary education and further and higher education and developing a Shetland Learning Campus.
- Worked to embed further the revised multi-agency approach to *Getting It Right for Every Child* in Shetland.
- Evaluated the school estate and put forward proposals to provide the best possible service within the resources available.
- Built the new Anderson High School.

- Supported people of all ages to get the most out of the Shetland Library including through early years literacy, IT skills development and one-to-one support.
- Increased levels of physical activity and encouraged more people to take part in sport and other cultural activities.

What we need to change and how we will do it...

We need to focus more on taking action early and preventing harm for those children and families who are not experiencing the best start in life, for whatever reason.

We have already:

- Increased entitlement of Early Learning and Child Care for pre-school children.
- Ensured that '*Getting it Right for Every Child*' documents are now used by all schools to record pupils' additional needs.
- Updated the Children's Social Work Policy and accompanying procedures/quality assurance processes.
- Completed the review of children's residential care and put a development plan in place.
- Produced Shetland's Looked After Children Strategy 2014-19 and developed an action plan.
- Completed a review of Sport and Leisure facilities and service in Shetland.
- Developed legacy plans for Shetland to take advantage of the major national events that took place in 2014, such as *Homecoming 2014*, the *Queens Baton Relay*, the *Commonwealth Games* and *Ryder Cup*.
- Progressed a number of programmes under the Shetland Learning Partnership; including the provision of more online learning opportunities.

This year we will:

- Progress construction works on the new Anderson High School according to the project work programme.
- Implement the actions in the Additional Support Needs Review Action Plan that are due for 2015-16.
- Publish a new Childcare Strategy with the aim of more effectively matching provision of, and demand for, childcare places across Shetland.
- Establish two virtual academies within the Shetland Learning Partnership, offering additional course choices for senior phase pupils.
- Implement the new four year (2015-19) investment agreement with Sportscotland

and partners for Active Schools and other priority areas.

- Improve and promote digital services at Shetland Library e.g. hyperlinks to e-resources in catalogue; digitize talking newspaper; maintain customer help and outreach.
- Refurbish the Stendaal Play Area in Nesting and partially refurbish the Charlestown Play Area in Whalsay, to encourage more children and young people to be physically active and learn through active play.

The transport services we need

What we want to achieve...

Shetland is a group of islands. Nothing can change our basic geography and 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.

Communities have told us that supporting economic activity, local businesses and access to jobs is the top priority for internal transport and that access to services and social facilities is not as important to them.

External transport is one of the most significant issues for Shetland's medium-term and long-term economic growth and social wellbeing. We have been campaigning hard to make sure these needs are properly understood regionally and nationally so transport has been a key theme to *Our Islands Our Future* discussions.

Now that the major service review has been completed we need to look further forward and we are developing a long term infrastructure investment plan, looking ahead 50 years. This is an important step in the process of deciding how we meet Shetland's main transport needs cost-effectively, including deciding whether fixed transport links are a realistic and affordable alternative to ferries.

By the end of this plan we will have:

- Implemented transport arrangements that meet people's current needs and which we can afford to maintain in the medium term.
- The most effectively used and looked after medium-term transport assets possible, including roads which are being maintained properly.
- A long term infrastructure investment plan to target capital expenditure on internal transport systems and options over the next 50 years, with a realistic funding programme.
- A programme of potential changes to our long-term external transport systems to meet our economic growth needs, again with a realistic funding programme

What we need to change and how we will do it...

For the medium term we need to understand how we meet Shetland's main transport needs cost-effectively, then develop services to best meet those needs. For the longer term we need to decide whether fixed transport links are a realistic and affordable alternative to ferries, and how we can improve external transport links to encourage economic growth.

We have already:

- Conducted a Bus Network Redesign - of both School & Public Transport - to more efficiently link together services.
- Developed new arrangements for additional support needs and community care bus transport that more efficiently link together services.
- Carried out assessments of the Ferry Review to understand the impacts of change for individuals, communities and businesses.
- Improved our performance against the national measure: '*percentage of A class roads that should be considered for maintenance treatment*', by targeting reduced resources more effectively.

This year we will:

- Look to increase the usage of smart cards, chip and pin facilities and online booking facilities for internal ferry travel.
- Engage with Scottish Government on our external ferry provision beyond the current contract which ends in 2018.
- Engage with Scottish Government on our internal ferry provision.
- Develop and promote the new public bus network, increasing passenger usage and ticket income and managing revenue security.
- Work with Fair Isle, Foula, Skerries, and Papa Stour communities to develop sustainable air and ferry services.
- Deliver the agreed carriageway re-surfacing, surface dressing and road reconstruction programmes.

Healthy economy

What we want to achieve...

We can't take action like we used to, but we can work in partnership with individuals, communities and businesses to understand what would help them to turn an idea into a business, get a community project off the ground, expand an existing company or find a new market.

Shetland has many resources and a lot of talent. We need to work together to make the best of these. If everyone has the opportunity to work, improve their skills and

make a positive contribution to the islands' increasing prosperity, we will create a wealthier, fairer and smarter Shetland.

By the end of this plan we will have:

- A wider business base, and a closer partnership with businesses in both traditional and emerging sectors.
- Maintained Shetland's overall high rates of employment.
- Made high-speed broadband available to 84% of households.
- More highly skilled and well paid jobs across Shetland.
- Those jobs to be in a wider range of business areas than they are at the moment
- A developing resident labour force suitably skilled and qualified to take up those jobs.

What we need to change and how we will do it...

We no longer have the money to make widespread direct investments and support payments to local businesses, so we have to help in new ways.

We have already:

- Transferred Shetland Development Trust assets to the Council.
- Developed the Digital Shetland Strategy and action plan to deliver high speed broadband.
- Established 3-year work targets for Promote Shetland.
- Carried out an Employer Survey.
- Agreed the Local Development Plan and submitted to Scottish Government.

This year we will:

- Evaluate the business case for the Council's role in the roll-out, up take and development of broadband in Shetland.
- Progress Shetland's Tertiary Education Research and Training Project to achieve a decision on an integrated model of governance and delivery.
- Review the Economic Development service in the context of a currently strong local economy and preparing for the future;
- Complete a plan for the lending processes, policies, resources and staffing needed for commercial lending
- Advance the development of a centre for knitwear production/promotion.

Strong communities

What we want to achieve...

Shetland has a very proud history of strong and capable communities and we understand that people are more able to live fulfilling lives and achieve their social and economic potential in strong, resilient and supportive communities.

Successful places depend on individuals, families, voluntary organisations, community groups, public bodies and businesses all working together to find the best ways to do things, their solutions to problems and the new ideas to help their communities stay strong and vibrant in a changing world.

By the end of this plan we will have:

- More resilient and long-lasting communities and community enterprises across Shetland.
- Found ways to help increase supply of affordable housing across Shetland.
- Maintained working-age population levels throughout Shetland.

What we need to change and how we will do it...

We will listen to communities so we understand their needs, and we will talk and listen to them when we are making decisions.

We have already:

- Worked to implement the changes arising from the Community Planning & Development Service review.
- Carried out a review of community grants, including impact analysis, prioritisation, consultation and support to community groups during the transitional year.
- Completed the redesign of the Housing Support Service, to modernise the service to meet national and local aims.
- Participated in the Improvement Service supported work around enhancing and supporting the role of Community Councils.

This year we will:

- Develop a community benefit policy, a key objective of which is to contribute to the provision of affordable housing.
- Support communities and our partners in the third sector to develop the transport solutions that meet community needs, including community run transport solutions.

- Prepare the Main Issues report for the next Local Development Plan.
- Work with Scottish Government as we look to introduce the concept of Participatory Budgeting in Shetland.
- Build capacity of community groups to access external funding and be self sustaining, with reduced reliance on revenue grant aid.
- Deliver on the Local Housing Strategy through joint working with Planning, Hjaltsland Housing Association and other partners. A key objective is to build 200 new homes, in line with the 5 year Strategic Housing Investment Plan.
- Develop and implement Community Forums to build strong participation in local democracy, and support Elected Members in their community leadership roles

Working with partners

What we want to achieve...

No agency working on its own can solve some of the deep-rooted problems around inequalities that have existed in society for years.

We must work together with our public sector partners, the voluntary sector, businesses and communities to share resources, skills, ideas and solutions if we are going to get the best results.

By the end of this plan we will have:

- Established a fully integrated Health and Social Care Partnership.
- A shared understanding of the financial, physical, and human resources available across the Shetland Partnership and the best way to use these together.
- Made sure that we are making the best choices between public, private and voluntary sector partners providing services.
- Removed any barriers that stop more efficient and effective use of private and voluntary sector partners providing services.
- A greater understanding about what each organisation can do and involved the private and voluntary sector more in service areas they haven't previously been involved in.

What we need to change and how we will do it...

It's not just our organisation that is going through difficult financial times. Individuals, communities, businesses and other public bodies are having to manage with less money as well.

We can achieve the most when we genuinely work with each other.

We have already:

- Ensured robust Governance, HR and Financial arrangements are in place to comply with Health & Social Care Integration.
- Worked closely with colleagues in Orkney and the Western Isles Councils to develop the Our Islands Our Future (OIOF) campaign.
- Put in place collaborative estates and maintenance management systems with NHS.
- Agreed the Health and Social Care Integration Scheme and submitted to Scottish Government.

This year we will:

- Work with our community planning partners to produce a new Single Outcome Agreement 2016-20.
- Develop a more effective Shetland Partnership which demonstrates leadership, scrutiny and challenge in line with the challenges set through the National Review of Community Planning and the Statement of Ambition.
- Continue work with our partners towards delivering Health and Social Care Integration.
- Support the Shetland Partnership Resources Group to implement the Agreement on Joint Working and Resourcing.

Vulnerable and disadvantaged people

What we want to achieve...

People who do not have easy access to income, employment and good housing often experience higher levels of ill health, are often less able physically and psychologically to meet challenges, and have less power and influence to bring about change.

To understand this better and develop our evidence base we have contributed to the development of a Minimum Income Standard for remote and rural Scotland to better understand the costs for households living in Shetland and, establish what's required to sustain an acceptable standard of living that allows positive health and well-being.

Poverty and inequality not only reduce levels of opportunity and life experience, but also damage Shetland's economic success and well-being as a community. We have developed an integrated assessment tool to ensure that the changes we have to make to services consider the needs of the most vulnerable people.

We are also committed to concentrating services and resources to take action early to tackle some of the reasons why people become vulnerable and disadvantaged in the first place.

By the end of this plan we will have:

- Concentrated our resources and services on the people who need them most and protected these people from the worst effects of change.
- Provided the right support, at the right time, to help each person find long-term employment opportunities.
- Worked with people who need our help to improve their chances in life.
- Provided people with alcohol and drug dependencies with the opportunity to engage with recovery based programmes that have clear goals and expected outcomes within achievable timescales
- Provided opportunities to develop a positive community and take part in a wider range of activities.
- Identified and addressed new forms of inequality such as not having access to the internet and online services, sometimes called digital exclusion.

What we need to change and how we will do it...

For everything we do, we need to consider the effect it will have on the most vulnerable and disadvantaged in the first place.

We have already:

- Helped to prepare for the statutory and regulatory changes required as part of the Welfare Reform agenda.
- Managed the reduced Private Sector Housing Grant funding to most effectively provide adaptations to help people remain in their own homes.
- Helped households that are experiencing fuel poverty to access energy efficiency packages to reduce heating bills.
- Supported 252 people to take part in activities that improved literacy and numeracy and 187 people to improve employability, including self-employment.
- Lobbied Governments, through the OIOF campaign, to take action to reduce fuel poverty in the islands.
- Agreed a new process with the UK Government called Islands proofing. This will help to identify, at an early stage, potential unintended negative impacts on the islands of proposed legislation and Government policy.

This year we will:

- Review and update the Fairer Shetland Partnership and Framework to ensure activity and support is focused on improved outcomes for individuals and families and to mitigate the negative impacts of Welfare Reform.
- Draw down EU funding to support provision of employability services.
- Focus our work on hard-to-reach families through Shetland Library outreach and partnership work, including the Assertive Outreach programme, while continuing to lead delivery of Bookbug.
- Continue to use the Minimum Income Standard for Remote and Rural Scotland findings to access external resources and influence local and national policy.
- Continue to deliver a range of sport and physical activity opportunities for hard to reach groups including young mums, ASN children and vulnerable young men e.g. Fast football.
- Work with UK and Scottish Governments to embed the islands proofing process.

A properly led and well-managed Council

What we want to achieve...

To be able to provide high-quality and cost-effective services to people and communities in Shetland, our organisation has to be run properly. We are determined that Shetland Islands Council will be run to the very highest standards.

In these challenging circumstances all decisions have to be taken properly and every service has to be highly professional and very efficient. We must make sure that we take the right actions now to protect the long-term well-being of Shetland.

We have established a clear vision and sense of purpose, which reflects local needs, and we can demonstrate linked-up planning and use of resources to make it happen.

We will have strong improvement-led and performance-driven culture and systems, and have a systematic approach to identify risks and develop effective responses.

We will provide good-quality information regularly through a variety of ways to tell people how we are doing and to make sure we take responsibility for our decisions.

By the end of this plan we will have:

- Made the decisions we needed to make, and we will have done that properly, on time and with a proper assessment of risk.
- Made many, and sometimes radical, changes in how we provide services, and we will have done that through proper consultation with communities and staff.

- Demonstrated that we are providing best value in all our services after having had a successful review from Audit Scotland across the Council.
- Regained the confidence of the Shetland public.

What we need to change and how we will do it...

We understand that we have to run our organisation professionally and efficiently to provide high-quality services over the long term. That means that we, as Councillors, must prepare, train, practise, deliver and review all aspects of our decision-making and other behaviour to make sure that we are meeting the highest possible standards.

We have already:

- Carried out a Mid-Term Review of Senior Councillor appointments.
- Implemented a new complaints recording/reporting system.
- Consolidated the Council's advertising activity through two centrally held contracts.
- Carried out an employee survey across all services.
- Launched the Customer Service Qualification with frontline staff.
- Delivered 25 development events for Councillors, including training in delivering outcomes, chairing skills and building better business cases.
- Produced a Public Performance report and Complaints Monitoring report.
- Developed the Corporate Risk Register.

This year we will:

- Develop and Implement a Customer Focus Strategy
- Improve internal communications across the Council, including launching a staff newsletter and producing an Employee Engagement Plan.
- Develop and Implement a new Health, Safety and Wellbeing Strategy
- Implement the Workforce Strategy, with a particular emphasis being placed on recruitment and retention hot spots.
- Develop "best practice" Public Performance Reporting arrangements.
- Write a Performance Management Strategy to help us develop a more consistent and professional approach to performance measurement, appraisal, benchmarking, reporting and target setting across the Council.
- Develop the Building Budgets exercise and progress work on a similar exercise

in 2015 in partnership with Shetland Partnership Board members as appropriate.

- Produce high quality, unqualified annual accounts.

Dealing with challenges effectively

What we want to achieve...

As Councillors, we serve the people of Shetland and they rightly expect us to do our very best in every way as we go about our work on their behalf.

We are the representatives of all Shetland's people and we have a duty to protect their interests, provide community leadership where necessary and speak up on their behalf here and in regional, national and international forums. The strength of Shetland's voice should never be damaged by any failure of Councillors or the Council.

We will have to become a smaller commissioning body, with fewer staff working with a wider range of other service providers and partners. This approach means that we can continue to meet priorities and help local people and communities to help themselves.

By the end of this plan we will have:

- Dealt with pressures, issues and problems within existing budgets.
- Developed and put in place sustainable development (development that doesn't harm the area for future generations), and carbon-management and waste-management arrangements to make sure we protect and, where possible, improve our stunning environment.
- Made sure that in making any changes we have considered and dealt with any equalities, health and human rights issues.
- Secured the best for Shetland in any constitutional change following the Scottish independence referendum.

What we need to change and how we will do it...

We no longer have the money to react to problems and increasing demands by further spending. Issues will still arise, but we must have better plans in place for dealing with them and for covering the cost of their effects within existing budgets.

We have already:

- Supported the Our Islands Our Future campaign, achieving published statements of intent from both Scottish and UK Governments. We have also seen the re-establishment of the Island Areas Ministerial Working Group and continue to have positive engagement with the UK Government.
- Produced our Carbon Management Plan and will aim to work with Councillors,

services and our partners to reduce costs and share best practice in carbon and climate change management.

- Carried out an Equal Pay audit to identify any risks of equal pay claims.
- Made sure Shetland's views were heard by maintaining representation through COSLA/other national organisations and providing responses to numerous consultation processes during the past year, in particular the Smith Commission.

This year we will:

- Continue to engage positively with UK and Scottish Governments through the Council's membership of the Our Islands Our Future campaign. Specific aims include developing the Islands Oil and Gas Forum, implementing Islands Proofing and engaging with the Scottish Govt Islands Bill consultation process.
- Establish our preferred option and document the business case to help us plan a sustainable future for Sullom Voe Harbour in partnership with Government and the Oil industry.
- Develop a Long Term Asset Investment Plan to achieve a sustainable level of future investment that's aligned with prioritised projects.
- Establish our Preferred Option and document the business case for the Scalloway Harbour Project plan.

Living within our means

What we want to achieve...

We will have reliable arrangements in place to make sure we can manage our finances over the long term. We will make spending decisions that realistically reflect the money we have. We will make the best economic, efficient and effective use of our buildings and other physical assets. We will meet our supply needs economically and efficiently.

By the end of this plan we will have:

- Stuck to the Medium Term Financial Plan and be financially strong.
- A well developed risk based approach to dealing with spending pressures.
- Made better use of technology to both cut costs and maintain and improve services.
- Raised more income where there are opportunities to do that.
- Made further significant savings by reducing the number of buildings we occupy.
- At least £150 million left in our reserves.

What we need to change and how we will do it...

We can't continue to spend more than our income without completely exhausting reserves. We need to reduce our spending to balance our finances and still maintain a significant proportion of our reserves.

We have already:

- Supported the delivery of the 2014/15 budget through the provision of high quality financial information.
- Refreshed the Medium Term Financial Plan.
- Developed the 2015/16 budget with services, in line with the Medium term Financial Plan.
- Generated over £800,000 through disposing of surplus assets.
- Delivered significant savings through more effective procurement activity.
- Maintained the value of our reserves above £150m.

This year we will:

- Lead on the development of the 2016/17 Council budget, to ensure this meets the requirements set out in the Medium Term Financial Plan.
- Develop options for future uses of the existing Anderson High School site at the Knab.
- Fully implement Housing Revenue Account business planning, delivering a sustainable HRA account into the future with clear information to tenants on levels of investment and affordability of rents.



Shetland Islands Council

27 May 2015

Shetland Islands Council Business Programme – 2015/16	
GL-20-15-F	
Team Leader – Administration	Governance and Law Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to inform the Council of the planned business to be presented to Council over the remaining quarters of the current financial year to 31 March 2016, and discuss with Officers any changes or additions required to that programme.

2.0 Decision Required

- 2.1 That Shetland Islands Council considers its business planned for the remaining quarters of the current financial year to 31 March 2016, and RESOLVES to approve any changes or additions to the Business programme.

3.0 Detail

- 3.1 The Council approved the Council's Meeting Dates and Business Programme 2015/16 at its meeting on 17 December 2014 (Min Ref: 108/14).
- 3.2 It was agreed that the Business Programme would be presented by Committee Services to the Council and each Committee on a quarterly basis for discussion and approval.
- 3.3 The manner in which meetings have been scheduled is described below:
- Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within two 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.
- 3.4 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 – The Business Plan provides 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 – Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committees' role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations, in monitoring and reviewing achievements of key outcomes within its functional areas, whilst ensuring best value in the use of resources is met to achieve these outcomes within a performance culture of continuous improvement and customer focus.
- 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 there are no direct financial implications in this report, 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 presentation of the Business Programme 2015/16 on a quarterly basis provides a focussed approach to the business of the Council, and allows senior Officers an opportunity to update the Council on changes and/or additions required to the Business Programme in a planned and measured way.

For further information please contact:

Lynne Geddes

Tel Ext: 4592, email: lynne.geddes@shetland.gov.uk

20 May 2015

List of Appendices

Appendix 1 – Council Meeting Dates and Business Programme 2015/16

Background documents:

Report GL-20-F: SIC Business Programme and Diary of Meetings 2015/16

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4382>



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 20 May 2015**

Shetland Islands Council			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
		<i>Special</i> 15 April 2015 12 noon	Shetland Islands Council Provision of Subordinate Debt
<i>Special</i> 18 May 2015 10.00a.m.		Advance Roadworks/Roundabout Contract Extension	D
		Anderson High School Stage 2	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 11.30 a.m.		Shetland Islands Council 2014/15 Draft Outturn	D
		Progress Report - Asset Investment Plan	D
		Corporate Plan – 2015 Update	D
		Shetland Islands Council Business Programme 2015/16	D
<i>Ordinary</i> 27 May 2015 2 p.m.		SOTEAG Presentation	D
		Shetland Telecom Resources	D
		Strategy for Secondary Education	D
		Registration Service – Contractual Matters	D
		LGBS – Council’s Consultation	D
		Establishment of Pension Fund Sub-committee and Pension Board	D
		Chair’s Report – Policy and Resources Committee – 4 May: Review of Transport for Children with Additional Support Needs and Social Care Service Users	D
		Chair’s Report – Policy and Resources Committee – 4 May: Shetland Islands Council Carbon Management Plan 2015-2020	D
		Chair’s Report – Development Committee – 22 April Local Nature Conservation Sites	D
		Shetland Development Trust Surplus Distribution	D
		Chair’s Report – Policy and Resources Committee – 4 May: Review of Tertiary Education in Shetland – Aggregated Business Model	D
	Chair’s Report – Policy and Resources Committee – 4 May: Review of Tertiary Education in Shetland – Option Appraisal and Implementation Plan	D	
Shetland Islands Council (continued)			
			<i>D= Delegated R=Referred</i>



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 20 May 2015**

Quarter 1 1 April 2015 to 30 June 2015 (continued)	Ordinary 30 June 2015 10 a.m.	Chair's Report – Policy and Resources Committee – 22 June: Shetland College Fees 2015/16	D
		Deputation – Scottish Youth Parliament's national campaign – Poverty: See It Change It	D
		Medium Term Financial Plan – General Fund	D
		Medium Term Financial Plan – HRA	D
		Risk Management Policy and Strategy	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	PPMF 19 August 2015 2 p.m.	Overall SIC Management Accounts – Quarter 1	D
		Asset Investment Plan – Progress Report – Quarter 1	D
		Council Business Programme 2015/16	D
	Date of Meeting	Business	
	Special 22 September 2015 11.30 a.m.	Chair's Report – Harbour Board – 18 August 2015 Scalloway Business Plan	D
		Chair's Report – Harbour Board – 18 August 2015 Sullom Voe Future Operating Models	D
		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
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	Ordinary 4 November 2015 10 a.m.	Chair's Report – Policy and Resources Committee 26 October: Performance Management Strategy and Policy	D
	PPMF 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
	Budget 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	



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 20 May 2015**

		Chair's Report - Policy and Resources Committee – 25 November - Budget Proposals Pension Fund	D
--	--	--	---



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 20 May 2015**

Shetland Islands Council - Continued

D= Delegated R=Referred

	<i>Ordinary</i> 16 December 2015 10 a.m.	TBC	
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 Wednesday, 20 May 2015

Single Outcome Agreement – Annual Report 2014/15
 Local Government Boundary Commission for Scotland – Statutory Review of Electoral Arrangements – Council Response
 Review of Membership of External Organisations
 Health and Social Care Integration - SIC Governance Arrangements

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 Wednesday, 20 May 2015