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Date: 20 November 2019

Dear Sir/Madam

You are invited to the following meeting:

Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 27 November 2019 at 10.00am

Apologies for absence should be notified to Leisel Malcolmson at the above number.

Yours faithfully

Executive Manager – Governance and Law

Convener: Malcolm Bell

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Declarations of Interest - Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.
- (d) Confirm the minutes of meetings held on (i) 3 July 2019 (ii) 11 September 2019, and iii) 25 September 2019 enclosed.

Items

- 1 Members Elected to Serve on the Shetland Islands Council
GL-17
- 2 Appointment to Committee Vacancies - Shetland Central and Lerwick South Wards
GL-12
- 3 Appointment of Depute Convener and Other Committee Vacancies
GL-13
- 4 Appointment to the Planning Committee
GL-10
- 5 Appointment to the Audit Committee
GL-11
- 6 Shetland College Board – Student Member Appointment
GL-20
- 7 Appointment to External Organisations: Orkney and Shetland Valuation Joint Board; Shetland Area Support Team; Community Safety and Resilience Board; and SOTEAG
GL-14
- 8 SIC Overall Management Accounts 2019/20
Projected Outturn at Quarter 2
F-054
- 9 Communications Strategy
CE-03
- 10 Strategic Roads Network – Strategic Outline Programme
RD-06
- 11 Crown Estate Income Distribution
DV-35
- 12 Tall Ships' Race 2023 – Strategic Outline Case
DV-32

*The following items contain **EXEMPT** information*

- 13 Asset Investment Plan – Business Case – Staff Travel Project
ACP-16

- 14 Contract Matters
 PH-13-19

The following item contains **RESTRICTED** information

- 15 Property Matter
 CRP-26



MINUTES

A&B

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 3 July 2019 at 10 a.m.**

Present:

P Campbell	A Cooper
S Coutts	A Duncan
A Hawick [by phone]	C Hughson
S Leask	E Macdonald
A Manson	A Priest
D Sandison	I Scott
C Smith	T Smith
R Thomson	B Wishart

Apologies:

M Bell	M Burgess
J Fraser	R McGregor
G Smith	

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director of Corporate Services
N Grant, Director of Development Services
M Craigie, Executive Manager – Transport Planning
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
C Anderson, Senior Communications Officer
R Barton, Transport Policy and Projects Officer
J Belford, Legal Assistant
J Clark, Projects Officer
J Thomason, Management Accountant
A Cogle, Team Leader - Administration

Also:

A Mackie, Peter Brett Associates LLP
H Sutherland, NHS Shetland

Chairperson

Ms B Wishart, Depute Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Ruling to Permit Participation by Telephone

The Depute Convener ruled that, in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor Amanda Hawick during the Council proceedings be permitted by remote telephone link.

Declarations of Interest

None

Minutes

The Council confirmed the minute of meeting held on **26 February 2019**, on the motion of Mr P Campbell.

The Council confirmed the minute of meeting held on **17 April 2019**, on the motion of Mr S Leask, subject to the amendment of reference in the Sederunt from "A Westlake" to "A Hawick".

The Council confirmed the minute of meeting held on **15 May 2019**, on the motion of Mr T Smith.

46/19 **Performance Management Framework 2019-2024**

The Council considered a recommendation from the Policy and Resources Committee, regarding a joint report by the NHS Head of Planning and Modernisation, the NHS Chief Executive, and the SIC Director of Corporate Services (CC-24-F), that proposed the implementation of a new Performance Management Framework which has been developed jointly with the NHS Board, Shetland Islands Council and the IJB.

Mr Coutts advised that the Policy and Resources Committee had fully discussed the report the previous day. He advised that the Director of Corporate Services was available for questions. Mr Coutts went on to say that the proposed framework was a collaborative effort from both public authorities, and whilst there may be some challenges expected during implementation, there was good support from both organisations.

In response to a question from Mr P Campbell, the Director of Corporate Services referred to the way in which access to services were being done through mobile apps and other technology, in the home or car for example. She explained that the speed of new technology changes meant that the Council had to keep up to speed with such changes, and this would require a cultural shift for the Council towards digital processes, referred to in the report as a "digital cultural paradigm".

Mr Coutts moved that the Council approve the recommendation and approve the Framework. Mr A Duncan seconded, and the Council concurred.

Decision:

The Council **RESOLVED** to **APPROVE** the recommendations from the Policy and Resources Committee, and the Performance Management Framework 2019-2024 for implementation, and that it replaces the Commissioning and Procurement Framework 2016-2020 in the Council's

Policy Framework contained in Part A of the Constitution, to be managed by the Policy and Resources Committee.

47/19

ICT Strategy 2019-2024

The Council considered a recommendation from the Policy and Resources Committee regarding a report by the Executive Manager – ICT [ICT-02-F), to approve the ICT Strategy 2019-2024.

Mr Coutts said the Policy and Resources Committee had also considered this report the previous day. He added that it was worth reflecting that this was a five-year strategy, and as mentioned earlier regarding the speed of change in technology, this would remain a live document and there would be opportunities to refresh the Strategy as time goes on.

There were no questions, and Mr Coutts moved that the Council approve the recommendation from the Policy and Resources Committee and adopt the ICT Strategy 2019-2024. Mr S Leask seconded.

Decision:

The Council **RESOLVED** to **APPROVE** the recommendation from the Policy and Resources Committee, and adopted the ICT Strategy 2019-2024.

48/19

Public, School and Adult Social Care Bus Transport - Strategic Outline Case

The Council considered a report by the Transport Policy and Projects Officer (DV-21-F) which set out the Strategic Outline Case for the provision of a network of public, school and adult social care bus services after the expiry of the current contracts in August 2020. The report also sought authority for officers to proceed to develop an outline business case for the preferred way forward.

The Transport Policy and Projects Officer introduced the report, and explained the organisational responsibilities and duties for the provision of public transport, including the statutory responsibilities of the Council in terms of school, ASN and adult social care needs. The Transport Policy and Projects Officer also explained the programme management arrangements.

Mr A Mackie presented an overview of the Strategic Outline Case, including options and short listing, the process for which considered: service scope, solution, delivery, implementation and funding. He went on to illustrate the options shortlisting, which consisted of the Preferred Way Forward and further options to carry forward to the Outline Business Case. Mr Mackie advised on the next steps, including tendering and procurement with consultation and engagement featuring throughout the process. The Transport Policy and Projects Officer concluded with an overview of the decisions required.

Reference was made by Mr P Campbell to the information in Table 7-5 of the Strategic Outline Case, and the lack of detail relating to the criteria used to determine the scoring for each of the critical success factors

made it difficult to understand. The Chief Executive noted this feedback, and confirmed that presentation and accessibility factors would be looked at in future reports.

With regard to the process of public consultation and engagement with user and operators, Mr D Sandison asked how this would be incorporated in to the process, in terms of building on the previous consultation that had resulted in a good outcome, and identifying areas for further improvement. The Transport Policy and Projects Officers advised that quite a large body of information had already been collected, through consultation as part of the Place Standard, Shetland Partnership Plan and the Transport Strategy Refresh, and this had informed on current services and where there were gaps. She added that this process would now look to validate whether the hierarchy of travel needs factors were still the highest priorities, looking at the primary importance of journeys for work, training, education and health care. The Transport Policy and Projects Officer said that the process would also look at the benefits and risks of making alterations to services, appraising the costs and benefits, and so consultation would be focussed and specific. Final decisions, she said, would be based on a range of costed options with the benefits and risks of changes or opportunities to expand, being fully explained.

In response to further questions, the Transport Policy and Projects Officer advised that a separate piece of work on service user information was being collated through new ticketing machines and as these were collected on a daily basis, it would provide information to help the Council understand patterns of travel in order to maximise and encourage the usage of public bus services. She added that awareness was needed to influence the Scottish Government with regard to issues surrounding the subsidy for concessionary travel, particularly the financial impact that national decisions have at a local level.

Regarding the scope for making revenue savings, the Transport Policy and Projects Officer said that potential savings within the current network could be made by achieving 1 or 2% savings in different areas that would add up to the desired 10% overall. In this regard, work also would be done on looking at why some services were not performing well, and they would look at whether those services could be delivered in a different way, perhaps with an initial cost, but with the prospect of generating more revenue. She added that the potential for different solutions in different areas would be considered, which would need to come from the communities, and the Outline Business Case would be looking at service usage in more detail.

The Executive Manager – Transport Operations, in response to questions, added that the length of different contracts would be considered, and operators would be engaged with that process. He went on to say that there had also been a change in the school transport network in response to changes in school timetables, and so this would also be considered during the process. Regarding the possibility of having more buses on some routes at the expense of others, Mr Mackie said that individual routes would be looked at in terms of solutions that would generate

savings or increase revenue, but the additional cost to bus operators could make it some proposals uneconomical.

Ms Hawick referred to current economic uncertainties and to the Council's Medium Term Financial Plan to achieve future savings, and asked for reassurance that the proposals to achieve the projected savings as part of this project could be achieved. The Chief Executive advised that the next stage of the business case would involve working up different ways of how tenders could be packaged, with a view to identifying and maximising the resource that the Council contributes, and to deliver efficiencies. She added that there were challenges around managing growth and delivering as much as possible, but for less. She said that if contractors were unable to respond to this, then the Council would have to look at where reductions in services could be made. The Chief Executive added that with regard to any comparison with the bus services provided in Orkney, she explained that as well as other factors, geographical differences added to the costs for Shetland.

Mr S Coutts referred to the Council's Medium Term Financial Plan, and said that whilst the Council had significant challenges, the Council had approved service delivery plans, and he had no reservations as to the structured process being proposed to achieve desired outcomes and informed decisions.

Mr S Leask referred to future aspirations for carbon free status, and queried the impact of this on the cost of transport. The Transport Policy and Projects Officer said that current fleet complied with the statutory minimum requirements, and that any move to increase the standard would have cost implications, not only for the operators, but the Council, unless financial support from the Scottish Government was forthcoming in terms of meeting climate change targets. She added that more funding was being made available for active travel, and to encourage car club development so perhaps more funding to 'greenify' public transport would be forthcoming in the future.

During debate, Mr R Thomson said that the report highlighted a number of challenges at this stage, including the timescale, and further detail would be forthcoming in future reports. Mr Thomson moved that the Council approve the terms of the report. Mr S Coutts seconded.

Mr D Sandison said that the Council did get a good set of contracts the last time, and by and large feedback is that it was a good service. He said that there were areas for improvement, and whilst there could be savings made through efficiencies, there was also scope for generating more income, but the cost to operators in this would have to be considered. Mr Sandison said that some further work was needed in encouraging people to use bus services more. He went on to highlight that the Lerwick Town Service in particular needed a full appraisal at the next stage as it did not meet the needs of its intended users.

Ms E Macdonald said it was difficult to pick up on individual services until the Outline Business Case was presented. However, she said that she

understood how important the bus services were to many people, and agreed that more could be done to encourage usage, and that Councillors themselves could be challenged to use the service for a week to see what it was like for their needs.

Mr P Campbell said that one of the key areas he would like to see addressed is the timetabling for accessing education, in particular the routes and connections for Shetland College and the NAFC Marine Centre as the current service was highlighted by the HMIE as being inadequate for students to access higher education.

Mr Coutts asked that as part of the next stage, it would be useful for Members to have examples of the scoring matrix to illustrate why certain options had been discounted. He added that whilst it was a challenging timetable, it was very important that this project be delivered on time.

Decision:

The Council **RESOLVED** to: -

1. **NOTE** that the Public and School Bus Transport Business Case (Min Ref 47/18) has been revised to incorporate Adult Social Care Transport, with Peter Brett Associates appointed to provide the additional resources required to support the Business Case Development.
2. **NOTE** that the preferred way forward for public, school and adult social care transport in Shetland detailed in the Strategic Outline Case (SOC) in Appendix 1 comprises three components; namely: -
 - (a) For Public Bus Transport – a network of services based on the current network grounded in a hierarchy of travel needs factors established through public engagement, with refinements to take advantage of opportunities for efficiency, and a framework to support any decisions to modify the network to meet financial constraints.
 - (b) For School Bus Transport – a network of dedicated services and public transport based services that provides transport to entitled pupils in compliance with the Council's prevailing policy criteria described in the Council's School Transport Policy.
 - (c) For Adult Social Care Transport – a range of services to meet entitlement for client travel requirements based on an assessment of need grounded in social care legislation; and
3. **DELEGATE AUTHORITY** to the Director of Development Services, working with the Lead Officer of ZetTrans, to take any decisions and action required on behalf of the Council to develop the Outline Business Case for the preferred way forward described in paragraphs 2(a), (b) and (c) above, for each of the Public, School and Adult Social Care Bus Transport Networks for consideration at the Council in October 2019.

Notice of Motion - Free TV licences for over-75s

In accordance with Standing Order 12, the Council considered a Notice of Motion, submitted by Councillor A Duncan, regarding free TV licences for over-75s, that "SIC writes to the UK Government to intervene with the BBC in this matter as a matter of urgency."

Mr A Duncan said, "The news that the BBC has confirmed plans to require most over-75s to pay the TV licence has been greeted with dismay and anger by many of the 2,000 people in Shetland affected by this imposition. 3 million UK pensioners would lose their free TV Licence as a result of this decision. The BBC will continue to provide licences to over-75s who can provide evidence that they claim pension credit. In Shetland we are aware there is traditionally a low take-up rate of these benefits and many in our rising elderly population are likely to be affected by this BBC pronouncement. Many Shetland pensioners have contacted their councillors and MP seeking SIC support to bring their concerns to the attention of government. Few have access to the internet, online social media or even daily newspapers and rely on TV to maintain contact with the wider world. SIC is well-placed to speak on behalf of those in our community affected by this move. Free TV licences started as a government initiative and remains a manifesto commitment; it surely must be to government that we turn to reverse this latest turn of the austerity screw." In conclusion, Mr Duncan moved that the "SIC writes to the UK Government to intervene with the BBC in this matter as a matter of urgency".

Mr R Thomson said that he was more than delighted to countersign the Notice of Motion and fully agreed with the statement made by Mr Duncan.

Mr Duncan urged Councillors that, if they knew of anyone not receiving benefits, to encourage them to contact the Citizens Advice Bureau to receive information and advice on full entitlements.

In conclusion, Mr Coutts added that he would undertake to liaise with Mr Duncan as to the terms of the letter, and that it would be copied to Alistair Carmichael MP. Mr Duncan agreed, and the Council concurred.

Decision:

The Council **RESOLVED** to ADOPT the motion that "SIC writes to the UK Government to intervene with the BBC in this matter as a matter of urgency."

The Council also **NOTED** that the Leader would undertake to liaise with Councillor Duncan as to the terms of the letter to the UK Government, copied to Alistair Carmichael MP.

The meeting concluded at 11.20 a.m.

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Convener



MINUTES

B - PUBLIC

**Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 11 September 2019 at 10.00am**

Present:

M Bell	P Campbell
S Coutts	J Fraser
A Hawick	C Hughson
S Leask	E Macdonald
R McGregor	A Manson
A Priest	D Sandison
I Scott	D Simpson
C Smith	T Smith
R Thomson	

Apologies:

M Burgess	A Cooper
A Duncan	G Smith

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director – Corporate Services
J Manson, Executive Manager - Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Assets, Commissioning and Procurement
S Shearer, Team Leader – Development Plans & Heritage
C Gadsby, Asset Strategy Manager
B Kerr, Senior Communications Officer
K Serginson, Access Officer
L Geddes, Committee Officer

Chairperson

Mr Bell, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Ruling to Permit Participation by Telephone

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor John Fraser during the Council proceedings was permitted by remote telephone link.

Declarations of Interest

None

Minutes

The minutes of the meeting held on 11 June 2019 were confirmed on the motion of Mr C Smith, seconded by Mr Campbell.

Except as undernoted, the minutes of the meeting held on 26 June 2019 were confirmed on the motion of Mr Thomson, seconded by Ms Macdonald.

Sederunt

It was noted that Mr Simpson had been omitted from the sederunt of this meeting.

50/19 SIC Overall Management Accounts 2019/20 - Projected Outturn at Quarter 1

The Council considered a report by the Executive Manager – Finance (F-036-19-F) outlining the projected outturn at Quarter 1.

The Executive Manager – Finance summarised the main terms of the report, advising that since approval of the 2019/20 budget, revisions totalling £22.677million had been incorporated for the Council's carry-forward scheme, spend to save, and other changes. The combined revenue and capital outturn projections resulted in a projected underspend of £5.891million. The largest variance was in capital, with slippage expected in the Ferry Replacement Programme. There was additional income in the Harbour Account, and it was anticipated both the General Fund and Housing Revenue Account would be overspent. Because the purchase of SLAP had not been carried out in the previous financial year, an additional draw on reserves would be required to support this transaction, but it would be reversed during the year when concluded.

Decision:

The Council RESOLVED to note the Management Accounts showing the overall projected outturn position at Quarter 1.

51/19 Management Accounts for Community Health and Social Care 2019-20 - Projected Outturn at Quarter 1

The Council considered a report by the Executive Manager – Finance (F-047-19-F) outlining the financial performance of services within the Community Health and Social Care Directorate.

The Executive Manager – Finance summarised the main terms of the report, advising that there was a projected overspend of £0.238million. The main drivers were an increased demand for self-directed support (SDS) packages, the use of agency staff, and an anticipated requirement for additional capital funding for replacement of the IT system.

Responding to questions, the Chief Executive advised that SDS was a new requirement for the Council which it had to promote. It should be viewed as a positive development as it allowed individuals to take control of their care packages, but its roll-out was causing problems with the budget. This was being experienced nationally as well as locally. There would come a point where Council provision would change and reduce as people took control of their own packages, and an action plan was in place.

She went on to say that agency workers had been delivering some Council care packages. As more people moved towards SDS, it was expected that the Council would have to employ fewer staff directly as individuals would employ their own staff. The Council may see some of its staff moving into SDS, but it would have to continue to deliver non-SDS packages. It was expected that as the use of SDS packages increased, there would be savings in other parts of the care budget.

On the motion of Mr Coutts, seconded by Mr C Smith, the Council approved the recommendation in the report.

Decision:

The Council APPROVED an increase in the payment for 2019/20 to the Community Health and Social Care Partnership Integration Joint Board of £18k, recognising carry-forward funding allocated as per the Council's budget carry-forward scheme and minor adjustments made in respect of maintenance budgets. This will increase the payment for 2019/20 to £22.037m.

52/19

Shetland Outdoor Access Strategy

The Council considered a report by the Outdoor Access Officer (DV-22-19-F) presenting the Supplementary Guidance – Shetland Outdoor Access Strategy 2019.

The Team Leader – Development Plans & Heritage summarised the main terms of the report, outlining the consultation that had taken place and the responses that had been received, which had resulted in some modifications to the Strategy.

On the motion of Mr Leask, seconded by Mr Coutts, the Council approved the recommendation in the report.

Decision:

The Council RESOLVED to adopt the Supplementary Guidance – Shetland Outdoor Access Strategy 2019 (Appendix 2 to the report) as supplementary guidance to the Local Development Plan.

53/19

Asset Investment Plan - Progress Report

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-08-19-F) advising on the progress of projects contained within the Asset Investment Plan which are currently underway.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, highlighting in particular the proposal to reprofile the 2019/20 expenditure for the Ferry Replacement Project, and the slippage in respect of the Eric Gray Replacement Project.

On the motion of Mr Coutts, seconded by Ms Macdonald, the Council approved the recommendations in the report.

Decision:

The Council RESOLVED to APPROVE the 2018/19 proposed capital carry forward on the Eric Gray Project of £208,513.

54/19

Asset Investment Plan - Business Case - Knab Service Relocations and Storage Improvement Project

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-10-19-F) presenting an asset investment proposal for approval.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that the report related to a number of projects in relation to clearing the Knab site for redevelopment. The acquisition of SLAP and the Commercial Road site now gave the Council the opportunity to resolve some of the issues.

Responding to questions, he advised that it had been recognised that there would be pressure on internal resources, and some of the work required had been outsourced to external consultants.

He went on to confirm that it was a key priority for the Council to reduce the floor area it occupied. He was conscious that a lot of these moves did not demonstrate disposal, but the Council was moving towards that point.

In response to a question about the potential timeline regarding the existing buildings on the site, he advised that a decision had been made in June regarding the first stage of demolition. Maintenance for the remaining buildings was being targeted at the fabric of the buildings. The Knab Masterplan had not been specific about future use of the remaining buildings, and there had been a variety of suggestions from the community. This was being discussed at officer level and a seminar would be organised before the end of the year.

On the motion of Mr Coutts, seconded by Mr Leask, the Committee approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the proposal described in Section 4.3 and included as Appendix A of the report in relation to the Business Justification Case – Knab and Storage Project.

55/19

Asset Investment Plan - Business Case - Former Eric Gray Resource Centre - Demolition

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-11-19-F) presenting an asset investment proposal for approval.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that demolition works for the Eric Gray Resource Centre had been included in the budget. However it had become clear that there was no clear instruction to proceed, so the report sought to clarify that. The building was currently being used on a temporary basis by Sound School Nursery.

In response to a question, he confirmed that consideration had been given to other uses for the building, but there had been no preferred option. Demolition would open up the site for future development, and reduce the risks associated with long-term vacancy.

It was suggested that more consideration should be given to future potential uses of the building, or selling the building itself, rather than taking a decision to demolish and selling a vacant site.

The Chief Executive advised that the building was currently being used by Sound School Nursery. As part of the expansion of Early Learning and Childcare, there had been contingency plans in place should the building work not be completed in time. The Eric Gray Resource Centre was one of the alternatives that had been considered for the decant of the nursery, but other options had been available. The Council had identified in its Corporate Plan and Asset Plan that it had a large estate, and a commitment had been made to rationalising this estate so that priority could be given to funding front line services. It was appropriate to consider removing end of life buildings, or those that were outdated in terms of building regulations, from the estate.

The Executive Manager – Assets, Commissioning and Procurement added that the Eric Gray Resource Centre had been built for a specific purpose, and it did not meet the needs of any other Council service.

Responding to a question, the Chief Executive confirmed that there were robust processes in place for looking at the Council's estate and what was required in moving ahead. The Council did carry out option appraisals of its estate, and considered the different options and changing needs of services in planning for its requirements. Removing buildings from the Council's estate was part of the commitment that had been given to Members. In this particular case, the land was worth more to the Council as a vacant site, and there was a value to the Council once the cost of demolition had been taken into account.

On the motion of Mr Coutts, seconded by Mr T Smith, the Committee approved the recommendation in the report.

Decision:

The Council RESOLVED to approve the proposal described in Section 4.3 and included as Appendix A of the report in relation to the Former Eric Gray Resource Centre Demolition.

56/19

Terminal Linkspans Life Extension - Project Update

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement (ACP-12-19-F) setting out proposals for allocating additional funding to the project to allow it to proceed in line with its original scope.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report, advising that following the results of a full survey analysis, an additional £1.75million to the pre-survey estimated cost was required for the remedial works which were much more

onerous than originally envisaged. It was proposed to fund this from income from fees and charges on the Harbour Account, and it was also linked to the funding request to the Scottish Government for full and fair ferry funding.

It was questioned why the business case had not been revisited since 2017, given that the costs had risen so much.

The Executive Manager – Assets, Commissioning and Procurement advised that the project should not be considered a new project, and the works were required in order to maintain essential services. Normally work would take place to reduce the scope of change the nature of the project, but the scope and remit of this project was straightforward - it either had to be carried out or services would have to be reduced.

He went on to confirm that all tenders received were from contractors that had been vetted, so they would be aware of the environment that the work would have to stand up to.

The Chief Executive added that Best Value required that every tender took into account the quality as well as cost. If tenderers did not meet the quality criteria, they were not considered the best option.

She went on to say that the full assessment of the existing infrastructure had identified that more onerous works were required than anticipated. The original business case had been based on a small proportion of linkspans and had identified a range of work. Once the whole estate was investigated, the linkspan requirements were greater. The options for the business case had not changed and the cost itself did not alter the options.

In response to a question, she said that it was reasonable when exploring the condition of the Council's estate to carry out a sample inspection. This would identify issues and the need for work, and help to get it in the Council's maintenance programme so that tendering could proceed. The Council could have waited to carry out a full survey, but this would have meant the asset investment plan would have had to be revised.

It was requested that proper consultation with the community and businesses take place prior to the works being carried out, so that the community was prepared for the impact and there was minimal disruption for business interests in the area.

The Chief Executive advised that the Council was very aware that access had to be maintained, and a spare linkspan would be used during the course of the works. It was intended that disruption would be kept to a minimum.

She also confirmed that the request for the works to be included in the full and fair ferry funding bid to the Scottish Government would not prevent the works going ahead.

It was commented that the links to communities had to be maintained, so this should not change the business case. It was also important to ensure that communication was carried out with communities to minimise the impact of any disruption.

On the motion of Mr Coutts, seconded by Ms Manson, the Council approved the recommendations in the report.

Decision:

The Council RESOLVED to:

- AGREE that the project proceeds in line with the decision made by the Council on 8 March 2017 and as described in the report
- APPROVE additional funding of £1.75m
- AGREE that it be funded from income from the additional fees and charges projected to be received into the Harbour Account by the end of the current financial year.

57/19

Council Business Programme 2019/20

The Council considered a report by the Director of Corporate Services (CRP-17-19-F) informing the Council of the planned business to be presented for the remaining quarters of the financial year.

The Director of Corporate Services summarised the main terms of the report, advising that the report illustrated the planned business at this particular moment in time. She advised that the reference to PPMF meetings at the end of the Programme would be removed in light of the new reporting framework for PPMF business that had been agreed.

It was requested that further training be provided or investigation be carried out as to why more Members were not using the technology provided to them at meetings, and the Leader advised that this would be taken account of in the work that was being carried out as part of the business transformation programme.

On the motion of Mr C Smith, seconded by Ms Manson, the Council approved the recommendation in the report.

Decision:

The Council noted the business planned for the remaining quarters of the current financial year (1 April 2019 to 31 March 2020).

In order to avoid the disclosure of exempt information, Mr Bell moved and Mr Coutts seconded, and the Council RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.

(Mr Fraser left the meeting)

Mr T Smith declared an interest in the following item as a member of the Hjalmland Housing Association Board, and left the meeting.

58/19

Land Transaction

The Council considered a report by the Executive Manager – Assets, Commissioning and Procurement.

The Executive Manager – Assets, Commissioning and Procurement summarised the main terms of the report.

On the motion of Mr Coutts, seconded by Ms Macdonald, the Council approved the recommendation in the report.

Decision:

The Council approved the recommendation in the report.

The meeting concluded at 11.05pm.

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Convener



MINUTES

A & B

**Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 25 September 2019 at 2 p.m.**

Present:

M Bell	P Campbell
S Coutts	A Duncan
J Fraser [by phone]	A Hawick
C Hughson	S Leask
E Macdonald	R McGregor
A Priest	D Sandison
I Scott	D Simpson
C Smith	G Smith
T Smith	R Thomson

Apologies:

A Cooper
A Manson

In Attendance (Officers):

M Sandison, Chief Executive
C Ferguson, Director of Corporate Services
M Craigie, Executive Manager – Transport Planning
J Manson, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Assets, Commissioning and Improvement
C Anderson, Senior Communications Officer
K Collins, Financial Accountant
L Adamson, Committee Officer

Also:

P Kenny, External Auditor, Deloitte LLP

Chairperson

Mr M Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

Ruling to Permit Participation by Telephone

The Convener ruled that, in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor John Fraser during the Council proceedings be permitted by telephone link.

Declarations of Interest

Mr Duncan declared a family interest on any discussion on the Pension Scheme, and he would leave the meeting.

59/19 Annual Audit Report on the 2018/19 Audit – Shetland Islands Council and Zetland Educational Trust

The Council considered a report by the Executive Manager – Finance (F-053-F) which presented the Annual Audit Report on the 2018/19 Audit for Shetland Islands Council and the Zetland Educational Trust.

In introducing the report, the Executive Manager - Finance advised that a number of minor late changes had been made to the documents. He referred to the Background Section at Page 1 of the Annual Accounts of the Council, and to the list of Trustees on Page 1 of the Zetland Educational Trust Annual Report and Accounts, advising on the amendments as a consequence of the recent resignation of Councillor Mark Burgess. He also advised on a change that had been made to the “Internal Recharges” section on Page 53 of the Annual Accounts, following clarity received.

In referring to the Zetland Educational Trust, the Executive Manager – Finance advised that no material changes had been made to the accounts, and a clear audit opinion was given, confirming the accounts were presented in line with the relevant charities accounting standards and regulations.

In terms of the Council, the Executive Manager – Finance advised that since reporting of the draft accounts in June 2019, a number of changes were made to the accounts following the audit of the financial statements. A further three recommendations for improvement had been identified as part of the financial statements audit. These had been included in the Action Plan together with recommendations made in the Interim External Audit report, also presented in June 2019. He advised that for the Council, SLAP and group accounts, all received an unmodified audit opinion, meaning those accounts present a true and fair picture of the Council’s financial position as at 31 March 2019.

The Executive Manager – Finance then introduced Mr P Kenny, External Auditor, Deloitte LLP. Mr Kenny provided a summary of the Audit report, advising that the main risk areas identified were the management override of control, valuation of property assets and the recognition of grant income. He confirmed however that the audit process identified no key issues in those risk areas. Mr Kenny advised that the SLAP transaction had been the main development since reporting in June. In that regard, he acknowledged that while some lessons will be learned from due diligence through the process, he confirmed his opinion relating to the strong and robust business case which underpinned the acquisition of SLAP, and that the acquisition will result in significant benefits for the Council going forward in the medium and longer-term. Mr Kenny also confirmed the recommendations from the 2017/18 audit had been addressed.

There were no questions from Members.

During debate, the Leader commented on the positive audit report, and in noting the unmodified opinion, he said it was important as a Council not to take that outcome for granted. He said however that it was very encouraging that no material misstatements had been identified, and he confirmed that the recommendations would be taken forward. The Leader thanked the Council officers and the representatives from Deloitte LLP, who had been involved during the audit process.

In referring to the findings that the price paid for SLAP had been overstated, comment was made that valuation of properties was however an opinion, and furthermore there was no guarantee that a lower bid to purchase SLAP would have been successful. Mr McGregor referred to the information provided by the Executive Manager – Assets, Commissioning and Procurement at the earlier Audit Committee, in terms of the valuation process followed, and said he was satisfied due diligence had been undertaken. Reference was also made to the External Auditor's earlier comments on the robust business case undertaken, where Mr McGregor advised that the purchase of SLAP would bring about significant benefit to the Council and to Shetland for years to come.

Reference was made to the conclusions around the financial sustainability of the Council as set out on page 5 of the audit report, where it was acknowledged that the situation would not be as serious providing the Scottish Government honour their agreement of funding to the Council. In referring to the commitment for full and fair funding for ferries, comment was made that Shetland should not be treated differently from the other island groups. Mr Duncan advised on the importance to continue to fight to get the funding Shetland is entitled to with the ferries providing a lifeline service for the residents of Shetland.

During further debate, some concern was expressed regarding the audit opinion that the medium term funding gap identified by the Council for 2023/34 was optimistic, being an underestimate of approximately 40%. While it was stressed that the Scottish Government have to meet their obligation in terms of fair funding for ferries, reference was also made to the overspends on Council budgets, however it was noted that reassurance was given in the report in terms of the improvements to be made in all areas.

Mr Duncan advised from the discussion earlier at Audit Committee, where in terms of recommendation 1.1(b) a request had been made for progress on the Action Plan to be reported back within two cycles. It was clarified however that the amendment was directed at Audit Committee, and did not alter the recommendation for the Council at Section 1.2.

Mr Coutts moved that the Council approve the recommendations at Section 1.2 of the report. Mr Duncan seconded.

Decision:

The Council RESOLVED to:

- NOTE the findings of the 2018/19 audit as contained in the external auditor's Annual Report at Appendix 1;
- APPROVE the Action Plan and management responses as outlined in the auditor's Annual Report;
- APPROVE the audited Annual Accounts for 2018/19 (Appendix 2) for Shetland Islands Council for signature; and
- APPROVE the audited Annual Accounts for 2018/19 (Appendix 3) for Zetland Educational Trust for signature.

60/19

Inter-Island Air Service Outline Business Case

The Council considered a report by the Executive Manager - Transport Planning (DV-27-19-F) that presented the conclusions of the Air Services Outline Business Case and sought the Council's approval to proceed to the Full Business Case (FBC), which includes the tendering of the inter-island air services.

In introducing the report, the Executive Manager – Transport Planning referred to Sections 4.11, where he outlined the four service level scenarios for Foula and Fair Isle that will be taken forward in the FBC, and the additional scenarios that will be explored as part of the FBC, as set out at Section 4.12. He also advised on the proposal to move from a 3 year to a 4 year contract, which he said should realise stabilisation of costs and accommodate any uncertainty in moving forward.

In response to a question, the Executive Manager – Transport Planning undertook to provide Members with a breakdown of the “further 249 landings by other aircraft at Tingwall”, as referred to on page 6 of the Outline Business Case, at Appendix 1.

In responding to a question, the Executive Manager – Transport Planning advised on the arrangements in place for air travel for the school children resident in Foula and Fair Isle. Reference was however made to concern in the islands on how much time the children have to be out of school as flights do not fit with the school day. While it was acknowledged that flights rotations are restricted in line with daylight hours, reassurance was sought for the timetable going forward to be coordinated to enable the children to attend for the full day at school.

During the discussion, the Executive Manager – Transport Planning provided further detail on the proposal to develop a “Friends and Family” fare for both Fair Isle and Foula. Comment was made that the scheme would be welcomed to support the fragile communities.

In response to a question, the Executive Manager – Transport Planning advised that he would provide Members with the ratio of income/ expenditure from the provision of the inter-island air services, as detailed in the annual audits.

In referring to the recommendation in the report, a procedural question was posed as to the circumstances should the Council and ZetTrans have different visions going forward. The Executive Manager – Transport Planning advised on the positive dialogue and debate between ZetTrans and the Council on matters of transport. He said that with four Council Members on ZetTrans the views of the Council were very much represented on ZetTrans. He went on to advise that since the inception of ZetTrans there has never been a difference of position between ZetTrans and the Council, which he believed was due in part to the work of the Shetland Partnership. Mr Thomson, Chair of ZetTrans, advised on the mutual understanding, willingness and common interest between ZetTrans and the Council to work together, which he was sure would continue for the foreseeable future.

During debate, Mr Thomson advised on the need to progress to the Full Business Case, to come forward for consideration at the Special Council meeting on 18 December 2019. He also advised on his support for the proposed “Friends and Family” fare, which he said would be of significant benefit to the fragile communities.

On the motion of Mr Thomson, seconded by Mr Priest, the Council approved the recommendations in the report.

Decision:

The Council **NOTED** the socio-economic case of the Inter-Island Air Services Business Case attached as Appendix 1 to this report; and

- Subject to the approval of ZetTrans in the same terms as sought by the report, the Council **RESOLVED** to **APPROVE** the Inter-Island Air Services Business Case progressing to Full Business Case (FBC), and that the options described in sections 4.11 and 4.12 of the report provide the service scenarios to be tendered, which in turn will inform the FBC which will be presented to the Council and ZetTrans for final decision on 18 December 2019.

The meeting concluded at 2.40 p.m.

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Convener



Shetland Islands Council

Agenda
Item

1

Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Confirmation of Members Elected to Serve on the Shetland Islands Council	
Reference Number:	GL-17-F	
Author / Job Title:	Jan-Robert Riise, Executive Manager – Governance and Law	

1.0 Decisions / Action required:	
1.1	No decision is required.
2.0 High Level Summary:	
2.1	This report is presented as a preliminary matter to the formal business of the Council, by receiving confirmation from the Returning Officer as to the names of those persons elected to serve on the Shetland Islands Council following the by-elections on 7 November 2019. This report also provides confirmation from the Proper Officer that each Councillor has duly accepted office.
3.0 Corporate Priorities and Joint Working:	
3.1	This report has no impact on the Council's corporate priorities or on joint working.
4.0 Key Issues:	
4.1	Following the by-elections held on 7 November, and at the e-count on Friday 8 November, Moraig Lyall was duly elected as a Councillor for Shetland Central, and Stephen Flaws was duly elected as a Councillor for Lerwick South. Reports requiring appointments to Committees and other vacancies are separate items on today's agenda.
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications	
6.1 Service Users, Patients and Communities:	By signing their respective declarations of office, each Councillor is now entitled to fulfil their corporate, community leader and Ward representative roles. This includes their right to attend today's meeting.
6.2 Human Resources and Organisational Development:	No implications.

6.3 Equality, Diversity and Human Rights:	No implications.
6.4 Legal:	In accordance with Section 56(b) of the Scottish Local Government Elections Order 2011 the Returning Officer is required to notify the Proper Officer of the Council of the names of those candidates elected.
6.5 Finance:	Councillor's remuneration is set in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2017. The current basic allowance for a Councillor is £17,470 and is provided for within the existing Members' Allowances budget.
6.6 Assets and Property:	No implications.
6.7 ICT and new technologies:	No implications.
6.8 Environmental:	No implications.
6.9 Risk Management:	No strategic risks to consider. The reporting of the names of those candidates elected, and their acceptance of office, is a procedural requirement only.
6.10 Policy and Delegated Authority:	The reporting of this information to the first available meeting of the Council does not fulfil any legal requirement, but is necessary for the Council to be satisfied as to the required notification and receipt of information concerning the election of Councillors.
6.11 Previously considered by:	None

Contact Details:

Anne Cogle, Team Leader – Administration anne.cogle@shetland.gov.uk
8 November 2019

Appendices:

Appendix 1 - Letter from Depute Returning Officer to the Proper Officer

Background Documents:

Declaration of Results

<http://www.shetland.gov.uk/elections/current-upcoming-elections.asp>

END



Shetland Islands Council

Returning Officer: Jan-Robert Riise

Mr Jan-Robert Riise
Proper Officer
Shetland Islands Council
Corporate Services - Governance and Law
8 North Ness Business Park
LERWICK
ZE1 0LZ

Election Office
Shetland Islands Council
8 North Ness Business Park
Lerwick
Shetland
ZE1 0LZ

If calling please ask for
Anne Cogle
Direct Dial: 01595 744554
Returning.officer@shetland.gov.uk

Date: 8 November 2019

Dear Mr Riise

Shetland Islands Council By-Elections - 7 November 2019 **Shetland Central Ward and Lerwick South Ward**

In terms of Section 56(b) of the Scottish Local Elections Rules, I have to inform you that the following persons were, at the By-Elections held on 7 November 2019, duly elected as Members of Shetland Islands Council

Electoral Ward	Candidate's other names	Candidate's surname	Description (if any)
Shetland Central	Moraig	Lyll	-
Lerwick South	Stephen	Flaws	-

Yours sincerely

(Signed)

Anne Cogle
Depute Returning Officer



Meeting:	Shetland Islands Council	27 November 2019
Report Title:	Appointment to Committee Vacancies for Shetland Central and Lerwick South Wards	
Reference Number:	GL-12-19-F	
Author / Job Title:	Executive Manager – Governance and Law	

1.0 Decisions / Action required:

- 1.1 That the Council notes the following ex-officio appointments to be filled by the newly elected member for **Shetland Central**:
 - Shetland Islands Council
 - Burra and Trondra Community Council
 - Scalloway Community Council
 - Tingwall, Whiteness and Weisdale Community Council
- 1.2 That the Council NOTES the following ex-officio appointments to be filled by the newly elected member for **Lerwick South**:
 - Shetland Islands Council
 - Lerwick Community Council
 - Gulberwick, Quarff and Cunningsburgh Community Council
- 1.3 That the Council RESOLVES to appoint one member from **Shetland Central** to the following vacancies (refer to Section 4.2 below):
 - Development Committee
- 1.4 That the Council RESOLVES to appoint one member from **Lerwick South** to the following vacancies (refer to Sections 4.3 – 4.5 below):
 - Development Committee
 - Education and Families Committee
 - Town Hall Sub-Committee
- 1.5 In relation to 1.3 and 1.4 above, that the Council make those appointments by the method set out in Section 4, and RESOLVES, in the event of a vote, to elect by secret ballot.

2.0 High Level Summary:

- 2.1 The purpose of this report is to seek appointments required by the Council to fill vacancies following the recent resignation of Councillor Beatrice Wishart, Lerwick South Ward, and Councillor Mark Burgess, Shetland Central Ward.

3.0 Corporate Priorities and Joint Working:

- 3.1 The recommendations in this report are not linked directly to any of the Corporate Priorities, but will support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

4.0 Key Issues:

- 4.1 The Council is asked to consider making the following appointments to fill the vacancies as a result of the resignations of Councillors B Wishart and M Burgess. Current membership of the following Committees are attached at Appendix 1.
- 4.2 In all instances, there is no guidance provided on a Ward member selection process, and therefore it is a matter for the Ward members to decide who to nominate for appointment, or to put the matter to a vote if there is more than one nomination. If no appointment is made, the position will remain vacant.

Development Committee

- 4.3 Membership of the Development Committee consists of one Member from each Ward, in addition to the Chair and Vice-Chair. The Council is asked to consider the appointment of a **Shetland Central** Ward member to the Development Committee. In addition, Councillor Campbell has intimated resignation from the Development Committee as the Lerwick South Ward member, with effect from 26 November. In this regard, the Council is also asked to consider the appointment of a **Lerwick South** Ward member to the Development Committee.

Education and Families Committee

- 4.4 Membership of the Education and Families Committee consists of one Member from each Ward, in addition to the Chair and Vice-Chair. There are also 3 religious representatives appointed to this Committee, and observer representation from MSYPs. The Council is asked to consider the appointment of a **Lerwick South** Ward member to the Education and Families Committee.

Town Hall Sub-Committee

- 4.5 Membership of the Town Hall Sub-Committee consists of two Members from each of the Lerwick South and Lerwick North Wards, and one Member from each of the remaining five Wards. The Chair and Vice-Chair is appointed by the Council from amongst those Members appointed to the Sub-Committee. The Council is asked to consider the appointment of a **Lerwick South** Ward member to the Town Hall Sub-Committee.

Method of Election/Voting

- 4.6 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.

4.7	Prior to voting, each candidate shall be permitted to address the meeting as to their candidature, however no questions will be allowed. The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has been custom and practice for the Council to undertake such voting by secret ballot.
4.8	The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.
4.9	Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.
4.10	In the case of an equality of votes, nominees shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications:	
6.1 Service Users, Patients and Communities:	There are no implications for service users arising directly from this report.
6.2 Human Resources and Organisational Development:	There are no implications for staff arising directly from this report.
6.3 Equality, Diversity and Human Rights:	There are no equality implications arising directly from this report and an Equalities Impact Assessment is not required.
6.4 Legal:	The legal framework for this report is supported by the Council's Constitution, including the Scheme of Administration and the Standing Orders.
6.5 Finance:	As an approved duty, any appointed elected Members will be entitled to claim expenses for attendance at meetings. However, as these appointments are to fill current vacancies, no significant additional expenditure is expected in relation to the Members' Expenses budget.
6.6 Assets and Property:	There are no implications for assets and property arising directly from this report.

6.7 ICT and new technologies:	There are no implications for ICT and ICT systems arising directly from this report.	
6.8 Environmental:	There are no environmental implications arising directly from this report.	
6.9 Risk Management:	The main risk associated with this report is the ‘do nothing’ option, which would result in a failure to support the Council’s Constitution, and a failure to make provision for adequate democratic accountability for constituents.	
6.10 Policy and Delegated Authority:	In terms of Section 2.1.3 of the Council’s Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to any body which is part of the political management framework. A decision of the Council is therefore required.	
6.11 Previously considered by:	None.	

Contact Details:

Jan Riise, Executive Manager - Governance and Law jan.riise@shetland.gov.uk
17 October 2019

Appendices:

1 - Committee Memberships – November 2019

Background Documents: None

END

Committee Members - 2017-2022

	Development Committee (7 ward members + Ch & VCh + Leader + 1)	Education and Families Committee (7 ward members + Ch & VCh + Leader + 1 + 3 Religious Reps)
Chair	A Cooper	G Smith
Vice-Chair	S Leask	T Smith
North Isles	A Priest	R Thomson
Shetland North	A Manson	E Macdonald
Shetland West	T Smith	C Hughson
Shetland Central	VACANT	D Sandison
Shetland South	A Duncan	R McGregor
Lerwick South	P Campbell	VACANT
Lerwick North	J Fraser	J Fraser
Leader	S Coutts	S Coutts
Additional Member(s)	N/A	P Campbell
		Religious Reps (3)
		T Macintyre
		M Tregonning
		H Rankine

GL-12 Appendix 1

Town Hall Sub-Committee	
1	M Bell (Chair) - Lk North
2	A Duncan - South
3	J Fraser - Lk North
4	A Manson - North
5	D Sandison - Central
6	C Smith (V-Chair)- Lk South
7	T Smith - West
8	R Thomson – North Isles
9	VACANT - Lk South



Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Appointment of Depute Convener and Appointments to Other Committee Vacancies	
Reference Number:	GL-13-F	
Author / Job Title:	Executive Manager – Governance and Law	

1.0 Decisions / Action required:

- 1.1 That the Council RESOLVES to appoint the following:
- a. one Member of the Council as Depute Convener;
 - b. one Member of the Council to the Harbour Board;
 - c. one Member of the Council to the Licensing Committee;
 - d. one Member of the Council to the Shetland College Board; and
 - e. one Member of the Shetland College Board as a substitute Member of the College Lecturers Joint Consultative Committee/Joint Negotiating Committee.
- 1.2 In relation to the above, that the Council make those appointments by the method set out in Section 4, and RESOLVES, in the event of a vote, to elect by secret ballot.

2.0 High Level Summary:

- 2.1 The purpose of this report is to consider making appointments to fill vacancies following the recent resignation of Councillor Beatrice Wishart, Lerwick South Ward, and Councillor Mark Burgess, Shetland Central Ward.

3.0 Corporate Priorities and Joint Working:

- 3.1 The recommendations in this report are not linked directly to any of the Corporate Priorities, but support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

4.0 Key Issues:

- 4.1 The Council is asked to consider making the following appointments to fill the vacancies as a result of the resignation of Councillors B Wishart and M Burgess.

Depute Convener

- 4.2 The Local Government etc. (Scotland) Act 1994 provides that the Council may elect a member of the Council to be Depute Convener. The Council's Constitution allows for the appointment of a Depute Convener, if so resolved. The Council resolved to appoint to the position of Depute Convener at the first statutory meeting of this term of the Council in May 2017. Councillor Beatrice Wishart held the position until her resignation in September this year, and so the vacant position remains to be filled.
- 4.3 The role description for the Depute Convener position is set out in the Council's constitution, and for ease of reference, is set out below:
- "The Depute Convener functions include supporting and assisting the Convener in the carrying out of their duties and functions, and to deputise for the Convener in respect of the following duties when the Convener is absent
- chairing meetings of the Council
 - representing the Council and the community at civic and ceremonial functions"
- 4.4 In keeping with usual practice, Council Members may wish to invite the Convener to apply his nomination in the first instance. Any additional nominations will be pursued thereafter resulting in a vote if more than one candidate emerges. Also prior to voting, each candidate shall be permitted to address the meeting as to their candidature, however no questions will be allowed.

Harbour Board

- 4.5 Membership of the Harbour Board consists of eight Members, including two Members to be Chair and Vice-Chair, appointed by the Council. The Council is asked to appoint one member of the Council to fill the current vacancy. The existing membership of the Harbour Board is shown in Appendix 1.

Licensing Committee/Shetland Islands Area Licensing Board

- 4.6 Membership of the Licensing Committee consists of 8 Members, including two Members to be Chair and Vice Chair, appointed by the Council. The Council is asked to appoint one member of the Council to fill the current vacancy.
- 4.7 As agreed by the Council at its meeting on 18 May 2017, members of the Licensing Committee are also appointed as members of the Shetland Islands Area Licensing Board [Min. Ref. 36/17]. It should be noted that for the Members on the Shetland Islands Area Licensing Board there is a requirement to undertake training.
- 4.8 The existing membership of the Licensing Committee/Shetland Islands Area Licensing Board is shown in Appendix 1.

Shetland College Board

- 4.9 Membership of the Shetland College Board consists of 8 Members, being 6 Members including two Members to be Chair and Vice-Chair appointed by the Council, and two other Members co-opted by the Council in the selection of whom the Council will have regard to skills and expertise. The Council is asked to

appoint one member of the Council to fill the current vacancy. The existing membership of the Shetland College Board is shown in Appendix 1.

College Lecturers Joint Consultative Committee/Joint Negotiating Committee

- 4.10 Membership of the College Lecturers JCC/JNC comprises of 4 Members of the Shetland College Board. The Council is asked to appoint one member of the Shetland College Board to the College Lecturers JCC/JNC. The existing membership of the College Lecturers JCC/JNC is shown in Appendix 1.

Method of Election/Voting

- 4.11 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.
- 4.12 Prior to voting, each candidate shall be permitted to address the meeting as to their candidature, however no questions will be allowed. The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has been custom and practice for the Council to undertake such voting by secret ballot.
- 4.13 The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.
- 4.14 Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.
- 4.15 In the case of an equality of votes, nominees shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.

5.0 Exempt and/or confidential information:

- 5.1 None.

6.0 Implications:

6.1 Service Users, Patients and Communities:

There are no implications for service users arising directly from this report.

6.2 Human Resources and Organisational Development:

There are no implications for staff arising directly from this report.

6.3 Equality, Diversity and Human Rights:	There are no equality implications arising directly from this report and an Equalities Impact Assessment is not required.
6.4 Legal:	The legal framework for this report is supported by the Council's Constitution, including the Scheme of Administration and the Standing Orders.
6.5 Finance:	<p>As an approved duty, any appointed elected Members will be entitled to claim expenses for attendance at meetings. However, as these appointments are to fill current vacancies, no significant additional expenditure is expected in relation to the Members' Expenses budget.</p> <p>If appointed, the role of Depute Convener is an unremunerated position.</p>
6.6 Assets and Property:	There are no implications for assets and property arising directly from this report.
6.7 ICT and new technologies:	There are no implications for ICT and ICT systems arising directly from this report.
6.8 Environmental:	There are no environmental implications arising directly from this report.
6.9 Risk Management:	The main risk associated with this report is the 'do nothing' option, which would result in a failure to support the Council's Constitution, and a failure to make provision for adequate democratic accountability for constituents.
6.10 Policy and Delegated Authority:	In terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to any body which is part of the political management framework. A decision of the Council is therefore required.
6.11 Previously considered by:	None.

Contact Details:

Jan Riise, Executive Manager - Governance and Law jan.riise@shetland.gov.uk
16 November 2019

Appendices:

Appendix 1 – Committee memberships.

Background Documents: None

END

COMMITTEE MEMBERSHIPS

Harbour Board	
Chair:	A Manson
Vice-Chair:	D Simpson
Members:	A Cooper
	S Coutts
	A Duncan
	A Hawick
	S Leask
	<i>Vacancy</i>
Licensing Committee	
Chair:	I Scott
Vice-Chair:	G Smith
Members:	M Bell
	A Cooper
	C Hughson
	S Leask
	C Smith
	<i>Vacancy</i>
Shetland College Board	
Chair:	P Campbell
Vice-Chair:	T Smith
Members:	E Macdonald
	A Priest
	G Smith
	<i>Vacancy</i>
College Lecturers Joint Consultative Committee/Joint Negotiating Committee	
Members:	P Campbell
	E Macdonald
	G Smith
	T Smith
Substitutes:	A Priest
	<i>Vacancy</i>



Shetland Islands Council

Agenda Item

4

Meeting:	Shetland Islands Council	27 November 2019
Report Title:	Appointment to the Planning Committee	
Reference Number:	GL-10-F	
Author / Job Title:	Executive Manager – Governance and Law	

1.0 Decisions / Action required:

- 1.1 That the Council RESOLVES to appoint one Member to the Planning Committee.
- 1.2 In relation to 1.1 above, that the Council makes the appointment by the method set out in Section 4, and RESOLVES, in the event of a vote, to elect by secret ballot.

2.0 High Level Summary:

- 2.1 On 10 June 2019, Councillor Theo Smith intimated his resignation from his role as Chair of the Planning Committee, with immediate effect.
- 2.2 At the Council meeting on 11 June 2019, as part of the Initial Review of Corporate Governance, it was considered timely to appoint to the vacancy.
- 2.3 Following nominations, Councillor Emma Macdonald was duly appointed as Chair of Planning Committee.
- 2.4 The appointment of Councillor Macdonald resulted in a further vacancy for a Member of the Shetland North Ward. It was acknowledged that further consideration would be required as to fill the vacancy with the remaining Shetland North Member would result in ward constituents being left unrepresented in terms of an advocate, at the Planning Committee. It was agreed that a further report would be presented at the next meeting of the Council to address this matter [Min. Ref. 32/19].

3.0 Corporate Priorities and Joint Working:

- 3.1 The recommendations in this report are not linked directly to any of the Corporate Priorities, but support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

4.0 Key Issues:

- 4.1 Membership of Planning Committee currently consists of 9 Councillors, being a Councillor from each ward, plus two further Councillors to be Chair and Vice Chair appointed by the Council.

4.2 The existing membership of the Planning Committee is set out below:

- Chair: E Macdonald (Shetland North)
- Vice-Chair: A Manson (Shetland North)
- Lerwick North: M Bell
- Shetland West: C Hughson
- Shetland Central: D Sandison
- North Isles: D Simpson
- Shetland South: G Smith
- Lerwick South: C Smith
- Shetland North: *Vacancy*

4.3 The appointment of the remaining Shetland North Member on Planning Committee could result in Ward constituents being unrepresented at Planning Committee in terms of an advocate. In this regard, the remaining Member for Shetland North has indicated that he does not wish to take up membership on the Committee.

4.4 There is however provision within Part C of the Scheme of Administration and Delegations, Section 1.3.3, for up to two further Councillors to be appointed to Planning Committee having regard to skills and expertise. The Council could therefore decide to appoint another Member, from any of the other Ward areas.

4.5 It should be noted that if a Member appointed to the Committee has not previously received planning training such training would be arranged.

Method of Election/Voting

4.6 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.

4.7 The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has been custom and practice for the Council to undertake such voting by secret ballot.

4.8 The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.

4.9 Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.

4.10 In the case of an equality of votes, nominees shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.

5.0 Exempt and/or Confidential Information	
5.1	None.
6.0 Implications:	
6.1 Service Users, Patients and Communities:	There are no implications for service users arising directly from this report.
6.2 Human Resources and Organisational Development:	There are no implications for staff arising directly from this report.
6.3 Equality, Diversity and Human Rights:	There are no equality implications arising directly from this report and an Equalities Impact Assessment is not required.
6.4 Legal:	The legal framework for this report is supported by the Council's Constitution, including the Scheme of Administration and the Standing Orders.
6.5 Finance:	<ul style="list-style-type: none"> As an approved duty, any appointed elected Member will be entitled to claim expenses for attendance at meetings. However, as the appointment is to fill a current vacancy, no significant additional expenditure is expected in relation to the Members' Expenses budget. If a member appointed to the Committee has not previously received planning training, such training will be arranged and costs met from existing Members' budgets.
6.6 Assets and Property:	There are no implications for assets and property arising directly from this report.
6.7 ICT and new technologies:	There are no implications for ICT and ICT systems arising directly from this report.
6.8 Environmental:	There are no environmental implications arising directly from this report.
6.9 Risk Management:	The main risk associated with this report is the 'do nothing' option, which would result in a failure to apply fully the Council's Constitution, although the impact of such failure is considered minimal.
6.10 Policy and Delegated Authority:	In terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to any body that is part of

	the political management framework. A decision of the Council is therefore required.	
6.11 Previously considered by:	Shetland Islands Council	11 June 2019

Contact Details:

Jan Riise, Executive Manager - Governance and Law jan.riise@shetland.gov.uk
15 November 2019

Appendices: None

Background Documents: None

END



Shetland Islands Council

Agenda Item

5

Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Appointment to the Audit Committee	
Reference Number:	GL-11-19-F	
Author / Job Title:	Executive Manager – Governance and Law	

1.0 Decisions / Action required:

- 1.1 That the Council RESOLVES to appoint one elected member of the Council to the Audit Committee,
- 1.2 In relation to 1.1 above, that the Council makes this appointment by the method set out in Section 4, and RESOLVES, in the event of a vote, to elect by secret ballot.

2.0 High Level Summary:

- 2.1 On 1 October 2018, Councillor Cecil Smith intimated his resignation from the Audit Committee.
- 2.2 At the Council meeting on 31 October 2018, nomination was sought to fill the vacancy on the Audit Committee. While two nominations were made, those were declined, and the vacancy remained [Min. Ref. 51/18].
- 2.3 On 8 March 2019, Councillor Ryan Thomson intimated his resignation from the Audit Committee, with immediate effect.
- 2.4 At the Council meeting on 15 May 2019, the Council was asked to consider making appointments to fill the vacancy caused by the resignation of Councillor Thomson, and the existing vacancy on the Audit Committee.
- 2.5 Councillor Cecil Smith was nominated and accepted the appointment to Audit Committee. A number of further nominations were made, however those Members declined the nominations. There therefore remained one vacancy on Audit Committee.
- 2.6 During the discussion at the Council meeting in May 2019, reference had been made to the provision that exists within the Constitution for the appointment of external members to Audit Committee, which to date has never been fulfilled.
- 2.7 The Council agreed for a report to be prepared to a future meeting of the Council, to address the remaining vacancy on Audit Committee, including proposals for the co-option of independent Members [Min. Ref. 26/19]. The purpose of this report is to give the Council an opportunity to appoint to the one remaining vacancy.

3.0 Corporate Priorities and Joint Working:

- 3.1 The recommendations in this report are not linked directly to any of the Corporate Priorities, but will support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

4.0 Key Issues:

- 4.1 This report seeks an appointment to the Audit Committee.
- 4.2 Membership of the Audit Committee, as set out at Section 1.1.2 (5) of the Council's Scheme of Administration and Delegations is as follows: "9 Councillors, including two Councillors to be Chair and Vice-Chair appointed by the Council, plus two independent assessor members who are non-Councillors co-opted by the Council, in the selection of whom the Council will have regard to skills and expertise".
- 4.3 The existing membership of the Audit Committee is set out below:
- A Duncan
 - C Hughson
 - R McGregor
 - A Manson
 - J Fraser
 - S Leask
 - I Scott
 - *Vacancy*
- 4.4 We are in the course of examining options for appointment of non-elected members to the Audit Committee. This is predominantly by comparing practice with other Councils who have already gone down this route. Our considerations include the methods by which non-elected Audit Committee members are: (1) identified - skills required, experience, exclusions, etc.; (2) short-listed – criteria to be applied; and (3) method of appointment – selection and interview process or by written applications.
- 4.5 In the meantime, as we are today considering a number of appointments following the election of two new Councillors, the purpose of this report is to give the Council an opportunity to appoint to the one remaining vacancy.

Method of Election/Voting

- 4.6 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.
- 4.7 The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has

<p>been custom and practice for the Council to undertake such voting by secret ballot.</p>	
4.8	The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.
4.9	Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.
4.10	In the case of an equality of votes, nominees shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications:	
6.1 Service Users, Patients and Communities:	There are no implications for service users arising directly from this report.
6.2 Human Resources and Organisational Development:	There are no implications for staff arising directly from this report.
6.3 Equality, Diversity and Human Rights:	There are no equality implications arising directly from this report and an Equalities Impact Assessment is not required.
6.4 Legal:	The legal framework for this report is supported by the Council's Constitution, including the Scheme of Administration and the Standing Orders.
6.5 Finance:	<p>As an approved duty, any appointed elected Members will be entitled to claim expenses for attendance at meetings. However, as these appointments are to fill current vacancies, no significant additional expenditure is expected in relation to the Members' Expenses budget.</p> <p>If the Council ultimately decided go down the route of appointing non-elected Members, they would also be entitled to claim expenses for attendance at meetings of the Audit Committee.</p>
6.6 Assets and Property:	There are no implications for assets and property arising directly from this report.

6.7 ICT and new technologies:	There are no implications for ICT and ICT systems arising directly from this report.	
6.8 Environmental:	There are no environmental implications arising directly from this report.	
6.9 Risk Management:	The main risk associated with this report is the 'do nothing' option, which would result in a failure to support the Council's Constitution, and a failure to make provision for adequate democratic accountability for constituents.	
6.10 Policy and Delegated Authority:	In terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to any body that is part of the political management framework. A decision of the Council is therefore required.	
6.11 Previously considered by:	Shetland Islands Council Shetland Islands Council	31 October 2018 15 May 2019

Contact Details:

Jan Riise, Executive Manager - Governance and Law jan.riise@shetland.gov.uk
15 November 2019

Appendices: None

Background Documents: None

END



Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Shetland College Board – Student Member Appointment	
Reference Number:	GL-20-19-F	
Author / Job Title:	Jan-Robert Riise, Executive Manager - Governance and Law	

1.0 Decisions / Action required:

- 1.1 That Shetland Islands Council RESOLVES to appoint Ms Tegan Patterson as the nominated student representative on the Shetland College Board, with full voting rights.

2.0 High Level Summary:

- 2.1 At its meeting on 28 June 2017, the Council agreed that one student representative with voting rights should be included in the membership of Shetland College Board. It was further agreed that the nomination should be sought from the Highlands and Islands Student Association (HISA) – Shetland College, and that the term of appointment should be the duration of time that the nominee was a student (Min Ref: SIC 50/17).
- 2.2 The Council accordingly appointed a student representative to the Board at its meeting on 30 August 2017 (Min Ref: SIC 60/17). Following his resignation, a new student representative was appointed in December 2018 (Min Ref: SIC 61/18). Following her resignation, a new student representative – Ms Tegan Patterson - has been nominated by HISA – Shetland College.

3.0 Corporate Priorities and Joint Working:

- 3.1 HM Inspectors expressed the view that the learner voice in college decision-making would be enhanced by representation on the Shetland College Board. Shetland College Board considered the issue of student representation, and recommended to the Council that its membership should include one student representative with voting rights. The Council agreed to this recommendation.

4.0 Key Issues:

- 4.1 In accordance with the Council's decision, the Highlands and Islands Student Association – Shetland College was asked to nominate a representative for appointment. Following the resignation of the earlier appointees, HISA – Shetland College has now nominated Ms Patterson for appointment.
- 4.2 Ms Patterson has provided me with her personal details, and her appointment is recommended. Should her appointment be approved, she will become a full

voting member of Shetland College Board, and will be required to complete a public Register of Interests.	
4.3	Whilst the term of this appointment will be the duration of time that the nominee remains a student at Shetland College, or resigns, any future decisions regarding the requirement for the Shetland College Board post-merger, may impact on this appointment.
5.0 Exempt and/or confidential information:	
5.1	None.
6.0 Implications:	
6.1 Service Users, Patients and Communities:	None.
6.2 Human Resources and Organisational Development:	None.
6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	None.
6.5 Finance:	Non-councillor appointments to the Board are unpaid, but incidental expenses will be met from Executive Services - Council Members approved revenue budget.
6.6 Assets and Property:	None.
6.7 ICT and new technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	None.
6.10 Policy and Delegated Authority:	The appointment of non-councillor members is provided for within the Council's Constitution, and is a matter reserved to the Council.

6.11 Previously considered by:	N/A	

Contact Details:

Anne Cogle, Team Leader - Administration

Anne.cogle@shetland.gov.uk

13 November 2019

Appendices:

None

Background Documents:

None

END



Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Appointments to External Organisations: <ul style="list-style-type: none"> • Orkney and Shetland Valuation Joint Board • Shetland Area Support Team • Community Safety and Resilience Board • Shetland Oil Terminal Environmental Advisory Group (SOTEAG) 	
Reference Number:	GL-14-F	
Author / Job Title:	Executive Manager – Governance and Law	

1.0 Decisions / Action required:

1.1 That the Council RESOLVES to appoint the following:

- a. one Member of the Council as a substantive Member to the Orkney and Shetland Valuation Joint Board; and
- b. one Member of Education and Families Committee to the Shetland Area Support Team;
- c. one Member of the Council to the Community Safety and Resilience Board; and
- d. one Member of the Council as an Executive Member of SOTEAG.

1.2 In relation to 1.1 above, that the Council make those appointments by the method set out in Section 4, and RESOLVES, in the event of a vote, to elect by secret ballot.

2.0 High Level Summary:

2.1 The purpose of this report is to seek appointments required by the Council to fill vacancies following the recent resignations of Councillor Beatrice Wishart, Lerwick South Ward, and Councillor Mark Burgess, Shetland Central Ward.

3.0 Corporate Priorities and Joint Working:

3.1 The recommendations in this report are not linked directly to any of the Corporate Priorities, but will support the Council's responsibilities in terms of ensuring good governance, accountability and partnership working.

4.0 Key Issues:

- 4.1 This report seeks the appointment of one substantive Member to the Orkney and Shetland Valuation Joint Board, one member of the Education and Families Committee to the Shetland Area Support Team, and one member to the Community Safety and Resilience Board.

Orkney and Shetland Valuation Joint Board

- 4.2 The Joint Board has responsibility for electoral registration, lands and non-domestic property valuation (Non-Domestic Rates), and domestic property valuation (Council Tax) in the Orkney and Shetland areas.
- 4.3 The Joint Board meets at least twice a year, with one meeting in Shetland and one meeting in Orkney.
- 4.4 The Administrative Regulations of the Joint Board state that the total number of Members on the Joint Board is ten in total, consisting of five Members from each of the constituent authorities of Orkney Islands Council and Shetland Islands Council. Five substitute members from each authority are also appointed.
- 4.5 It is recommended that the Council proceed to make **one substantive Councillor appointment** to the Board. The existing Shetland Islands Council membership of the Orkney and Shetland Valuation Joint Board is as follows:

Substantive Members

A Cooper
A Duncan
J Fraser
T Smith (Vice-Convener)
Vacancy

Substitute Members

M Bell
S Leask
E Macdonald
G Smith
R Thomson

In the event of a substitute member being appointed as a substantive member, the Council may, at this meeting, appoint to the substitute vacancy.

Shetland Area Support Team

- 4.6 The Shetland Area Support Team (AST) is made up of a group of volunteers who carry out functions on behalf of the National Convener, to support members of the Children's Panel who sit on children's hearings in their local area. An assessment of the appointment required, prepared in June 2017, and my recommendation that the nomination be made, is still relevant. The assessment is attached as Appendix 1.
- 4.7 It is recommended that the Council proceed to make **one substantive Councillor nomination from its membership of the Education and Families Committee**. Final appointment is made by the National Convener of Children's Hearings Scotland. The membership of the Education and Families Committee is as follows:

G Smith (Chair)	T Smith (Vice-Chair)
R Thomson	E Macdonald
C Hughson	D Sandison
R McGregor	J Fraser
S Coutts	P Campbell
Vacancy (Member from Lerwick South)	

Community Safety and Resilience Board [CSRB]

- 4.8 As required by the CSRB Terms of Reference, the Council appoints seven Members, one from each Ward, and appoints a Chair from amongst those members appointed. The Council is asked to **consider the appointment of both a Shetland Central Ward Member and a Lerwick South Ward member** to the Community Safety and Resilience Board. There is no guidance provided on a selection process, and therefore it is a matter for the Ward members to decide who to nominate for appointment, or to put the matter to a vote if there is more than one nomination. If no appointment is made, the position will remain vacant.

Shetland Oil Terminal Environmental Advisory Group (SOTEAG)

- 4.9 Under the European Habitats Directive, Sullom Voe is deemed a Special Area of Conservation and SOTEAG advises on all environmental implications of terminal operations and new developments. SOTEAG is responsible for Sullom Voe's environmental status, and oversees and advises any third party developments that may impose on the environmental conditions. The Council appointed two Executive members [A Cooper and S Coutts] and two Associate (substitute) members (S Leask and E Macdonald]. Executive members have recently increased with the inclusion of Total, who formally participate in SVA meetings as an Observer and fund 25% of the SOTEAG budget. Consequently, SIC Executive membership of SOTEAG needs to increase by one to ensure a balanced membership between the SIC and Operators. In this regard, it has been suggested that, for continuity, one of the SIC Associate (substitute) members could be appointed.

Method of Election/Voting

- 4.10 Section 10 of the Council's Standing Orders sets out the method of appointment of office bearers. When Councillors are to be appointed to any positions to be filled by the Council, and where the number of candidates nominated exceeds the number of vacancies, the Councillors to be appointed will be determined by a vote or votes in each of which Members will be entitled to vote for as many candidates as there are vacancies; but they may not cast more than one vote for any candidate.
- 4.11 The vote will normally be taken by a show of hands, unless the Council resolves in the case of any particular appointment to take the vote by secret ballot. It has been custom and practice for the Council to undertake such voting by secret ballot.
- 4.12 The name of the candidate having fewest votes will be deleted from the list and a fresh vote, or votes, will be taken. This process of elimination will be continued until the number of candidates equals the number of vacancies.
- 4.13 Where only one vacancy requires to be filled, and any candidate has an absolute majority of the votes, the candidate will be declared appointed. Otherwise, the name of the candidate having fewest votes will be deleted from the list. This process of elimination will be continued until one candidate has a majority of the votes.

4.14	In the case of an equality of votes, nominees shall be elected by lot as between those who received equal votes and proceed on the basis that the person to whom the lot falls upon had received an additional vote.
5.0	Exempt and/or Confidential Information:
5.1	None.
6.0	Implications:
6.1 Service Users, Patients and Communities:	There are no implications for service users arising directly from this report.
6.2 Human Resources and Organisational Development:	There are no implications for staff arising directly from this report.
6.3 Equality, Diversity and Human Rights:	There are no equality implications arising directly from this report and an Equalities Impact Assessment is not required.
6.4 Legal:	<p>The Orkney and Shetland Valuation Joint Board was established by, and exists in accordance with, the Local Government (Scotland) Act 1994 and the Valuation Joint Boards (Scotland) Order 1995. Failure to appoint would cause the Council to be in contravention of its statutory requirement.</p> <p>As explained in the Assessment at Appendix 1, there is no legal impediment to the Council not making an appointment to the Shetland Area Support Team, nor would a failure to appoint impact on the Council's statutory requirement to support the AST.</p> <p>There are no legal implications regarding appointments to the Community Safety and Resilience Board.</p>
6.5 Finance:	As an approved duty, any appointed elected Members will be entitled to claim expenses for attendance at meetings. However, as these appointments are to fill current vacancies, no significant additional expenditure is expected in relation to the Members' Expenses budget.
6.6 Assets and Property:	There are no implications for assets and property arising directly from this report.
6.7 ICT and new technologies:	There are no implications for ICT and ICT systems arising directly from this report.

6.8 Environmental:	There are no environmental implications arising directly from this report.	
6.9 Risk Management:	The main risk associated with this report is the 'do nothing' option, which would result in a failure to support these statutory appointment requirements.	
6.10 Policy and Delegated Authority:	<p>In terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations, matters reserved to the Council include the appointment of Councillors to Statutory Joint Boards. A decision of the Council is therefore required.</p> <p>In terms of confirming approved duty status, appointments and nominations to external organisations can only be determined by the Council or its Committees.</p>	
6.11 Previously considered by:	None.	

Contact Details:

Jan Riise, Executive Manager - Governance and Law jan.riise@shetland.gov.uk
16 November 2019

Appendices:

Appendix 1 - Appointment to Shetland Area Support Team (AST)

Background Documents: None

END

Shetland Area Support Team [AST]	
Organisation Contact	<p>Simone Ledraw Panel and Area Support Officer Children's Hearings Scotland Area 2/1/1 Ladywell House, Ladywell Road, Edinburgh EH12 7TB e: simone.ledraw@chs.gsi.gov.uk</p> <p>George Martin Area Convener Shetland Area Support Team Dales, Trondra, Shetland, ZE1 0XL e: george.martin@childrenshearings.org.uk</p> <p>www.chscotland.gov.uk</p>
SIC BRO/Lead Officer	Executive Manager - Governance and Law
Supporting Documents held on file: <ul style="list-style-type: none"> Partnership Agreement Area Support Teams: Functions, Roles and Responsibilities - 29 June 2012 	

Category – National / International / Local / Statutory	National / Statutory
Type of organisation e.g. public trust / charity / registered company, etc.	<p>Children's Hearings Scotland (CHS) was established as a public body by the Children's Hearings (Scotland) 2011 Act in July 2011. Under the Act, CHS has the primary statutory function of supporting the delivery of National Convener functions associated with the recruitment, selection, training, retention and support of panel members.</p> <p>As a public body, CHS is governed by a Board of non-executive members which is accountable to Scottish Ministers and the Scottish Parliament through the Scottish Government Education Department.</p> <p>Under the Children's Scotland Act 2011, the National Convener must establish a committee (to be known as an area support team) for each area that the National Convener designates. The National Convener has designated Shetland as an area for the purposes of this Act.</p> <p>What is an Area Support Team? An Area Support Team (AST) is made up of a group of volunteers who carry out functions on behalf of the National Convener, to support members of the Children's Panel who sit on children's hearings in their local area.</p>

<p>Strategic Objectives/Vision/Purpose</p>	<p>There are approximately 410 AST members across Scotland in 22 different ASTs. ASTs came into being on 31 March 2013. From 24 June 2013 they replaced the 30 local authority Children's Panel Advisory Committees that previously existed. Members of the ASTs are responsible for managing and supporting the national Children's Panel at a local level.</p> <p>Central to the National Standards for the Children's Panel are CHS' vision, mission and values.</p> <p>"Our vision is of a Children's Hearings System where everyone works together, making sure that all children and young people are cared for and protected, and their views are heard, respected and valued.</p> <p>Our mission is to improve outcomes and experiences for children and young people in Scotland who may be at risk. We will do this by supporting the Children's Panel, working with partners and using our influence to drive improvements across the Children's Hearings System."</p>
<p>Criteria/conditions required by the organisation:</p>	
<p>Number of appointments/nominations sought</p>	<p>The National Convener - Children's Hearings Scotland is required by Schedule 2 12(4) of the Children's Hearings (Scotland) Act 2011 to appoint one person nominated by the Council to the AST.</p>
<p>Type of appointment - Councillor/Office bearer/Ward</p>	<p>Nominees are ordinarily elected members, but this is not a requirement under the Act</p>
<p>Substitutes [in general this will not be required unless specifically requested]</p>	<p>Not required.</p>
<p>Term of office [in general this will align with the Council's term of office or that of the office bearer]</p>	<p>Term of office as Councillor.</p>

Skills and Knowledge

Each member of the AST demonstrates that they can:

- communicate effectively, both in person and in writing
- work effectively and supportively as a team member
- listen actively and sensitively to views inside and outside the AST, and especially to panel members
- build effective working relationships with stakeholders and partners across the Children's Hearings System, including SCRA and relevant local authority staff

Local Authority Representative - Key responsibilities

- undertake training to ensure sound knowledge of the role of panel members and the functions of and roles within ASTs
 - act as the key link between the local authority and the AST
 - work closely with the Area Convener and AST members and advise on the local authority perspective on particular matters, emerging issues etc
 - meet with appropriate local authority officials (e.g. social work and education directors) at regular intervals to ensure that there is continuing dialogue between the Children's Panel and the local authority
 - consider where and how the local authority might provide any additional assistance to panel members locally
 - facilitate partnership working and effective communication between the AST, panel members, other partners and the local authority
-
- The Council's nominee will require a PVG check to be carried out by CHS.

Stated benefits of membership / attendance

Councillor appointees are not directly involved in panel member recruitment or practice observation and review processes.

However, local authority nominees will have an overview of the Children's Hearings System and the Children's Panel in their area, and will act as an important link between the Children's Panel and the local authority elected members and relevant local authority senior officials and departments. This working relationship will help build on the responsibilities of both organisations and work towards making improvements for children and young people.

Criteria/conditions required by the Council:

Number / location of meetings	The Shetland AST meets 4 times per annum in Lerwick.
Links to Council Strategic Plans/Objectives	<ul style="list-style-type: none"> Corporate Plan - work with others to make a difference - vulnerable children and young people in need of our care and support will continue to be protected from harm. Local Outcome Improvement Plan - ensuring that the needs of our most vulnerable children and young people are met.
Financial Information – Council Funded/Non-funded/membership fees	The Council does not directly fund Children’s Hearings Scotland or the AST, but provides administrative support to the AST and the Children’s Panel through a Partnership Agreement.
Legal - Obligations/Liabilities/Insurance Are there any existing contractual obligations?	<ul style="list-style-type: none"> Legal/contractual - The Council must provide the AST with such administrative support as the National Convener considers appropriate. This is provided by way of administrative support staff and accommodation. The Council is not obliged to make a nomination for appointment to the AST, and to not do so would not impact on the statutory requirement to support the AST. Liabilities/Insurance - there are no matters relating to indemnity or insurance within the guidelines and constitution for the AST. In this regard, the actions of a councillor appointed to the AST whilst on AST business would be subject to the normal insurance arrangements of the Council. Personal liability may be incurred if the Council or its insurers was to dispute any such actions taken.
Expenses – will the council bear any costs of attendance and if so, the estimated costs for budget purposes	Appointment will result in approved duty status, and any costs of attendance at meetings will be met by the Council.
Current issues – from organisation and from previous/current appointee	The Shetland AST and the local Children’s Panel are working towards the development of joint training and development opportunities to not only enhance the working relationship between the organisations, but to benefit and improve the experience and outcomes for children at hearings.

Risk Assessment:

Risks/Impacts – organisational and personal, financial, environmental, community and political, equality, diversity and human rights.	ASTs have operated successfully nationally since they were set up in 2013, and there are no risks identified for the Council in making this appointment. Failure to make an appointment would result in a vacancy and a gap in the communications link that the appointment is seeking to achieve.
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Code of Conduct - Would membership cause the appointed member[s] to be regular excluded from Council debates and decisions?

There are no personal risks for members to consider, and there are no issues which would require equalities, economic or environmental impact assessments.

Any appointment would be a **registrable interest**, and therefore would require **declaration** at any relevant meeting or item of business.

However, a **specific exclusion** exists in terms of Section 5.18(2)(b) of the Councillors' Code of Conduct in that the Councillor is appointed to a public body established by enactment, and the Councillor may therefore take part in the consideration and discussion of, and to vote upon any matter relating to the AST, provided that they are satisfied as to having applied the objective test, and that the matter is not quasi-judicial or regulatory in nature.

BRO, Lead Officer and/or Monitoring Officer advice

The Executive Manager - Governance and Law would recommend continuing with an appointment to the Shetland AST in order to maintain the benefits, as stated, for both the organisation and the Council. Functional responsibility for matters concerning children's social work is delegated to the Education and Families Committee. The Lead Officer supports the recommendation in this assessment.

The Monitoring Officer advises that membership would not give rise to any legal, financial or contractual matters, and that there would be no likely issues arising out of a conflict of interest.

RECOMMENDATION

In this regard, and in order to ensure the appointment and lines of communication are linked to the corporate objectives and functional responsibilities, it is recommended that the Council proceed to make **one substantive councillor nomination** from its membership of the Education and Families Committee.

Assessment Date

19 June 2017

Decision Made

Meeting Name: Shetland Islands Council
Date: 28 June 2017
Minute Reference: 49/17

Following a vote, Members appointed Councillor Beatrice Wishart [Depute Convener and member of the Education and Families Committee]

Action/Update:

Emailed the National Convener and CE of CHS, and the CHS Panel and Area Support Officer - 29 June 2017

END



Meeting(s):	Policy & Resources Committee Shetland Islands Council	25 November 2019 27 November 2019
Report Title:	SIC Overall Management Accounts 2019/20 Projected Outturn at Quarter 2	
Reference Number:	F-054-F	
Author / Job Title:	Jamie Manson Executive Manager - Finance	

1.0 Decisions / Action required:

1.1 That the Policy & Resources Committee RECOMMENDS that the Council RESOLVE to:

1.1.1 note the Management Accounts showing the overall projected outturn position at Quarter 2; and

1.1.2 approve an increase in the contribution to ZetTrans of up to £0.099m to fund the delivery of business cases as part of the transport network re-design.

2.1 The report sets out the overall Council projected financial position as at quarter 2.

2.2 On 26 February 2019 (SIC Min Ref: 10/19) the Council approved the 2019/20 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £17.573m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.

2.3 This report forms part of the financial governance and stewardship framework, which ensures that the financial position of the Council is acknowledged, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Committee that resources are being managed effectively and allows corrective action to be taken where necessary.

2.4 Since the approval of the 2019/20 budget, revisions to the budget have been incorporated for the Council's budget carry-forward scheme and spend to save, and other changes etc., totalling £18.902m, resulting in an additional budgeted draw on reserves of £18.865m for both revenue and capital. This report refers to the revised budget that is now in place for each of the services.

3.0 Corporate Priorities and Joint Working:

- 3.1 There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget, and is living within its means; and that the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.
- 3.2 The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of this Council.

4.0 Key Issues:

- 4.1 At quarter 2 the combined revenue and capital outturn projections by fund (details are set out in Appendices 1,2 and 3) results in a projected underspend as follows:

2019/20 Actual Spend Qtr 2 £000	Fund	2019/20 Original Budget £000	2019/20 Budget Revisions Qtr 2 £000	2019/20 Revised Budget Qtr 2 £000	2019/20 Projected Outturn Qtr 2 £000	2019/20 Projected Variance under/ (over) £000
77,977	General Fund	128,313	20,142	148,455	146,078	2,377
(3,869)	Harbour Account	(10,793)	(1,249)	(12,042)	(15,032)	2,990
(130)	Housing Revenue Account	1,124	9	1,133	1,163	(30)
73,978	TOTAL	118,644	18,902	137,546	132,209	5,337

- 4.2 The budget revisions of £18.902m are funded as follows:

Fund	2019/20 Revenue Projected Variance under/(over) Qtr 2 £000
Council Reserves	18,865
Scottish Government Grants	(765)
Borrowing	802
TOTAL	18,902

The major revisions are for the purchase of SLAP £16.967m and carry forwards £4.285m. Details of all revisions are set out in Appendix 4. At quarter 2, the percentage of actual spending against the revised budget is 54%. Full details of variance analysis by service area is set out in Appendix 4.

- 4.3 The following table shows the projected variance of each of the funds by revenue and capital expenditure.

Fund	2019/20 Revenue Projected Variance under/(over) Qtr 2 £000	2019/20 Capital Projected Variance under/(over) Qtr 2 £000	2019/20 Total Projected Variance under/ (over) Qtr 2 £000
General Fund	(1,403)	3,780	2,377
Harbour Account	1,538	1,452	2,990
Housing Revenue Account	(76)	46	(30)
TOTAL	59	5,278	5,337

- 4.4 The net projected underspend is mainly achieved from underspending on capital budgets, with a very minor underspend on revenue. A number of capital projects have slipped their timescales and require to be re-profiled into next year. Details are set out in Appendix 4.
- 4.5 Included within the General Fund revenue projections is the additional grant contribution to ZetTrans to meet the additional cost of delivering business cases as part of the transport network re-design. This shortfall has arisen from consultancy fees. A decision of the Council is required to increase the payment to ZetTrans. This is to be funded from the contingency budget.
- 4.6 The 2019/20 projected total draw from reserves on both revenue and capital expenditure is £31.233m, which is under the revised budgeted draw of £36.438m by £5.205m (see Appendix 5). This is the combined position for the General Fund, Harbour Account and Housing Revenue Account.
- 4.7 Appendices 1-6 set out this information in more detail.

5.0 Exempt and/or confidential information:

- 5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:

There are no implications arising from this report.

6.2 Human Resources and Organisational Development:

There are no implications arising from this report.

6.3

There are no implications arising from this report.

Equality, Diversity and Human Rights:	
6.4 Legal:	There are no implications arising from this report.
6.5 Finance:	<p>Overall expenditure in the second quarter of the year is 54% of the revised budget.</p> <p>The projected underspend for the Council for 2019/20 is £5.337m.</p> <p>The total revenue budgets underspend of £59k is due to additional income on the Harbour Account £1.538m offset by both the General Fund £1.489m and Housing Revenue Account £76k anticipating an overspend.</p> <p>Total capital budgets underspend of £5.278m is due to slippage on a number of project which require to be re-profiled into future years.</p> <p>The overall projected draw on reserves at quarter 2 is £31.233m, which is £5.205m less than the revised draw of £36.438m.</p> <p>The projected draw equates to a daily draw on reserves of £86k as opposed the original budgeted draw of £48k per day.</p> <p>The quarter 2 actual spend figures do not include £1.008m allocation from the Scottish Crown Estate, this was received after quarter 2 closedown. A separate report to this meeting is to be presented to determine how this funding will be spent.</p>
6.6 Assets and Property:	There are no implications arising directly from this report.
6.7 ICT and new technologies:	There are no implications arising from this report.
6.8 Environmental:	There are no implications arising from this report.
6.9 Risk Management:	<p>There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.</p> <p>From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made. These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p>

	<p>The main variable assumptions are around anticipated income levels, returns on investments and cost pressures and demands.</p> <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>The Council makes provision within its budget for cost pressures that may arise. This approach provides additional confidence for the Council to be able to mitigate any adverse financial circumstances.</p>
6.10 Policy and Delegated Authority:	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2018/19 financial year.</p> <p>The Policy & Resources Committee has delegated authority for securing the co-ordination, control and proper management of the financial affairs of the Council, and has referred authority to make recommendations to the Council as to the level of any expenditure not provided for in the annual budgets.</p> <p>The Council's Financial Regulations state that the Executive Manager - Finance has a responsibility to ensure that detailed monitoring by Directors and Executive Managers is carried out and that the Council will determine the reporting content, timescale, frequency and receiving committee(s) required for monitoring statements and the Executive Manager - Finance will be responsible for ensuring compliance with this.</p>
6.11 Previously considered by:	<p>n/a</p>

Contact Details:

Hazel Tait, Team Leader Accountancy, Hazel.Tait@Shetland.gov.uk, 20 Aug 2019

Appendices:

Appendix 1 – 2019/20 General Fund Projected Revenue and Capital Outturn at Q2

Appendix 2 – 2019/20 Harbour Account Projected Revenue and Capital Outturn at Q2

Appendix 3 – 2019/20 Housing Revenue Account Projected Revenue and Capital Outturn at Q2

Appendix 4 – 2019/20 Variance Analysis of Main Variances Q2

Appendix 5 – 2019/20 Summary of Budget Revisions at Q2

Appendix 6 – 2019/20 Projected Outturn for Use of Reserves at Q2

Background Documents:

SIC Budget Book 2019/20, SIC 26 February 2019

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=23748>

General Fund Revenue - Projected Outturn Position for 2019/20

2019/20 Projected Variance Qtr 1 £000	2019/20 Year to Date Actual Qtr 2 £000	General/Support	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 2 £000	2019/20 Projected Outturn Qtr 2 £000	2019/20 Projected Variance Qtr 2 £000
(2)	1,020	Chief Executive Services	1,721	28	1,749	1,771	(22)
(302)	23,866	Children's Services	44,589	927	45,516	45,448	68
(238)	10,174	Community Health & Social Care Services	20,765	(81)	20,685	20,549	135
(61)	5,032	Corporate Services	8,904	1,079	9,984	10,265	(281)
(1,056)	4,974	Development Services	13,644	36	13,679	14,663	(984)
(120)	12,390	Infrastructure Services	15,353	9,924	25,276	26,236	(960)
(1)	223	Fund Managers Fees	1,387	0	1,387	1,396	(9)
0	0	Energy*	3,264	(3,264)	0	0	0
0	0	Water*	377	(377)	0	0	0
0	0	Building Maintenance*	2,557	(2,557)	0	0	0
0	0	Grass Cutting*	173	(173)	0	0	0
0	0	FMU*	721	(721)	0	0	0
0	0	Training**	584	(584)	0	0	0
1,425	(166)	Contingencies & Cost Pressures	1,904	(456)	1,448	1,069	379
208	0	Financing Costs	1,592	0	1,592	1,392	200
14	(121)	Economic Development Investment Income	(1,134)	0	(1,134)	(1,168)	34
4	0	Interest on Revenue Balances	(14)	0	(14)	(14)	0
0	0	Spend to Save (Unallocated)	250	24	274	274	0
0	0	Net Recharges to Other Fund	(2,910)	(1,544)	(4,454)	(4,491)	37
3,318	(22,901)	Other Investment Income ***	0	0	0	(22,865)	22,865
(3,318)	22,901	Other Investment Income transfer to Reserves ***	0	0	0	22,865	(22,865)
(129)	57,392	Total Net Expenditure/(Income)	113,725	2,263	115,988	117,391	(1,403)
		<i>Funded by:</i>					
0	(30,388)	Government Grants	(79,315)	(929)	(80,244)	(80,570)	326
0	(9,754)	Council Tax	(9,738)	0	(9,738)	(9,754)	17
0	0	Spend to Save	(250)	(328)	(578)	(578)	0
129	(17,250)	Contribution from General Fund Reserve	(24,422)	(1,006)	(25,428)	(26,489)	1,060
129	(57,392)	Total Funding/Contribution	(113,725)	(2,263)	(115,988)	(117,391)	1,403
0	0	Balanced Budget	0	0	0	0	0

* These budget lines have been incorporated into the Infrastructure Services budget line

** This budget line has been incorporated into the Corporate Services budget line.

*** These budget lines are the recording of investment returns which are immediately re-invested by fund managers.

General Fund Capital - Projected Outturn Position for 2019/20

2019/20 Projected Variance Qtr 1 £000	2019/20 Year to Date Actual Qtr 2 £000	General Fund	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 2 £000	2019/20 Projected Outturn Qtr 2 £000	2019/20 Projected Variance Qtr 2 £000
580	777	Children's Services	1,735	1,001	2,736	2,160	576
(111)	15	Community Health & Social Care Services	355	208513	564	218	345
0	17,467	Corporate Services	2,387	17,783	20,171	18,541	1,629
0	0	Development Services	0	205	205	205	0
2,701	2,325	Infrastructure Services	10,111	(1,318)	8,792	7,562	1,230
3,170	20,585	Total Costs	14,588	17,879	32,467	28,687	3,780
		<i>Funded by:</i>					
0	(2,642)	General Capital Grant	(7,689)	0	(7,689)	(7,689)	0
0	(772)	Capital Grants Unapplied	(38)	(801)	(839)	(839)	0
(3,280)	0	External Grants	(4,037)	2,495	(1,542)	(966)	(576)
0	(543)	External Borrowing	0	(803)	(803)	(903)	100
0	(241)	Spend to Save Reserve	(755)	(1,806)	(2,561)	(1,069)	(1,493)
110	(16,318)	Capital Fund Reserve	(1,814)	(16,965)	(18,779)	(16,966)	(1,812)
0	(68)	Capital Receipts	(255)	0	(255)	(255)	0
(3,170)	(20,585)	Total Funding & Financing	(14,588)	(17,879)	(32,467)	(28,687)	(3,780)
0	0	Balanced Budget	0	0	0	0	0

Harbour Account

Revenue and Capital - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 1 £000	2019/20 YTD Actual Qtr 2 £000	Harbour Account	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 2 £000	2019/20 Projected Outturn Qtr 2 £000	2019/20 Projected Variance Qtr 2 £000
		REVENUE:					
(13,035)	(7,686)	Sullom Voe	(10,965)	(1,623)	(12,588)	(14,497)	1,909
394	(222)	Scalloway	496	(104)	392	136	256
222	(159)	Other Piers	171	3	174	291	(117)
0	793	Jetties & Spur Booms	0	0	0	0	0
(1,506)	239	Terminals	(1,536)	0	(1,536)	(1,725)	190
(13,925)	(7,035)	Ports & Harbours Net Expenditure/(Income)	(11,834)	(1,724)	(13,558)	(15,796)	2,238
(1,350)	(160)	Shetland Gas Plant	(1,350)	0	(1,350)	(650)	(700)
(1,350)	(160)	Other Income	(1,350)	0	(1,350)	(650)	(700)
(15,275)	(7,196)	Total Net Revenue Expenditure/(Income)	(13,184)	(1,724)	(14,908)	(16,446)	1,538
		CAPITAL:					
8,626	3,329	Capital Expenditure	8,500	683	9,183	7,730	1,452
(19)	(2)	Capital Receipts	(19)	0	(19)	(19)	0
(500)	0	Capital Other Non-Government Grants	(500)	0	(500)	(500)	0
(5,797)	0	External Borrowing	(5,590)	(208)	(5,797)	(5,797)	0
2,310	3,327	Total Net Capital Expenditure/(Income)	2,391	475	2,866	1,414	1,452
12,965	3,869	Contribution to/(from) Reserve Fund	10,793	1,249	12,042	15,032	(2,990)
0	0	Balanced Budget	0	0	0	0	0

Housing Revenue Account

Revenue and Capital - Projected Outturn Position for 2019/20

2019/20 Projected Outturn Qtr 1 £000	2019/20 YTD Actual Qtr 2 £000	Housing Revenue Account	2019/20 Original Budget £000	2019/20 Budget Revisions £000	2019/20 Revised Budget Qtr 2 £000	2019/20 Projected Outturn Qtr 2 £000	2019/20 Projected Variance Qtr 2 £000
		REVENUE:					
861	57	Supervision & Management	870	0	870	852	18
2,481	527	Repair & Maintenance	2,338	0	2,338	2,467	(129)
171	31	Void Rents & Charges	171	0	171	171	0
30	1	Garages	30	0	30	29	1
1,277	0	Capital Charges - Dwellings	1,279	0	1,279	1,246	33
4,820	615	Total: Expenditure	4,687	0	4,687	4,766	(78)
(6,847)	(1,187)	Rents - Dwellings	(6,847)	0	(6,847)	(6,847)	0
(244)	(46)	Rents - Other ie garages/sites etc	(242)	0	(242)	(244)	2
(7,091)	(1,233)	Total: Income	(7,089)	0	(7,089)	(7,091)	2
(2,271)	(617)	Total Net Revenue Expenditure/(Income)	(2,401)	0	(2,401)	(2,325)	(76)
		CAPITAL:					
3,554	498	Capital Expenditure	3,546	9	3,554	3,554	0
(20)	(10)	Capital Receipts	(20)		(20)	(66)	46
3,534	487	Total Net Capital Expenditure/(Income)	3,525	9	3,534	3,488	46
(1,263)	130	Contribution to(from) HRA Reserve	(1,124)	(9)	(1,133)	(1,163)	30
0	0	Balanced Budget	0	0	0	0	0

General Fund - Revenue	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Chief Executive Services (sub total)	(31,070)	
Executive Services	(21,664)	No significant variances.
Council Members	(291)	No significant variances.
Fund Manager Fees	(9,115)	No significant variances.
Children's Services (sub total)	67,655	
Director of Children's Services	(41,000)	No significant variances.
Children & Families	(90,418)	The projected overspend is due to the additional cost of agency staff to cover for staffing vacancies and specialist family support. The recruitment process is underway for remaining vacancies.
Children's Resources	163,374	The projected underspend is due to staff vacancies which have not been filled due to the ongoing restructure of Children's Social Work.
Library	458	No significant variances.
Quality Improvement/Schools	35,207	The projected underspend is due mainly to current teaching vacancies across the school estate, and highlights the challenges for Children's Services around recruitment, and obtaining the level of supply cover required to fill all teaching vacancies on a temporary basis.
Sport & Leisure	35	No significant variances.
Community Health & Social Care Services (sub total)	135,305	
Director of Community Care & Social Care	10,610	No significant variances.
Adult Services	(28,818)	No significant variances.
Community Care Resources	659,095	The projected underspend is mainly due to estimated overachievement of charging income for board and accommodation, £873k. Income can vary significantly depending on the financial circumstances of those receiving care. There is also anticipated underspend in employee costs due to vacant posts across the service, £298k, as a result of difficulties in recruitment and retention and reduced bed capacity at Isleshavn. This is off-set by projected overspend on agency staff of (£624k), required as a result of vacant posts and long-term sickness in areas of the services. The introduction of the pool cars and the end of ECU is projecting a saving on mileage costs of £66k.
Criminal Justice	(477)	No significant variances.
Adult Social Work	(555,903)	The projected overspend is mainly due to an increase in demand and the value of Self-Directed Support packages in the year. The uplift in SDS packages is mainly due to offering people the choice in their own care and supporting people to remain in their own homes. There are now several packages over £100k, the equivalent care home cost is £78k. This has increased partly due sleep-in cover costs which are more expensive in individual SDS as opposed to the cost in a care home where this is shared between a number of individuals.
Occupational Therapy	50,798	No significant variances.
IJB	0	No variance.
Corporate Services (sub total)	(281,001)	
Director of Corporate Services	(23,666)	No significant variances.
Assets, Commissioning & Procurement	(127,068)	No significant variances.
Finance	11,945	No significant variances.
Joint Valuation Board	7,292	No significant variances.
Governance & Law	38,351	No significant variances.
Human Resources	(194,845)	The projected overspend is mainly due to anticipated spend on Training £173k.
ICT	6,990	No significant variances.
Development Services (sub total)	(983,510)	
Director of Development Services	(138,573)	Projected overspend is due to additional staffing costs to deliver College Merger project, funding for this was originally anticipated to come from Scottish Funding Council (£131k).
Community Planning & Development	134,604	Projected underspend is primarily due to temporary vacancies £103k.
Economic Development	(692)	No significant variances.
Housing	27,819	No significant variances.
Planning	(4,168)	No significant variances.
Shetland College	(1,074,295)	The projected overspend is primarily due to the Scottish Funding Council no longer agreeing to underwrite the operational costs of the College in the lead up to the proposed merger. The SFC had originally sent a letter of intent in December, following internal discussion no budget provision was made by the Council to meet this cost.
Train Shetland	(81,769)	The projected overspend is primarily due to additional staff required in Vocational Training to deliver modern apprentice programme throughout the Council (£57k).
Transport Planning	153,564	The projected underspend is primarily due to the ZetTrans public bus operations under budget by £123k; a number of school transport services is no longer required with a projected saving of £163k; and special needs school transport underspent by £56k due to the introduction of "parental mileage claims". This is offset by additional consultancy costs in delivering the transport network redesign across Transport Planning and ZetTrans (£227k).
Infrastructure Services (sub total)	(959,821)	
Director of Infrastructure Services	3,615	No significant variances.
Environmental Services	(215,885)	The projected overspend relates to additional temporary staff and overtime to cover long term sickness in Street Cleansing and Refuse Collection (£107k); and reduced income at the Waste Processing Centre due to the delay in completion of new Recycling Shed and resulting delay in the introduction of commercial recycling (£135k).
Estate Operations	61,940	The projected underspend relates to minor underspending across the Council energy budgets £60k.
Ferry & Air Services	(612,005)	The projected overspend is due to increased overtime to cover vacancies and sickness cover for marine staff (£87k); additional costs for vessel maintenance across the fleet for breakdown and unanticipated additional deterioration (£622k); offset by unsuccessful recruitment exercises for vacant electrical engineering posts due to market forces, and unavailability of contractor electrical engineers £167k.

Roads	(197,486)	The projected overspend is for additional costs to hire surfacing plant until new plant arrives (£75k); and reduced income at the Scord Quarry due to reduction in demand from the private sector (£135k).
Total	(2,052,443)	

GENERAL FUND - CAPITAL	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Children's Resources	0	No variance.
Quality Improvement/Schools	575,516	The projected underspend is due to the re-phasing of the works for expansion of Early Learning and Childcare programme in line with the project plan, and the underspend will be required to be carried forward into 2020/21.
Director of Community Care	345,000	The projected underspend is due to the preparation of a business case for the Health & Social Care Information System to be approved by Council prior to commencement.
Director of Community Care & Social Care	320	No significant variances.
Assets, Commissioning & Procurement	1,629,400	The projected underspend is due to profiling of the budgets for the Knab Service Relocations and Storage Improvements project and the Knab Site and Former Eric Gray Demolition Works, which are predominantly scheduled to take place in 2020/21.
ICT	0	No variance.
Director of Development	0	No variance.
Environmental Services	(140,891)	The projected overspend is mainly due to the Recycling Shed build which required additional groundworks for watershed purposes and additional costs for in-house completion of the building once the contractor ceased trading (£123k).
Estates Operations	278,978	The projected underspend on Capital Maintenance Works is for the Baltasound School curtain walling which will not be carried out this year due to delays receiving the engineering specifications for the project. This project will now be tendered for start in 2020/21 £216k; and no spend likely on the Baltasound Wind Turbine until noise constraints and supplier issues are resolved £68k.
Ferry & Air Operations	629,248	The projected underspend is due to staff capacity issues delaying the Foula Airstrip Licensing Works business case preparation resulting in the project slipping to 2020/21 £85k; and less capital life extension works on Ferry vessels than anticipated, with focus on revenue repairs and maintenance £543k.
Roads	462,737	The projected underspend relates to the Roads Rolling Bridge Replacements programme, with the Stonganess Bridge Replacement not started awaiting decisions on potential road replacement affecting design £500k; offset by emergency works for Bastavoe Bridge in Yell which has failed (£50k).
Total	3,780,308	

Housing Revenue Account	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Supervision & Management	17,667	No significant variances.
Repair & Maintenance	(129,428)	The projected overspend is due to the increased requirement for contracted and hired services for the year (£170k) as a result of properties requiring additional painting due to the poor state properties are being left in. In addition, some electrical works which would have been completed in-house have been contracted due to a vacancy, this post has now been filled.
Void Rents & Charges	0	No variance.
Garages	368	No significant variances.
Capital Charges - Dwellings	33,157	No significant variances.
Total: Expenditure	(78,236)	
Interest on Revenue Balances	0	No variance.
Rents - Dwellings	0	No variance.
Rents - Other i.e. garages/sites etc.	2,022	No significant variances.
Total: Income	2,022	
Capital Expenditure	0	No variance.
Capital Receipts	0	No variance.
Net Capital	0	
Increased/(Decreased) Contribution from the HRA Reserve	76,214	

Harbour Account	Projected Outturn Variance (Over)/Underspend £	Reasons for Variances over £50k
Sullom Voe	1,908,961	The projected underspend relates to additional tanker movements anticipated as Clair oil production increases £2.25m; offset by staff cover for two long term absences in Launch Crews (£114k); Tugs Dunter and Tystie dry docking overspend for additional steel works and scaffolding to check mast lights and fittings, and additional welding works and replacement parts no long serviceable (£170k); and additional consultant and legal costs associated with the Clair Request for Information Project (£55k).
Scalloway	256,214	The projected underspend is due to additional annual dues for wellboats at Blacksness due to higher activity in the aquaculture sector £70k; increased fish landing dues from the thriving fishing industry £100k; and additional commercial shipping dues related to increased activity in the West of Shetland oil sector resulting in more visiting supply boats £80k.
Other Piers	(116,674)	The projected overspend is due to slippage on the Skerries pier fendering project which was budgeted and contracted in 2018/19 but delayed due to difficulties in sourcing materials but will now be completed (£50k); reduced salmon landing income at Cullivoe this year due to cyclical harvesting seasons (£60k); refund of prior year harbour dues for a fishing vessels charged in error (£70k); offset by dredging works scheduled for Fair Isle delayed pending the outcome of the Fair Ferry Funding request £58k.
Terminals	189,856	The projected underspend is due to the waiting room refurbishment at Symbister delayed until further decisions made on Whalsay Ferry Service terminal location £180k.
Total - Harbour Operations	2,238,357	
Total - Gas Plant	(700,000)	The projected overspend is due to no income for throughput anticipated this year due to very low gas price.
Capital Expenditure	1,452,160	The projected underspend relates to the Tug Jetty Cathodic Protection project which is no longer going ahead as investigations have concluded that cathodic protection cannot extend the life significantly, resulting in the need for consideration of a new way forward £917k; the Hamarsness Ferry Terminal Painting project has been delayed due to staffing re-organisation and high workload and is required to be rolled forward into 20/21 £350k; the rolling Piers Cathodic Protection programme is now being put out to tender due to in-house staff changes to continue in future years under the proposed contract £240k; offset by an overspend on the crane installation at Blacksness Pier to assist boats landing their catch, prompted by Shetland Fishermen's Association as a manual handling health and safety issue (£55k).
Capital Receipts	(648)	No significant variances
Capital Receipts Reserve	0	No variance.
Other Government Grants	0	No variance.
External Borrowing	0	No variance.
Net Capital	1,451,512	
Increased/(Decreased) Contribution to Reserve Fund	2,989,869	

Revenue and Capital - Budget Revisions 2019/20

Revisions	Reasons	2019/20 General Fund Revenue Qtr 2 £000	2019/20 General Fund Capital Qtr 2 £000	2019/20 Harbour Account Revenue Qtr 2 £000	2019/20 Harbour Account Capital Qtr 2 £000	2019/20 Housing Revenue Account Capital Qtr 2 £000	2019/20 TOTAL Qtr 2 £000
Purchase of SLAP	Delay in purchase of SLAP, it was planned to be purchased in 2018/19.		16,967				16,967
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.	1,526	1,169		780	9	3,484
Harbour Graduate (RF change fund)	Change Fund Application (10/4/19) to support the Sullom Voe Hub project.			28			28
Fair Funding for Ferries Final Funding Change	Scottish Government Finance Circular 2/2019 (7/3/19)this included additional funding after the SIC approved the 2019/20 budget.	(200)					(200)
Roads Resurfacing Re-profiling	Report ACP-04-19 (11/6/19) business case for asphalt surfacing equipment purchase to change method of delivery. Revenue budget not required in 2019/20 but will be required in the revenue budget in future years once new equipment is in place.	(100)					(100)
Knab - Service Relocation	Report ACP-10-19 (SIC 11/9/19) approved funding for Knab site service relocations in line with the Property and Asset Management Strategy Report ACP-02-19 (11-6-19).		743				743
Linkspan Budget CFCR	Report ACP-12-19 (SIC 11/9/19) approved additional budget to meet the additional cost of linkspan tenders received to allow the project to progress.			(1,750)	1,750		0
Re-profile Linkspan Budget to future years	Report ACP-12-19 (SIC 11/9/19) re-profiling of linkspan budget in line with projected spending.				(2,057)		(2,057)
Internal Service Allocations Re-organisation	CMT (18/12/18) agreed the re-organisation of internal service allocations.	108	(108)	(2)	2		0
Total Funded from Reserves		1,334	18,771	- 1,724	475	9	18,865
Teacher Pay Settlement	Scottish Government Funding Letter for SNCT Pay Award (21/6/19)	898					898
Town Centre Regeneration	Scottish Government Capital Grant for Town Centre Fund (7/3/19)		205				205
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.		801				801
Homelessness Housing Grant	Scottish Government Grant for Rapid Rehousing Transition Plans (17/7/19)	31					31
Re-profile Fair Funding for Ferries (ferry replacement)	Report ACP-09-19 (SIC 11/9/19) approved the reprofiling of the ferry replacement programme pending a decision by Transport Scotland on funding.		(2,700)				(2,700)
Total Funded from Scottish Government Grants		929	(1,694)	-	-	-	(765)
Budget Carryforwards	Report F-036-F (11/6/19) draft outturn report including approval of revenue and capital carry forwards.		802				802
Total Funded from Borrowing		-	802	-	-	-	802
TOTAL REVISIONS		2,263	17,879	(1,724)	475	9	18,902

Use of Reserves in 2019/20

(includes General Fund/Harbour Account/Housing Revenue Account/Spend to Save)

Draw on Reserves	2019/20 Original Budgeted Draw £000	2019/20 Revisions £000	2019/20 Revised Budgeted Draw £000	2019/20 Projected Draw £000	2019/20 Revised Variance Draw £000
Revenue Draw on Reserves	9,088	(390)	8,698	8,296	402
Revisions:					
Carry Forwards - GF		1,526			
Increase in Fair Ferry Funding - GF		(200)			
Roads Resurfacing Project - GF		(100)			
Internal Service Allocations - GF/HA		106			
RF Change Fund - Graduate - HA		28			
Linkspan CFCR - HA		(1,750)			
Capital Draw on Reserves	8,485	19,255	27,740	22,937	4,803
Revisions:					
Capital Carryforwards - GF		1,169			
Purchase of SLAP - GF		16,967			
Knab - Service Relocation - GF		743			
Capital Carryforwards - HA		780			
Capital Carryforwards - HRA		9			
Linkspan CFCR/Reprofiling - HA		(307)			
Internal Service Allocations - GF/HA		(106)			
Total Budgeted Draw on Reserves	17,573	18,865	36,438	31,233	5,205



Meeting(s):	Shetland Islands Council	27 November 2019
Report Title:	Communications Strategy	
Reference Number:	CE-03-19-F	
Author / Job Title:	Peter Peterson, Executive Manager, Executive Services	

1.0 Decisions / Action required:

- 1.1 That Shetland Islands Council RESOLVE to formally APPROVE the attached Communications Strategy.

2.0 High Level Summary:

2.1 This report introduces a new Communications Strategy for the Council. The strategy has been developed over the past year, and is based on a wide range of views and comments received from staff at all levels across the organisation. This new strategy seeks to set a direction for our communications work over the next three to five years through a series of intermediate outcomes.

3.0 Corporate Priorities and Joint Working:

3.1 In agreeing 'Our Plan 2016-20', the Council set the following vision statement: "By the end of this plan (2020), we want to be known as an excellent organisation that works well with our partners to deliver sustainable services for the people of Shetland". A commitment was also given to ensure that "Our staff and the public will feel more informed about the council's activities, through excellent communications systems". The new Communications Strategy, which aligns with the Council's Values and Behaviour Framework, will contribute to the delivery of that vision and commitment.

4.0 Key Issues:

4.1 At the start of this piece of work, a number of data sources were reviewed to ensure understanding of the current communications environment and that the right priorities were set. These data sources were: the 2015 and 2017 Viewpoint staff surveys, the Customer First survey and the latest 2018 Scottish Household Survey.

4.2 This research led to the following five priorities being agreed: staff communication; communicating our performance; listening/two-way communication; ensuring inclusive communication; and service-to-service communication. Good, clear communication should be at the heart of everything the Council does. It is essential that a clear communications plan exists so that efforts and resources can be focused on priority areas that will make the biggest difference in terms of outcomes.

4.3 Working on the same co-production principles that successfully directed the outputs of Customer First, staff were approached from across the Council to participate in the production of the new strategy. A Project Sounding Board was set up, with membership drawn from the five directorates, and including representation from some of the Council's non-office-based staff, including Ferries, Estate Operations, Catering and Cleaning, as well as representation from ICT and the Council's Depute Leader. A Staff Focus Group was also reconvened following some work done on communications after the last Viewpoint Survey. All have made valuable contributions to the delivery of the new strategy.

4.4 The new strategy is underpinned by an action plan, which will be delivered to ensure the difference sought is achieved. It also sets out how performance will be evaluated by tracking progress against that action plan, as well as regularly reporting to Corporate Management Team and continuing to speak to staff, Members and the wider community regularly.

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications

6.1 Service Users, Patients and Communities:	The new strategy seeks to deliver on the Our Plan commitment that: "Our staff and the public will feel more informed about the council's activities, through excellent communications systems". Its impact will be monitored and reported going forward.
6.2 Human Resources and Organisational Development:	The documents have been created following consultation with services across the Council, and reviewed at the most recent Human Resources Partnership Group meeting. All staff will be made aware of the documents via a staff briefing sent out by email and a toolbox talk delivered to non-office-based employees. The new strategy and action plan is designed to continually improve how the Council communicates with all staff.
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	None
6.5 Finance:	None
6.6 Assets and Property:	None
6.7 ICT and new technologies:	The new Communications Strategy links with other aspects of the Business Transformation programme, particularly Digital First, which has the potential to improve the way the Council uses technology to improve communication. A member of ICT has been involved on our Project Sounding Board.
6.8 Environmental:	None

6.9 Risk Management:	The risks associated with the Communications Strategy project were managed as the work developed.	
6.10 Policy and Delegated Authority:	<p>Part A of the Council's Constitution holds that " the full Council will exercise the following functions which are set out more fully in Part C –</p> <ul style="list-style-type: none"> • Approving, adopting or amending the Policy Framework and any plan, policy or strategy which is contained within the Policy Framework as noted in column 1 of sub-paragraph (2) with these being prepared and performance managed by the body shown in column 2;" <p>The Communications Strategy is named in the Policy Framework.</p>	
6.11 Previously considered by:	Not applicable	

Contact Details:

Peter Peterson, Executive Manager, Executive Services, peter.peterson@shetland.gov.uk
11 November 2019

Appendices:

Appendix 1 – Communications Strategy

END



Communications Strategy **2020-25**



Introduction



How Shetland Islands Council communicates is key to achieving our vision that Shetland is a place where everyone can thrive and be an attractive place to live, work, study and invest. Our day-to-day communications are critical in ensuring that the Council is a fabulous place to work – it shows how much we value our staff and want to hear their views. Quality communication helps to make the Council an organisation we can all be proud to work for.

The ways we can communicate are constantly changing. This strategy is a statement of my commitment to continue to develop and improve our communication because you told us that we need to! Our staff told us this in our Viewpoint Survey and our customers said it in our Customer Survey.

The Council's Values Statement is:

Excellent service is at the heart of everything we do. We provide excellent service by taking personal responsibility and working well together.

Effective communication make these values a reality and demonstrates that 'Our Values' drive our behaviour. Excellent communication is fundamental to excellent service.

We spend most of our days at work in some type of interpersonal interaction. Our Council's activities are essentially a series of interactions

with other people – our staff, our customers, our colleagues, our community and people from other organisations.

Communication is the process of bringing people together and creating shared understanding. Communication builds trust, which leads to good working relationships, greater staff and customer engagement and strong partnerships.

An organisation doesn't deliver excellent services – people do. So our Communications Strategy focuses on how we use communication to create an environment to motivate, support and inspire my staff so that they are able to excel, be creative and deliver their best for Shetland.

This strategy is to be a catalyst for this change and is a statement of my expectation that effective communication will be prioritised by everyone in a management or supervisory capacity, including myself as Chief Executive.

Maggie Sandison
Chief Executive



Shetland Islands Council is committed to good communication – with our staff, our councillors and the wider public – making sure everyone has the information they need, delivered in the right way, and at the right time. This strategy gives us a chance to look at where we are now, and how we can continue to improve.

We've worked hard over the past few years to improve our communication. However, as part of developing this strategy, we have listened to our staff and the public and have developed a number of target outcomes that we know will help us continue that improvement. We aim to make significant progress on delivering these over the next three years, and we have an action plan which contains practical steps to help us get there.



Background

This new strategy is based on evidence from a number of sources.

We carried out two staff surveys in 2015 and 2017. Both had a high response rate, and gave us some very useful insights into a wide range of topics. On the subject of communications, some staff felt their managers hadn't communicated well enough during times of change. Others said they hadn't heard about key issues affecting the Council from their managers.

A staff focus group was set up to explore these issues, and their work helps inform this document, hopefully leading to meaningful and lasting improvements.

At the end of 2017, we carried out a Customer First Survey, which led to a new strategy and charter. It also highlighted areas which have been taken into account in this piece of work.

Our need to improve our listening skills was highlighted in the most recent 2018 Scottish Household Survey, where only 25% of respondents to that question said we are 'good at listening' (up from 22% the previous year). It also showed that 41% of respondents thought we're good at communicating our performance.

This strategy has strong links with the Council's Customer First and Digital First programmes, as well as our Values and Behaviour Framework, Viewpoint Plan and Performance Management Framework.



Our approach

Staff from across the Council have met since the beginning of 2019 to consider 'what good looks like' in terms of communication:

- what needs to change as a result of what the evidence tells us?
- what difference can we make through this new strategy?

We've identified five priority areas for action:

- Staff communication
- Communicating our performance
- Listening/two-way communication
- Ensuring inclusive communication
- Service-to-service communication

These priorities will also contribute to the outcome in our Corporate Plan – **Our staff and the public will feel more informed about the council's activities, through excellent communications systems.**

We've considered the difference we want to make in each of these areas, and what we need to do to make that happen.



Priority 1 - staff communication

This continues to be a top priority; it came up in almost every discussion we've had during this process. As one of Shetland's biggest employers, getting this right also gives us an opportunity to connect more meaningfully with the wider community.

How will we make sure our communication with staff is as good as it can be? We've set ourselves four improvement outcomes and, in three years' time, we'd want to be able to demonstrate that these are happening:

- Managers and supervisors communicate regularly and effectively with all their staff – both in routine/regular communication and in periods of change. Information is readily available and staff are able to find things easily.
- Managers value regular communication (including appreciation and feedback). This is two-way, with the recent Viewpoint Survey suggesting that staff would like managers to get their input when searching for solutions, as they provide day-to-day front-line service delivery.
- Staff feel valued, respected, better informed, and part of the decision-making process where that's possible.
- Managers are exploring new ways of communicating, especially using digital technology.



We're also encouraging staff to take the initiative in seeking out information, and to have an active interest in being more informed. We publish a staff magazine, send out morning news headlines and 'next week's Council business' emails, along with a newsletter designed for managers. All press releases are sent around Members and staff before being issued.

We have a very engaged local media who take an active interest in local government matters, providing comprehensive coverage of local issues. We will continue to work with journalists to make sure they have the information they need to report on Council matters.



Priority 2 - communicating our performance

While we have a statutory duty to report on how we're performing, we also have to develop our reputation as an open and transparent council.

Reporting on performance helps the public understand where we spend our money, how our services are doing and how we compare with other councils. It also helps us celebrate the many outstanding achievements of our staff.

Our vision for the Council is set out in Our Plan 2016-20:

'By the end of this plan (2020), we want to be known as an excellent organisation that works well with our partners to deliver sustainable services for the people of Shetland.'

We're keen to develop ways of sharing performance information with which staff and the public can easily engage.

Some things we've successfully introduced in recent years include our annual performance report, illustrative infographics, quarterly performance posters and 'spotlight on a service' features. We'll continue to produce these but we're also adding more ideas. Feedback tells us that our calendar (last produced in 2012) was very popular and so we will consider producing it again. This is supported by our latest audit report, which suggested that we need to "actively communicate with the community."



In three years' time, we'd want to be able to show evidence of the following:

- Staff, councillors and the public have a good understanding of how well the Council is performing.
- The way we communicate is informative and balanced, making best use of developments in digital technology.
- Our target audiences have access to performance data in ways and places that are relevant and accessible.



Priority 3 - listening/two-way communication

We want this strategy to be more than just sharing information. It needs to also ensure we are doing better at listening to what our staff and the people who use our services are telling us.

Comments in our surveys showed staff want to be involved in finding solutions to problems and to being a part of decision-making when possible.

Our Customer Survey and the Scottish Household Survey results tell us that the public don't rate us as very highly in terms of listening, and we want to do something to improve that.

We've recently updated our Customer Feedback Framework, which outlines how every service asks customers for feedback and, most importantly, what they do with that information to make improvements. This is a useful start point.

We've also set up a new Learning Board, where senior managers take time to explore what customer engagements have told us. It is a chance to share positive feedback, learn from negative experiences, understand what's behind good and poor engagement, and make improvements. Learning is also shared with staff and the public.



In three years' time, we want to see evidence to show that the following is happening:

- We are seeking both positive and negative feedback and using it to influence our learning, improvement and change.



Priority 4 - ensuring inclusive communication

We know that over a thousand of our employees have a job where they don't need regular access to emails. While we will focus on incorporating new technology as far as we can, we need to be more creative when it comes to keeping in touch with all our staff.

With the likelihood of live-streamed Council meetings, and a new website on its way, this feels like the right time to explore ways to ensure all our staff and members of the public can keep connected with Council business.

Over the next three years, we want to be able to show that the following happens:

- All staff, regardless of their location or the hours they work, feel that the Council is communicating clearly with them, in the right way, and at the right time.
- We are communicating with our community in ways that are accessible to them.



Priority 5 - service-to-service communication

In recent years, some of our project work has helped improve our ability to work in a more joined up way. The way we prepare our committee reports encourages staff to consult one another, and our Values have prompted staff to adopt a new approach to 'working well together'.

But we need to ensure the way we communicate encourages joined-up working.

In three years' time, we aim to be able to show the following:

- Council staff and services communicate regularly, understand each other and work together on shared priorities.



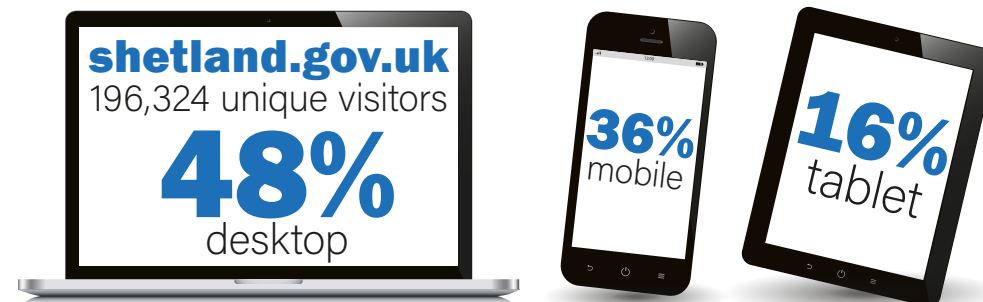
How will we know if we've made improvements?

A SMART (specific, measurable, achievable, realistic and time-bound) action plan accompanies this strategy, so we'll be able to track our progress. The Corporate Management Team will also review progress on a regular basis.

We will continue to speak to staff and the wider community on a regular basis and adjust this document if and when it appears appropriate.



Communications - review of the year 2018-19



952 TWEETS

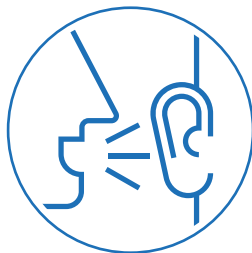
11,018 ❤️ LIKES

5,851 👤 FOLLOWERS

3,521 ↺ RETWEETS

INTERNAL PUBLICATIONS

STAFF MAGAZINE	2 ISSUES
IN THE LOOP	12 ISSUES
LEADERSHIP BULLETINS	4 ISSUES
POLICY AND POLITICS	36 ISSUES
DAILY HEADLINES EMAIL	
NEXT WEEK'S BUSINESS EMAIL	



SIC YouTube Channel

40 videos published
28 produced in house
+35 subscribers
11K views
11.1K minutes watched



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Meeting(s):	Environment & Transport Committee Policy & Resources Committee Shetland Islands Council	20 November 2019 25 November 2019 27 November 2019
Report Title:	Strategic Roads Network – Strategic Outline Programme	
Reference Number:	RD-06-19-F	
Author / Job Title:	Dave Coupe Executive Manager Roads Services Neil Hutcheson/ Team Leader – Asset and Network	

1.0 Decisions / Action required:

That the Environment and Transport Committee and the Policy and Resources Committee recommend that the Council:

- 1.1 **NOTE** actions taken to date regarding the development and maintenance of Shetlands Strategic Roads network.
- 1.2 **ENDORSE** the objectives and critical success factors set out in the Strategic Outline Programme including the proposed reporting arrangements;
- 1.3 **APPROVE** the identification of the B9082 Cullivoe road as the priority project for resolution within the Strategic Roads network;
- 1.4 **DELEGATE** authority to the Director of Infrastructure Services or his nominee to initiate the preparation of a Strategic Outline Business case for the B9082 Cullivoe Road again in January 2020; and
- 1.5 **NOTE** the addition of the road to the West Burrafirth Ferry Terminal to the strategic road network.

2.0 High Level Summary:

- 2.1 The Strategic Roads Network Programme is intended to provide the information on current and projected needs, issues and opportunities around large-scale potential projects which might be required to maintain or develop the capability of the core Roads network in Shetland.
- 2.2 It will help inform the identification of issues and options and assist in evidence based planning and decision making so that economic and social needs for roads transport are met efficiently, effectively and economically to support key outcomes for Shetland and it's residents.

3.0 Corporate Priorities and Joint Working:

- 3.1 Access to services and economic activity across Shetland all depend on transport one way or another. There are well-developed strategies and plans for inter-island ferries, internal air services, bus services and active travel.
- 3.2 The road network that these services use is generally well developed due to very significant investments during the oil construction era and a very comprehensive network of roads was developed to connect communities, businesses, public service centres like schools and care and health centres, airports, ferry terminals and piers and harbours.
- 3.3 That road network is used extensively by services, commercial businesses, residents and visitors to allow goods and people to move between places and is directly important in delivering key “place” priority outcomes in;
- The Shetland Partnership Plan,
 - the Councils “Our Plan”,
 - the Shetland Transport Strategy,
 - the Local Housing Strategy,
 - the Local Development Plan and
 - the 10-Year Plan.

4.0 Key Issues:

4.1 Shetland’s Strategic Road Network

4.1.1 A “Review of the Main Road Improvement Policy” was, reported to the Infrastructure Committee on 1 September 2009 (min ref 70/09). This set out the list of Shetland’s strategic or “main roads.” The list was as follows:

- the Principal Roads (A968, A969, A970 and A971) formally established by the Government in the 1960’s;
- the Spine Route Network established by the Council in “Shetland Transport Policies and Programmes (TPP)” documents from the 1970’s until the 1990’s. It was described as “intended to link Lerwick to Sumburgh Airport, the Sullom Voe Oil Terminal, Scalloway, and the main ferry terminals. It also includes branches westwards as far as Bixter, and northwards into Northmaven.” Therefore, in addition to the Principal Roads it included the B9071 Voe to Laxo, the B9073 Black Gaet and the B9074 Brae (via Graven) to Firth; and
- the highest priority roads in the Council’s maintenance hierarchy policy that takes traffic flow, bus routes, heavy vehicle usage etc. into account. This includes the majority of the above roads plus the B9074 Scalloway to Hamnavoe, B9082 Cullivoe Road, King Harald Street, Knab Road, Castle Street, Central Sandwick and Gremista Road.

- 4.1.2 The report went on to recommend that the B9071 Bixter to Aith, B9071 Laxo to Vidlin and B9081 Mid Yell Link roads also be considered “main” roads because they are the only links to Junior High schools or ferry terminals. This and the report’s other recommendations were approved by the Committee. A map of the strategic road network is attached in Appendix 1.

4.2 Current Issues with the Strategic Road Network

4.2.1 Road Safety

Accident reduction on the road network is generally sought by means of small scale improvements at locations with a poor “accident history.” However, these locations in Shetland have largely been addressed over the years leaving issues that can only be resolved with route treatments or larger scale capital improvements.

4.2.2 Development Related

There is no doubt that the upgrading of Shetland’s main roads over the years has been a significant factor in encouraging and facilitating development in rural areas. The increased capacity of “two-lane” roads and reduction in journey times has been vital in enabling the haulage of goods and materials, and in allowing staff to access their workplace. There are still lengths of road that could be upgraded in order to promote economic development in the North Isles, North Mainland and West Mainland. However, perhaps of more importance is the addressing of issues that if not resolved will have a significant negative impact on existing development.

4.2.3 Deteriorated Condition

Revenue budgets are used to undertake a wide range of maintenance works. However, there are situations where it can be more cost-effective in the long-term to reconstruct or even replace certain roads or parts of them, rather than bear the costs and effects of frequent heavy maintenance and repairs. These works can involve footways, bridges, lighting, safety barriers and carriageways or any combination of these. The annual carriageway condition reports have stated for a number of years that recent improvements in the surveyed road condition “will to a certain extent mask the long term decline of the “structure” of the road network.....that can only be addressed with more expensive treatments such as overlay resurfacing or reconstruction.” This decline is now becoming evident on certain lengths of road.

4.2.4 West Burrafirch Ferry Terminal/Pier

The road to the West Burrafirch Ferry Terminal is not currently listed as part of the strategic road network. Since it is the only link to the ferry terminal we intend that it will now be added.

4.3 Reporting of the “Strategic Roads Network Programme”

- 4.3.1 The issues currently affecting the strategic road network and potential solutions are discussed in further detail in Appendix 1.

- 4.3.2 That analysis concludes that the priority issue on the Network is the B9082 Cullivoe Road. A length of this road between the Gutcher “crossroads” and the Cullivoe Pier is no longer considered fit for purpose due to the recent significant increase in the number of heavy goods vehicles (HGV’s) using the road. There is a risk that should this level of usage continue it will deteriorate to the point

where a weight restriction will have to be introduced as an interim measure. The level of maintenance, which would include some reconstruction, could not be undertaken without road closures resulting in disruption to the businesses and road users

4.3.3 The recommendation is that a “Strategic Outline Case (SOC)” should be developed for the Cullivoe Road. That SOC will establish specific investment objectives and critical success factors, a long list of options to meet these, initial option appraisal and recommendations of the short list for further investigation. The target for that SOC will be reported again in January 2020.

4.3.4 It is also recommended that the Roads Service monitor the strategic roads network programme and presents a report, annually, to the Environment and Transport Committee. Similarly to this report it would detail the current issues and where required would seek guidance from the Committee as to how these issues are to be addressed. The report would inform the Committee of the progress made as these decisions are actioned. The addition and/or removal of lengths of road from the strategic road network would also be reported for approval.

4.4 Design Works

4.4.1 The work required for preparation of the action plan would in part be funded from existing roads budgets. However, there would be a requirement for additional funding for the advanced design of improvements that are deemed necessary. This funding would need to be sufficient to also allow for scheme design, the preparatory work for land acquisition, land acquisition and utility diversions / accommodation works. Indicative costs for design works for each potential scheme are included in the Strategic Outline Programme. The identification and draw down of any specific design budgets will only be confirmed as the development of “Business Cases” as individual schemes are approved for progression by programme reporting.

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:	The road network is the largest community asset for which Shetland Islands Council is responsible. It is vital and fundamental to the economic, social and environmental well being of the community. It helps to shape the character of an area, the quality of life of the local community and makes an important contribution to wider Council priorities including growth, regeneration, education, health and community safety. Roads also make a wider contribution to society, providing access to ferry terminals, ports and airports.
6.2 Human Resources and Organisational Development:	No implications.

6.3 Equality, Diversity and Human Rights:	No implications.
6.4 Legal:	<p>The Council's statutory duties are defined by Section 1 of the Roads (Scotland) Act 1984 which requires that <i>"a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their "list of public roads")."</i></p> <p>The Council has a statutory duty under the "Road Traffic Regulation Act 1984" to <i>"secure the expeditious, convenient and safe movement of vehicular and other traffic."</i> Among other duties under the Road Traffic Act 1988 the Council <i>"must prepare and carry out a programme of measures designed to promote road safety"; "must carry out studies into accidents arising out of the use of vehicles on roads or parts of roads within their area"; and "must, in the light of those studies, take such measures as appear to the authority to be appropriate to prevent such accidents....."</i></p>
6.5 Finance:	<p>The estimated average overall indicative capital cost of the projects included in the Programme is £14.5m which would require to be funded from borrowing in line with the Council Policy. Delivery of the full programme would take 10-15 years if the projects were to run in succession.</p> <p>The average indicative capital cost of the priority Cullivoe project referred to at paragraph 1.3 above is £4.3m.</p>
6.7 ICT and new technologies:	None.
6.8 Environmental:	Improvements to the road network may have implications for a range of environmental issues such as noise, air quality, carbon emissions, water quality, biodiversity/habitats, visual amenity and cultural heritage. All proposals for the development of the road network will evaluate the environmental and climate change impacts during both the construction and operational phase. A planned and structured approach to these evaluations will allow any environmental implications to be considered alongside other issues.
6.9 Risk Management:	<p>Failure to manage and maintain the road network and the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on Reserves.</p> <p>Should there be insufficient investment in managing and maintaining the strategic road network there is a risk of significant negative economic and social impacts that would affect large areas of Shetland. Given the nature of the network the more isolated rural areas are the most vulnerable to this risk.</p>

6.10 Policy and Delegated Authority:	<p><u>Environment and Transport Committee</u> In accordance with Section 2.3.1 of the Council's Scheme of Delegations the Environment and Transport Committee has functional responsibility for the Roads Service to advise Policy and Resources Committee and the Council in the development of service objectives, policies and plans concerned with service delivery within its remit.</p> <p><u>Policy and Resources Committee</u> In accordance with Section 2.2.1(2) advise the Council in the development of its strategic objectives, policies and priorities; and 2.2.1(7) secures the co-ordination, control and proper management of the financial affairs of the Council.</p> <p><u>Shetland Islands Council</u> In accordance with Section 2.1.3(6) the Council has the power of incurring any expenditure not provided for in the Annual Estimates of Revenue and Capital Expenditure.</p> <p>The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;</p> <p>"Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –</p> <ul style="list-style-type: none"> (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework. (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus."
6.11 Previously considered by:	None.

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31 October 2019

Appendices:

Appendix 1: Strategic Outline Programme – Strategic Roads Network

Background Documents:

Shetland Partnership Plan

STRATEGIC OUTLINE PROGRAMME (SOP)

Project Title:
Strategic Roads Network

Version No: 0.1

Issue Date: 20th November 2019

Purpose of this document

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
0.1	30.09.19	First Draft Version	
0.2	30.10.19	Final Draft Version	

OVERVIEW OF THE SOP PRODUCTION PROCESS

Stages	Development Process	Deliverables
Phase 0 –	Determining strategic context	
Step 1/ action1	Ascertain strategic fit	Strategic context
Output	<i>Strategic Outline Programme (SOP)</i>	
Outcome	<i>Strategic fit</i>	
Review point	<i>Gateway 0 – strategic fit</i>	

CONTENTS – STRATEGIC OUTLINE PROGRAMME

TEMPLATE AND SUPPORTING GUIDANCE

1. Executive summary
2. Purpose
3. Strategic case
4. Economic case
5. Commercial case
6. Financial case
7. Management case

1. Executive summary

This Strategic Outline programme provides information on the needs, issues and opportunities around large-scale potential projects which may be required on Shetland's core road network. Access to services and economic activity is largely dependent on this network and, therefore, it is important in delivering a number of key priority outcomes from Shetland's Partnership Plan that would benefit public organisations, communities, individuals and businesses.

The strategic road network is generally well developed due to significant investments during the oil construction era. However there are sections of the network with existing or emerging issues which require consideration for potential future action. These issues which could entail larger scale projects have been identified but not progressed as they are out with the scope of the existing arrangements for the maintenance and management of the network. This programme seeks to address this by creating a framework for these issues and opportunities to be analysed and evaluated so that decisions can be taken between the alternative ways forward.

It would be possible to take these projects forward as individual business cases but the lack of any network overview inhibits decision making. This programme is intended to collate the information that could address that cross network issue and allow structured forward planning.

The programme has concentrated on arrangements for the identification of aspects of the network which has current or emerging issues or where there are current or future developments which might be constrained or affected by road provision. The sections of the network which have issues, together with analysis of the potential for improvement of these sections when set against investment objectives, are appended to this programme. A summary analysis of potential for improvement against critical success factors, such as "strategic fit" and "benefits optimisation", is also appended.

This programme would be delivered as self-contained projects with each requiring its own strategic, outline and full business cases before implementation. The benefit of considering these projects together as a "programme" is that it is a structured method of comparing the relative merits of each against a consistent set of objectives, creates a better understanding of the overall scale of the potential works and helps identify a timeline for future assessment and delivery.

The overall cost of projects identified within this programme is between £9.45M and £17.0M depending on the chosen options. The projects would be funded through the Council's Asset Investment Plan, when resources allowed, although opportunities for contributions from external sources will be investigated. There is no specified timetable anticipated, however given that the programme is to be implemented sequentially, it would be likely to take at least 10 to 15 years to deliver the seven schemes identified.

It is recommended that a Strategic Outline Case for the Cullivoe Road should be considered first by Council.

2. Purpose

The Strategic Roads Network Programme is intended to provide the information on current and projected needs, issues and opportunities around large-scale potential projects which might be required to maintain or develop the capability of the core Road network in Shetland.

It will help inform the identification of issues and options and will assist in evidence based planning and decision making. It will ensure that economic and social needs for roads transport are met efficiently, effectively and economically to support key outcomes for Shetland and it's residents.

The investment objectives of this programme are to ensure that the core roads network continues to support key outcomes effectively and efficiently. It will ensure that significant developments are considered in a planned fashion, and that the information required is identified and presented in a way that helps structured management and decision making.

3. Strategic case

Access to services and economic activity across Shetland all depend on transport one way or another. There are well developed strategies and plans for inter-island ferries, internal air services, bus services and active travel.

The road network that these services use is generally well developed due to very significant investments during the oil construction era and a very comprehensive network of roads was developed to connect communities, businesses, public service centres like schools, care and health centres, airports, ferry terminals, piers and harbours.

That road network is used extensively by services, commercial businesses, residents and visitors to allow goods and people to move between places and is directly important in delivering key “place” priority outcomes in,

- The Shetland Partnership Plan,
- the Councils “Our Plan”,
- the Shetland Transport Strategy,
- the Local Housing Strategy,
- the Local Development Plan and
- the 10 Year Plan.

It is of particular significance for;

- Place Priority Outcome 1 – People will be accessing employment, education, training and services in innovative ways designed to minimise the barriers to involvement for all
- Place Priority Outcome 3 – All areas of Shetland will be benefitting from a more resilient low carbon economy underpinned by a culture of innovation, inclusion and skills development
- Place Priority Outcome 4 – Communities will be actively involved in shaping their own future resilience, creating positive places that are economically, socially and environmentally sustainable

The “connectivity” that the strategic roads network enables is also a very significant factor in creating opportunities for communities and services that support “participation”, “people” and “money” priorities and outcomes including;

- Participation Priority Outcome 2 – Communities will feel empowered and the majority of people in Shetland will feel more able to influence the decisions that affect them and have a strong understanding of how and why decisions are taken
- People Priority Outcome 1 – The number of disadvantaged people and households in Shetland will be considerably reduced as a result of people being enabled and empowered to address the issues they face and helping others to thrive in the same way
- People Priority Outcome 3 – Shetland will continue to be a safe and happy place, with more people feeling connected to their communities and benefitting from living in good places and keeping active

- Money Priority Outcome 1 – Everyone will be able to access the support they need to maximise their income potential; including innovative, flexible and entrepreneurial employment opportunities throughout Shetland
- Money Priority Outcome 2 – Everyone will be able to access the support they need to minimise their outgoings with low income households benefitting from reduced bills
- Money Priority Outcome 4 – Communities will be empowered to provide innovative solutions and support to help people maximise their incomes and minimise their outgoings from the support available

3.1 Organisation overview

The strategic “core roads network” runs up, down and across the mainland and extends into the larger islands.

Shetland’s strategic or “main roads” consist of the following:

- the Principal Roads (A968, A969, A970 and A971) formally established by the Government in the 1960’s;
- the Spine Route Network described as “intended to link Lerwick to Sumburgh Airport, the Sullom Voe Oil Terminal, Scalloway, and the main ferry terminals. It also includes branches westwards as far as Bixter, and northwards into Northmaven.” Therefore, in addition to the Principal Roads it included the B9071 Voe to Laxo, the B9073 Black Gaet and the B9074 Brae (via Graven) to Firth;
- the highest priority roads in the Council’s maintenance hierarchy policy which includes the majority of the above roads plus the B9074 Scalloway to Hamnavoe, the B9082 Cullivoe Road, King Harald Street, Knab Road, Castle Street, Central Sandwick and Gremista Road; and
- plus the B9071 Bixter to Aith, B9071 Laxo to Vidlin and B9081 Mid Yell Link roads also be considered “main” roads because they are the only links to Junior High schools or ferry terminals.

A map of the strategic road network is attached in Appendix 1.

3.2 Strategy and programme investment aims

The investment objectives of the Strategic Roads Network Programme are to ensure that the core roads network in Shetland continues to support key outcomes effectively and efficiently. It is intended to ensure that significant actions or developments are considered in a planned fashion and that the information required for decision making is identified and presented in a fashion that helps structured management and decision making.

Key investment objectives for the strategic roads network are;

- Road connections that cater for the vehicles and communities that need to use them so that people and businesses can achieve key outcomes
- Roads that make journeys as safe as possible
- Roads that minimise journey times
- Roads that support low energy travel and active travel
- Roads that strike the best balance between investment costs and ongoing maintenance costs

3.3 Existing arrangements

The Shetland strategic roads network is largely well developed, aligned with business and community needs and is well maintained. However there are a number of areas where there are existing or emerging issues which require consideration for potential future action not fully catered for in existing arrangements.

Most of Shetland's strategic roads network was built in the 1970's, 80's and 90's, generally to a very high standard and has been generally maintained very well since then.

Further development of the network was undertaken incrementally during the 1990's and 2000's as individual schemes, however that largely ceased from around 2010.

The maintenance of the strategic network has been delivered through capital and revenue maintenance programmes since then, and limited scale reconstruction and improvement (typically projects costing less than a few hundred thousand pounds) have been possible from time to time within those programmes.

Over time a number of issues which could entail larger scale (generally over £500,000) projects have been identified, however these have not been progressed.

It would be possible to take these projects forward as individual business cases but the lack of any network overview inhibits decision making. This programme is intended to collate the information that could address that cross network issue and allow structured forward planning.

3.4 Business needs

The Council are the statutory Roads Authority for Shetland and are required to plan for the maintenance and development of roads in Shetland in line with the obligations that accompany that role.

As a critical enabler of transport and access, the strategic roads network needs to meet current and future business and community needs that allow key outcomes to be achieved.

Maintaining what we currently have is catered for in terms of current arrangements, dealing with emerging or future issues and improving on current arrangements is not. This programme seeks to help address that issue by creating a framework for those issues and opportunities to be analysed, evaluated and decisions taken between alternative ways forward.

3.5 Potential scope and service requirements

The Strategic Roads Network programme is limited in scope to potential road rebuilds or developments which are situated within the limits of the agreed “Strategic Roads Network” (see appendix 1) and are of a large scale, generally £500K+, therefore placing them beyond the scope of existing arrangements.

3.6 Benefits, risks, dependencies and constraints

Benefits

Potential programme benefits have been considered in terms of beneficiaries

Direct public sector benefits (Council)

- Better planning of spend, capital and revenue
- Improvements to service organisation or efficiency

Indirect public sector benefits (Other public sector organisations)

- Improvements to service organisation or efficiency

Wider benefits to communities, individuals and businesses

- Road connections that cater for the vehicles/communities that need to use them so that people and businesses can achieve key outcomes
- Roads that make journeys safer
- Roads that minimise journey times
- Roads that support low energy travel and active travel

Risks

The strategic roads network programme should be inherently low risk as its scope is constrained to the delivery of a limited number of “fill-in” or short extensions to existing core roads.

The technical challenges to the delivery of individual projects should be well understood as they are essentially repetitions or completion of many road construction projects successfully undertaken in the past.

While it is possible that any rebuild or development might mismatch with actual future needs as they develop over time, it remains most likely that addressing these in a structured fashion will yield best results.

Dependencies

There are a limited number of dependencies currently identified for the programme as most issues relating to rebuild or development of sections of the network relate to existing roads which provide at least some current service level.

Where there are dependencies, these are related to potential future economic development opportunities, in Cullivoe and possibly Unst.

Constraints

Technical constraints within the programme relate to design, supervision and construction capacity, which probably means any development projects would need to be sequential.

There are also likely to be constraints on timescales associated with design, compulsory purchase and contracting periods.

The principle constraint however will be the availability of the capital budgets to undertake works as these are generally constrained and the subject of many other competing priorities.

4. Economic case

4.1 Critical success factors

The critical success factors for this programme, and the individual projects which will be considered within it, are closely linked to the Shetland Partnership Agreement and Our Plan Key outcomes, which also underwrite the key investment objectives;

- CSF1: business needs – how well the option satisfies the existing and future business needs of the organisation.
- CSF2: strategic fit – how well the option provides holistic fit and synergy with other key elements of national, regional and local strategies.
- CSF3: benefits optimisation – how well the option optimises the potential return on expenditure – business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation) – and assists in improving overall VFM (economy, efficiency and effectiveness).
- CSF4: potential achievability – the organisation's ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also the organisation's ability to engender acceptance by staff.
- CSF5: supply side capacity and capability – the ability of the market place and potential suppliers to deliver the required services and deliverables.
- CSF6: potential affordability – the organisation's ability to fund the required level of expenditure – namely, the capital and revenue consequences associated with the proposed investment.

4.2 Main options

As provision of the strategic roads network is statutorily a responsibility of the Council as the statutory Roads Authority then there are few options for the planned rebuild or development of the network.

Therefore, the programme has concentrated on arrangements for the identification of aspects of the network which has current or emerging issues or where there are current or likely future developments which might be constrained or affected by road provision.

The sections listed in the table below have been identified as a result of road condition inspections, safety checks, analysis of road carriageway and width characteristics, verge characteristics, blind summits and bends, absence of safety barriers, maintenance history, constrained planning applications and community engagement.

In addition to an identification of sections of the road network which are within the scope of the programme, consideration has been given to their relative priority in terms of the key outcome and CSF objectives

Sections of the strategic roads network which have current or emerging issues are listed in Appendix 3 with a summary analysis of potential for improvement against investment objectives.

A summary analysis of potential for improvement against critical success factors has also been undertaken and listed in Appendix 4.

4.3 Preferred way forward

This Strategic Roads Programme would have to be delivered as a series of self-contained projects which will have to be evaluated and decided on individually. Each would require its own strategic, outline and full business case before implementation.

A benefit of considering these projects together as a “programme” is that it is a more structured method of comparing the relative merits of each against a consistent set of objectives, creates a better understanding of the overall scale of the potential works and helps identify a timeline for future assessment and delivery.

It would also create the structure where any new issues or opportunities that emerge could be considered against these objectives and allow these to be placed within an overall timetable for detailed consideration and decision making.

The Cullivoe road upgrade is clearly identified as the development which would be most likely to improve Shetland Partnership Agreement and Our Plan key outcome objectives. These include *“We will be investing development funds wisely to produce the maximum benefit for Shetland’s economy,” “There will be transport arrangements in place that meet people’s needs and that we can afford to maintain in the medium term” and “Our communities will feel better connected using new community transport solutions developed by communities themselves.”* It is recommended that a Strategic Outline Case for this road section should be considered first by Council.

5. Commercial case

5.1 Commercial strategy

This Strategic Roads Programme would have to be delivered as a series of self-contained projects which will have to be evaluated and decided on individually. Each would require its own strategic outline and full business case before implementation.

5.2 Procurement strategy

It is likely that each project would be progressed through an independent procurement exercise conducted through the established procurement arrangements for Roads construction projects in accordance with the Contract Standing Orders.

6. Financial Case

6.1 Indicative cost

The figures in the table below are estimated average costs to give an overall indication only. The costs will be fully detailed at Outline Business Case stage for each project and the options available.

Project	Outline Design £000	Detailed Design £000	Land Purchase £000	Build Cost £000	Total Capital Cost £000
Cullivoe	103	145	25	4,000	4,273
Mid Yell	49	68	20	2,000	2,137
Ollaberry - Urafirth	28	43	5	800	876
Murrister Bend	13	27	5	500	545
Haggersta - Cova	Complete	20	Complete	2,000	2,020
Levenwick	50	69	25	1,900	2,044
Bridge of Walls - Walls	15	94	25	2,500	2,634
Total Element Costs	258	466	105	13,700	14,529

6.2 Funding arrangements

In line with the Council's Capital Funding Policy these projects will require to be financed by borrowing. Possible opportunities for contributions from other external sources will be investigated and secured where possible to offset the borrowing requirement.

6.3 Affordability

Any potential borrowing commitment will require to be factored into the Council's Prudential Indicators as part of the Borrowing & Investment Strategy demonstrating prudence, affordability and sustainability for the Council.

7. Management case

7.1 Programme management arrangements

The programme and any resultant projects will be managed to Prince standards.

7.2 Programme milestones

Programme milestones will be established in relation to individual project evaluation, decision making and implementation.

7.3 Programme assurance

Programme assurance will be managed to Prince standards.

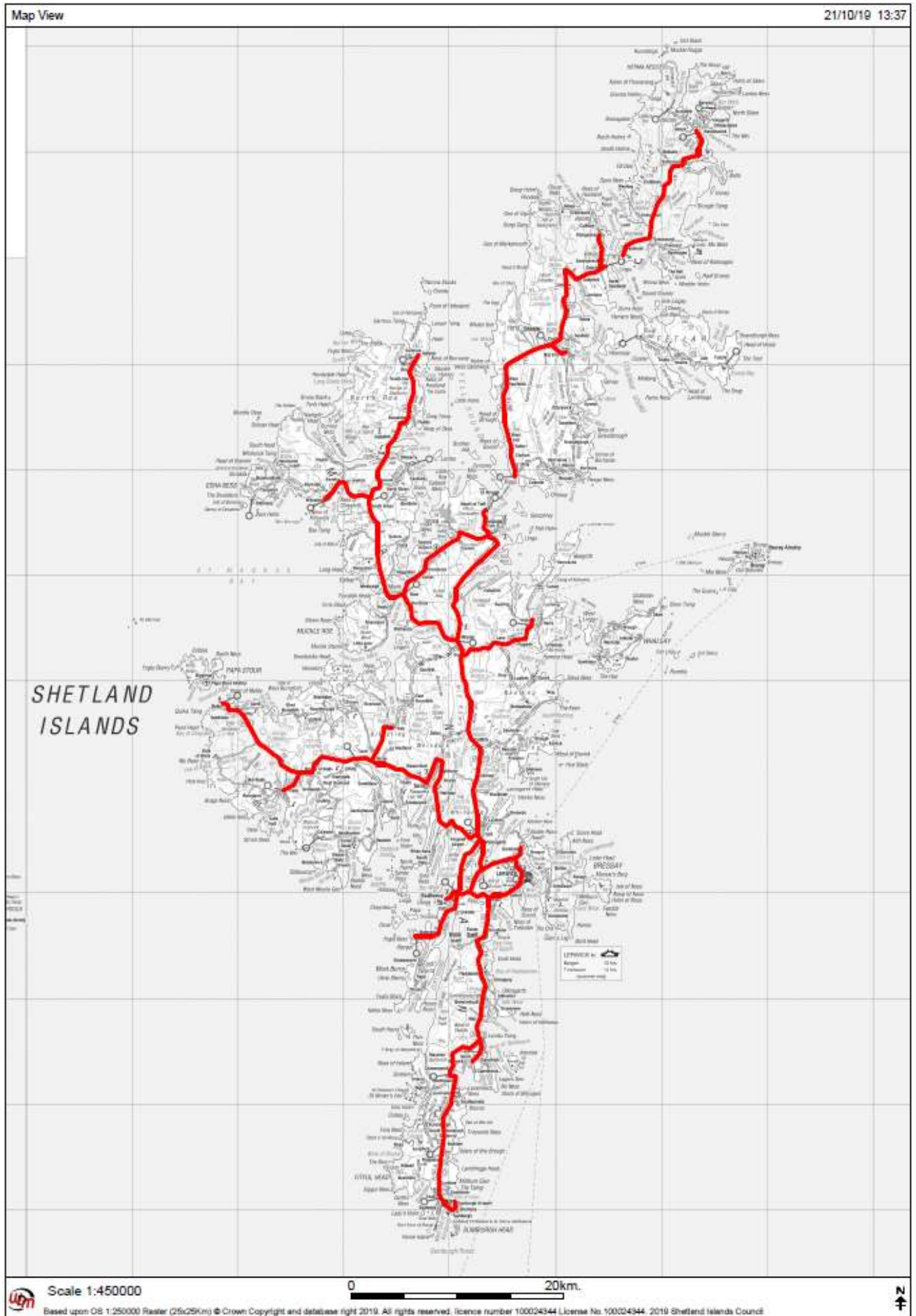
Signed:

Date:

Senior Responsible Owner

Project Team

APPENDIX 1: Shetland's Strategic Road Network and Scheme Location Plan



APPENDIX 2: Issues Affecting the Strategic Road Network & Potential Schemes

A970 Lerwick to Sumburgh Road at Levenwick:

In December 2009 a "Road Safety Check" was undertaken on the A970 Sumburgh to Lerwick Road, between its north and south junctions with the Levenwick Loop Road. The check was made following a traffic accident at a blind summit that resulted in expressions of concerns from local Councillors and members of the public. These concerns were raised by Councillor Budge at a meeting of the Road Safety Advisory Panel in February 2010. He quoted the following excerpt from the safety check report *"I am of the opinion that due to the location of this hazard on the main route between Lerwick and Sumburgh it should be improved, even if it has to be listed as a named scheme for inclusion on the Council's Capital Programme."*

The Council's Capital Programme was reported to a meeting of the Infrastructure Committee in May 2010 where Councillor Duncan expressed concern that the blind summit at Levenwick did not appear on the attached list and that it should be given high priority. Following this the Roads Service held a meeting with the local Councillors where it was agreed that costed proposals would be prepared for the autumn. However, the inclusion of a road improvement at Levenwick was not progressed when the Council's medium term financial plan required that funds be spent on maintaining existing assets rather than on the provision of new.

Concerns regarding the A970 at Levenwick came to prominence again in January 2015 due to an accident involving an articulated truck towing a low loader trailer. Following this incident Councillor Duncan again expressed his concerns regarding the poor road alignment and narrow road width at this location. An update of the "Road Safety Check" was subsequently reported to the Environment and Transport Committee in June 2015, this recommended a number of safety improvements including a width restriction. The Committee approved Councillor Smith's motion that the recommendations be approved and "that a service needs case, taking account of the STAG process, be prepared and submitted for the funding required to design the major capital scheme."

The service need case was reported to a meeting of the Policy and Resources Committee, in February 2016, on completion of the STAG appraisal. It concluded "that the most expensive option considered, which would improve the A970's alignment and width to Design Manual for Roads and Bridges (DMRB) standard over a 2.26 kilometre section of the road above Levenwick would achieve more of the planning objectives than the other options, but that the safety, economic, social and environmental benefits to be gained from this high cost project are all minimal."

However, Councillor Smith's motion that "the A970 Levenwick Capital Improvements project be approved and scheduled in any future Asset Investment Plan (AIP) subject to the availability of funding" was approved. The preliminary design of a number of improvement options has since been done to allow for initial cost estimates. However, more detailed design would need approval as the "gateway process" policy states that a project will not be considered for design fees unless the scheme has been approved.

Please note that this scheme is currently ranked third on the "Prioritised List of Road Improvement Schemes" (SIC min ref 07/15).

A971 Haggersta to Cova:

The existing A971 between Haggersta and Cova is sub-standard in a number of important respects. It has a very poor horizontal and vertical alignment, especially at the bend near Haggersta itself, and over the summit to the north. There is limited visibility from several junctions and accesses, especially the one at Haggersta. There have been a number of accidents, including a fatality about 30 years ago. There is poor carriageway width, and no footpath for those walking between the school, hall, playing fields, and houses at the south end, and the houses and shop in the Kalliness area. Safety concerns regarding this length of the A971 have been repeatedly raised by local members in recent years, primarily relating to the narrow carriageway.

Improvements to this length of road were previously a named scheme on the capital programme, first listed in 1988. The scheme was considered to meet all of the principles of the then Shetland Transport Strategy, particularly those of Accessibility and Inclusion, Compliance, and Environmental Responsibility. The final design of the scheme was completed with a cost estimate of £2.25M at 2009 prices. This included land acquisition, design and preparation, utility diversions, works, environmental mitigation, and supervision.

The land acquisition process was protracted but eventually concluded following the preparation of compulsory purchase and stopping up orders. However, this delay meant that the scheme was not listed in the approved provisional 5-year capital programme in October 2009, and has not been listed since. For the project to proceed, it will have to be presented for scrutiny under the “Business Justification process” and then be given a slot in the capital programme when budget is available.

This scheme is currently ranked fourth on the “Prioritised List of Road Improvement Schemes.”

A971 Murraster Bend:

There is inadequate visibility along the A971 at Murraster, due to a bend, to allow for the recommended safe stopping distance at the point where the road narrows from two-lane to single-track. This results in frequent over running of the verges as approaching vehicles, many of them travelling at speeds close to the national speed limit, manoeuvre to avoid each other. The transition is sub-standard, a safety concern and not fit for purpose on the “main” road linking the West Mainland with the rest of Shetland.

This situation has arisen following the implementation of the Asset Investment Policy that “all capital expenditure is to be focused on the maintenance of existing assets rather than the creation/purchase of new assets.” This led to the indefinite postponement the A971 West Burrafirth Junction to Brig o’ Walls Improvement Scheme. This scheme had “passed” a STAG stage 1 study and was being “promoted by the Member/Officer Working Group for Roads.” It was to be presented to the Capital Programme Review Team (CPRT) and Council for consideration and possible inclusion in the Capital Programme. The design was nearly complete and the scheme advanced enough for CPRT to approve the purchase then demolition of the Nurse’s House located on the proposed alignment.

Therefore, there was an expectation that the A971 West Burrafirth Junction to Brig o’ Walls Scheme would proceed. When the A971 Parkhall to West Burrafirth Junction Scheme was completed, in 2003, a temporary transition was constructed between the new two-lane road and the single-track section to the south. However, this temporary arrangement, which does not comply with national design guidance, now dates back 15 years. The Roads Service is concerned about the potential for a serious road accident at Murraster and now consider improvement of this transition necessary. There are a number of possible solutions to be considered which, if any scheme is to proceed, will have to be presented for scrutiny under the “gateway process.” These mainly involve the widening of the A971 to two-lanes around the bend until the required visibility is achieved. The alternative would be to reconsider the construction of the A971 West Burrafirth Junction to Brig o’ Walls Improvement Scheme which would provide a two-lane road from Murraster to Walls.

Any development option would require design budget to be established.

This scheme is currently ranked sixth on the “Prioritised List of Road Improvement Schemes.”

A971 Brig o' Walls to Walls:

A local member and the Roads Service have safety concerns regarding the hard standing overrun areas that “developed” alongside this single-track road over a number of years. The intention was to replace the original soil verges with type 1 or “hard” verges in order to reduce maintenance requirements. Unfortunately, it has had the opposite effect due to the verges being regularly over run by passing vehicles. This has resulted in an increased incidence of damage to the verges and to the edges of the carriageway.

However, of greater concern is the lack of clarity for road users as to what constitutes the running surface of the road. Would it be the “tarred” carriageway or does it include the “over run” areas on the inside of the bends? This is a hazardous situation, especially for cyclists who prefer to stay on the carriageway but can be approached by motor vehicles using an “over run” area to cut around a bend. This arrangement is not best practice so should be rectified and removed from this important road that forms part of our strategic network.

In September 2011 the Member/Officer Working Group - Roads stated, regarding the A971 West Burrafirth Junction to Walls Improvement Scheme, that “several design options have been considered and we are now developing the preferred one. The final design of the scheme was progressed and was almost complete with the safety check done. However, as stated above the scheme was indefinitely postponed following the implementation of the Asset Investment Policy.

There are a number of possible solutions to be considered which, if any scheme is to proceed, will have to be presented for scrutiny under the “gateway process.” These would range from the removal of the “over run” areas and reinstatement of the soil verges to the construction of a new two-lane engineered road on a new alignment.

Any development option would require design budget to be established.

This length of road forms a large part of the “A971 West Burrafirth Junction to Walls” scheme that is currently ranked eighth on the “Prioritised List of Road Improvement Schemes.”

B9082 Cullivoe Road:

This length of road was designed and constructed by the Highland Destitution Relief Board in 1851, the work being undertaken by the then residents of North Yell. It was designed for use by horse and cart with the only improvements since being localised widening, passing places and a bitumen bound surface. Considering this it has coped remarkably well with the level of traffic loading to which it has been subjected. However, in September 2018 the Area Maintenance Engineer for the North Isles expressed concern regarding the deterioration in the condition of the road and the implications this had for road safety. This resulted in a request for a safety check from the Executive Manager – Roads. The check identified a number of concerns including the substandard width of the road, the very poor condition of the carriageway and the lack of safety barriers at locations where national guidance deems them necessary.

The B9082 is the only road link serving the Cullivoe Pier, a vital facility for a number of industries including aquaculture, which is now Shetland's largest industry. Government figures show that in 2017 the total tonnage of whitefish landed at Cullivoe was 3,213 valued at £6.3 million, placing Cullivoe among the top twelve landing ports in the UK. According to figures from Shetland Aquaculture and Seafood Shetland 30,360 tonnes of salmon were landed at Cullivoe valued at £130.5 million. This is almost half of all the salmon produced in Shetland. The Council received £304,000 in dues for the landings of this salmon and whitefish in 2017. Therefore, this section of the B9082 is currently used by seven articulated trailers daily (5 days for 46 weeks) for the haulage of salmon and whitefish landings. In the past year there has also been 95 articulated trailer loads to the pier with materials for the construction of new salmon cages. This level of use, which has significantly increased within the past two years, amounts to a total of 3,410 articulated truck movements per year on this single-track road. It is likely to continue for the foreseeable future. The aquaculture industry in the north isles, including the salmon processing factory in Mid Yell, relies on the Cullivoe Pier. The deterioration of the B9082, to the point where it can no longer be used by HGV's, would cut off the pier with serious implications for the economy of Yell and Shetland as a whole.

In addition to aquaculture traffic the pier is used by the renewable energy industry and is the location of a business park and marina. The North Yell Development Council has recently submitted planning applications for the extension of the business park, a new caravan park and a new marina. It is understood that these developments will eventually generate 11 new jobs. The road also serves approximately 100 dwellings, Cullivoe Primary School, Cullivoe Hall, St Olaf's Church, Cullivoe Galley Shed, various crofts, a shop, the garage premises of a coach hire business and tourist attractions.

In March 2007 the Member/Officer Working Group (Roads) reported that several main options were still under development for the STAG Stage 2 study for a B9082 Gutter to Cullivoe Improvement Scheme. These included a major improvement of the entire route or a number of medium scale projects to improve specific issues along the route. However, in September 2009 the Group reported that it had agreed to "a series of minor improvements." In August 2010 two of these medium or minor improvements were funded in the indicative capital programme for financial year 2013/14. These were the "Garth Bends" and "Stonganess Bend" improvements. A lesser version of the latter, which is located to the north of the pier, is still on the capital programme and is now expected to be constructed in 2020/21 as part of the bridge replacement scheme. The former scheme is no longer on the programme.

The widening of the B9082 over its entire length is not a practical or economic option due to the peat soils on which the road was built. The surface of this road has consolidated over the years as it has been trafficked by an increasing number and weight of vehicles. Therefore, despite having a very shallow construction it is able to withstand relatively heavy loading. However, as soon as the surface is disturbed by any excavation through or adjacent to the road it becomes difficult to achieve a consistent reinstatement without disturbing the existing surface.

The overlay resurfacing of the road is not an option either. The edge of any resurfacing is not vertical and slopes back from the carriageway edge with a grade of approximately 2 in 1. Therefore, for every 150mm increase in height the road will narrow by 75mm on each side giving a total reduction in width of 150mm. The result being that the narrowest sections of road, that are currently 2.6 metres wide, would be reduced to 2.45 metres in width. This is less than the legal permitted width of 2.55 metres for vehicles specified in "The Road Vehicles (Construction and Use) Regulations 1986" as amended, meaning that HGV's would be overhanging the road edge.

The safety issues are either impractical or difficult to address due to the nature of the road, the topography through which it runs and the ground conditions on which it was constructed. These findings lead to the conclusion that, on consideration of road safety alone, this section of the B9082 is no longer fit for purpose. This conclusion is supported by the economic case. A road with a width of 2.6 metres is not suitable for use by over 3,400 articulated trucks per year especially when those trucks are hauling goods with a value in excess of £100 million that equates to almost half of the total production of Shetland's largest industry. This issue has been brought to our attention by the safety implications of the continued deterioration of the carriageway caused by the high number of HGV's using the road. Action is essential to ensure the reliability of the B9082 and thereby meet the long-term economic and social needs of Cullivoe, Yell and Shetland. The only viable long-term solution is to construct a new road on a new alignment, in accordance with the Design Manual for Roads and Bridges that is of sufficient width to suit the increasing use of the road by HGV's.

The rate at which the B9082 is deteriorating means that this is an issue that should be treated with some urgency. In common with the other schemes above any proposal will have to be presented for scrutiny under the "gateway process."

Any development option would require design budget to be established.

This scheme is currently ranked first on the "Prioritised List of Road Improvement Schemes."

B9081 Mid Yell Link Road (to A968):

This is the south end of the same route used to haul salmon from Cullivoe Pier to the processing factory in Mid Yell. The increase in HGV usage will also result in the deterioration of this road over time. The Roads Service has already had to undertake an “urgent” reconstruction of the Factory/Cemetery road in Mid Yell due to significant damage resulting from this additional loading. There are now a number of defects in the link road attributable to this loading, including a sunken section of carriageway that will be repaired later this year following concerns expressed by the Community Council.

However, the Mid Yell Link road is better founded and wider than the Cullivoe road so as is already evident will take longer to deteriorate. There are also more possible solutions for the improvement of the road ranging from localised widening and bend improvements to a major improvement of the entire route.

The B9081 Mid Yell Link Road was previously a named scheme on the capital programme. In October 2003 it was identified by the Member Officer Working Group (Roads) and prioritised for a feasibility study prior to placing within the Capital Programme. A report on the link road was presented to the Infrastructure Committee in May 2005 with a recommendation to approve “works to provide a strong modern road with widening to double width over the section from the main A968 to, and including, the Laxa burn bridge and on bends. Remaining as a single-track road with large passing places where this is all that is required.” The cost of this was estimated to be £1.2M at 2005 prices. It was also recommended that the scheme be included in the Capital Programme in “later years” and that funding for design and land acquisition be allocated. These recommendations were all approved. However, in November 2005 the Committee approved a recommendation that the scheme be extended to address concerns regarding a bend of narrow width and with poor visibility at Hillend. The extension was considered of “much higher priority” so was to be constructed in 2008/9 at a cost of £200K. The original part of the scheme was to remain in “future years” with only sufficient funds meantime to cover preparatory costs. This was still the situation when the “gateway process” was introduced at which point the Mid Yell Link Road scheme was not approved for inclusion in the Asset Investment Plan.

This scheme is currently ranked second on the “Prioritised List of Road Improvement Schemes.”

A970 Hillswick/Ollaberry Junction:

This is similar to Murraster in that there is inadequate visibility along the A970 here, due to a bend, to allow for the recommended safe stopping distance at the point where the road narrows from two-lane to single-track. This results in frequent over running of the verges as approaching vehicles, many of them travelling at speeds close to the national speed limit, manoeuvre to avoid each other. The transition is sub-standard, a safety concern and not fit for purpose on the “main” road linking the North Mainland with the rest of Shetland.

It was reported to a meeting of the Infrastructure Committee in December 2005 that a scheme to upgrade the A970 to a two-lane engineered road, between the Hillswick/Ollaberry Junction and Urafirth, had proceeded through the Stage 1 STAG process and was due to go through Stage 2 before prioritisation and recommendation to Council. In September 2009 the preliminary design was well advanced, but the scheme was not considered a priority and was not being progressed. This remained the case before the scheme was overtaken by events and the implementation of the current Asset Investment Policy.

There are a number of possible solutions to be considered which, if the scheme is to proceed, will have to be presented for scrutiny under the “gateway process.” These all involve the widening of the A970 to two-lanes around a number of bends until the required visibility is achieved. This would extend the two-lane road as far as the junction of the A970 with the Orbister road.

This scheme is currently ranked sixteenth on the “Prioritised List of Road Improvement Schemes.”

Skaw Road and A968, Unst:

The Skaw road would become a part of the strategic network with improvements to the road access to Lambaness required if the “Shetland Space Centre” development proceeds. Widening of the A968 between the Setter’s Hill Quarry and Brookpoint to two-lanes should also be considered. This would remove the current lane and a half arrangement which can be confusing for drivers and requires larger vehicles to use the passing places provided.

The A968 Setter’s Hill Quarry to Brookpoint Road was previously a named scheme on the capital programme. In May 2005 a report on the scheme made to the Infrastructure Committee resulted in it being split in two with the north section at Brookpoint being prioritised. This was considered necessary due to the poorly shaped “y-junction,” drainage problems and the structurally unsound bridge at Brookpoint. Subsequently, on completion of the Brookpoint section, the remainder of this scheme was reduced in priority. This was still the situation when the “gateway process” was introduced at which point the Brookpoint scheme was not approved for inclusion in the Asset Investment Plan.

This scheme is not currently ranked on the “Prioritised List of Road Improvement Schemes.” This would be ranked should the space centre development be confirmed.

APPENDIX 3: Summary Analysis of Potential for Improvement Against Objectives

Road Section	Avoid traffic restrictions	Improve safety	Reduce journey times	Promote low energy and active travel	Minimise Whole life cycle costs
B9082 Cullivoe	High - Possibility of weight restriction on road if its condition deteriorates, overlay not possible due to narrow carriageway	High - concerns due to narrow carriageway, poor structural condition and lack of safety barriers.	Limited - improvement due to provision of two-lane, rather than single-track road, on improved alignment.	Moderate - two-lane road would be an improvement for cyclists and verges would be improved for pedestrian use. Possibility of retaining old road?	Limited - revenue savings would be relatively high but would only offset a limited portion of the high initial capital cost.
B9081 Mid Yell	Limited/Moderate - possibility of weight restriction in future if level of HGV's serving salmon factory continues.	Moderate - visibility issues on single-track road due to poor vertical alignment, bridge needs safety barriers.	Limited - improvements, even if widened to two-lanes would not significantly reduce journey times.	Moderate - two-lane road would be an improvement for cyclists and verges would be improved for pedestrian use.	Limited - revenue expenditure low currently so savings would only offset a minimal amount of the high initial capital cost.
A970 Ollaberry – Urafirth	Limited - low HGV numbers mean deterioration will not occur rapidly and maintenance treatments should be sufficient to prevent need for restrictions.	Moderate/High - the Council by not progressing with a two-lane improvement to Urafirth and by leaving a temporary layout in place for a number of years have created a safety hazard.	Limited/Moderate - this needs to be a relatively lengthy improvement to achieve the correct visibility along the road, would tie in with a section of single-track that could be improved to two-lane for minimal cost. road	Limited/Moderate - two-lane road would be an improvement for cyclists and verges would be improved for pedestrian use.	Limited - revenue savings would be relatively high but would only offset a limited portion of the high initial capital cost.

Road Section	Avoid traffic restrictions	Improve safety	Reduce journey times	Promote low energy and active travel	Minimise Whole life cycle costs
A971 Murrister Bend	Limited - deterioration of carriageway is not an issue.	High - the Council by not progressing with a two-lane improvement to Walls and by leaving a temporary layout in place for a number of years have created a safety hazard.	Limited - improvement to two - lane is not over a long length so savings would not be significant	Limited - improvement to two - lane is not over a long length so improvement for cyclists would not be significant	Limited - revenue savings would be relatively high but would only offset a limited portion of the initial capital cost.
A971 Haggersta – Cova	Limited - deterioration of carriageway is not an issue.	Moderate - the provision of a cycle/footpath between the Whiteness School and Kalliness is a major part of the scheme, also carriageway widening and visibility improvements.	Limited - little benefit as the road is already two-lane.	Moderate/High - the provision of a cycle/footpath between the Whiteness School and Kalliness is a major part of the scheme	Limited - revenue expenditure low currently so savings would only offset a minimal amount of the high initial capital cost.
A970 Levenwick	Limited - width restriction already in place, unlikely that further restrictions would be needed	Moderate/High - a number of blind summits, narrow carriageway and significant lengths where safety barrier is required but can't be provided due to narrow verges	Limited - little benefit as the road is already two-lane.	Moderate - two-lane road would be an improvement for cyclists and verges would be improved for pedestrian use.	Limited - revenue expenditure relatively low currently so savings would only offset a minimal amount of the high initial capital cost.

Road Section	Avoid traffic restrictions	Improve safety	Reduce journey times	Promote low energy and active travel	Minimise Whole life cycle costs
A971 Brig o' Walls – Walls	Limited - some deterioration of carriageway edges but can be repaired with revenue funding so need for restrictions unlikely.	High - an issue with the verges being overrun on a regular basis.	Limited/Moderate - depending on the extents of the improvement, new verges with improved passing places or two-lane road.	Moderate/Limited - two-lane road would be an improvement for cyclists and verges would be improved for pedestrian use.	Limited - revenue savings would be relatively high but would only offset a limited portion of the high initial capital cost.

APPENDIX 4: Issues Affecting the Strategic Road Network & Potential Schemes

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
B9082 Cullivoe	High - very significant negative impact on the businesses and the pier in Cullivoe if a weight restriction is required. Implications for Yell and Shetland as a whole due to Mid Yell Salmon factory. Proposed developments with suspensive planning conditions due to concerns regarding deterioration of the road.	High - would improve road safety and promote active travel due to better provision for cyclists and pedestrians. May also provide part of the route to a future fixed link to Unst. Increased resilience/reliability of route. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected using new community transport solutions developed by communities themselves. We will be investing development funds wisely to produce the maximum benefit for Shetland's economy.	High - direct benefits would be retaining the dues from the Cullivoe Pier that could significantly reduce if weight restriction introduced. The road is important for the Yell and Shetland economy due to the number of existing and planned businesses plus the value of fish/shellfish landed.	High - the Roads Service has experience of undertaking this type of project, may require additional employees in the Design Section.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue but would be dependent on whether any other large scale projects were underway in Shetland within the same timeframe.	High - cost would be offset by retention of landing fees in a relatively short period also the potential for grant funding.

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
B9081 Mid Yell	Moderate - unlikely that the road would need restrictions as it can be repaired with revenue funding if necessary. However, there are still implications for Yell and Shetland as a whole if this link is not resilient and reliable.	Moderate - a new road with improved vertical alignment would address visibility issues and safety concerns. Increased resilience/reliability of route. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected using new community transport solutions developed by communities themselves. We will be investing development funds wisely to produce the maximum benefit for Shetland's economy.	Moderate - this is the south end of the route between Cullivoe Pier and the Mid Yell Salmon Factory so temporary restrictions here would have the same impact as on the B9082 but in the short term only. Less businesses in Mid Yell and road is currently in better condition than the B9082.	High - the Roads Service has experience of undertaking this type of project, depending on workload may require additional employees in the Design Section.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue.	Limited - revenue expenditure low currently so savings would only offset a minimal amount of the high initial capital cost.

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
A970 Ollaberry – Urafirth	Moderate - relatively lengthy two-lane improvement would reduce journey times and increase the reliability on this route for the road users and businesses in Eshaness/Hillswick.	Moderate - a new road with improved visibility would address visibility issues and safety concerns. Avoid reputational damage to Council of accident on "unfinished" road layout. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected using new community transport solutions developed by communities themselves.	Limited/Moderate - would benefit existing businesses in the North Mainland and would have the potential to promote future economic growth, reduces the potential of injury accidents and their associated cost to society but the number of accidents currently occurring is low.	High - the Roads Service has experience of undertaking this type of project.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue.	Limited - revenue savings would be relatively high but would only offset a limited portion of the high initial capital cost.

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
A971 Murrister bend	Limited - short length of widening to two-lane so little improvement in journey times or resilience of route.	Moderate - would improve road safety, Shetland "remains a safe place to live." Avoid reputational damage to Council of accident on "unfinished" road layout. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term.	Moderate - reduces the potential of injury accidents and their associated cost to society.	High - the Roads Service has experience of undertaking this type of project.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue.	Moderate - revenue savings would only offset a limited portion of the initial capital cost. However, build cost is relatively low compared to safety benefits.

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
A971 Haggersta – Cova	Limited - the road is already two-lane so no significant improvement to journey times or resilience.	Moderate - a new widened road with improved visibility would address visibility issues and safety concerns. Cycle/footpath between Whiteness School and Haggersta is a major part of the scheme so would address poor health outcomes and improve built environment/sense of place. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected, scheme already designed.	Moderate - reduces the potential of injury accidents and their associated cost to society, significant benefit to society of promoting active travel thereby reducing poor health outcomes and the resulting costs to NHS etc.	High - the Roads Service has experience of supervising this type of project, scheme has already been designed.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue but would be dependent on whether any other large scale projects were underway in Shetland within the same timeframe.	Limited - revenue expenditure low currently so savings would only offset a minimal amount of the high initial capital cost.

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
A970 Levenwick	Limited - the road is already two-lane so no significant improvement to journey times or resilience.	Moderate - a new widened road with improved visibility would address visibility issues and safety concerns. Increase of road width and verges would encourage active travel. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected using new community transport solutions developed by communities themselves.	Moderate - reduces the potential of injury accidents and their associated cost to society, significant benefit to society of promoting active travel thereby reducing poor health outcomes and the resulting costs to NHS etc.	High - the Roads Service has experience of undertaking this type of project, depending on workload may require additional employees in the Design Section.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue but would be dependent on whether any other large scale projects were underway in Shetland within the same timeframe.	Limited - revenue savings would be relatively high but would only offset a limited portion of the initial capital cost (depends on option).

Strategic Roads Network - SOC

Road Section	business needs	strategic fit	Benefits optimisation	potential achievability	supply side capacity and capability	potential affordability
A971 Brig o' Walls – Walls	Moderate or Limited - depends on the chosen solution whether it is two-lane throughout or just at blind summits with passing places elsewhere.	Moderate - a new road with improved vertical alignment or two-lane widening at blind summits would address visibility issues and safety concerns. Would provide improved facilities for walking and cycling, especially the two-lane option. There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term. Our communities will feel better connected using new community transport solutions developed by communities themselves. We will be investing development funds wisely to produce the maximum benefit for Shetland's economy.	Moderate - reduces the potential of injury accidents and their associated cost to society, some benefit from promotion of active travel through improved facilities.	High - the Roads Service has experience of undertaking this type of project.	High - civil's contractors have the experience and capability required for this type and scale of work. Capacity is not expected to be an issue.	Limited - revenue savings would be relatively high but would only offset a limited portion of the initial capital cost (depends on option).



Meeting(s):	Policy and Resources Committee Shetland Islands Council	25 November 2019 27 November 2019
Report Title:	Crown Estate Income Distribution	
Reference Number:	DV-35-19-F	
Author / Job Title:	Neil Grant Director, Development Directorate	

1.0 Decisions / Action Required:

- 1.1 That Policy and Resources Committee RECOMMENDS that the Council RESOLVE to:
- 1.1.1 Grant delegated authority to the Chief Executive, or her nominee, to allocate £1,008,679 of 2019/20 Crown Estate funding allocation in line with priorities detailed in section 3 and para 4.6, subject to satisfactory business case evaluations and/or third party funding applications, and in accordance with Scottish Government conditions and guidelines; and
 - 1.1.2 Continue the Officer Working Group to develop a new scheme for future years Crown Estate monies.

2.0 High Level Summary

- 2.1 In September 2019, Shetland Islands Council was allocated £1,008,679 from the net revenue generated by Scottish Crown Estate assets. The purpose of this funding allocation is to ensure that coastal communities benefit from the net revenue generated by the Scottish Crown Estate marine assets out to 12 nautical miles following the recent devolution of the management of the assets.
- 2.2 This report proposes transitional arrangements in relation to the 2019/20 allocation of funding, and recommends the establishment of a working group to develop a new scheme for future years, taking into account any possible funding gaps and local need.

3.0 Corporate Priorities and Joint Working:

- 3.1 The ambition to benefit coastal communities links to the Council's Corporate Plan 2016-2020, which sets out a range of priorities to maintain and improve quality of life in Shetland including building community strength by supporting communities to find local solutions to issues they face.
- 3.2 The Crown Estate Fund will contribute to priorities in Shetland's Partnership Plan 2018–2028 in relation to all four priorities, but with a particular reference to Place and Participation:

- Place: “Shetland is an attractive place to live, work, study and invest”
- Participation: People participate and influence decisions or services and use of resources

The Place priority is aimed at ensuring Shetland can attract and retain the people it needs to sustain its economy and communities in the future. One of the key areas of activity in relation to Place, is place-making and locality planning, which aims to create positive and attractive places to live through a programme of work to develop infrastructure and community assets, and encourage inclusive growth, to help make better places.

3.3 The Crown Estate Fund will also contribute towards the remaining priorities in Shetland’s Partnership Plan of : -

- People: Individuals and families thrive and reach their full potential
- Money: All households can afford to have a good standard of living

4.0 Key Issues:

Background

- 4.1 The Council, working in partnership with Orkney Islands Council and Comhairle nan Eilean Siar has, for many years, put forward the case for greater local control of revenues paid to the Crown Estate and ability to utilise those resources to meet local needs. Scottish Government have committed to provide 100% of the net revenue from Scottish Crown Estate marine assets out to 12 nautical miles to local authorities for coastal community benefit.
- 4.2 The management of the Scottish Crown Estate has now been devolved to Scotland along with the Coastal Communities Fund (CCF). Following the recent devolution of the management of the assets, the financial arrangements for Scottish Crown Estate assets and the basis for distribution of the net revenue generated from the marine assets have now been finalised, in order to enable coastal local authorities to fund coastal community benefit in 2019/20.
- 4.3 Annual allocations to local authorities will be distributed in arrears following the finalisation of the annual accounts for the Scottish Crown Estate. The expectation is that local authorities will use the funding for additional expenditure for the specific benefit of coastal communities, ensuring proper transparency and accountability of decision-making to their communities and others for the expenditure.
- 4.4 Each local authority’s allocation is based on an interim formula agreed with COSLA, which is based on a share of total sea area in the 0-12 nautical mile zone adjacent to each local authority. The allocations have been adjusted in line with discussions with COSLA to ensure that each local authority receives a *de minimis* allocation of £1,000. Scottish Government and COSLA have agreed that the formula-based arrangement will be reviewed and discussions on the detail of the review process will continue. Annual allocations to individual local authorities in future are likely to fluctuate as they will depend on the net revenue generated by Scottish Crown Estate marine assets out to 12 nautical miles in the relevant year of Scottish Crown Estate operations that provides the basis for the total allocation.

- 4.5 In September 2019, Shetland Islands Council was allocated £1,008,679 from revenue generated from Scottish Crown Estate assets in 2017/2018.
- 4.6 An informal working group was established earlier this year to consider the distribution of any funding from the Crown Estate for 2019/20. This was led by the Chief Executive and it considered how the funding could be used most effectively and in line with local need. Given the expectation placed on the funding, it is recommended that the overall aim of the funding should be to encourage the development and regeneration of Shetland's communities by awarding funding to projects which aim to create and safeguard sustainable economic growth and jobs, promote inclusive growth, and contribute to poverty reduction.

Transitional Arrangements for 2019/20

- 4.7 The timing of the funding announcement (September 2019) has meant that transitional arrangements will be required for 2019/20 funding, pending the development of a new funding distribution scheme. Should all funding not be allocated in the year due to only four months remaining following a decision of the Council, any underspend will be carried forward and earmarked in reserves for this purpose.

Future Years

- 4.8 It is proposed that a working group is established to develop a grant scheme in consultation with local communities and Community Planning Partners, and in line with aforementioned corporate priorities, for future distribution of the fund, which will be presented to Policy & Resources Committee next year for approval.

Reporting

- 4.9 Scottish Ministers are working with COSLA to ensure proportionate arrangements in relation to reporting of 2019/20 expenditure can be put in place. There will be a requirement to demonstrate transparency and accountability on how the money is spent.

5.0 Exempt and/or Confidential Information:

- 5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:	<p>Shetland's Partnership Plan expressly seeks to address the needs of the whole community. It has a focus on tackling inequalities so in that respect is naturally biased towards investing in those individuals, families and communities who face barriers to being able to thrive or reach their full potential.</p> <p>The new funding distribution scheme will be developed in consultation with communities.</p>
6.2 Human Resources and Organisational Development:	<p>Managing and monitoring Crown Estate funding will result in additional workload for staff within Development Services, which may require additional grant administration resource.</p>

	<p>In order to help develop capacity in the community, assist with the development of a more-long term scheme and support the delivery of place-making on the ground, an additional resource may be required, the costs of which could be met from Crown Estate funding. Any change to staffing resource will form part of the report on the new scheme.</p>
6.3 Equality, Diversity and Human Rights:	<p>Any projects funded through this scheme will require an integrated impact assessment which will consider any equality, diversity and human rights issues in relation to each project.</p>
6.4 Legal:	<p>Any investment decisions made by the Council in relation to the Crown Estate funding must comply with all Scottish Government conditions and guidelines for the funding.</p> <p>Any support mechanism provided to a third party by the Council, such as grant funding, would require specific conditions of award, as per normal procedures.</p>
6.5 Finance:	<p>For 2019/20 there is £1,008,679 of funding been allocated to the Council. This is an additional resource to be applied to meet Council priorities, which are not already provided for in the 2019/20 approved budget.</p> <p>Future funding will fluctuate depending on the level of net revenue generated by the Scottish Crown Estate and changes to the interim arrangements.</p> <p>The Crown Estate monies can be used to provide up to 100% of eligible project costs up to the total of the annual fund.</p>
6.6 Assets and Property:	<p>None at this stage.</p>
6.7 ICT and New Technologies:	<p>There are no ICT implications regarding this report.</p>
6.8 Environmental:	<p>All projects which receive a grant from Crown Estate funding will have been considered on their merit and will either have no impact or a positive impact on the local environment, or the ability to mitigate any negative impacts.</p>
6.9 Risk Management:	<p>Careful consideration of projects receiving funding and monitoring projects throughout the process will minimise risks.</p> <p>Project applications will utilise existing procedures, which provide transparency and accountability for the use of public funds, and the expertise of officers within the Development Directorate.</p>
6.10 Policy and Delegated Authority:	<p>In accordance with section 2.3.1 of the Council's Scheme of Administration and Delegations the Policy and Resources Committee has delegated authority to secure the co-ordination, control and proper management of the financial affairs of the</p>

	Council, and has referred authority to make recommendations to the Council as to the level of any expenditure not provided for in the annual budgets.	
6.11 Previously Considered by:	None.	

Contact Details:

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Date Cleared: 19 November 2019

Appendices: None

Background Documents: None



Meeting:	Policy and Resources Committee Shetland Islands Council	25 November 2019 27 November 2019
Report Title:	Tall Ships' Race 2023 – Business Justification Case	
Reference No:	DV-32-19-F	
Author/Job Title:	Thomas Coutts, Team Leader – Business Development	

1.0 Decisions/Action Required:

- 1.1 That the Policy and Resources Committee CONSIDER the Business Justification Case on options to promote Shetland as an attractive place to live, work, study and invest, through support of events, and RECOMMEND that the Council RESOLVES to:
- a) INSTRUCT the Director of Development (or his nominee) to bring forward a detailed report on a Support for Smaller Scale Events Scheme which realises local partnership objectives; OR
 - b) to support a bid for Shetland to host the Tall Ships' Race in 2023, acting as the signatory to the Host Port Contract, and providing financial support for staging the event.

2.0 High Level Summary:

- 2.1 In response to a report from the Executive Manager – Economic Development in August 2018 regarding the promotion of large scale events and festivals in Shetland, a business case has been developed examining the merits of Council support for a bid for Shetland to host the Tall Ships' Race in 2023. The Business Justification Case (BJC) identifies a set of Critical Success Factors relating to the hosting of events and festivals in Shetland, and examines a series of options focused on, or related to, the Tall Ships' Race.
- 2.2 The BJC determines that there is an economic benefit to Shetland hosting the Tall Ships' Race 2023, calculated from projections based on estimated visitor spend from the previous occasion where Shetland hosted the Tall Ships' Race in 2011.
- 2.3 However, based on scoring against economic impact, benefits and risks, the option for the Council to support a bid for Shetland to host the Tall Ships' Race in 2023 is not the highest ranked option of those examined. The preferred option is for the Council to support the development and promotion of smaller scale events, with a particular emphasis on those events which occur outside the main visitor season.

3.0 Corporate Priorities and Joint Working:

3.1 The Business Justification Case is in line with Our Plan 2016-2020, which states:

“A stronger economy which has well-paid jobs available to more people has the potential to produce a more prosperous and fairer society in Shetland. The long-term community plan aim is for Shetland to have good places to live as well as sustainable economic growth with employment opportunities, and for our residents to have the skills they need to benefit from those opportunities.”

The Council’s Plan highlights the following as priorities for improving the economy and quality of life in Shetland:

- We will be investing development funds wisely to produce the maximum benefit for Shetland’s economy;
- More children will be taking part in physical and cultural activities – developing healthy lifestyles to help them play a full and active part in Shetland community life;
- We will have an economy that promotes enterprise and is based on making full use of local resources, skills and a desire to investigate new commercial ideas.

3.2 A key objective for the Shetland Partnership is to implement a ten-year action plan to attract people to live, work, study and invest in Shetland. This plan is predicated on the link between a healthy demographic balance and the ability to sustain communities and services, and compete economically.

The vision of the plan is:

“In 2028 Shetland will:

- *Be an island of opportunity for young people, businesses and investors;*
- *Be a vibrant and positive student destination;*
- *Have a more balanced demographic profile and a growing population underpinned with more private sector jobs.”*

In order to achieve this vision, one of the objectives of the plan is:

- Promoting Shetland as a welcoming place to live, work, study and invest.

3.3 The Shetland Tourism Strategy identifies the following strategic aim for tourism in Shetland:

“We will work together to help make Shetland a year-round, sustainable tourism destination offering unique and outstanding visitor experiences.”

The goals of the Strategy are:

- to grow visitor spend from £23.2 million in 2017 to £33.5 million of visitor spend by 2023;
- to increase tourism activity outside of the main season of May – September.

The Strategy identifies “maximising opportunities from festivals and events” as an opportunity for the tourism sector in Shetland.

4.0 Key Issues:

- 4.1 Shetland has hosted the Tall Ships’ Race twice, in 1999 and 2011. An economic impact assessment of the Tall Ships’ Race 2011 concluded that the event generated £2.41m of additional spend in Shetland, and generated media coverage valued at £1.53m, against total expenditure of £1.25m, of which Shetland Islands Council contributed almost £1.04m. An analysis of spectators at the event determined that 57% of visitors were locals, with 3% from elsewhere in the Highlands and Islands, 17% from elsewhere in Scotland, 16% from elsewhere in the UK and 8% from overseas. Visitor satisfaction was rated as 97% positive.
- 4.2 While the BJC establishes Option 6 – Smaller Scale Events as the most advantageous option, the scoring framework finds that it does so through being the option which is most likely to generate impacts against the benefits identified, and presenting the lowest risk. When considered against calculated economic return, Option 3 – Tall Ships is the highest ranked option, although it is ranked second when considered with risk and benefit factors.
- 4.3 In August 2018, the Executive Manager – Economic Development presented a report to the Policy and Resources Committee entitled ‘Promotion of Shetland as a Location for Large Scale Events’. The report highlighted the boost in community confidence which arises from hosting large scale events, and the intrinsic value to demonstrating, both locally and to the outside world, “that our community has the skills and resources to run large-scale events with a high degree of success.” The report was welcomed by Members, with the minute of the meeting noting that the Committee was in support of the proposals and their contribution to the promotion of Shetland as a place to live and work, with specific reference to the Tall Ships’ Race and the Island Games, but needed further information on financial implications for the Council.
- 4.4 The cost of Shetland hosting the Tall Ships’ Race in 2023 is estimated at £2.5m. Supporting a bid would require a financial commitment from the Council of up to £1.39m, with the balance of the funding projected to come from corporate sponsorship, in-kind contributions (including from Lerwick Port Authority). Using estimated visitor spend from the 2011 event as a baseline, the calculations in the BJC project a net economic benefit of £0.6m from the 2023 event. If this amount were to be drawn from Council reserves, this would result in an in-ability to invest this value in alternative opportunities, as well as forgoing a return on investments in the region of £0.1m, compounding annually, in line with the Council’s long term return on investments.

4.5 In developing the BJC, discussions were held with Community Planning Partners to determine the potential benefits and risks, and to discuss options. These discussions were the basis for the risks and benefits scoring utilised in the BJC. From these discussions arose another option for consideration within the BJC, which is for the Council to support smaller scale events which have the potential to generate economic benefits for Shetland, particularly when these encourage growth in the visitor economy outside of the main visitor season, and which have the potential to generate opportunities to promote Shetland as a place to live, work, study and visit. An indicative budget of £0.1m has been used as the baseline for the economic analysis. The business case analysis undertaken in the development of the BJC shows this to be the highest ranked option among those analysed. It is intended that this option would be developed as a strategy, delivered annually over an initial 10 year period.

5.0 Exempt and/or Confidential Information:

5.1 None.

6.0 Implications:

6.1 Service Users, Patients and Communities:	<p>Community Planning Partners were consulted in the development of the BJC, with options which arose from these consultations which were considered to meet local objectives included in the analysis.</p> <p>The proposal for the Tall Ships' Race in 2023 is to include a cruise-in-company aspect of the race, which would allow other areas of Shetland, including Yell, Unst and Fair Isle, to benefit from the event.</p>
6.2 Human Resources and Organisational Development:	<p>There will be some requirement for participation of Council staff in event arrangements, including Roads and ICT. These details will require further discussion and planning.</p>
6.3 Equality, Diversity and Human Rights:	<p>The Tall Ships' Race offers training opportunities for young people from across the world.</p>
6.4 Legal:	<p>Should the Council support the bid for Shetland to host the Tall Ships Race in 2023, as the Civic Authority, the Council will require to be the signatory for the Host Port Contract with Sail Training International, and accept the obligations detailed therein.</p> <p>The Council will also require to enter into an arrangement with Shetland Tall Ships Limited to deliver the Host Port Contract obligations on behalf of the Council.</p>
6.5 Finance:	<p>The decision to move ahead with the preferred option 6, being the establishment of a Small-Scale Events strategy would require an estimated budget of £0.1m per annum to be established as service revenue budget over the life of the strategy. This option represents the best value of those in the BJC longlist.</p>

	<p>The decision to move ahead with option 3 in the business case, being the intention to invest in a Tall Ships event in line with those previous, would require an unsustainable draw from reserves of £1.39m, in contravention of the current Medium Term Financial Plan, which would increase the challenge to achieve sustainability in the future and would forgo the opportunity to invest these funds in other activity. Furthermore, the interest generated from this amount is in the region of £0.1m, compounded annually, would not then be realised. This impact could be mitigated by drawing on monies received by the Council through disbursement to local authorities of net revenue from Crown Estate assets.</p>
6.6 Assets and Property:	None.
6.7 ICT and New Technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	<p>There are a number of significant risks associated with this project which have been considered in the course of the BJC and against which options have been assessed:</p> <ul style="list-style-type: none"> • Pressure on accommodation providers limits visitor impact • Pressure on external transportation links limits visitor impact • Reputational damage to Council in current financial climate • Economic 'shock' impacts on affordability • The projects experiences significant cost increases and/or budgets are underestimated • Lack of long-term impact on visitor habits • Displacement of existing activity • Volunteer fatigue - lack of capacity in local volunteering effort • Increased expectation on Council investment for events • Events outwith organisational control impact on event preparations and visitor numbers • Limited infrastructure legacy <p>Mitigation of risks will require appropriate communication with stakeholders and the wider public.</p> <p>If the decision is to support a bid for the Tall Ships' Race, Shetland Tall Ships Ltd. will be responsible for risk management in relation to event planning. Contractual arrangements between the Council and Shetland Tall Ships Ltd. will be determined by a service level agreement and the grant award.</p>

6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.2.1 of the Council's Scheme of Administration and Delegations, the Policy and Resources Committee has delegated authority to advise the Council in the development of strategic objectives, policies and priorities; to co-ordinate with partner organisations in relation to the Council's leadership of the Shetland Partnership, and to secure the co-ordination, control and proper management of the financial affairs of the Council.</p> <p>However, the determination of overall goals, values and the Policy Framework documents, or matters of new policy/strategy or variation of existing policy strategy which may be inconsistent with those goals, values or Policy Framework document, is reserved to the Council.</p>	
6.11 Previously Considered by:	N/A	

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Date Cleared: 18 November 2019

Appendices:

Appendix 1 - Business Justification Case – Tall Ships' Race 2023

Background Documents: None

Tall Ships Race 2023 – Council Support for Bid

Business Justification Case (BJC)

Version: 1.2

Issue Date: 15 November 2019

Version history

Version	Date Issued	Brief Summary of Change	Owner's Name
1.1	08 Nov 2019	First draft	T. Coutts
1.2	15 Nov 2019	Amendments made following agenda management – SOC changed to BJC	T. Coutts

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1. THE STRATEGIC CASE

1.1 Introduction

This Business Justification Case (BJC) examines the business case for Shetland Islands Council to support a bid for Shetland to host the Tall Ships Race' in 2023. The BJC examines a number of options for Shetland to realise economic benefits from the hosting of events, establishes a set of Critical Success Factors against which these can be judged, and examines risks and benefits.

The purpose of the Strategic Case is to explain how the scope of the proposed project or scheme fits within existing business strategies, and to provide a compelling case for change, in terms of existing and future operational needs.

1.2 Part A: The strategic context

1.2.1 Organisational overview

Shetland

The [2018 Mid-Year Population Estimates](#) for Scotland estimated Shetland's population at 22,990, spread across 16 inhabited islands, with the main population centre of Lerwick home to roughly 7,000 inhabitants.

Employment in Shetland is dominated by public administration, which accounts for 21.2% of full-time equivalent (FTE) employment. The next largest sectors in terms of employment are wholesale/retail (12.5%) and construction (8.1%)¹.

The most recent economic survey conducted in Shetland found the overall value of the local economy (based on combined output from all sectors) to be £1,091.4m, of which around £198m can be attributed to public services and £310.5m can be attributed to combined fisheries operations (fish catching, aquaculture and fish processing)².

Shetland Islands Council

Shetland Islands Council is the local authority for Shetland, established by the Local Government (Scotland) Act 1973. The Council delivers services including, but not limited to, education, environmental health, roads and ferries, port services, planning, community development, economic development and social care.

The Council is structured around five Directorates:

¹ Shetland Employment Survey 2017, Shetland Islands Council

² Dyer, G. and Roberts, D. *An Analysis of the Shetland Economy Based on Regional Accounts 2010-11*, p.6

- Children's Services
- Community Health and social Care Services
- Corporate and Executive Services
- Development Services
- Infrastructure Services

The above Directorates encompass the various services the Council operates to deliver on its responsibilities and priorities.

Sail Training International

The Tall Ships' Races are organised by [Sail Training International](#) (STI) an international association of national sail training organisations devoted to promoting "the education and development of young people of all nationalities, religions and social backgrounds, through sail training". STI is a registered charity with membership made up of the national sail training organisations of 29 countries, including the United Kingdom.

1.2.2 Business strategies

Local

Shetland Islands Council: Our Plan 2016 to 2020

Ensuring inclusive growth through developing the skills of local people and creating well-paid jobs is a core part of the Council's vision. The [Council's Plan](#) states:

"A stronger economy which has well-paid jobs available to more people has the potential to produce a more prosperous and fairer society in Shetland.

The long-term community plan aim is for Shetland to have good places to live as well as sustainable economic growth with employment opportunities, and for our residents to have the skills they need to benefit from those opportunities."

The Council's Plan highlights the following as priorities for improving the economy and quality of life in Shetland:

- We will be investing development funds wisely to produce the maximum benefit for Shetland's economy;
- More children will be taking part in physical and cultural activities – developing healthy lifestyles to help them play a full and active part in Shetland community life;

- We will have an economy that promotes enterprise and is based on making full use of local resources, skills and a desire to investigate new commercial ideas.

Shetland's Partnership Plan 2018-2028

The Shetland Partnership, of which the Council is a key member, is the Community Planning Partnership for Shetland. The [Shetland Partnership Plan 2018-2028](#) reflects the shared vision of the local area and the partner organisations:

“Shetland is a place where everyone is able to thrive; living well in strong resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges.”

The Shetland Partnership Plan sets out the shared priorities of the Shetland Partnership for 2018-2028, which are as follows:

- People
 - Individuals and families can thrive and reach their full potential
- Participation
 - People can participate and influence decisions on services and use of resources
- Place
 - Shetland is an attractive place to live, work, study and invest
- Money
 - All households can afford to have a good standard of living.

The following targets will be addressed through the staging of cultural and sporting events in Shetland:

- At least 95% of people will feel part of their community;
- At least 90% of people engage in some form of sport and physical activity.

The relevant ten-year outcomes from the Plan are as follows:

- Shetland will be attracting and retaining the people needed to sustain our economy, communities and services;
- The economy will be diversifying and growing with an increase in the working age population throughout Shetland and innovative approaches to developing a low carbon economy, skills, technology, and community capacity.

10 Year Plan to Attract People to Live, Study, Work and Invest in Shetland

A key objective for the Shetland Partnership is to develop and implement a ten-year action plan to attract people to live, work, study and invest in Shetland. This plan is predicated on the link between a healthy demographic balance and the ability to sustain communities and services, and compete economically.

The vision of the plan is:

“In 2028 Shetland will:

- *Be an island of opportunity for young people, businesses and investors;*
- *Be a vibrant and positive student destination;*
- *Have a more balanced demographic profile and a growing population underpinned with more private sector jobs.”*

In order to achieve this vision, one of the objectives of the plan is:

- Promoting Shetland as a welcoming place to live, work, study and invest.

SIC Economic Development Strategy 2018-2022

The mission of the Council's Economic Development Strategy is:

“To enable and promote the ideal conditions for growth and to support our businesses, residents and communities to take advantage of the opportunities this will create.”

The strategy identifies the following priorities and actions for economic development in Shetland:

- Improve the attractiveness of Shetland as a place to live, work, study, visit and invest
 - Increase the economic impact derived from visitors to Shetland by improving services and facilities.

Shetland Tourism Strategy 2018-2023

The purpose of the [Shetland Tourism Strategy](#) is to ensure maximum benefit to Shetland is realised through the tourism sector. The strategy aligns with the Shetland Partnership Plan 2018-2028, and Tourism 2020, Scotland's national tourism strategy.

The Shetland Tourism Strategy was developed through the collaboration of a range of stakeholders, including:

- Highlands and Islands Enterprise;
- Lerwick Port Authority;
- Shetland Amenity Trust;
- Shetland Arts Development Agency;
- Shetland Islands Council;
- Shetland Tourism Association;
- Visit Scotland.

The Strategy identifies the following strategic aim for tourism in Shetland:

"We will work together to help make Shetland a year-round, sustainable tourism destination offering unique and outstanding visitor experiences."

The goals of the Strategy are:

- to grow visitor spend from £23.2 million in 2017 to £33.5 million of visitor spend by 2023;
- to increase tourism activity outside of the main season of May – September.

The Strategy identifies 'maximising opportunities from festivals and events' as an opportunity for the tourism sector in Shetland.

National

Tourism Scotland 2020

The national tourism strategy, [Tourism Scotland 2020 \(TS2020\)](#), developed by the Scottish Tourism Alliance with the support of the Scottish Government, aims to make Scotland:

"[a] first-choice destination for a high quality, value for money and memorable customer experience delivered by skilled and passionate people."

TS2020 prioritises a focus on growth despite economic constraints, and improving the quality of the overall visit to Scotland. The strategy identifies the following specific market opportunities:

- Destination towns and cities – more widely promoting the diversity of things to see and do, contemporary and traditional, within our destination towns and cities in order to extend their visitor seasons;
- Events and festivals – developing further our reputation as a world-leading events destination.

Scotland's Economic Strategy

[Scotland's Economic Strategy](#) describes the actions the Scottish Government plan to take to develop the priority of sustainable growth. These include:

*“Invest in Scotland’s people at all stages of life to ensure that we have a well skilled, healthy and resilient population and an innovative, engaged and productive workforce;
Support the development of highly innovative businesses across the Scottish economy;
Encourage more of Scotland’s diverse business base to engage in innovation and research and development as part of their day-to-day activities;
Continue to support the high-impact, world-class research of Scotland’s Universities and improve levels of commercialisation of academic research.”*

1.3 Part B: The case for change

1.3.1 Project objectives

The last few years have seen considerable efforts undertaken to increase the promotion of Shetland as an attractive place to live, work, study, visit and invest. This has included the contracting of NB Communication to deliver the Promote Shetland service, and collaborative strategic engagement including the development of the Shetland Tourism Strategy and the 10 Year Plan. The strategies of local community planning partners prioritise positive external engagement to attract people to Shetland, encouraging inward investment and creating a positive environment to retain the local population.

The spending objectives for this project have been developed to ensure that all key considerations are taken into account regarding the benefits to be derived from promoting and hosting cultural and sporting events in Shetland. These objectives are described below:

- 1) Increase positive media coverage of Shetland
 - Create promotional opportunities for Shetland with national and international reach
- 2) Increase visitor numbers to Shetland
 - Promote Shetland as a visitor destination with international appeal

- 3) Generate economic benefits for Shetland
 - Short-term
 - Increased spend by visitors to Shetland
 - Generate benefits to local businesses
 - Long-term
 - Generate event management skills within local young population
 - Develop infrastructure which can be utilised for future events
- 4) Increase community confidence and participation
 - Increase sense of belonging and engagement
 - Develop skills and confidence of volunteers

1.3.2 Existing arrangements

The first Tall Ships' race was held in 1956, the culmination of a vision to bring young cadets and seamen under training together to compete in a friendly competition. Intended to be a valedictory event for the last great sailing ships, the event generated such a level of public interest that race organizers founded the Sail Training International association to direct the planning of future events. Since then Tall Ships' Races have occurred annually in various parts of the world, with millions of spectators. Today, the race attracts more than a hundred ships, among these some of the largest sailing ships in the world.

Shetland has hosted the Tall Ships' Race twice, in 1999 and 2011. An economic impact assessment of the Tall Ships' Race 2011 concluded that the event generated £2.41m of additional spend in Shetland, and generated media coverage valued at £1.53m, against total expenditure of £1.25m, of which Shetland Islands Council contributed almost £1.04m. An analysis of spectators at the event determined that 57% of visitors were locals, with 3% from elsewhere in the Highlands and Islands, 17% from elsewhere in Scotland, 16% from elsewhere in the UK and 8% from overseas. Visitor satisfaction was rated as 97% positive.

1.3.3 Business needs

The Shetland Tourism Strategy places a clear emphasis on the sustainable development of a high quality tourism offer for Shetland. The aim is to grow the value of visitor spend in Shetland from £23.2m in 2017 to £33.5m by 2023.

In August 2018, the Executive Manager – Economic Development presented a report to SIC Policy and Resources Committee entitled 'Promotion of Shetland as a Location for Large Scale Events'. The premise of the report, which included the impact assessment of the 2011 Tall Ships' Race in Lerwick, was that economic impact is a secondary consideration to the boost in community confidence which arises from hosting large scale events, and there is intrinsic value to demonstrating, both locally and to the outside world, "that our community has the skills and resources to run large-scale events with a high degree of success." The report was welcomed by Members, with the minute of the meeting noting that Members spoke

in support of the proposals and their contribution to the promotion of Shetland as a place to live and work, with specific reference to the Tall Ships' Race and the Island Games, but with further information on financial implications.

1.3.4 Business scope

The scope of the business case considers those options for local events which will best realise the aims of the Critical Success Factors, with specific reference to the Tall Ships' Race in 2023.

1.3.5 Main benefits criteria

The Benefits Criteria are based on the aspects of project delivery which will best achieve the Critical Success Factors.

1.3.6 Main risks

The main project risks are detailed in Appendix 1.

1.3.7 Constraints

The following have been identified as constraints:

- Obligations of Tall Ships' Race Host Port as determined in the contract between the civic authority and STI;
- Availability of finance;
- Timescales – submission of a bid for the 2023 Tall Ships' Race will be required in early 2020, requiring a decision by the Council in late 2019.

1.3.8 Dependencies

The project must remain a strategic and political priority for Shetland Islands Council and appropriate resources (e.g. staff time) allocated towards this at the direction of the Chief Executive.

2. THE ECONOMIC CASE

2.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the BJC documents the long list of options that have been considered in response to the business needs and project scope identified within the Strategic Case.

2.2 Critical success factors

The critical success factors (CSFs) shown within the Strategic Case as spending objectives were as follows:

- 1) Increase positive media coverage of Shetland
 - Create promotional opportunities for Shetland with national and international reach
- 2) Increase visitor numbers to Shetland
 - Promote Shetland as a visitor destination with international appeal
- 3) Generate economic benefits for Shetland
 - Short-term
 - Increased spend by visitors to Shetland
 - Generate benefits to local businesses
 - Long-term
 - Generate event management skills within local young population
 - Develop infrastructure which can be utilised for future events
- 4) Increase community confidence and participation
 - Increase sense of belonging and engagement
 - Develop skills and confidence of volunteers

These critical success factors are considered to be essential in the context of the project achieving the strategic objectives detailed in the Strategic Case.

2.3 The long-listed options

The long list of options developed as part of this BJC are as follows:

Table 2.1 Summary of long list options

Options		Definition
1	Do Nothing	Shetland Islands Council does not promote Shetland as a location for large scale events, and does not support a bid for Tall Ships 2023.
2	Status Quo	Shetland Islands Council continues to promote Shetland as a location for large scale events, but chooses not to support a bid for Tall Ships 2023.
3	Tall Ships 'Reference'	Shetland Islands Council supports a bid for Shetland to host the Tall Ships Race in 2023, in line with the Cost Plan and using the same delivery models as when hosting in 1999 and 2011.
4	Tall Ships 'Legacy'	Shetland Islands Council supports a bid for Shetland to host the Tall Ships Race in 2023, and also investigates options for investment in infrastructure development which can be utilised for further large scale events (e.g. Island Games).
5	Tall Ships 'Reduced'	Shetland Islands Council supports a bid for Shetland to host the Tall Ships Race in 2023, funding a reduced and scaled back cost plan to increase affordability.
6	Smaller Scale Events	Shetland Islands Council supports the development of a local events and festivals strategy, which will look to support and/or sponsor the development of new and existing events and festivals in Shetland, including off-season and niche market events.

In detail, the long-listed options are:

Option 1 – Do Nothing

Scope	Minimum - no intervention or investment will be engaged in by the Council to develop large scale events and festivals in Shetland.
Solution	The Council does not pursue the promotion of Shetland as a host location for large scale events, and does not support a bid for the Tall Ships in 2023.
Service Delivery	This option will require no additional investment or commitment of resources from the Council.
Implementation	Agreement on approach at political level.
Funding	This option does not require additional funding.

Option 2 – Status Quo

Scope	Status Quo
Solution	The Council engages in options to promote Shetland as a location for large scale events, but does not support a bid for the Tall Ships in 2023.
Service Delivery	This option will require no additional investment or commitment of resources from the Council.
Implementation	Agreement on approach at political level.
Funding	This option does not require additional funding at this stage.

Option 3 – Tall Ships ‘Reference’

Scope	<p>The Council agrees to support a bid for the Tall Ships Race to return to Lerwick in 2023.</p> <p>This is the ‘reference’ option.</p>
Solution	<p>The Council will support the development of a bid to host the Tall Ships Race in 2023, and will provide funding of up to £1.39m towards delivery of the event.</p> <p>The Council will also agree to enter into the Host Port Contract with Sail Training International and accept the Host Port obligations therein.</p> <p>The Council will also commit necessary staff resources required in delivery of the event.</p>
Service Delivery	<p>This option will require Shetland Islands Council to approve a funding commitment of £1.39m towards the management and implementation of the event, and an agreement to enter into the Host Port Contract as and when necessary. Directors and Executive Managers will require to instruct the participation of relevant staff as and when necessary.</p>
Implementation	<p>Agreement between relevant Directors and Council members to agree corporate and political approach.</p>
Funding	<p>This option requires £1.39m funding from Shetland Islands Council.</p>

Option 4 – Tall Ships ‘Legacy’

Scope	<p>The Council agrees to support a bid for the Tall Ships Race to return to Lerwick in 2023, and to direct officials to investigate development of infrastructure which may be used in the hosting of large scale events (e.g. commercial kitchens).</p> <p>This is the ‘maximum’ option.</p>
Solution	<p>The Council will support the development of a bid to host the Tall Ships Race in 2023, and will provide funding of up to £1.39m towards delivery of the event.</p> <p>The Council will also agree to enter into the Host Port Contract with Sail Training International and accept the Host Port obligations therein.</p> <p>The Council will also commit necessary staff resources required in delivery of the event and the development of new infrastructure for large events.</p>
Service Delivery	<p>This option will require Shetland Islands Council to approve a funding commitment of £1.39m towards the management and implementation of the event, and an agreement to enter into the Host Port Contract as and when necessary. Directors and Executive Managers will require to instruct the participation of relevant staff as and when necessary.</p> <p>Relevant staff will require to be directed to investigate options for infrastructure development and deliver costed plans.</p>

Implementation	Agreement between relevant Directors and Council members to agree corporate and political approach.
Funding	This option requires funding of £1.39m from Shetland Islands Council, and an estimate of £0.5m has been made for the development of infrastructure.

Option 5 – Tall Ships ‘Reduced’

Scope	<p>Shetland Islands Council supports a bid for Shetland to host the Tall Ships Race in 2023, funding a reduced and scaled back cost plan to increase affordability.</p> <p>This is the ‘minimum’ option.</p>
Solution	<p>The Council will support the development of a bid to host the Tall Ships Race in 2023, at a level of 75% of the estimated costs detailed in the Cost Plan.</p> <p>The Council will also agree to enter into the Host Port Contract with Sail Training International and accept the Host Port obligations therein.</p> <p>The Council will also commit necessary staff resources required in delivery of the event and the development of new infrastructure for large events.</p>
Service Delivery	This option will require Shetland Islands Council to approve a funding commitment of £1.04m towards the management and implementation of the event, and an agreement to enter into the Host Port Contract as and when necessary. Directors and Executive Managers will require to instruct the participation of relevant staff as and when necessary.
Implementation	Agreement between relevant Directors and Council members to agree corporate and political approach.
Funding	This option requires £1.04m funding from Shetland Islands Council, equal to an assumed reduction of 25% of the Cost Plan.

Option 6 – Smaller Scale Events

Scope	Shetland Islands Council instructs officers to support smaller scale events in Shetland through reviving the Shetland Events and Festivals Strategy
Solution	The Council will support and/or sponsor the development of small-scale events and festivals. The Council will renew the Shetland Events and Festivals Strategy and support the development of a small grant assistance scheme for the development of new and existing events in Shetland, with a particular focus on developing events in the ‘shoulder’ season, and events which cater to niche markets.
Service Delivery	<p>This option will require Shetland Islands Council to approve an annual funding commitment of £0.1m towards the development of small scale events, through direct funding and via grant awards.</p> <p>Directors and Executive Managers will require to instruct the participation of relevant staff as and when necessary.</p>

Implementation	Agreement between relevant Directors and Council members to agree corporate and political approach.
Funding	This option requires an assumed annual funding commitment of £0.1m from Shetland Islands Council.

2.4 Short-listed options

Prior to a detailed options appraisal, a brief scoping exercise was carried out against each option. This judged whether or not each option was capable of achieving the basic aims of each Critical Success Factor, how this impacted on achievability and affordability, and whether or not each option could demonstrate a fit with the business needs and strategic objectives as described in the Strategic Case.

The results of the scoping exercise are as follows:

Table 2.2 Summary of scoping exercise

	Option					
	1	2	3	4	5	6
CSF1	×	?	✓	✓	✓	?
CSF2	×	?	?	?	?	?
CSF3	×	?	✓	✓	✓	?
CSF4	×	?	✓	✓	✓	?
Potential affordability	✓	✓	?	?	?	?
Potential achievability	?	✓	?	?	×	?
Business need	×	?	✓	✓	✓	✓
Strategic fit	×	?	✓	✓	✓	✓
Summary	Discounted	Possible	Possible	Possible	Discounted	Possible

Options 2, 3, 4, and 6 could all demonstrate either a potential or direct fit with the Critical Success Factors, potential affordability and achievability, and fit with the Strategic Case. For that reason, these options remained in the process at this stage and were subject to scoring against the Critical Success Factors.

As shown above, Options 1 and 5 were considered either to be unable to achieve some or all of the Critical Success Factors, or were unable to demonstrate affordability, achievability or a fit with the Strategic Case. For that reason, these options were discounted at this stage and not subject to the detailed appraisal.

2.5 Economic appraisal

This section provides a detailed overview of the main costs and benefits associated with each of the selected options, including main sources and assumptions.

2.5.1 Estimating benefits

Methodology

The benefits associated with each option were identified through the economic impact analysis undertaken following the 2011 Tall Ships Races in Lerwick. Given the limited capacity of Shetland to accommodate and transport additional visitors to the islands, it does not follow that increased expenditure will lead to increased benefits. Therefore the benefits generated from the 2011 event have been taken as the baseline with inflationary calculations made in order to estimate changes in value of benefits between 2011 and 2023.

Descriptions

In their economic analysis of the 2011 Tall Ships' Race event in Lerwick, EKOS Limited identified expenditure in three main categories:

- Spectators
- Crew
- Sponsors, Media and Volunteers

The analysis estimated gross expenditure based on calculations of the number of visitors and average daily expenditure, and then applied calculations for displacement, additionality and economic multipliers to determine the net expenditure in Shetland, which is detailed below:

Spectators	£1,756,388
Crew	£507,385
Sponsors, Media and Volunteers	£143,803
Total	£2,408,027

The analysis and calculations undertaken by EKOS Limited estimate a total net additional expenditure of £2,408,027 in the Shetland economy as a result of the Tall Ships' Race in Lerwick in 2011, against a total cost of £1,254,494.

Recalculating the value of the expenditure impact, taking account of historical inflation, gives a value of £2,736,742 in 2019 prices. Assuming an annual inflation rate of 3%, the same figure is projected to be valued at £3,080,227 in 2023. This is the value of projected benefits expected by the Tall Ships' Race in 2023.

Media exposure valued at £1.53m was calculated from the 2011 event – however, as this is not directly related to visitor expenditure, and routes for media exposure in 2011 may not be directly comparable to 2019, this has not been included.

For Option 2, no expenditure has been estimated.

For Option 6, an estimate of economic benefit has been derived using the GVA Effect Multiplier for Creative Services (1.55) from the Scottish Government's 2016 Input Output Tables, and applying this to projected inputs of £0.1m.

2.5.2 Estimating costs

Methodology

The costs of delivery have been estimated from the Tall Ships' Race 2023 Cost Plan, with contingency and inflation effects estimated.

Description, sources and assumptions

The estimated costs of delivery of the Cost Plan are summarised below:

Table 2.3 Summary of Cost Plan

EXPENDITURE	£
Company Operations	371,983
Race Management	180,235
Harbour Operations	265,864
Social	761,119
Liaison	25,548
Transport	82,954
Communications	30,388
Vessel Recruitment	112,032
Finance	38,747
Commercial	155,355
Contingency @ 10%	202,422
Inflationary Impact	237,520
Total Expenditure	2,464,167

With regard to inflationary impact, this has been estimated by projecting the cumulative estimated Consumer Price Index increases from 2019 to 2023 against the expected spend profile of the Cost Plan.

For Option 2, no costs have been estimated.

For Option 4, a cost of infrastructure investment of £0.5m has been assumed.

For Option 6, an annual cost of £100,000 has been assumed – this would incorporate financial assistance and/or sponsorship of new and existing events and festivals. The financial appraisal is based on a 10 year period, over which the estimated £0.1m investment has been subject to inflation calculations.

2.5.3 Economic appraisal findings

The following table summarises the key results of the economic appraisals for each option:

Table 2.4 Key results of economic appraisals

	Net Present Cost (Value) (£)
Option 2 – Status Quo	
Costs	0
Less Benefits	0
Total	0
Option 3 – Tall Ships ‘Reference’	
Costs	2,464,167
Less Benefits	3,080,227
Total	616,060
Option 4 – Tall Ships ‘Legacy’	
Costs	2,964,167
Less Benefits	3,080,227
Total	116,060
Option 6 – Smaller Scale Events	
Costs	1,146,388
Less Benefits	1,731,046
Total	584,658

2.5.4 Economic appraisal conclusions

The key findings are as follows:

(a) Option 2 – Status Quo

This option ranks **fourth**

This option requires no investment and generates no costs. It does not achieve any financial or other benefits, and is therefore neutral in terms of net present cost.

(b) Option 3 – Tall Ships ‘Reference’

This option ranks **first**

Based on inflation adjusted costs and projected benefits, this option is estimated to generate the highest positive net benefits over the lifetime of the project.

(c) Option 4 – Tall Ships ‘Legacy’

This option ranks **third**

Based on inflation adjusted costs and projected benefits, this option is estimated to generate the lowest positive net benefits over the lifetime of the project, due to higher expenditure.

(d) Option 6 – Smaller Scale Events

This option ranks **second**

Based on inflation adjusted costs and projected benefits, this option is estimated to generate positive net benefits over the lifetime of the project.

2.6 Qualitative benefits appraisal

2.6.1 Methodology

The appraisal of the qualitative benefits associated with each option was undertaken by:

- identifying the key individual benefits related to achieving each of the Critical Success Factors;
- scoring each of the short-listed options against the benefit criteria on a scale of 1 to 5 (1 = low or no benefits, 5 = high degree of benefits).

2.6.2 Qualitative benefits criteria

Qualitative benefits are defined as those which are not necessarily measureable in monetary terms but which nonetheless represent positive material impacts derived from the project.

2.6.3 Qualitative benefits scoring

Benefits scores were allocated on a range of 1-5 for each option and agreed by the project team to confirm that the scores were fair and reasonable.

2.6.4 Analysis of key results

The results of the benefits appraisal are shown in the following table:

Table 2.5 Benefits analysis

Benefits	Option 2 - Status Quo	Option 3 - Tall Ships 'Reference'	Option 4 - Tall Ships Legacy	Option 6 - Smaller Scale Events
	Score	Score	Score	Score
Sustainable increase in visitors to Shetland	0	2	2	3
Short term job creation	0	2	2	1
Increased promotion of Shetland as a location/destination for large scale events	0	4	4	2
Improved community confidence	0	4	4	4
Improved reputation as a host destination	0	4	4	2
Economic boost - increased visitor spend, etc.	0	3	3	4
Enhanced profile as a visitor destination	0	2	2	4
Increased capacity of infrastructure and local skills to host large events	0	2	3	3
Development of transferable skills	0	3	3	4
Increased participation from local community	0	3	3	4
	0	29	30	31

(a) Option 2 – Status Quo

This option ranks **fourth**

This option does not achieve any of the identified qualitative benefits.

(b) Option 3 – Tall Ships 'Reference'

This option ranks **second**

This option will promote Shetland on an international stage via a large scale, well-publicised event, creating the conditions for improved community confidence.

(c) Option 4 – Tall Ships 'Legacy'

This option ranks **first equal**

This option scores slightly higher than Option 3 by delivering the same range of benefits but also including increased capacity for large scale events, thus delivering potential legacy benefits.

(d) Option 6 – Smaller Scale Events

This option ranks **first equal**

This option delivers on a wide range of benefits, notably improving skills among the local population, increasing participation from the local community and providing ongoing promotional opportunities for Shetland as a visitor destination.

2.7 Risk appraisal

2.7.1 Methodology

A risk appraisal exercise was undertaken and involved the following distinct elements:

- identifying possible risks associated with each option;
- assessing the impact and likelihood for each option;
- calculating a risk score based on likelihood against impact.

2.7.2 Risk scores

A detailed analysis of identified risks is included in Appendix 1. The appraisal exercise assigned risk scores on the basis of likelihood and impact of each risk.

The range of scales used to quantify the likelihood and impact of each risk was as follows:

- low equals 1;
- medium equals 3;
- high equals 5.

The key considerations that influenced the scores achieved by the various options were as follows:

(a) Option 2 – Status Quo

This option ranks **first**

This option does not require any investment from the Council, does not generate expectations of visitor growth, economic benefit or legacy improvements, and does not require any further commitment of resources beyond the status quo. This option is therefore considered low risk.

(b) Option 3 – Tall Ships ‘Reference’

This option ranks **third**

This option generates considerable risk, particularly with regard to the resources required for delivery. These risks include potential underestimates or cost increase pertaining to the budget, the capacity of the local volunteering effort, the availability of funding, and public perception of large scale Council funding being provided at a time of service cutbacks.

(c) Option 4 – Tall Ships ‘Legacy’

This option ranks **fourth**

This option generates all the risks of Option 3, but with additional risk coming from the increased cost of creating an infrastructure legacy and potential cost increases/underestimates which would pertain to this option.

(d) Option 6 – Smaller Scale Events

This option ranks **second**

This option is lower risk than the Tall Ships options, but still contains risk factors relating to the judgement of costs, availability of finance and the capacity of the local volunteering effort to deliver expected benefits.

2.8 Outcome of options appraisal

Options were scored against the results of the economic, benefit and risks appraisals. The outcome of the detailed scoring process is as follows:

Table 2.6 Options appraisal outcome

	Option			
	2	3	4	6
Cost Benefit Analysis	4	1	3	2
Qualitative Benefits	3	2	1	1
Risks	1	3	4	2
Ranking	2.7	2.0	2.7	1.7

The scores are based on the ranking of each option against each appraisal metric, therefore the lower the score, the better the fit of each option to the aims and objectives of the project. This process shows that the options best suited to achieving the Critical Success Factors is **Option 6 – Smaller Scale Events**.

However, as the political directive for this process was to provide a business case for the Tall Ships’ Race, the remainder of the BJC will present information on delivery of **Option 3 – Tall Ships Reference**.

3. THE COMMERCIAL CASE

3.1 Introduction

The purpose of the Commercial Case is to describe the proposed deal in relation to Option 3 as outlined in the Economic Case.

3.2 Required services

The required services which pertain to a host port for the Tall Ships' Race are detailed in the Host Port Contract, which is entered into between STI and the relevant civic authority for the port, in this case SIC, and the accompanying Host Port Manual.

The key requirements specified by the Host Port Contract include:

- STI port fee, STI costs for accommodation, in-port transport and inspection visit;
- Free berthing, tugs and pilotage;
- Crew facilities – toilets, showers, laundry service;
- Shore power, water and connectivity for fleet/trainees;
- Race Office and dedicated staff;
- Media facilities;
- Provision of Sail Trainees and deck hire income to the fleet;
- Social programme – includes Captain, Officer and crew parties, and prizegiving;
- Promotion of sail training to young people and marketing of the event;
- Crew parade and prizegiving ceremony;
- Social, sports and cultural activities for crew;
- Suitable public/spectator facilities with free viewing access to vessels;
- Safe event site and attractions.

3.3 Proposed charging mechanisms

There is a requirement for direct funding from the Council – in particular, this will cover the port fee chargeable from STI, in the amount of £152,000, and some promotional work which will be directly contracted from the Council to external providers.

The majority of the funding from the Council to Shetland Tall Ships Ltd. will be offered as a grant, and as such will be subject to typical Council grant conditions,

including the requirement to provide the Council with any and all information pertaining to the grant-aided activity and to keep proper financial and other records.

3.4 Proposed contract lengths

Terms of the contract between the Civic Authority and STI endure for the provision of the event in summer 2023, which specifies that the required facilities are available to STI not less than 12 months prior to the start of the event.

3.5 Personnel implications (including TUPE)

There will be a requirement for deployment of some Council staff resources to deliver aspects of the event, including resources from Development and Infrastructure.

3.6 Procurement strategy and implementation timescales

The relationship between Shetland Islands Council and Shetland Tall Ships Ltd. will be governed by a contractual agreement.

Implementation milestones for the Tall Ships' Race Bid are shown at 5.3.2.

4. THE FINANCIAL CASE

4.1 Introduction

The purpose of this section is to set out the forecast financial implications of Option 3 (as set out in the Economic Case) and the proposed deal (as described in the Commercial Case).

4.2 Impact on the organisation's income and expenditure account

The following table summarises the estimated expenditure and funding for Shetland to host the Tall Ships' Race 2023, based on summarised figures from the 2023 bid Cost Plan:

Table 4.1 Summary of Shetland Tall Ships 2023 Cost Plan

EXPENDITURE	£
Company Operations	371,983
Race Management	180,235
Harbour Operations	265,864
Social	761,119
Liaison	25,548
Transport	82,954
Communications	30,388
Vessel Recruitment	112,032
Finance	38,747
Commercial	155,355
Contingency @ 10%	202,422
Inflationary Impact	237,520
Total Expenditure	2,464,167
FUNDING	£
In Kind	
Lerwick Port Authority	125,000
Local Business Sponsors	200,000
Sail Training Shetland	60,000
Income	
Public sector funding	1,390,000
Corporate Sponsorship	450,000
Ticket Sales	125,000
Company Resources	100,000
Other income	50,000
Total Funding	2,500,000
Net Funding Surplus/(Deficit)	35,833

4.3 Overall affordability

The above financial summary demonstrates the resources required to deliver the Tall Ships on the basis of the requirements of the Host Port Contract. The funding plan requires a contribution of £1,390,000 from the Council.

4.4 Comparison with Status Quo

The 'Status Quo' option – Option 2 – requires no additional investment from the Council, while Option 3 – Tall Ships Reference – requires investment of up to £1,390,000.

The Status Quo is therefore more affordable for the organisation than the Tall Ships option.

5. THE MANAGEMENT CASE

5.1 Introduction

This section addresses the 'achievability' of the project; it sets out in more detail the actions that will be required to ensure the successful delivery of the project in accordance with best practice.

5.2 Project management arrangements

While the Host Port Contract will be between STI and SIC, it is proposed that the delivery of the event be undertaken by Shetland Tall Ships Limited, a limited company formed to manage delivery of the 2011 Tall Ships' Race in Lerwick.

Shetland Tall Ships Ltd. will be comprised of volunteer non-executive directors, and will be responsible for delivering the Tall Ships' Race event in Shetland, to deliver on the contract obligations with STI on behalf of SIC. Lerwick Port Authority provide secretarial and accounting functions for the company.

Shetland Tall Ships Ltd. will employ a Project Manager who will be responsible for organisation, business management and safety and risk management of the event. The company will also hire an assistant to the Project Manager for the two year lead up to the event.

The Organising Committee will be made up of the Project Manager and company directors. Specific aspects of the event will be the responsibility of key sub-committees, each of which will report to the Organising Committee:

- Finance and Sponsorship;
- Harbour;
- Liaison;
- Marketing, PR and Communications;
- Social;
- Transport.

5.3 Project reporting structure

The reporting organisation and the reporting structure for the delivery of the Tall Ships' Race are as follows:

Table 5.1 Reporting Structure



5.3.1 Project roles and responsibilities

These are as follows:

- Shetland Islands Council – will act as the Host Port and contracted authority for the Tall Ships' Race;
- Shetland Tall Ships Ltd. – responsible for delivery of contract obligations on behalf of the Council, including organisation, business management and safety and risk management. Responsible for employment of the Project Manager;
- Project Manager – management of event organisation;
- Organising Committee – oversight and organisation of delivery sub-committees:
 - Finance and Sponsorship Sub-Committee – responsible for financial planning and monitoring, contact with external funding partners, sponsorship strategy and engagement with business;
 - Harbour Sub-Committee – responsible for duties relating to provision of fleet and port facilities, health and safety, risk management and emergency planning;
 - Liaison Sub-Committee – responsible for co-ordination of crew participation schedules, local volunteers and liaison with vessels;
 - Marketing, PR and Communications Sub-Committee – responsible for brand identity, marketing strategy, promotion, media exposure and communications;
 - Social Sub-Committee – responsible for delivery of key social components of the event, including the opening and prize-giving ceremonies, crew parade, crew social programme, spectator programme and programme for media, VIPs, volunteers and sponsors;
 - Transport Sub-Committee – responsible for co-ordination of transport requirements, including public transport and roads access;

5.3.2 Project plan

The Outline Project Plan below provides a broad outline of the development milestones for the Business Case process:

Table 5.2 Outline Project Plan

Milestone Activity	Timescale
Business Justification Case	
Agreement of Critical Success Factors and Long List of Options	September 2019
Development of Business Justification Case	October 2019
Policy & Resources Committee	25 Nov 2019
Shetland Islands Council	27 Nov 2019
Bid Process	
Development of Shetland Bid Document	Dec 2019/Jan 2020
Submission of Tall Ships' Race Bid	31 January 2020
Review of Bids	Feb-May 2020
Selection of Host Ports for the Tall Ship's Race 2023	May 2020
Signing of Host Port Contract	30 days from notification
Tall Ships' Race 2023	Summer 2023

5.4 Outline arrangements for change and contract management

Management of change will be the responsibility of Shetland Tall Ships Ltd. As the contract will be held with between STI and SIC, the strategy, framework and plan for dealing with contract management will follow normal Council contract standards.

5.5 Outline arrangements for benefits realisation

tbc

5.6 Outline arrangements for risk management

Risk management will be the responsibility of Shetland Tall Ships Ltd. and will be detailed in a Memorandum of Understanding between the Council and the company.

5.7 Outline arrangements for post project evaluation

An economic impact assessment will be undertaken by an external provider to ascertain the impacts of the Tall Ships' Race on the local economy. This will be commissioned prior to the event, and will be undertaken immediately following the event. The costs of this evaluation have been accounted for in the cost plan.

The assessment will measure:

- Visitor numbers to the event
- Additional expenditure in the visitor economy related to the event
- Value of media coverage
- Spectator feedback

- Visitor assessment (length of stay, place of origin).

5.8 Gateway review arrangements

Gateway 1 will be the decision of the Council, and committee decisions are scheduled as follows:

- Policy & Resources Committee – 25 November 2019
- Shetland Islands Council – 27 November 2019.

Appendix 1 – Risks

Risk	Impact	Option 2 - Score			Option 3 - Tall Score			Option 4 - Tall Score			Option 6 - Small Score		
		L	I	Score	L	I	Score	L	I	Score	L	I	Score
Pressure on accommodation providers limits visitor impact	Baseline' accommodation occupancy means that increase in visitors to Shetland, and increase in visitor spend, is minimal	1	1	1	3	2	6	3	2	6	3	2	6
Pressure on external transportation links limits visitor impact	Current capacity of external transport links means that increase in visitors to Shetland, and increase in visitor spend, is minimal	1	1	1	3	2	6	3	2	6	3	2	6
Reputational damage to Council in current financial climate	Provision of large scale investment at a time when the Council is drawing on reserves, cutting services and addressing a budget shortfall leads to mixed messages to stakeholders and/or unrealistic expectations regarding other funding	1	1	1	4	3	12	4	3	12	3	3	9
Economic 'shock' impacts on affordability	External economic factors (e.g. impacts of UK exit from EU) lead to increased cost pressures on the Council which require funding to be reprioritised	1	1	1	3	4	12	3	4	12	3	4	12
The projects experiences significant cost increases and/or budgets are underestimated	The budget provided in the Cost Plan is underestimated, or individual cost items significantly increase due to external factors (e.g. availability) leading to a budget shortfall	1	1	1	2	4	8	3	4	12	2	2	4
Lack of long-term impact on visitor habits	The one-off nature of the Tall Ships Race means that ongoing promotional efforts do not have the same impact or potential for generating future visitor business as regular events (e.g. Up Helly Aa, Shetland Folk Festival)	1	1	1	3	3	9	3	3	9	2	3	6
Displacement of existing activity	The presence of the Tall Ships means that other economic activities, e.g. cruise ship visits, either do not happen or have limited impact	1	1	1	2	3	6	2	3	6	1	1	1
Volunteer fatigue - lack of capacity in local volunteering effort	The capacity in the local volunteer effort is not sufficient to fully resource the requirements of the Tall Ships event, and/or the volunteering requirement is such that other services and events requiring volunteer time experience negative impacts	1	1	1	4	4	16	4	4	16	3	4	12
Increased expectation on Council investment for events	The provision of funding for the Tall Ships event leads to an expectation among other stakeholders that Council funding will be available for other purposes and/or increased in line with other external requirements	1	1	1	4	3	12	4	3	12	3	3	9
Events outwith organisational control impact on event preparations and visitor numbers	Poor weather, industrial action or other uncontrollable events lead to disruption, lower visitor numbers or decreased spend	1	1	1	4	3	12	4	3	12	4	3	12
Limited infrastructure legacy	The Tall Ships event does not provide any ongoing impacts in terms of increased capacity, promotional benefits or local skills development	1	1	1	4	2	8	3	2	6	2	2	4
		11			107			109			81		