Island Communities Impact Assessments

Change in Funding Profile

SHETLAND
ISLANDS COUNCIL

Version 2, updated April 2024

Island Communities Impact Assessment

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PRELIMINARY CONSIDERATIONS	Responses
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	*HRA Budget 2026/27 – Financing via New Borrowing (No Service Changes)*
STEP 1 - Develop a clear understanding of your objectives	**Responses**
What are the objectives of the policy, strategy or service?	*Maintain delivery of the approved HRA programme in 2026/27 by changing the funding mechanism (borrowing instead of reserves), ensuring continuity of statutory landlord services and asset investment.*
Do you need to consult?	*Not required for financing change.*
How are islands identified for the purpose of the policy, strategy or service?	*Shetland's dispersed island communities across the archipelago (localities and islands with small populations) per Council practice.*
What are the intended impacts/outcomes and how do these potentially differ in the islands?	*No change to access/service; no island-differential effect anticipated because the change is internal financing.*
Is the policy, strategy or service new?	*Financing change for 2026/27; services unchanged - The use of borrowing to support the HRA capital and revenue programme is one of the three established funding mechanisms available to the HRA (the others being rental income and reserves). The 2026/27 approach therefore does not introduce any new policy or financing mechanism; it represents a change in the proportion of funding sources rather than the introduction of a new method. As a result, the change does not alter service delivery, access, or operational practice for island or mainland tenants.*
STEP 2 - Gather your data and identify your stakeholders	**Responses**
What data is available about the current situation in the islands?	*Locality/islands with small populations datasets for contextual awareness – stakeholders HRA tenants, Housing and Finance staff, and elected members.*
Do you need to consult?	*Not required for financing change.*

How does any existing data differ between islands?	*Not required*
Are there any existing design features or mitigations in place?	*Not required*
STEP 3 - Consultation	**Responses**
Who do you need to consult with?	*Not required for financing change only.*
How will you carry out your consultation and in what timescales?	*Not required*
What questions will you ask when considering how to address island realities?	*Not required*
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	*Not required*
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	*Not required*
STEP 4 - Assessment	**Responses**
Does your assessment identify any unique impacts on island communities?	*No. Financing method does not alter service access or delivery across islands.*
Does your assessment identify any potential barriers or wider impacts?	*Potential future rent pressure from higher financing costs*
How will you address these?	*Handled through separate rent-setting assessment and consultation.*

You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).

If your answer is **NO** to the above question, a full ICIA will NOT be required and **you can proceed to Step SEVEN**.

If the answer is **YES**, an ICIA must be prepared and **you should proceed to Step FIVE**.

To form your opinion, the following questions should be considered:

- Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)?
- Are these different effects likely?
- Are these effects significantly different?
- Could the effect amount to a disadvantage for an island community compared to the mainland or between island groups?

STEP 5 – Preparing your ICIA	**Responses**
In Step Five, you should describe the likely significantly different effect of the policy, strategy or service:	*Not required*
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	*Not required*
Consider alternative delivery mechanisms and whether further consultation is required.	*Not required*
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	*Not required*
Identify resources required to improve or mitigate outcomes for island communities.	*Not required*
STEP 6 - Making adjustments to your work	**Responses**
Should delivery mechanisms/mitigations vary in different communities?	*Not required*
Do you need to consult with island communities in respect of mechanisms or mitigations?	*Not required*
Have island circumstances been factored into the evaluation process?	*Not required*
Have any island-specific indicators/targets been identified that require monitoring?	*Not required*
How will outcomes be measured on the islands?	*Not required*
How has the policy, strategy or service affected island communities?	*Not required*
How will lessons learned in this ICIA inform future policy making and service delivery?	*Not required*
STEP 7 - Publishing your ICIA	**Responses**
Have you presented your ICIA in an Easy Read format?	*No*
Does it need to be presented in Gaelic or any other language?	*No*
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	*Publish ICIA screening decision with 2026/27 HRA budget proposals report – Development Committee 18/02/2026.*

Who will sign-off your final ICIA and why?	*Executive Manager – Finance, as financing-only HRA change.*

ICIAs must be signed off by the staff member who completes it. They must then be approved and signed off by an executive manager or director. If an executive manager completes the ICIA, then the director should approve the ICIA.

ICIA completed by:	*Maria Forrester*
Position:	*Management Accountant*
Signature:	
Date complete:	*08/02/2026*

ICIA approved by (Executive Manager or Director):	*Paul Fraser*
Position:	*Executive Manager – Finance*
Signature:	
Date approved:	*09/02/2026*

Once approved and both the signature boxes are complete, you should publish the ICIA in PDF format on the Island Communities Impact Assessments page of the Shetland Islands Council website. All services should have a staff member who can edit the website. If not, please contact Community Planning and Development.

Even if a full assessment is not required (where the answer to Step 4 is no), this should still be published.