



Meeting(s):	Policy & Resources Committee	13 February 2017
Report Title:	Executive and Corporate Services Directorate Plan 2017-2020	
Reference Number:	CRP-03-17-F	
Author / Job Title:	Christine Ferguson / Director of Corporate Services	

1.0 Decisions / Action required:

Policy and Resources Committee are asked to:

- 1.1 REVIEW and COMMENT on the contents of the Directorate Plan; and
- 1.2 ENDORSE the Directorate Plan, recognising that the Director of Corporate Services will make any adjustments required to ensure it is fully aligned with the final version of the Council's Corporate Plan approved by Council.

2.0 High Level Summary:

- 2.1 This report presents the Directorate Plan for Executive and Corporate Services setting out the strategic actions to be taken between 2017-2020 to deliver both the Council's Corporate Plan and strategic priorities and the Directorate's priorities of:
- Delivering our day to day services including support services across all Council activity;
 - Meeting our statutory requirements;
 - Placing our customer's needs at the forefront of our decision making whilst providing best value for the public funds invested;
 - Developing Long Term Financial Plans and Long Term Asset Investment Plans; and
 - Leading the Business Transformation Programme. A diagram giving an overview of the Programme is attached at Appendix 3.

3.0 Corporate Priorities and Joint Working:

- 3.1 Effective Planning and Performance Management are key aspects of Best Value and features of "Our Plan", the Council's Corporate Plan 2016-2020.
- Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services. Poor performance will be dealt with, and good service performance will be highlighted and shared.

4.0 Key Issues:

- 4.1 The Directorate Plan sets out the actions to be taken by the Directorate between 2017- 2020. The plan is designed to give strategic focus to the activities that will be required to deliver the Corporate Plan outcomes, rather than focusing on the day to

<p>day business of the Services in the Directorate. Services operational activities are delivered and monitored through service plans.</p> <p>4.2 The plan provides the Committee with a suite of performance indicators to show whether or not targets for service delivery are being met. This should provide Members with the assurance that operational service performance is on target, or that action is being taken to address performance.</p> <p>4.3 The risk register sets out the strategic risks within the Directorate that could impact on the Council's performance.</p>	
5.0 Exempt and/or confidential information:	
5.1 None	
6.0 Implications :	
6.1 Service Users, Patients and Communities:	<p>Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.</p> <p>The Directorate uses customer feedback to drive service change and service improvement.</p>
6.2 Human Resources and Organisational Development:	<p>Significant service changes are anticipated in the lifetime of the Council's Corporate Plan 2016-2020 and these are reflected in the Directorate plans for the next 3 years.</p> <p>Care is taken to ensure that staff are involved and informed about changes that might affect them, that HR are closely involved and that relevant Council policies are followed.</p> <p>The Directorate is committed to ensuring staff feel valued and supported especially through this period of challenge and change and will work with colleagues in other departments as redesign programmes are brought forward.</p>
6.3 Equality, Diversity and Human Rights:	<p>The Workforce Strategy implementation project will consider legal and other obligations on Equalities. These will be reported to the appropriate committees in due course as required.</p> <p>An Integrated Impact Assessment will be completed for each change project ensuring that any equalities impacts are identified and considered.</p>
6.4 Legal:	<p>The actions identified in the Directorate Plan have been generated following consideration of the legislative drivers for change.</p>
6.5 Finance:	<p>The actions, and risk management described in this report has been delivered within the proposed budget for 2017/18 and proposes actions to deliver the framework for the transformational change of services by challenging the way we do things, in order to deliver the reduction in Council budgets of over £20M by 2020 to achieve a sustainable budget.</p> <p>The Plan includes the development of a Long Term Financial Plan.</p>

6.6 Assets and Property:	A number of the actions in the Directorate Plan relate to new assets and the future use of existing assets and includes the development of a Long Term Asset Investment Plan.	
6.7 ICT and new technologies:	A number of Business Transformation projects will have ICT implications; these will be reported to the ICT Management Board and appropriate committees in due course.	
6.8 Environmental:	Service redesign projects using the Building Better Business case methodology will consider the detailed environmental implications. These will include a consideration of carbon reduction targets.	
6.9 Risk Management:	<p>Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to negative external scrutiny.</p> <p>Risk management is a key component of the performance cycle and the Directorate Plan actions are determined to be priorities to manage the Directorate risks.</p>	
6.10 Policy and Delegated Authority:	<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> <p>(a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.</p> <p>(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."</p>	
6.11 Previously considered by:	None	

Contact Details:

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5 February 2017

Appendices:

Appendix 1 – Corporate Services Directorate Plan 2017-2020.
Appendix 2- Risk Register
Appendix 3 – Business Transformation Programme

Background Documents:

None

Executive and Corporate Services

2017-20 Directorate Plan

“Delivering Professional Solutions Together”

Introduction

In recent years, each Directorate within the Council has produced a Directorate Plan for the following year which has been approved by the Council as part of the budget setting process. Directorate Plans contain information on major activities, planned service developments, performance measures and risks. Detailed information regarding each Service is included in individual Service Plans.

In preparing The Directorate Plans for 2017/18, we have looked at a longer timeframe, recognising that many initiatives span a number of years and that the main drivers are longer term strategic plans.

Drivers for Change - 2017-20:

- **SIC Corporate Plan** <http://www.shetland.gov.uk/documents/OurPlan2016-20final.pdf>
- **Shetland Partnership Local Outcomes Improvement Plan (LOIP) 2016 – 20**
<http://www.shetland.gov.uk/communityplanning/documents/ThematicGroupsFeb2016.pdf>
- **On Da Level – Achieving a Fairer Shetland** – The Report and Recommendations from Shetland’s Commission on Tackling Inequalities March 2016 http://www.shetland.gov.uk/equal-shetland/documents/OnDaLevel_Summary.pdf
- **SIC Medium Term Financial Plan** <http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=18602>

SIC Corporate Plan

The focus throughout “Our Plan 2016-2020” is on delivering the best possible outcomes for the community.

“Our Plan 2016-2020” sets out the Council’s top priorities focussing on 5 areas:

- Young people
- Older people
- Economy and Housing
- Community Strength and
- Connection and access.

“Our Plan” also sets out **how** the Council will work to deliver its priorities emphasising the need for sound governance arrangements underpinning all the Council’s activities.

The day to day activities of the Council’s Executive Services and of the Corporate Services Department include work programmes that maintain robust systems in order to secure the highest possible standards in terms of how the Council operates aiming for:

- High standards of leadership and management
- High standards of corporate governance
- Excellent financial management arrangements
- Efficient commissioning and procurement arrangements
- Excellent standards of customer care
- Excellent information and communications systems
- Sound Investment plans based on comprehensive risk assessments and options appraisal.

Over the next 3 years, our work will include implementing a number of changes in legislation and external guidance whilst keeping existing policies and procedures under review.

New Legislation

The Scottish Public Services Ombudsman Act 2002 Amendment Order 2016

The Council Tax (Substitution of Proportion) (Scotland) Order 2016

The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2016

The Representation of the People (Postal Voting for Local Government Elections) (Scotland) Amendment Regulations 2016

The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016

The Scottish Local Government Elections Amendment (No. 2) Order 2016

The Local Government Finance (Scotland) Order 2016

The Public Services Reform (Social Work Complaints Procedure) (Scotland) Order 2016

The Procurement (Scotland) Regulations 2016

The Community Empowerment (Scotland) Act 2015 Part 2 Regulations and Guidance 2016

The Islands Bill

New External Bodies Guidance

Audit Scotland - Code of audit practice 2016
Best Value – Strategic Audit Priorities for Local Government
The National Fraud Initiative in Scotland
Local government in Scotland: Financial overview 2015/16
How councils work (November 2016)

Shetland Partnership Local Improvement Plan and Achieving a Fairer Shetland

The Shetland Partnership aims to move resources to prevention and early intervention through the operational activity and strategic planning of partner public agencies. These themes are in line with the findings of the Christie Commission which was established in 2010 by the Scottish Government to develop recommendations for the future provision of public sector services. The recommendations were made within the context of a predicted reduction in public sector spending and a realisation that doing less of the same thing was not going to achieve the savings required in the timescales required without significant negative impact on services and outcomes for people and communities. The recommendations were based on a belief that with the right planning and delivery, better outcomes can be achieved with less money through prevention and early intervention.

Prevention and early intervention are key in the aim to reduce inequalities by targeting resources to those who are struggling or not achieving at an early enough stage to break the cycle of disadvantage, improving the life-chances of individuals and saving public sector resources in the longer term.

The Shetland Partnership is aiming to work more effectively together in ways that emphasise preventing poor outcomes from occurring, rather than treating the symptoms when they do occur. This will be reflected in the Council's priorities for service delivery and service change over the next 3 years.

Corporate and Executive Services will ensure that programmes for change are focussed on outcomes and are evidence based using the Building Better Business Cases methodology.

SIC Medium Term Financial Plan

The Council's General Revenue Grant has been reduced and it is projected that the Council must save £20M by 2020 to continue to deliver an affordable budget. The objective of achieving a sustainable budget is undermined by the uncertainty that exists for Scottish Government funding and the anticipated trend that this income will continue to fall. This will require a fundamental change in the way the Council provides its services.

The Council's Corporate Management Team will pull together a Service Change Programme comprising key service redesign projects from across all the Directorate Plans. The financial implications will be factored into the Medium Term Financial Plan.

A Business Transformation Programme driven by Corporate and Executive Services will support and facilitate service redesign through a range of work streams under the following headings.

1. Customer Focus
2. Commissioning and Procurement
3. Workforce Strategy
4. Asset Strategy
5. Broadband and Connectivity
6. Digital Service Delivery
7. Information Management
8. Paperless Council

Through a combination of major service redesign projects and our Business Transformation Programme, we aim to deliver the recurring savings needed to meet the targets in the MTFP; making the best use of all available funding and resources to deliver sustainable services that meet the strategic priorities of the Council and the Shetland Partnership.

Contact Details

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Appendix A - Projects and Actions - Chief Executive and Corporate Services Directorate



Generated on: 09 February 2017

OUR PLAN 2016-2020

E) CONNECTION & ACCESS

2) Broadband

More people will have access to high-speed broadband and reliable mobile connections, helping to connect people, communities and businesses throughout Shetland.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP075 Work to improve broadband availability and bandwidth to SIC sites	By liaising and coordinating the activities of the ICT Service, Economic Development's "Shetland Telecom" Project, HIE BDUK Next Generation Broadband Project and Community Broadband Scotland through the ICT Network Strategy Programme Board	More people will have access to high-speed broadband and reliable mobile connections	Planned Start	01-Apr-2014		Staff in Corporate Services and Development are working to produce a strategy for lobbying the Scottish and National Governments and a detailed digital strategy. 3G/4G mobile phone provision is gradually becoming more widely available, both through the EE Emergency Services Contract and the upgrade work done by Vodafone and O2. BT continues to install fibre and cabinets enabling better services to some rural locations. SIC, Community Broadband Scotland and the community in Fair Isle are working to establish a community broadband scheme for the island. The additional funding from SG (R100) is in the pre tender stage. Plans for exactly how this will be spent are not yet clear.	Corporate Services Directorate
			Actual Start	01-Apr-2014	<div><div>30%</div></div>		
			Original Due Date	31-Mar-2015	Expected success		
			Due Date	31-Mar-2020			
			Completed Date		Experiencing issues, risk of failure to meet target		

F) OUR "20 BY '20"

01) Leadership & Management

Our staff will have the highest possible standards of leadership and management, helping to create a culture that makes sure we achieve the things set out in this plan.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP153 Implement Workforce Strategy	Implement the strategy across the council and to carry out a review of the workforce requirements in corporate and executive services.	Long-term profile and plans for workforce taking into account increased financial pressures and changes to service demand.	Planned Start	01-Apr-2017		Action from the current HR service plan (16/17) will deliver improvements in a number of activities set out in this strategy. The HR work programme for 17/18 and onwards will set out further priorities & deliverables.	Human Resources
			Actual Start		<div>0%</div>		
			Original Due Date	31-Mar-2020	Expected success		
			Due Date	31-Mar-2020			
			Completed Date		Likely to meet or exceed target		

03) Shetland's "voice" We will have made Shetland's voice heard, with regular and meaningful lobbying of Scottish and UK governments and EU bodies on important issues affecting the islands.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP037 Council's Constitutional Reform project and OIOF campaign	Take a lead role in managing the support to the Council's Constitutional Reform project and OIOF campaign. Statement.	We will have made Shetland's voice heard, with regular and meaningful lobbying of Scottish and UK governments and EU bodies on important affecting the islands. Adoption of new Islands Bill and signing of Islands Deal Heads of Terms. Ministerial working groups in both governments supported.	Planned Start	01-Apr-2015		Involved in Islands Bill preparation and research. Participating in new Islands Strategic Group. Developing potential Islands Deal with engagement with civil servants and Ministers to be explored and progressed.	Executive Services
			Actual Start	01-Jul-2015	<div>50%</div>		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

04) IT equipment & systems Modern IT equipment and systems will be supporting new ways of working, helping services run efficiently and effectively.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP078 New HR ICT system	Implement new HR CHRIS 8 system	Ensuring our Council-wide workforce information system can fully support our business	Planned Start	01-Apr-2015		Ongoing problems with the latest versions of the CHRIS system have meant that the supplier, Frontier Software, has agreed that Scottish local authorities can delay upgrade until the autumn (2017) and will release a year end version of the current system at no cost to SIC. There will be no further testing until a more robust system is confirmed by Scottish local authorities.	Corporate Services Directorate
			Actual Start	10-Apr-2015			
			Original Due Date	30-Apr-2017	Expected success		
			Due Date	30-Apr-2017			
			Completed Date		Likely to meet or exceed target		

05) Standards of governance

High standards of governance, that is, the rules on how we are governed, will mean that the council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP033 Corporate Governance Review	Conduct the Corporate Governance Review and implement its recommendations.	Review of Code of Corporate Governance to be completed which will identify any improvement actions.	Planned Start	01-Apr-2014		Governance documents refresh in progress. Governance update report presented to SIC on 3 November. Work streams and phased timeframe agreed.	Governance & Law
			Actual Start	23-Apr-2015			
			Original Due Date	30-Nov-2015	Expected success		
			Due Date	22-Mar-2017			
			Completed Date		Likely to meet or exceed target		

06) Financial management


Excellent financial management arrangements will make sure we are continuing to keep to a balanced and sustainable budget, and are living within our means.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP072 Develop a Long Term Financial Plan	To build on initial long term planning and present financial picture over 20 year period.	Raising awareness and understanding of the current and future financial context and the decisions in relation to choices and priorities	Planned Start	01-Apr-2014		The latest information on the financial settlement for local government, in conjunction with current assumptions around pay and price inflation and the condition of assets and investment returns will produce an understanding of the financial challenges that lie ahead. This will be presented to Council in March 2017.	Finance
			Actual Start	01-Mar-2015			
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	08-Mar-2017			
			Completed Date		Likely to meet or exceed target		

07) Procurement Our arrangements for buying goods and services will be considered to be efficient and provide ongoing savings.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP152 Commissioning & Procurement Framework	Establish new procedures to maximise efficient procurement	Embed a culture of robust, effective and efficient procurement and commissioning that delivers best value in relation to the goods and services the council needs	Planned Start	01-Apr-2017		Project dates and details to be finalised and approved in the first quarter of 2017-18	Capital Programme
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

08) Efficient We will be working in a more effective way, allowing us to cope with reduced resources. Processes that add no obvious value will have been replaced with more proportionate approaches based on effectively managing risks.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP155 Digital First	Investigate enablers for Digital Service Delivery and implement	We will be working in a more effective way, allowing us to cope with reduced resources. We will be an organisation that encourages creativity, expects co-operation between services and supports the development of new ways of working.	Planned Start	01-Apr-2017		Project dates and details to be finalised and approved in the first quarter of 2017-18	Executive Services
			Actual Start	08-Feb-2017	<input type="text" value="0%"/>		
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP157 Paperless Council	Identify processes that can be automated or made paperless and implement solutions.	Maximum use of technology to minimise overheads, eliminating "no-value" processes where possible.	Planned Start	01-Apr-2017		Project dates and details to be finalised and approved in the first quarter of 2017-18	Information & Communicatio n Technology
			Actual Start		<input type="text" value="0%"/>		
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

09) Customer care People who use our services will experience excellent standards of customer care.



Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP151 Customer First	Agree and implement strategy to ensure that the Council is a "customer focussed organisation"	People who use our services will experience excellent standards of care. Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services.	Planned Start	01-Apr-2017		Project dates and details to be finalised and approved in the first quarter of 2017-18	Executive Services
			Actual Start	08-Feb-2017	<div><div></div></div> 0%		
			Original Due Date	31-Mar-2018	Expected success		
			Due Date	31-Mar-2018			
			Completed Date		Likely to meet or exceed target		

10) Communication Our staff and the public will feel more informed about the council's activities, through excellent communications systems.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP041 Improve staff communications	Improve the way we communicate with staff.	Our staff and the public will feel more informed about the Council's activities, through excellent communications systems.	Planned Start	14-Nov-2014		Executive Business Bulletin produced every second month and Member Bulletin monthly. Staff magazine produced twice a year.	Executive Services
			Actual Start	01-Jul-2015	<div><div></div></div> 65%		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	31-Mar-2018			
		In Touch – bi-annually	Completed Date		Likely to meet or exceed target		

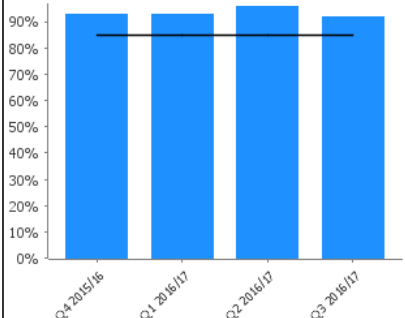
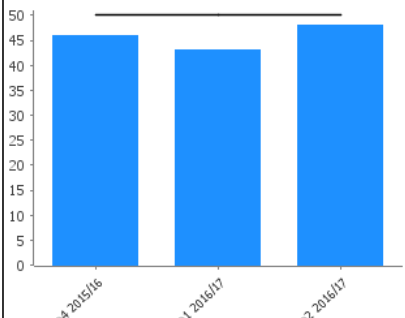
15) Assets We will have a better understanding of the number of assets we can afford with the resources we have available, and will have reduced the number of buildings we have staff in.

Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP035 Future use of existing AHS site at Knab	Investigate options for future use of existing AHS site at Knab	Continuity of use of site and retained buildings	Planned Start	01-Apr-2014		Legal issues now clarified, development brief being finalised. Masterplanning for the site will begin in Autumn 2016 and should be complete by the time the site becomes vacant.	Capital Programme
			Actual Start	10-Apr-2015	<div><div></div></div> 20%		
			Original Due Date	31-Mar-2016	Expected success		
			Due Date	27-Oct-2017			
			Completed Date		Experiencing issues, risk of failure to meet target		

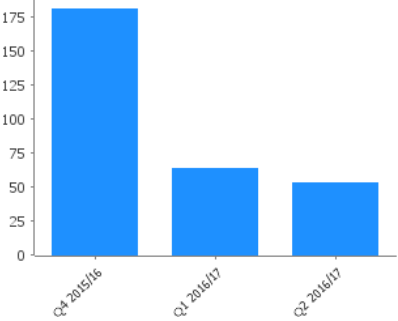
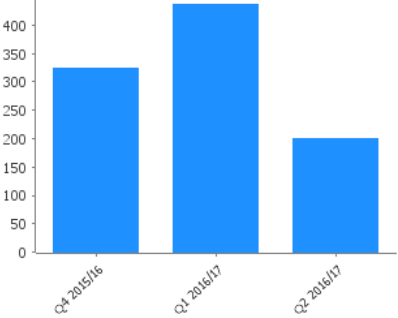
Code & Title	Description	Desired Outcome	Dates		Progress	Progress statement	Lead
DP158 Develop a Long Term Asset Investment Plan	Develop scenarios for 20 years and 50 years hence	Raise awareness of built assets and financial implications linked to Long Term Financial Plan. Reduced carbon footprint	Planned Start			Schedule of meetings to be arranged jointly with Finance to ensure cohesion with Long Term Financial Plan	Capital Programme
			Actual Start		<div><div>0%</div></div>		
			Original Due Date	08-Mar-2017	Expected success		
			Due Date	08-Mar-2017			
			Completed Date		Likely to meet or exceed target		

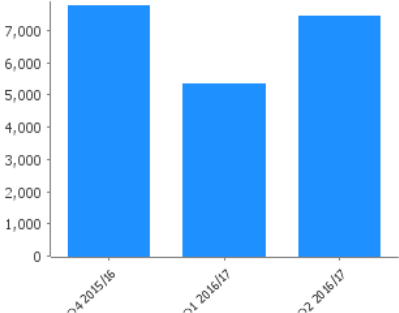
Appendix B Performance Indicators (Quarterly)- Chief Executive and Corporate Services Directorate

Generated on: 09 February 2017

Code & Short Name	Previous Years		Current year (to date)	Quarters				Target	Graphs	(past) Performance & (future) Improvement Statements
	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17			
	Value	Value	Value	Value	Value	Value	Value			
FI02 Percentage % of ICT projects which are on time and within budget	91%	92%		93%	93%	96%	92%	85%		<p>Performance: 85% of projects to be completed within project tolerance with regard to both budget and timescale.</p> <p>Improvement: To improve the planning of projects to enable accurate planning with regard to budget and timescale and document aspects outwith our control</p>
FI05 Average number of open ICT support work orders	55			46	43	48				<p>Performance: No reliable figures were available for Q3 as a new Service Desk system was being implemented, but we are managing to keep figures below the target level so far this year.</p> <p>Improvement: The more open work orders we have which require a technician to visit, the longer staff are having to wait to have their ICT problems solved. Many open work orders also make managing workloads difficult for both technicians and managers. The aim, therefore, is to try to have as few work orders waiting for attention as possible, meaning happier, less stressed, technicians and staff who are not hindered in their work for any longer than necessary. We will do this by prioritising this support work over requests for new equipment, project work and other routine tasks and if necessary, by diverting staff from other teams in IT to make sure the overall level of support work orders do not exceed 50.</p>

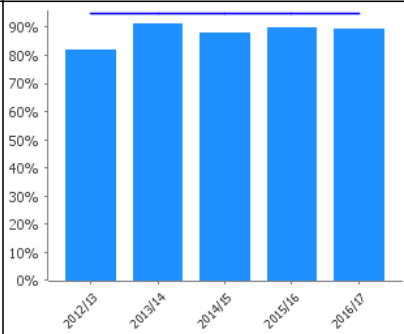
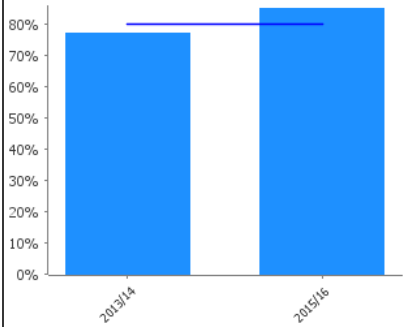
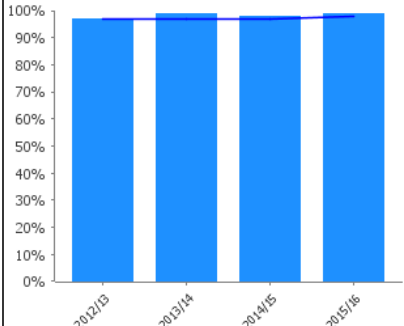
	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
FL01 Data Subject Requests - % responded to within 40 days	73%	81%		100%	63%	100%	75%	100%		Performance: Respond 100% within statutory 40 day deadline. Improvement: The number and increasing complexity of some requests in addition to the existing workload of staff in Committee Services impacts on the ability to respond within the timescales required.
OPI-4C-A Sick %age - Chief Executive's "Directorate"	2.4%	3.6%	0.9%	7.3%	0.5%	1.5%	0.9%	4.0%		Performance can be impacted upon by a single longer-term absence. However, these figures are at a positive level and well below the Council target that we expect to maintain. Improvement: We will continue to monitor closely and hope to maintain these good results.
OPI-4C-F Sick %age - Corporate Services Directorate	2.4%	1.8%	1.7%	2.4%	0.8%	1.8%	2.4%	4.0%		Performance: There has been an improvement in the yearly sickness figures for 2015/16. This is a positive level and well below the Council target that we expect to maintain. Improvement: We hope to maintain these good results through 2016/17.

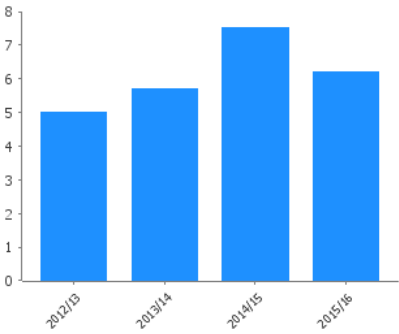
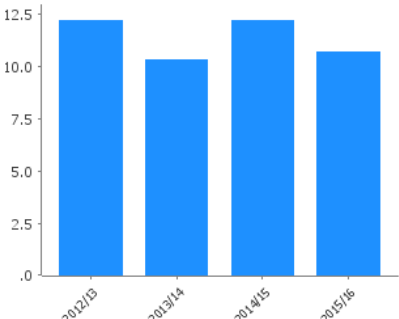
	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
OPI-4E-A Overtime Hours - Chief Executive's "Directorate"	720	642	117	181	64	53				This relates to overtime that is necessary to provide staff for evening hires at the Town Hall, cost of which is covered through income. The change in this year is due to the Town Hall being closed as a venue while work on the windows is undertaken.
OPI-4E-F Overtime Hours - Corporate Services Directorate	1,717	1,541	636	323	437	199				Performance: Q1 overtime needed for final accounts and AHS project. Improvement: Current action is cost effective and no improvement action is planned.
OPI-4G-A Employee Miles Claimed - Chief Executive's "Directorate"	3,264	1,667	1,196	729	50	1,146				

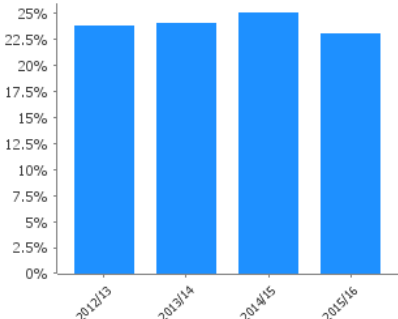
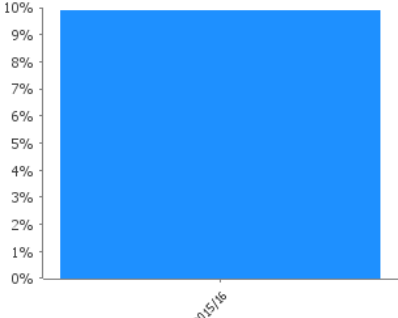
	Previous Years		Current year (to date)	Quarters						
Code & Short Name	2014/15	2015/16	2016/17	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q3 2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	Value	Target		
OPI-4G-F Employee Miles Claimed - Corporate Services Directorate	35,439	30,804	12,800	7,783	5,352	7,448				Mileage claimed is within budget and only used when necessary to deliver the service. Managers continue to follow the council's policy on employee mileage.

Appendix B (cont) - Performance Indicators (Annual)- Chief Executive and Corporate Services Directorate

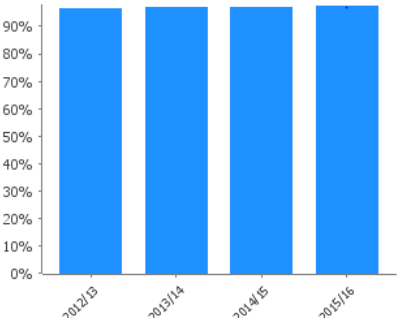
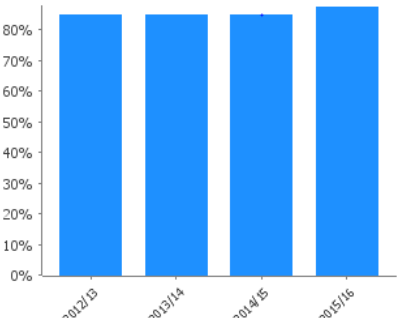
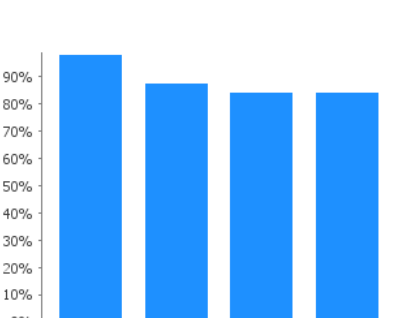
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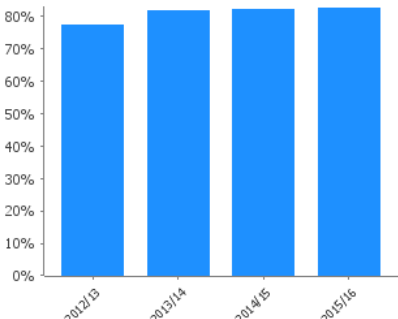
Code & Short Name	Previous Years				This Year	Graphs	(past) Performance & (future) Improvement Statements
	2012/13	2013/14	2014/15	2015/16	2016/17		
	Value	Value	Value	Value	Target		
F01 FOISA responded to within 20 day limit - Corporate & Executive Services	82%	91%	88%	89.75%	95%		<p>Performance: The complexity and level of FOISAs, and the number of staff involved remains steady.</p> <p>Improvement: There are no specific plans to add any further resources to this process, but we remain committed to keeping our rating as high as possible.</p>
FI07 ICT Customer Satisfaction Survey		77%		85%			<p>Performance: We did not carry out a customer satisfaction survey in 2014/15, due to operational changes. A survey carried out in 2015/16 Q4, showed improved satisfaction.</p> <p>Improvement: We intend to carry out annual surveys to help monitor satisfaction.</p>
FL02 Registration Accuracy	97%	99%	98%	98.76%			<p>98% accuracy [NRS average]. Performance figures are calculated annually by the NRS District Examiner, by calendar year, and quarterly figures are not available.</p>

	Previous Years				This Year		
Code & Short Name	2012/13	2013/14	2014/15	2015/16	2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Target		
SPI01.a.iii The average number of working days per employee lost through sickness absence for: teachers	5	5.7	7.5	6.2			Teachers Performance Statement The figure for average teacher's days fell by 1.3 days, attributable by a reduction in long term sickness. Improvement Statement We expect to continue on this improvement as we continue to apply our maximising attendance policy and target a number of long term absence cases.
SPI01.b.iii The average number of working days per employee lost through sickness absence for: other Local Government Employees	12.2	10.3	12.2	10.7			Other Local Government Employees Performance Statement The average sick days for this group of staff fell by 1.5 days. This is due to the reduction in long term sickness. Improvement Statement We expect to continue on this improvement as we continue to apply our maximising attendance policy and we will also focus efforts on a number of the long term absence cases.

	Previous Years				This Year		
Code & Short Name	2012/13	2013/14	2014/15	2015/16	2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Target		
SPI02.b.iii Percentage of council employees in top 5% of earners that are women	23.8%	24.03%	25%	23.02%			<p>Performance Statement We are pleased to see a slight improvement on our performance improved between 2013/14 and 2014/15. This was mainly due to some successful internal promotions. The overall workforce numbers and structure of the council has undergone considerable change during the past 12 months due to the continuation of planned approach to service reviews.</p> <p>Improvement Statement We continue to monitor the profile of our workforce and to carry out Impact Assessments of all policies and reviews to ensure any detrimental impact on any particular group is highlighted and addressed where necessary. We have compiled our first Equal Pay Audit this year which has identified areas for attention or improvement, particularly around occupational segregation. We have also published our Equality Statistics, which has highlighted areas which require some work to improve.</p>
SPI03 Gender pay gap				9.9%			This is a new statutory indicator.

	Previous Years				This Year		
Code & Short Name	2012/13	2013/14	2014/15	2015/16	2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Target		
SPI04.ei The gross administration cost per benefits case	£75.83	£70.40	£77.38	£78.63			There has been a small decrease in cost of providing service, however, due to 9% decrease in Benefit caseload this has resulted in an increase in administration of cost per case.
SPI05a Cost of collecting council tax per dwelling	£15.75	£8.67	£11.68	£12.93			Direct costs remained similar to last year. However there was a significant increase in recharges due to a change in the way support services were recharged to the Council Tax 'service'. The main contributor being an increase of £49775.56 in Office Building Recharges to the Team Leader Revenues and Benefits, Council Tax bore 18% of this cost.
SPI06.a.i Income due from council tax for the year excluding reliefs and rebates	£8,126,724	£8,269,614	£8,424,263	£8,550,208			

Code & Short Name	Previous Years				This Year	Graphs	(past) Performance & (future) Improvement Statements
	2012/13	2013/14	2014/15	2015/16	2016/17		
	Value	Value	Value	Value	Target		
SPI06.b.i % of income due from council tax for the year that was received by the end of the year	96.5%	96.6%	96.9%	97.1%			Slight increase in collection performance, but a significant milestone reached as this is the best ever collection percentage achieved since the implementation of Council Tax in 1993
SPI07c % of invoices sampled and paid within 30 days	84.9%	85.02%	85%	87.3%			Performance level was maintained over the 2014/15 year. New software has been fully implemented across the Council now and we have set a challenging target to improve by 3%. Due to our remote location invoices clearly take longer to reach us which affects our ability to get them paid within the time set.
SPI08aii The proportion of operational accommodation that is in a satisfactory condition.	97.9%	87.44%	84.1%	83.9%	90%		<p>Performance: The total number of operational properties has seen a significant reduction over the last year, and the proportion of operational properties considered suitable for service delivery has increased. The trends reflect a reduction in the number of offices and public toilets as a result of the continued implementation of the Councils Asset Strategy and service reviews following budget cuts.</p> <p>Improvement: We will continue to look for improvements through the implementation of the Councils Asset Strategy. Any improvements are likely to be modest however the delivery of the New Anderson High School in 2017 will result in a significant improvement.</p>

	Previous Years				This Year		
Code & Short Name	2012/13	2013/14	2014/15	2015/16	2016/17	Graphs	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Target		
SPI08bii The proportion of operational accommodation that is suitable for its current use.	77.1%	81.55%	81.9%	82.28%	84%		<p>Performance: Over the last year there has been only been a slight reduction in the GIA of operational properties. The proportion of operational property considered to be in a satisfactory condition has decreased substantially however this is a result of the Anderson High School now being considered to be below satisfactory condition.</p> <p>Improvement: We will continue to look for improvements through the implementation of the Councils Asset Strategy.</p>

Executive Services

Risk & Details	Likelihood	Current Impact	Risk Profile	Current and Planned Control Measures	Probability	Target Impact	Risk Profile	Responsible Officer
Category Corporate								
Corporate Plan	F1. Our "20 by '20" - Leadership & Management							
There is a risk that if Members do not engage with a development programme, they will lack the core skills to be competent in their very demanding roles. This would impact on the way the entire democratic process works. Trigger : Members demonstrating lack of skills / raising concerns / challenge to decisions taken or Member performance. Consequences : Significant reputational damage Risk type : Best Value - failure to evidence Reference - XCE0022	Unlikely	Minor	Low	• Member DevelopmentMembers continue to attend seminars and the training events provided. Numbers are monitored on an ongoing basis. Development opportunities and resources are highlighted in each monthly newsletter, to raise awareness.	Unlikely	Minor	Low	Peter Peterson Executive Services
Category Operational								
Corporate Plan	F1. Our "20 by '20" - Leadership & Management							
Savings not delivered and target missed in the Executive budget Trigger : Budget savings quota for Chief Executive Services Department is not able to be met Consequences : Damage to the Chief Executive's reputation. A Council service is not meeting the targets set out in the Medium term budget plan Risk type : Unsustainable council spending Reference - XCE0014	Unlikely	Minor	Low	• Budget monitoring and prioritisationMonthly budget monitoring taking place, with discussion with Assistant Accountant Clarification and advice provided to Members on travel expenses, mileage and subsistence Early analysis and work done on the Executive budget, to identify savings opportunities Discussion with Corporate Services Department about consolidating savings with that budget	Unlikely	Minor	Low	Peter Peterson Executive Services

Corporate Services

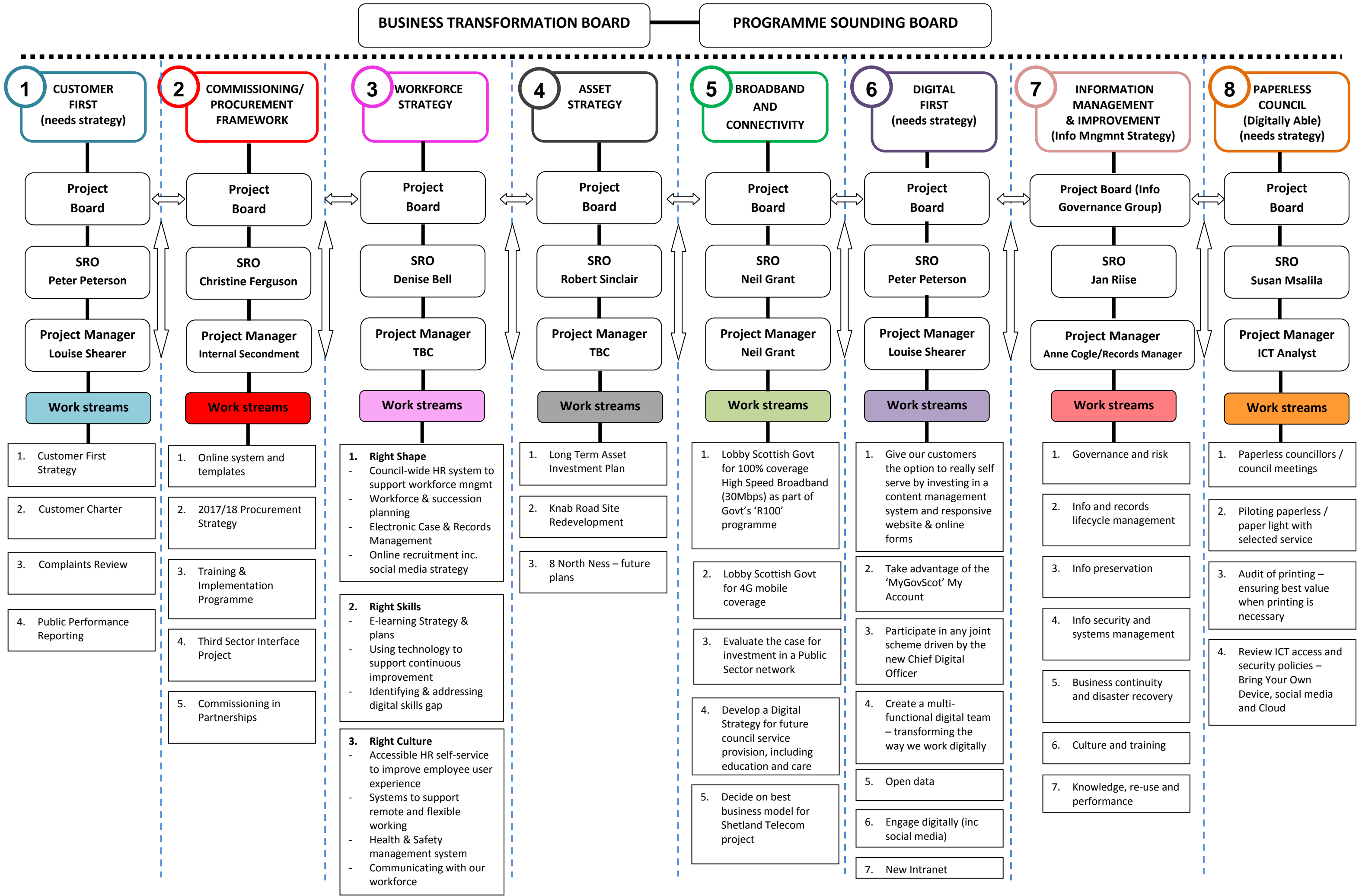
Risk & Details	Likelihood	Current Impact	Risk Profile	Current and Planned Control Measures	Probability	Target Impact	Risk Profile	Responsible Officer
Category	Directorate							
<i>Corporate Plan</i>	<i>Not Set</i>							
<p>The bulk of Corporate Services' staff are based at 8 North Ness along with Planning and Building Control Service. On 20th September, and at short-notice, the building required to be vacated because of concerns re the structural integrity of the building- staff are currently at various locations through Lerwick in temporary accommodation.</p> <p>Trigger : North Ness building was vacated on 20th Sept 2016 at short notice</p> <p>Consequences : Impact on efficient operations - it is challenging to maintain communications when staff previously took advantage of sharing a building and where discussions, both formal and informal, were straight-forward. There is therefore an opportunity cost. There will be further work required to plan the return to North ness. The move has also impacted upon Planning and Building Control who are now based at Gremista and are less accessible for members of the public.</p> <p>Risk type : Communications poor</p> <p>Reference - B0010</p>	Possible	Significant	Medium	<p>• Plans have been prepared in advance of the return to North Ness, staff are kept informed, and discussions ongoing in order to resolve any issues. Plans will be reviewed and implemented as appropriate.</p>	Unlikely	Minor	Low	Robert Sinclair Corporate Services
<i>Corporate Plan</i>	<i>F1. Our "20 by '20" - Leadership & Management</i>							

<p>Lack of compliance with standing orders on procurement - Internal Audit has identified widespread non-compliance issues, including potential breach of EU procurement regs across the organisation. This risk is less likely to occur within Capital Programme / Projects because the requirement to comply with a range of legislative obligations is very well understood and enforced. This task is central to Capital Programme's role.</p> <p>Trigger : Lack of compliance, EU breach, investigation</p> <p>Consequences : Investigation, fine/ penalty, bad publicity, reputational damage, impact on workload and on services</p> <p>Risk type : Legal / Compliance - Other</p> <p>Reference - B0002</p>	Rare	Major	Medium	<p>• Updated standing orders, monitoring, training and information all in place. The Council's Standing Orders have been updated in order to make them more fit for purpose including streamlining them to minimise the scope for breaches. No other controls required other than to maintain a watching brief on the range of capital projects managed by Capital Programme Service.</p> <p>Implementation of procurement framework will reinforce sound governance.</p>	Rare	Significant	Low	Robert Sinclair Corporate Services
<p>It is recognised that there is a risk across the Council that work will not be scheduled or completed timeously as there is an anticipated increase in workload across all departments in the coming months. This is due to additional work needed on service redesign projects and the activities associated with budget setting for 2017/18 and future years. The outcome of the EU Referendum is likely to have a significant impact in the months and years to come. There may be an opportunity cost should other planned work be displaced.</p> <p>Trigger : Additional work needed on service redesign projects and the activities associated with budget setting for 2017/18 and future years. The outcome of the EU Referendum is likely to have a significant impact in the months and years to come. Work will also be required to identify potential implications for the council following the sale of part of BP 's stake in Sullom Voe.</p> <p>Consequences : There may be an opportunity cost should other planned work be displaced.</p> <p>Risk type : Deadlines - failure to meet</p> <p>Reference - B0009</p>	Likely	Significant	High	<p>• Corporate Services management team will keep work programmes under review and report issues to CMT and P&R Committee as appropriate. Redesign work e.g. work to implement the Commissioning and Procurement Framework, the actions from the Third Sector Review and the implementation of the Community Empowerment Act will be supported by additional project resources funded by the Funding for Change budget.</p>	Possible	Significant	Medium	Christine Ferguson Corporate Services

<p>Local authority election is scheduled for May. This is a very busy and high impact time for the organisation, with many specific requirements placed upon the Returning Officer and team to organise and ensure the election takes place effectively and without barriers across the constituency. Council Committees do not meet in the period leading up to the elections.</p> <p>Trigger : Any errors or omissions, failure of plans for voting or counting of ballots. Staff sickness/ absence could impact on capacity. Something significant may emerge that requires a decision to be made by Council during the pre-election period of 'Purdah'.</p> <p>Consequences : Reputational damage, cost implications, negative media coverage.</p> <p>Risk type : Customers - inadequate assessment of needs</p> <p>Reference - B0011</p>	Unlikely	Significant	Medium	<p>• Corporate and Exec Services staff working on induction for new councillors. The Elections team and Returning Officer are very experienced, there is a detailed plan for delivering the election process, and there is a specific risk register.</p>	Rare	Minor	Low	Jan R Riise Corporate Services
<div>Corporate Plan</div> <div>F8. Our "20 by '20" - Efficient</div>								
<p>Potential for a reduction in financial resilience due to the failure to deliver the current year budget.</p> <p>Trigger : Overspending. Making inappropriate spending / resource decisions. Income from customers lower than anticipated.</p> <p>Consequences : Draw from Council reserves, ultimately if not addressed, reserves run out. No flexibility to address unexpected or unplanned situations that might arise.</p> <p>Risk type : Economic / Financial - Other</p> <p>Reference - B0006</p>	Unlikely	Extreme	High	<p>• A robust process of budget setting, performance monitoring and engagement between Finance and Service is in place. This will ensure that Council finances are under constant scrutiny and regularly reported through management and to Committees. It provides opportunity for the Council to take corrective action as soon as possible and to minimise any impact. The Council has in place financial regulations and procedures to provide controls for finance within which officers must operate.</p> <p>Engagement with Councillors through seminars and individual meetings as required is a feature of the process.</p>	Unlikely	Major	Medium	Jonathan Belford Corporate Services

<p>Historic cash investment in Shetland's infrastructure, pressure now on capital funding for future investment - The Council invested heavily in Shetland's infrastructure in the 1980s, and funded those investments from income generated from the oil industry. That infrastructure is now aging and will progressively need to be replaced. However, the financial situation is now tighter which means funding is not readily available.</p> <p>Trigger : Failure to approve an affordable capital investment programme. Expenditure overruns on capital projects. Inappropriate decision making and failure to prioritise use of scarce funding.</p> <p>Consequences : Challenging to finance the replacement of various assets. A return to budget deficits and crisis management of assets/properties. Budgets reduced in other areas due to having to maintain too many operational assets/properties.</p> <p>Risk type : Economic - Other</p> <p>Reference - B0007</p>	Unlikely	Extreme	High	<ul style="list-style-type: none"> • Council adopted gateway process and building better business cases approach to capital investment project approval. • MTFP, budget monitoring and scrutiny, clear and robust roles and responsibilities for managers and financial procedures & regs. A Long Term Asset Investment Plan is being prepared to identify the extent of future programmes, which will inform funding options. 	Unlikely	Major	Medium	Jonathan Belford Corporate Services
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BUSINESS TRANSFORMATION PROGRAMME 2016-20





Meeting(s):	Policy & Resources Committee Shetland Islands Council	13 February 2017 15 February 2017
Report Title:	2017/18 Budget and Charging Proposals – Policy & Resources Committee	
Reference Number:	F-005-17-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee RECOMMEND to the Council that they approve the budget proposals for 2017/18 included in this report and set out in detail in Budget Proposals by Activity (Appendix 2) and Schedule of Charges (Appendix 3).

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Policy and Resources Committee to consider the budget proposals for the services within the Committee's remit.
- 2.2 The proposed budget for 2017/18 for Corporate and Executive Services is £10.2m and £0.895m for Fund Manager Fees.
- 2.3 At the centre of the budget proposals are a desire to retain current staffing levels, to enable the delivery of front-line and support services to the Council and Council Services. In doing so it is a key priority to develop the framework for business transformation and to work together with Services in identifying and implementing service redesign.
- 2.4 Business transformation, in conjunction with service redesign is crucial to the ongoing and future affordability and delivery of Council Services. This will have to take advantage of improved digital solutions, self-service, improved commissioning and procurement and community choices amongst a range of opportunities that the Council will have to identify to sustain service delivery in the future.
- 2.5 Appendices 1, 2 and 3 attached to this report show the 2017/18 proposed budgets reconciled by Committee, by activity, and the proposed schedule of charges which have been incorporated, consecutively.

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 Despite the work done so far, sustainability in particular is extremely challenging at this time with reducing Scottish Government funding being the trend since 2011/12. It is expected that this will continue while the UK and Scottish Governments seek to balance their budgets and prioritise their spending. In order to take action on improving the Council's approach to identifying and implementing sustainable solutions for the future; Directorate plans identify core priority areas for action between now and 2020, which can be summarised as follows:

- Manage and implement a programme of transformative projects designed to take advantage of current and future technology that means our customers and staff are able to help themselves to services and information through electronic means.
- Protect the Council's interests.
- Explore and take advantage of the options and opportunities that the council asset base offers and to reduce the floor area of the operational buildings we use in the delivery of our services.
- Recognising the importance of workforce planning, provide the framework for doing this across the council and to carry out a review of the workforce requirements in Corporate and Executive Services, to meet future skill gaps, age profile and the impact of transformation projects.
- Embed a culture of robust, effective and efficient procurement and commissioning that delivers best value in relation to the goods and services the council needs.
- Collect, analyse and report on core data required for good decision making, including performance, financial and workforce information.

4.0 Key Issues:

4.1 Each of the Council's Directorates was provided with a target operating budget based on the 2015/20 Medium Term Financial Plan which was subsequently adjusted for cost pressures, service transfers and additional savings achieved in 2016/17, plus savings to be achieved in 2017/18. Corporate & Executive Services have subsequently developed their budget proposals, as shown in the table below:

Budget Position	Executive & Corporate Services £000
2016/17 Budget	10,338
Cost Pressures	62
Service Transfers	21
Savings Target for 2017/18	(220)
2017/18 Target	10,201
Growth	0
New Income Generation	0
Other Efficiencies/Minor Changes	(1)
2017/18 Proposed Budget	10,200
Fund Manager Fees	895

4.2 Explanations of the movement in budget position in the table above are:

4.2.1 Corporate & Executive Services

From the approved 2016/17 budget there was a cost pressure requirement of £20k for external audit fees, £100k adjustment for Discretionary Housing Payment (DHP) no longer external income but part of General Revenue Grant and a reduction in requirement of National Insurance contributions of £58k across the Directorate; service transfers included £21k to Payroll from Community Health and Care for the re-introduction of timesheets for care staff due to the discontinuation of Webroster; and the remaining savings target for 2017/18 was £220k – an original target of £324k per the Medium Term Financial Plan had already been partly delivered. Further efficiencies of £1k were proposed resulting in an overall 2017/18 budget of £10.2m.

4.3 The total reduction in the proposed 2017/18 Corporate & Executive Services budget of £221k will be achieved by implementing the following:

4.3.1 Income Charges - a general uplift of approximately 2.5% has been applied on all other charges across the Council, which is the anticipated medium term annual inflation rate, to contribute to national cost pressures relating to pay and pensions.

4.3.2 Capital Programmes – Increased income for some rental properties.

4.4 The Fund Manager fees are not an absolute value each year because a proportion of these costs are based on in year performance. For 2017/18 there are fee reductions built in for the passive equity portfolio held by Blackrock, reflecting the latest market changes in passive equity management. This offsets higher investment values and anticipated rises in active equity management fees.

4.5 Appendix 1 sets out a reconciliation showing how the Council's overall budget proposals for the services within the Directorates are aligned to the remit of the Committees.

4.6 Appendix 2 sets out the 2017/18 budget in detail by activity. For comparison purposes the 2016/17 original budget and full-time equivalent staff numbers have also been included.

4.7 The proposed charges included in the budget proposals for Corporate and Executive Services is attached as Appendix 3.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:	The proposed budgets ensure that there is no reduction in service for users and communities.
6.2 Human Resources and Organisational Development:	All budget proposals with staffing implications will be actioned in line with HR advice and relevant Council policies.

6.3 Equality, Diversity and Human Rights:	None.
6.4 Legal:	Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief financial officer/Section 95 officer has responsibility for the administration of those affairs, and Section 93 of the Local Government Finance Act 1992 requires the Council to set a balanced budget.
6.5 Finance:	<p>The services under the remit of this Committee have proposed budgets that are £1k under target.</p> <p>Any decision to recommend changes to the proposals in this report will result in an increased or decreased draw on reserves, and may result in not meeting the sustainable position set out in the Medium Term Financial Plan. This will require a formal amendment and be fully quantified in the Committee decision.</p>
6.6 Assets and Property:	This budget proposes a risk based approach for the maintenance of assets to minimise deterioration and potential failure.
6.7 ICT and new technologies:	None.
6.8 Environmental:	This budget proposes continuing work on reducing carbon emissions to support the Council's duty under the Climate Change (Scotland) Act 2009.
6.9 Risk Management:	<p>There are numerous risks involved in planning the delivery of services for the future and the awareness of these risks is critical to successful financial management.</p> <p>These budgeted 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 financial risks for services reporting to this Committee are:</p> <ul style="list-style-type: none"> • Creating and retaining capacity to deliver on the medium term objectives has proved to be very difficult in the last year, while at the same time managing the day to day operations on behalf of customers and the council. There is a risk that reducing capacity any further will adversely impact on the transformation programme which is a key priority for the Directorate in 2017/18 and beyond; • The transformation programme will require additional specialist support and will therefore have to make applications for "funding for change" and where appropriate, service redesign may access the "spend to save" funding

	<p>that the Council has set aside;</p> <ul style="list-style-type: none"> • Levels of external (off island) recruitment continue to increase, and require to be funded to ensure that essential front line services are maintained, there is limited financial provision within the HR budget and as such services will require to consider this carefully when recruiting to ensure they can afford these costs; and • The value of fund manager fees cannot be predicted with absolute certainty because a proportion are reflective of the financial performance during the year, rising costs do however reflect increased investment values and therefore returns. <p>These risks are mitigated by using a realistic approach and the most up-to-date information when setting the budget. Also, the inclusion in the overall Council budget of a corporate cost pressure and contingency budget to support volatile and unexpected additional costs.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for other significant unforeseen events.</p>	
6.10 Policy and Delegated Authority:	<p>The Policy and Resources Committee has delegated authority to advise the Council in the development of service objectives, policies and plans concerned with service delivery.</p> <p>Approval of the revenue budget requires a decision of Council, in terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations.</p>	
6.11 Previously considered by:	n/a	n/a

Contact Details:

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01595 744615

27 January 2017

Appendices:

Appendix 1 – 2017/18 Reconciliation of Directorates' Proposed Budgets to Committees

Appendix 2 – 2017/18 Budget Proposals by Activity – Policy and Resources Committee

Appendix 3 – 2017/18 Schedule of Charges - Policy & Resources Committee

2017-18 Reconciliation of Directorates' Proposed Budgets to Committees

Directorate	Development Committee £000	Education & Families Committee £000	Environment & Transport Committee £000	Policy & Resources Committee £000	Shetland College Board £000	Total £000
Executive & Corporate Services				10,200		10,200
Children's Services		41,852				41,852
Health & Social Care				20,494		20,494
Integration Joint Board				-1,263		-1,263
Development Services	8,480	323	5,974		125	14,902
Infrastructure Services			19,809			19,809
TOTAL	8,480	42,175	25,783	29,431	125	105,994

Service	Activity	Links to Corporate Plan	2016/17 Original Budget £	2017/18 Proposed Budget £	Change (Increase)/ Decrease £	Proposed Changes to Service Level	Impact Assessment Details (if appropriate)	2016/17 FTEs	2017/18 FTEs	Change (Increase)/ Decrease FTEs
Executive Services	Chief Executive, Leadership & Support	All of the Corporate Plan. This function developed the concepts Our Plan contains and is key to leading, monitoring and achieving delivery.	466,479	431,496	34,983	None		4.00	4.00	0.00
Executive Services	Member Development & Support	20 by '20 (3) We will have made Shetland's voice heard, with regular and meaningful lobbying of Scottish and UK governments and EU bodies on important issues affecting the islands.	137,279	149,231	(11,952)	None		2.24	2.16	0.08
Executive Services	Communications	'20 by '20 (10) Our staff and the public will feel more informed about the council's activities, through excellent communications systems.	160,708	146,362	14,346	None		2.95	2.95	0.00
Executive Services	Business Support	'20 by '20 (8) We will be working in a more effective way, allowing us to cope with reduced resources. Processes that add no obvious value will have been replaced with more proportionate approaches based on effectively managing risks.	456,736	449,652	7,084	None		14.68	14.49	0.19
Executive Services	Fund Manager Fees	Excellent financial management arrangements, will ensure we are continuing to keep to a balanced and sustainable budget.	874,500	895,000	(20,500)	None - Fees linked to the value of funds invested.		0.00	0.00	0.00
Council Members	Elected Members	All of the Corporate Plan, the council's key statement of political intent for the next 4 years.	669,591	667,903	1,688	None		0.00	0.00	0.00
Executive Services	Pensioners	N/A: Statutory Provision	28,420	28,420	0	None		0.00	0.00	0.00
Executive Services	Vacancy Factor	Excellent financial management arrangements, will ensure we are continuing to keep to a balanced and sustainable budget.	0	(1,544.00)	1,544	None		0.00	0.00	0.00
Capital Programme	Estates Management	We will have prioritised spending on building and maintaining assets and be clear on the whole-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in the Corporate Pan and the community plan.	(228,946)	(324,564)	95,618	None - Increased income for some rental properties		3.85	3.85	0.00
Capital Programme	Asset Strategy	We will have a better understanding of the number of asset we can afford with the resources we have available, and we will have reduced the number of buildings we have staff in.	83,048	102,852	(19,804)	None		1.55	1.55	0.00
Capital Programme	Procurement	Our arrangements for buying goods and services will be considered to be efficient and provide ongoing savings.	173,191	180,276	(7,085)	None		2.91	2.91	0.00
Capital Programme	Contract Compliance	High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.	59,264	61,629	(2,365)	None		0.99	0.99	0.00
Capital Programme	Capital Programme Management	High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.	52,203	32,276	19,927	None		0.35	0.35	0.00

Capital Programme	Project Management	Delivery of the construction projects that enable the delivery of front line services, including the new Anderson High School.	235,212	229,450	5,762	None		3.89	3.82	0.07
Capital Programme	Design Services	Delivery of the construction projects that enable the delivery of front line services, including transport and marine infrastructure.	235,212	229,450	5,762	None		3.89	3.82	0.07
Directorate	Corporate Services Directorate	All of the Corporate Plan. All '20 by '20 focus on improving efficiency and productivity.	286,543	216,406	70,137	None		1.00	1.00	0.00
Directorate	Pensioners	N/A: Statutory Provision	129,631	128,561	1,070	None		0.00	0.00	0.00
Directorate	Vacancy Factor	Excellent financial management arrangements, will ensure we are continuing to keep to a balanced and sustainable budget.	(61,000)	(108,119)	47,119	None		0.00	0.00	0.00
Finance	Executive Manager	20 by '20 (5) High standards of governance, and '20 by '20 (6) Excellent Financial Management.	383,873	418,384	(34,511)	None - includes shared cost of Support and Development Officer (Pension Fund & HR)		2.00	2.33	(0.33)
Finance	Management Accounting	20 by '20 (5) High standards of governance, '20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	561,767	568,914	(7,147)	None - staffing reorganisation across activities		11.44	11.59	(0.15)
Finance	Financial Accounting	20 by '20 (5) High standards of governance, '20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	189,242	197,960	(8,718)	None - staffing reorganisation across activities		4.22	4.31	(0.09)
Finance	Treasury	20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	121,672	77,440	44,232	None - staffing reorganisation across activities		3.22	2.37	0.85
Finance	Revenues	20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	393,695	388,381	5,314	None - staffing reorganisation across activities		13.09	12.80	0.29
Finance	Benefits Administration	20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	386,459	507,576	(121,117)	Minor - increase in staff to assist in administration and management of benefit claims		7.09	8.38	(1.29)
Finance	Payroll	20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	364,669	368,955	(4,286)	Minor - Care Services change from Webroster to Timesheets requiring additional Payroll Officer time		8.43	9.19	(0.76)
Finance	Payments	20 by '20 (6) Excellent Financial Management, and '20 by '20 (9) Excellent standards of customer service.	163,581	160,308	3,273	None		4.16	4.16	0.00
Governance & Law	Executive Manager & Admin Support	20 by '20 (5) High standards of governance.	110,150	110,368	(218)	None		1.00	1.00	0.00
Governance & Law	Committee Administration	Ensuring high standards of governance, and working effectively and efficiently.	250,936	244,903	6,033	None		4.84	4.64	0.20
Governance & Law	Registrars	Ensuring excellent standards of customer care, and working effectively and efficiently.	30,407	51,756	(21,349)	None		1.62	1.82	(0.20)
Governance & Law	Licensing	20 by '20 (5) High standards of governance.	(52,000)	(48,550)	(3,450)	None		0.00	0.00	0.00
Governance & Law	Legal Services	20 by '20 (5) High standards of governance.	452,422	431,115	21,307	None		7.66	6.87	0.79
Governance & Law	Insurance	20 by '20 (5) High standards of governance, '20 by '20 (6) Excellent Financial Management, and '20 by '20 (8) Effective Risk Management.	142,962	157,137	(14,175)	None		2.88	2.88	0.00
Governance & Law	Emergency Planning & Response	20 by '20 (11) Management of risks.	62,202	64,286	(2,084)	None		1.00	1.00	0.00

Human Resources	Policy & Employment Support	20 by '20 (1) Highest possible standards of leadership and management, '20 by '20 (2) Valuing staff, and '20 by '20 (13) Finding ways of filling hard to fill posts and increasing opportunity for young people.	892,774	918,029	(25,255)	None - includes shared cost of Support and Development Officer (Pension Fund & Finance)		12.54	12.42	0.12
Human Resources	Workforce Development	20 by '20 (2) Valuing staff.	397,188	383,108	14,080	None		13.49	12.80	0.69
Human Resources	Staff Welfare	20 by '20 (2) Valuing staff.	196,917	197,479	(562)	None		4.95	4.93	0.02
Human Resources	Moving On Project	20 by '20 (14) Target Services to those who need them most.	44,489	29,400	15,089	None		0.00	0.00	0.00
Human Resources	Childcare Vouchers	20 by '20 (13) Finding ways of filling hard to fill posts and increasing opportunity for young people.	5,000	5,600	(600)	None		0.00	0.00	0.00
ICT	Executive Manager	20 by '20 (4) Modern IT equipment and systems to support our work.	183,892	189,264	(5,372)	None		1.00	1.00	0.00
ICT	Projects	20 by '20 (4) Modern IT equipment and systems to support our work, '20 by '20 (8) Working in a more effective way, and '20 by '20 (19) Identifying innovative ways of working.	435,426	435,312	114	None		9.93	9.70	0.23
ICT	Support	20 by '20 (4) Modern IT equipment and systems to support our work.	411,422	428,733	(17,311)	None		8.94	8.73	0.21
ICT	Operations	20 by '20 (4) Modern IT equipment and systems to support our work.	542,041	520,957	21,084	None		5.96	5.82	0.14
Audit, Risk and Improvement	Internal Audit	20 by '20 (5) High Standards of Governance, '20 by '20 (6) Excellent financial management, '20 by '20 (8) effectively managing risks.	195,918	188,359	7,559	None - staffing reduction, with provision for bringing in expertise where required		3.78	3.21	0.57
Audit, Risk and Improvement	Risk Management	20 by '20 (5)High Standards of Governance, '20 by '20 (6)effectively managing risks, '20 by '20 (11)more risk aware organisation.	121,956	128,921	(6,965)	None		2.06	2.06	0.00
Audit, Risk and Improvement	Performance Management & Reporting	20 by '20 (12)Manage performance effectively, '20 by '20 (5) High Standards of Governance, '20 by '20 (1) help to create a culture that helps makes sure Corporate plan is achieved.	150,397	143,785	6,612	None		2.30	2.30	0.00
Valuation Joint Board	Shetland Contribution	Ensuring high standards of governance, and working effectively and efficiently.	315,240	312,556	2,684	None		0.00	0.00	0.00

Schedule of Charges - Corporate and Executive Services

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ALL CHARGES ARE EXCLUSIVE OF VAT, WHERE APPLICABLE

Activity	Charge	Unit	2016/17 Charge £	2017/18 Charge £	Variance %
Town Hall	Meeting/Talk/Workshop	per hour	25.25	25.88	2.50
	Concert/Dance/Rehearsal	per hour	30.30	31.06	2.51
	Coffee morning/kitchen hire/evening/teas/dinner	per hour	33.33	34.17	2.52
	Wedding/Dinner Dance	per hour	50.50	51.76	2.50
	Christmas Party	per hour	42.42	43.48	2.50
	Up Helly Aa	per hour	68.18	69.89	2.51
	Cheese & Wine	per hour	38.89	39.87	2.52
	Fair	per hour	40.40	41.41	2.50
	Misc, inc show, prize giving, quiz, whist	per hour	30.30	31.06	2.51
	Cleaning costs for Up Helly Aa	per event	535.81	549.21	2.50
	Performing Rights Society Charges - Concerts (live music)	per event	18.01	18.46	2.50
	Performing Rights Society Charges - Miscellaneous Events (dinner dance)	per event	20.27	20.78	2.52
	Performing Rights Society Charges - Workshops	per event	2.26	2.32	2.65
	Performing Rights Society Charges - Exhibitions (fair/award ceremony)	per event	30.38	31.14	2.50
	Performing Rights Society Charges - Concerts (live music) entry charged at door	per event	32.32	33.13	2.51

Cancellation Charges - cancellation of room bookings must be confirmed at least 5 days before the date or the full charge is payable. These bookings will not be transferred to another date.		25% of full charge	25% of full charge	
Preparation Time - any preparation time will be charged at the applicable hourly rate for the event.	per hour	Dependent on event	Dependent on event	
Stacking chair	per event	0.52	0.54	3.85
Table 4ft or 6ft	per event	5.10	5.23	2.55
Projector Screen	per event	3.10	3.18	2.58
Lectern	per event	2.10	2.16	2.86
Flipchart Easel	per event	2.10	2.16	2.86
Display Stand	per event	3.10	3.18	2.58
Tea & Coffee	per person	1.40	1.44	2.86
Tea, coffee & biscuits	per person	1.90	1.95	2.63
Hire of Tablecloths	per tablecloth	2.00	2.05	2.50
Data projector	per event	0.00	15.00	100.00
Tablecloths laundered	per item, per event	0.00	0.80	100.00
Hot cupboard	per event	0.00	8.00	100.00
Cutlery items	per item, per event	0.00	0.18	100.00
Crockery items	per item, per event	0.00	0.22	100.00
Salt & pepper pairs (filled)	per pair, per event	0.00	0.50	100.00
Milk jug or sugar bowl	per item, per event	0.00	0.35	100.00
Serving bowls	per item, per event	0.00	0.60	100.00
Tea or Coffee Pot	per item, per event	0.00	1.00	100.00
Trays	per item, per event	0.00	0.20	100.00
Water jugs	per item, per event	0.00	0.60	100.00

	Coffee maker (single)	per event	0.00	5.00	100.00
	Coffee maker (double)	per event	0.00	7.00	100.00
	Coffee filters	per item, per event	0.00	0.05	100.00
Visitor and Staff Meals (Staff in certain supported accommodation settings receive a 50% reduction in cost)	Breakfast	per meal	2.43	2.50	2.88
	Lunch/Dinner	per meal	4.40	4.51	2.50
	Tea/Coffee	per meal	0.68	0.70	2.94
	Light Meal/Snack	per meal	1.98	2.03	2.53
Property Enquiry Certificates	Property Enquiry Certificates	per certificate	110.00	110.00	0
Civil Marriages	Registration Office - Office Hours - No guests - Accommodation and Attendance Fee		45.00	50.00	11.11
	Registration Office - Office Hours - No guests - Statutory Charges		125.00	125.00	0
	Registration Office - Office Hours - No guests - TOTAL CHARGE		170.00	175.00	2.94
	Registration Office - Office Hours - Guests - Accommodation and Attendance Fee		95.00	100.00	5.26
	Registration Office - Office Hours - Guests - Statutory Charges		125.00	125.00	0.00
	Registration Office - Office Hours - Guests - TOTAL CHARGE		220.00	225.00	2.27
	Registration Office - Outwith Office hours - Guests - Accommodation and Attendance Fee		145.00	150.00	3.45
	Registration Office - Outwith Office hours - Guests - Statutory Charges		125.00	125.00	0
	Registration Office - Outwith Office hours - Guests - TOTAL CHARGE		270.00	275.00	1.85
	Outwith Registration Office (authorised venue) - Statutory Fees		125.00	125.00	0
	Outwith Registration Office (authorised venue) - Attendance Fee		195.00	200.00	2.6
	Outwith Registration Office (authorised venue) - TOTAL CHARGE		320.00	325.00	1.56

LICENSING (Scotland) Act 2005 (New)	Travel Costs for a Registrar attendance at an Approved Place - up to 5 miles from Registration Office		4.50	5.00	11
	Travel Costs for a Registrar attendance at an Approved Place - up to 10 miles from Registration Office		9.00	10.00	11
	Travel Costs for a Registrar attendance at an Approved Place - up to 20 miles from Registration Office		18.00	20.00	11.11
	Travel Costs for a Registrar attendance at an Approved Place - Over 20 miles		36.00	40.00	11
	Ferry fares at standard return costs will be added to the travel costs where appropriate		variable	variable	
	All Accommodation and Attendance Fees include non-refundable amount		30.00	30.00	0
	Initial Premises Application Fee - Category 1		200.00	200.00	0
	Initial Premises Application Fee - Category 2		800.00	800.00	0
	Initial Premises Application Fee - Category 3		1,100.00	1,100.00	0
	Initial Premises Application Fee - Category 4		1,300.00	1,300.00	0
	Initial Premises Application Fee - Category 5		1,700.00	1,700.00	0
	Initial Premises Application Fee - Category 6		2,000.00	2,000.00	0
	Annual Premises Licence Fee - Category 1		180.00	180.00	0
	Annual Premises Licence Fee - Category 2		220.00	220.00	0
	Annual Premises Licence Fee - Category 3		280.00	280.00	0
	Annual Premises Licence Fee - Category 4		500.00	500.00	0
	Annual Premises Licence Fee - Category 5		700.00	700.00	0
	Annual Premises Licence Fee - Category 6		900.00	900.00	0
	Vary Premises Licence 29(1) Substitution of manager		31.00	31.00	0
	Vary Premises Licence 29(1) minor		20.00	20.00	0
	Vary Premises Licence 29(1) other		150.00	153.00	2
	Fro by Licence Holder 33(1) with variation		225.00	229.00	2
	Xfr by Licence Holder 33(1) with no variation		150.00	153.00	2
	Xfr by another person 34(1) with variation		225.00	229.00	2
	Xfr by another person 34(1) with no variation		150.00	153.00	2
	Temporary Premises Licence 47(2)		225.00	229.00	2
	Occasional Licence 56(1)		10.00	10.00	0
	Extended Hours 68(1)		10.00	10.00	0
	Personal Licence 72(1)		50.00	50.00	0

	Replacement Personal Licence 92(1)		30.00	31.00	3
	Replacement Premises Licence 53(1)		30.00	30.00	0
ALL	Service level agreements		variable	variable	
Admin	Data Subject Access Request (Under Data Protection Act)		10.00	10.00	0
Sullom Voe Terminal Site	Sullom Voe rent		variable	variable	
Workforce Development	Recharge course fees to third parties		variable	variable	
Revenues	Discretionary Housing Payments		variable	variable	
	Rent Allowances		variable	variable	
	Bid Revenue Account		200.00	200.00	0
	Bid Revenue Account		300.00	300.00	0
	Bid Revenue Account		400.00	400.00	0
	Bid Revenue Account		500.00	500.00	0
	Bid Revenue Account		600.00	600.00	0
	Bid Revenue Account		700.00	700.00	0
	Bid Revenue Account		850.00	850.00	0
Management Accountancy	Fishing Quota		variable	variable	
Asset Services	Cost of insurance premium for leased properties		variable	variable	
	Rent of Scatsta Quarry		variable	variable	
	Busta Estate croft rents		variable	variable	
	Burra Estate croft rents		variable	variable	
	Grazing lets & site rent		variable	variable	
	Operating lease		variable	variable	
	Premises letting		variable	variable	
General Photocopying	Black and White, A4	per side	Various	0.15	
	Colour, A4	per side	Various	0.30	
	Black and White, A3	per side	Various	0.30	
	Colour, A3	per side	Various	0.60	
	Black and White, A2 (only available at certain locations)	per side	Various	0.60	
	Colour, A2 (only available at certain locations)	per side	Various	1.20	

	Black and White, A1 (only available at certain locations)	per side	Various	1.20	
	Colour, A1 (only available at certain locations)	per side	Various	2.40	
	Black and White, A0 (only available at certain locations)	per side	Various	2.40	
	Colour, A0 (only available at certain locatons)	per side	Various	4.80	

Shetland Islands Health and Social Care Partnership

Agenda Item

3

 <p>Shetland NHS Board</p>	 <p>Shetland Islands Council</p>
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Meeting(s):	SIC Policy and Resources Committee NHS Shetland Board Integration Joint Board (IJB)	13 February 2017 14 February 2017 17 February 2017
Report Title:	Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan, excluding the Financial Plan and Service Delivery Plans	
Reference Number:	CC-06-17	
Author / Job Title:	Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland	

1.0 Decisions / Action required:

1.1 That the SIC Policy and Resources Committee and NHS Shetland Board:

- (a) APPROVES the Shetland Islands Health and Social Care Partnership's Joint Strategic Commissioning Plan, excluding the Financial Plan and Service Delivery Plans; and
- (b) NOTES that the budget proposals for 2017-18 involve the current service model being fully funded for SIC funded services delegated to the IJB;
- (c) NOTES that the gap between the cost of the current service models and available funding is in the region of £2.6m in respect of NHS funded services delegated to the IJB; and
- (d) NOTES that a further version with updated Financial Plan and Service delivery plans will be developed by the end of March 2017.

1.2 That the Integration Joint Board:

- (a) APPROVES in principle the Shetland Islands Health and Social Care Partnership's Joint Strategic Commissioning Plan, insofar as each organisation's authority is set out in the Integration Scheme, excluding for now but subject to the subsequent approval in March 2017 of the Financial Plan and Service Delivery Plans; and
- (b) NOTES that the budget proposals for 2017-18 involve the current service model being fully funded for SIC funded services delegated to the IJB;
- (c) NOTES that the gap between the current service models and available funding is in the region of £2.6m in respect of NHS funded services delegated to the IJB;
- (d) NOTES that a separate report on the agenda addresses the options for bridging the funding gap; and
- (e) NOTES that further reports will be prepared for the March meeting to complete the Strategic Commissioning Plan with a Financial Plan and Service Delivery Plans.

2.0 High Level Summary:

- 2.1 The Strategic Commissioning Plan is a document which draws together all the issues which need to be considered to continue to develop a range of flexible, responsive and person-centred services for people who require health and care services. Whilst predominantly focused on services for adults, it connects to children and young people, and families in general, through child health services, hospital and acute services, social work services and transition for young people with particular needs into adulthood.
- 2.2 The Plan, and the services contained within it, focuses on how working together in partnership will help to improve people's lives and help them to live in good health for longer, as described in the national Health and Wellbeing Outcomes.
- 2.3 The Plan sets out the service needs of our population, both current and looking forward into the future to react to changing needs and demands. It explores the national policy context and how that might be applied in Shetland. It aims to build on well-established and successful innovative working between partners. It recognises our current good performance, the best in Scotland for several key performance indicators.
- 2.4 At national and local level, there is a recognised mismatch between our ability to respond to growing demand for services, with more people living longer often with more complex needs, and the amount of funding which has been made available to health and care services. Over the last few years, significant efficiencies and savings have been able to be secured yet, using national comparators, Shetland still has a high cost: high performance model. Some of this is explained by the fact that Shetland has additional resources to spend, from local sources and through funding settlements recognising the diseconomies of scale associated with operating in remote and rural areas.
- 2.5 This Strategic Commissioning Plan has recognised that Shetland has reached a 'tipping point' in matching service need to funding. There are also, from time to time, specific difficulties in recruiting to certain posts in some areas which can cause the current models to be disproportionately expensive through the use of agency (or 'locum') cover. This is not an issue which is particular to Shetland; other areas are facing similar challenges. It is no longer possible to keep trimming services and relying on one-off initiatives to balance the books. The Plan promotes a series of strategic programmes to explore more sustainable service model across all parts of the health and care system: hospital, acute and specialist; primary care; social care; and out of hours. The first stage of this work will need to look at all elements of how the current services are configured – buildings, staff, technology, etc - and set out options for how that might need to change.
- 2.6 Two service specific projects are being developed for Mental Health and Adult Services (Learning Disabilities and Autistic Spectrum Disorder). There are also programmes which are targeted at cultural and behavioural change through the Effective Prescribing programme and a range of initiatives to focus on helping people to help themselves, under the title of an Asset Based Approach to Health Improvement.
- 2.7 However, there is an immediate need to resolve the significant gap in funding on the NHS Shetland side of the partnership. It is recognised that the strategic programmes will take time to develop and explore feasible options. There is also a

tension between the need to continue to invest in primary care services, in supporting the Health and Wellbeing Outcomes and as the most effective mechanism for supporting preventative work and reducing demand on the hospital and acute sector. There may, therefore, need to be pragmatic short term decisions taken on the level of resources to apply to particular services in 2017-18, while the strategic work progresses. This is the subject of a separate report to the IJB.

2.8 The Scottish Government Guidance promotes an open and inclusive approach to developing the Plan. The IJB is supported by four formal groups: the Strategic Planning Group; the Joint Staff Forum; the Clinical Care and Professional Governance Committee; and the Local Partnership Finance Team. The Plan has been considered by each of these groups, as well as a range of other consultative meetings and staff groups shown in the attached list. There is broad support to the rationale behind the Plan and the scope of the strategic programmes. Some specific issues have been raised around the extent to which our partners (eg the third sector) and staff might be involved in the projects and the capacity to deliver the programmes within a tight timeframe. There is a desire to see further engagement with the local communities on how services might best be delivered in each area, given the acknowledgement of limited and reducing resources. The time and commitment given by a range of staff and stakeholders to contribute constructive ideas and challenges in the development of the Plan is acknowledged and appreciated. A summary of the feedback is included below:

- Financial Plan / Strategic Programmes. Clarity will be welcomed on the extent of the financial challenges and staff will welcome 'key messages' on what might change.
- Public Engagement / Locality Planning. Staff will welcome the opportunity to engage with the community on the need for change and to find ways to solve issues at a local level.
- Maximising eHealth, Telehealthcare and Telecare opportunities. There are practical barriers to making the most use of technological opportunities around infrastructure (broadband coverage) and the ability of share systems and data between partners which need to be overcome.
- Locality Planning. There are practical things that could be done at a local level, particularly around good communication and knowing who to speak to, which would make integrated working easier.
- Building staff and organisational resilience and capacity. There is an interest in exploring ideas around working differently and supporting staff to think and work differently. Some staff have expressed an interest in contributing to delivering the projects, both as a learning opportunity and to build capacity.

2.9 At this stage, it is not possible to seek approval of the complete Plan, as some of the services are currently not fully funded. Approval is therefore sought from each partner on the Plan to the extent that it sets the context for the need to change and the arrangements which are proposed to remodel services through the ten strategic programmes. The Plan at this stage therefore excludes the Financial Plan and the Service Delivery Plans.

2.10 This report does not, therefore, propose to make any formal Directions from the IJB to its funding and delivery partners, NHS Shetland and Shetland Islands Council. It is the intention to report those to the March meeting of the IJB, once the position with the financial plan is resolved.

2.11 There are two complementary reports on the IJB's agenda: confirmation of the

funding offers from the funding partners for 2017-18; and a report to explore options for bridging the funding gap in NHS Shetland funded services delegated to the IJB.

3.0 Corporate Priorities and Joint Working:

- 3.1 The IJB Joint Strategic Commissioning Plan describes how health and care services can be delivered, jointly, across the services described in the Shetland Islands Health and Social Care Partnership's Integration Scheme.
- 3.2 The Plan is a significant part of public sector delivery in Shetland and supports the Shetland Community Partnership's Local Outcome Improvement Plan, Shetland Islands Council's Corporate Plan and NHS Shetland's 2020 Vision and Local Delivery Plan.
- 3.3 Delivery of the Strategic Commissioning Plan relies on partnership working between Shetland Islands Council, NHS Shetland, Shetland Charitable Trust, other regional and national organisations (such as the Scottish Ambulance Service, NHS Grampian and other specialist Health Boards) and voluntary sector providers.
- 3.4 It supports a fundamental shift in the philosophy of how public sector services should be designed and delivered with and for each community, based on natural geographical areas, or localities, and integrated around the needs of service users, rather than being built around professional or organisational structures.

4.0 Key Issues:

- 4.1 It is acknowledged, through national policy and guidance, national scrutiny bodies and local evidence, that there is an increasing demand for health and care services.
- 4.2 The drivers for change include: government policies; population and demographic changes; individual and society expectations; workforce; technological opportunities and reducing funding.
- 4.3 The under-pinning principle from national and local policy direction, well established over a number of years, is that public sector services need to change to address all the challenges, as the current service models are not sustainable. This is evident now and will become more so over time as the demographic changes feed through. Fundamentally, the shift is about moving from doing things to people, to helping people to help themselves to live independently in good health for longer, as described in the national health and wellbeing outcomes. For health and care services, this policy shift, sometimes referred to as Shifting the Balance of Care, is acknowledged through various strategies and policies. However, the message from government agencies and external audit bodies is that it is necessary to pick up the pace of change.
- 4.4 The ten strategic priority projects are set out below. These are described in more detail in Appendix 6 of the Strategic Commissioning Plan.

(A) Whole Population	
Implementing an asset based approach to health care prevention	Effective Prescribing
(B) Sustainable Service Models	
Developing a safe and effective model of unscheduled care	Developing a sustainable hospital, acute and specialist services model for Shetland
Developing a sustainable primary care model for Shetland, with clear links to the 7 locality areas and the Gilbert Bain Hospital	Developing a sustainable model of social care resources
Developing a sustainable model for mental health services, including appropriate crisis and emergency arrangements	Developing a sustainable model for adults affected by learning disabilities and autism spectrum disorders
(C) Organisational Issues	
Improving Business Performance and Efficiency	Improving the Quality and Safety of our services
Achieving Financial Balance	

4.5 The remit of the Strategic Planning Group usefully describes what each of the strategic programmes need to explore:

- How many people will need services and what type will they need?
- What is the current provision, is it the right level, quality and cost?
- How can these services improve people's lives?
- Which services will best achieve this?
- How do we develop these services at an affordable cost?
- How do we procure and deliver these services to best effect?
- How do we monitor and review these services?

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:

The Strategic Commissioning Plan sets out the services to be delivered over the next 3 years. Any significant changes to services will be of interest to services users, patients and their carers, and to communities, particularly in respect of quality, equality, accessibility and availability. It is expected that the

	current models of delivery will continue to evolve and change to reflect the policy direction of shifting the balance of care from hospital to community settings and supporting people to live independently at home. The service focus will also be on finding ways to help people to help themselves and by increasing self-help and self-care to help people to live in good health for longer.
6.2 Human Resources and Organisational Development:	At this stage, there are no direct impacts on Human Resources and Organisational Development. However, any significant changes to existing service models and methods of delivery may, in time, affect staffing – both in terms of the number of staff and the skills mix required – in order that service costs can be accommodated within the total budget allocation. There is a specific project to support Organisational Capacity and Resilience. It is also recognised that staff are at the forefront of any potential changes to services and they need to be well-informed to help them to deal with questions and queries from our service users.
6.3 Equality, Diversity and Human Rights:	The Impact Assessment is included at Appendix 5 of the Strategic Commissioning Plan. Within the Draft Plan, there is reference to individuals, or groups of individuals, who may face difficulties in accessing services. There is a clear focus on which individuals and groups of individuals the Plan intends to support. The Impact Assessment notes that further work may be required on data collection for Ethnic Minorities.
6.4 Legal:	The Public Bodies (Joint Working) (Scotland) Act 2014 requires Health and Social Care Partnership IJBs to produce a strategic commissioning plan and update it annually. There is a requirement on all 3 partners to put in place arrangements to achieve a balanced budget each year.
6.5 Finance:	<p>The partners face a significant challenge associated with the need to address the funding gap on NHS Shetland funded services.</p> <p>The provisional gap between the cost of the current service delivery models and the amount of funding made available by the funding partners in 2017-18 is £2.6m. The gap relates only to NHS Shetland funded services delegated to the IJB. NHS Shetland has not yet received its final settlement from the Government so the figures presented may yet be subject to further refinement.</p> <p>The aim is to prepare a plan which minimises, or ideally eliminates, the need for a Financial Recovery Plan in 2017-18. The IJB, on 25 January 2017, agreed to:</p> <p><i>“DIRECT the Council and the Health Board with regard to any changes the IJB requires in terms of strategic direction, commissioning and recovery plans in order to address the budget issues identified in this report”.</i></p>

	<p>This will be the basis of the negotiation between the parties over the next month to achieve a reasonable balance of services, strategic change programmes, one-off savings and ongoing efficiency programmes. This is the subject of a separate report to the IJB.</p>
6.6 Assets and Property:	<p>At this stage, there are no implications for Assets and Property. However, any significant changes to existing service models and methods of delivery may, in time, affect the overall estate in order that service costs can be accommodated within the total budget allocation. The Strategic Projects will include consideration of the physical assets used to deliver services and their current and potential future use.</p>
6.7 ICT and new technologies:	<p>The Plan outlines the need to continue to modernise our working practices – both internally and with our patients / service users / customers – by maximising eHealth, Telehealthcare and Telecare opportunities.</p>
6.8 Environmental:	<p>At this stage, there are no specific environmental implications. Any changes to services models which result in changes to access points and transport arrangements may, in time, result in environmental considerations.</p>
6.9 Risk Management:	<p>The Plan includes a section on risk factors and has identified a range of governance, financial, partnership and capacity issues. If approved, the IJB's Risk Register will be updated and will then form part of the ongoing risk mitigation and management arrangements reported regularly to the IJB.</p>
6.10 Policy and Delegated Authority:	<p>Shetland's Integration Joint Board (IJB) was formally constituted on 27th June 2015 and operates in accordance with the approved Integration Scheme, Scheme of Administration, and the Financial Regulations.</p> <p>The IJB assumed responsibility for the functions delegated to it by the Council and the Health Board when it (the IJB) approved and adopted the joint Strategic (Commissioning) Plan at its meeting on 24 November 2015. The delegated functions are set out in the Integration Scheme.</p> <p><u>SIC Policy and Resources Committee</u> Shetland Islands Council delegated functions, including the planning arrangements, to the IJB. The Policy and Resources Committee is responsible for receiving reports on any matters relating to functions delegated to the IJB that require to be reported to the Council. Approval of strategic policies, including the Strategic Commissioning Plan, falls within this remit.</p> <p><u>NHS Shetland Board</u> NHS Shetland delegated functions, including planning for acute hospital services, to the IJB. The NHS Board retains the overall authority for consideration and approval of strategic planning, taking guidance from its Standing Committees, in particular the</p>

	<p>Strategy and Redesign and Staff Governance Committees. Approval of the Strategic Commissioning Plan therefore rests with the NHS Shetland Board.</p> <p><u>IJB</u> The Integration Scheme states that, “The IJB has responsibility for the planning of the Integrated Services. This will be achieved through the Strategic Plan....The IJB will be responsible for the planning of Acute Hospital Services delegated to it....”. Consideration and approval of the annual update of the Strategic Commissioning Plan is therefore within and the authority delegated to the IJB.</p> <p>The Integration Scheme also states that, ‘the detailed commissioning and operational delivery arrangements will be set out in the Strategic Plan’. Until the financial situation is resolved, it is not possible to approve the commissioning and delivery arrangements, as the services are not fully funded. At this stage, therefore, the approval sought is limited to the extent to which the Strategic Commissioning Plan describes the service need and strategic projects required to secure sustainable models of service.</p> <p>The budget and delivery arrangements, through the Service Plans, will be brought to the next meeting, alongside the financial plan.</p>	
6.11 Previously considered by:	See <i>list attached</i> .	

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26 January 2017

Appendices:

Shetland Islands Health and Social Care Partnership Strategic Commissioning Plan 2017-2020, excluding Financial Plan and Service Delivery Plans

Background Documents:

Health and Social Care Integration, Public Bodies (Joint Working) (Scotland) Act 2014, Strategic Commissioning Plans Guidance

<http://www.gov.scot/Resource/0046/00466819.pdf>

Joint Strategic (Commissioning) Plan 2016-19, Version 7 – June 2016

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/Strategicplan2016-19.pdf

The Scottish Government: Health and Social Care Integration: Strategic Commissioning Plans: An overview of strategic commissioning plans produced by Integration Authorities for 2016- 2019
(to be advised)

Audit Scotland's Report on Health and Social Care Integration

<http://www.audit-scotland.gov.uk/report/health-and-social-care-integration>

Audit Scotland's Report on Changing Models of Health and Social Care

<http://www.audit-scotland.gov.uk/report/changing-models-of-health-and-social-care>

Shetland Islands Health and Social Care Partnership Integration Scheme 15 May 2015

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/SHSCPartnershipIntegrationScheme15May2015.pdf

NHS SHETLAND DOCUMENT DEVELOPMENT COVERSHEET*

Name of document	Shetland Islands Health and Social Care Partnership Joint Strategic Commissioning Plan 2017-2020	
Registration Reference Number		New <input type="checkbox"/>
Author	Hazel Sutherland, Head of Planning and Modernisation	
Executive Lead	Ralph Roberts, Kathleen Carolann and Simon Bokor-Ingram	

Proposed groups to present document to:	
IJB Strategic Planning Group	IJB Joint Staff Forum
Clinical, Care and Professional Governance Committee (CCPGC)	IJB Local Finance Partnership Team
Strategy and Redesign Committee	Public Partnership Forum / Steering Group
APF / ACF / ANMAC	Management Team meetings

DATE	VERSION	GROUP	REASON	OUTCOME
21/11/2016	Discussion Paper	Community Health and Social Care Operations Meeting	PI, PO	MR
21/11/2016	Discussion Paper	Public Partnership Forum	C/S	MR
22/11/2016	Discussion Paper	Strategy and Redesign Committee	PO	PRO
23/11/2016	Discussion Paper	Executive Management Team	PI, PO	SC
24/11/2016	Discussion Paper	Hospital Management Team	PI, PO	MR
24/11/2016	Discussion Paper	Area Partnership Forum	PO	MR
28/11/2016	Discussion Paper	CCPGC	PO	MR
29/11/2016	Discussion Paper	Local Partnership Finance Team	PI	MR
02/12/2016	Discussion Paper	Strategic Planning Group	PI, PO	AC&R, PRO
02/12/2016	Discussion Paper	Local Partnership Finance Team	PI	MR
09/12/2016	Discussion Paper	IJB	PR	PRO
14/12/2016	Discussion Paper	Executive Management Team (part)	PO	SC
20/12/2016	Discussion Paper	Local Partnership Finance Team	PI	MR, PRO
10/01/2017	Draft Plan	Local Partnership Finance Team	PI	MR
10/01/2017	Draft Plan	Strategic Planning Group	PI, PO	MR

DATE	VERSION	GROUP	REASON	OUTCOME
17/01/2017	Draft Plan	Strategy and Redesign Committee	PO	PRO
20/01/2017	Draft Plan	Joint Staff Forum	PO	PRO
24/01/2017	Draft Plan	ANMAC	PO	MR
26/01/2017	Draft Plan	Joint APF/ACF	PO	MR
30/01/2017	Draft Plan	PFPI Steering Group	C/S	MR
06/02/2017	Draft Plan	Strategic Planning Group	PI, PO	To be advised
14/02/2017	Draft Plan	CCPGC	PO	To be advised
XX/02/2017	Draft Plan	Local Partnership Finance Team	PI	To be advised

Examples of reasons for presenting to the group	Examples of outcomes following meeting
<ul style="list-style-type: none"> Professional input required re: content (PI) 	<ul style="list-style-type: none"> Significant changes to content required – refer to Executive Lead for guidance (SC)
<ul style="list-style-type: none"> Professional opinion on content (PO) 	<ul style="list-style-type: none"> To amend content & re-submit to group (AC&R)
<ul style="list-style-type: none"> General comments/suggestions (C/S) 	<ul style="list-style-type: none"> For minor revisions (e.g. format/layout) – no need to re-submit to group (MR)
<ul style="list-style-type: none"> For information only (FIO) 	<ul style="list-style-type: none"> Recommend proceeding to next stage (PRO)
<ul style="list-style-type: none"> For proofing/formatting (PF) 	<ul style="list-style-type: none"> For upload to Intranet (INT)

ENDS



Shetland Islands Health and Social Care Partnership

Strategic Commissioning Plan

2017- 2020

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Section (b) – Integrated Services managed outwith the IJB, known as Set Aside Services

Section (c) – Health and Support Services managed outwith the IJB, included for holistic planning

Appendix 3: Schedule of Integrated Services (Category A and B Services Only)

Appendix 4: Housing Contribution Statement

Appendix 5: Impact Assessment

Appendix 6: Strategic Programmes and Projects – Outcomes and Delivery Plan

Appendix 7: Financial Plan (to follow)

For comments and queries, please contact:

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Email: hazel.sutherland1@nhs.net or telephone 01595 743072

Foreword

“We are the community, and they are us¹”

Shetland, in keeping with other areas in the UK, is facing a period of unprecedented change in its public services. Investment in health and care services has been hugely successful, with people living longer and being able to live longer even though they may have more complicated health and care needs. Shetland has an excellent reputation for delivering high quality, safe and effective services. However, the pressures before us continue to grow and we will have less money year on year to be able to stay the same, never mind dealing with increasing demand. In line with the Scottish Government’s policies we need to turn our attention to significantly change how we design and deliver services. It goes without saying that individuals, families, unpaid carers, volunteers, staff and communities will be at the heart of the changes – after all that is why we are all in the business of public service. Our challenge is to find a way to genuinely streamline all that we do and make sure that services are integrated around the needs of individuals, their families and unpaid carers and are not built around the convenience of organisations. It is a hugely exciting challenge to be at the forefront of modernising public sector service in Shetland and to help individuals enjoy a good quality of life. We want to grow a system where skilled staff and volunteers are trusted to do the best they can for the individuals that we serve within a safe and open learning environment and we look forward to working with the Shetland community to make that happen.

Cecil Smith
Chair of Shetland Islands Health and
Social Care Partnership Integration
Joint Board

Ian Kinniburgh
Chair
Shetland Health Board

Gary Robinson
Leader
Shetland Islands Council

¹ Feedback from member of staff 2015

Introduction

This is a plan for the whole of the health and care system in Shetland. It covers services provided in each community, those provided in Lerwick at the Gilbert Bain Hospital and at other Shetland-wide facilities as well as services which are provided by our partner health and care services in Aberdeen, and further afield. The plan covers:

- Hospital, Acute and Specialist Services;
- Emergency Services, including Out of Hours arrangements;
- Public Health and Health Improvement;
- Primary Care;
- Social Care; and
- Support Services

The partners are:

- Shetland Islands Health and Social Care Partnership, through the formal arrangements of the Integration Joint Board (IJB);
- NHS Shetland, Shetland's local Health Board; and
- Shetland Islands Council, the local authority.

The Plan also has a specific function as the Shetland Islands Health and Social Care Partnership's Joint Strategic Commissioning Plan. It describes the services which will be delivered to meet the health and social care needs of adults, through the Integration Joint Board. The Public Bodies (Joint Working) (Scotland) Act 2014 placed a duty on NHS Shetland and Shetland Islands Council to work together to integrate services around the needs of individuals, their unpaid carers and their families to get the right care, in the right place and at the right time. A range of national and local statutory, private sector and voluntary organisations deliver the actual services required to the community.

Specifically, the Act put in place:

- (A) nationally agreed outcomes, which will apply across health and social care, and for which NHS Boards and Local Authorities will be held jointly accountable;
- (B) a requirement on NHS Boards and Local Authorities to integrate health and social care budgets; and
- (C) a requirement on Partnerships to strengthen the role of clinicians and care professionals, along with the third and independent sectors, in the planning and delivery of services.

The Shetland Island's Health and Social Care Partnership Strategic Commissioning Plan should:

- identify the total resources available across health and social care for each care group and for unpaid carers and relate this information to the needs of local populations as determined by the needs assessment;
- agree desired outcomes and link investment to them;
- assure sound clinical and care governance is embedded;
- use a coherent approach to selecting and prioritising investment and disinvestment decisions; and
- reflect closely the needs and plans articulated at locality level.

Executive Summary

Audit Scotland, in their report on 'Changing Models of Health and Social Care' stated that,

“the growing number of people with complex health and social care needs, particularly frail older people, together with continuing tight finances, means that current models of care are unsustainable. New models of care are needed.”

The Scottish Government recently announced their plans for re-shaping the Health Service in Scotland to respond to increasing demand. Shetland is not immune from these challenges and the Government's Delivery Plan makes reference for the need for changes to be made “at pace”.

Alongside increasing demand, health and care services will continue to face an unprecedented restriction in resources over the next three years. Within this, while the NHS continues to see “real term” growth this is at historically low levels. Social care in Shetland will see further budget reductions, all be it from a comparatively high level of spend per head of population. It should also be noted that the extra costs associated with Shetland operating services in a remote and rural setting are already recognised in the funding settlements to NHS Shetland and Shetland Islands Council. We are also fortunate to receive ongoing funding from Shetland Charitable Trust to support our care services. It is therefore important to recognise that any significant increases to the budgets projected in this plan are unrealistic and we need to find a way, collectively, to develop the mix of hospital, primary and community care services that best meet the needs of our population.

The Shetland Islands Health and Social Care Partnership Plan sets out the arrangements which we intend to put in place to reconsider the level and type of service that we can sustain. This reflects the funding available and recognises some specific issues around the recruitment and retention of staff to various specialist posts. These projects will look at:

- the hospital model, to determine what services need to be provided locally and which are best provided by our partner health boards, such as NHS Grampian in Aberdeen, and the associated staffing levels required to maintain a safe, high quality and effective service;
- the primary care model, to determine an equitable distribution of primary care resources across Shetland, recognising the particular recruitment challenges in this area; and
- developing an affordable and sustainable social care model for Shetland, which builds on the network of care centres and Shetland-wide services, and responds to the need to promote self care and multi-disciplinary teams working to support individuals and families to live well for longer in their own home, or a homely setting.

Services have become accustomed to making savings and efficiencies over the years. Our performance is measured in a range of quality indicators and service outcomes. On the whole, Shetland's health and care system performs well. However, given the extent of the savings and efficiencies which still need to be found, Health and Social Care services cannot continue to be provided in the same way as at present, if we are to provide the best possible services for the local population. Our ability to make the books balance through one-off initiatives is diminishing; we therefore need to think differently about how our services are configured to deliver safe, quality and effective services in a sustainable way.

There are some lifestyle choices and behaviours which persist within society that may impact negatively on people's ability to look after their own well-being and live in good health for longer. The Scottish Government's Health and Social Care Delivery Plan 2016 states that, "we need to move away from doing things to people to working with them on all aspects of their care and support.....to one based on anticipation, prevention and self management". With our partners, we have identified several strands of work where we consider that Shetland could do better. We have put in place programmes of work to:

- reduce the percentage of adults who smoke
- reduce premature mortality from Coronary Heart Disease among under 75s
- increase physical activity levels
- reduce obesity levels
- address issues associated with mental health, wellbeing and resilience
- promote suicide prevention
- recognise and respond to public protection issues e.g. domestic violence
- reduce harm caused by alcohol; and
- address issues caused by substance misuse

The scale of the challenge before the Shetland Islands Health and Social Care Partnership is significant. This Plan will only work if we focus on creating sustainable models for the future. That means looking forward to an uncharted future; not backwards to where we have been. It will only work if we do it together, respecting the views of all stakeholders to find acceptable solutions for each community.

Vision and Objectives

Our Vision is that by 2020 everyone in Shetland is able to live longer healthier lives, at home or in a homely setting. We will have an integrated health and care system focused on prevention, supported self management and reducing health inequalities. We will focus on supporting people to be at home or in their community with as much specialist care provided in Shetland and as close to home as possible. Care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions.

Our work is to improve the wellbeing of service-users, as described in the nine national health and wellbeing outcomes² below:

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care

The following integration planning principles³ will underpin how we shape our services and find innovative solutions to meet our communities' needs and improve the wellbeing of service-users so that our services:

- are integrated from the point of view of service-users
- take account of the particular needs of different service-users
- take account of the particular needs of service-users in different parts of Shetland
- take account of the particular characteristics and circumstances of different service-users
- respect the rights of service users, whilst ensuring they understand and respect their responsibilities
- take account of the dignity of service-users

² Public Bodies (Joint Working) National Health and Wellbeing Outcomes (Scotland) Regulations 2014

³ Section 4 of the Public Bodies (Joint Working) (Scotland) Act 2014

- take account of the participation by service-users in the community in which service-users live
- protect and improve the safety of service-users
- improve the quality of the service
- are planned and led locally in a way which is engaged with the community (including in particular service-users, those who look after service-users and those who are involved in the provision of health or social care)
- best anticipate needs and prevent them arising
- make the best use of the available facilities, people and other resources

and are designed so that:

- emergency care is maintained in Shetland, including medicine, surgery and maternity services
- care is only provided in a hospital setting if it cannot be provided safely and effectively in the community
- patients are only sent outwith Shetland for healthcare if it cannot be provided safely and effectively locally
- attendance at hospital for diagnostic tests and investigations, outpatient consultations and minor procedures is kept to a minimum
- healthcare is provided by multi-professional teams, with reliance on single handed practitioners kept to a minimum
- increased use of technology is helping us provide care for the most vulnerable and elderly in our community
- older people and people who are living with long-term conditions will be getting the services they need to help them live as independently as possible
- people will be supported to look after and improve their own health and well-being, helping them to live in good health for longer

Context

Strategies and Policies

This Plan both informs, and is informed by, a number of strategic and service specific strategies and plans. The diagram below sets the strategic and policy context within which NHS Shetland, Shetland Islands Council and the Integration Joint Board is operating.

Integration Joint Board							
Values / Quality Ambitions Person Centred Safe Effective Efficient Equitable Timely Sustainable Ambitious	NHS Scotland 2020 Vision The Scottish Government’s 2020 Vision for health and social care is that by 2020 everyone is able to live longer healthier lives at home, or in a homely setting and, that we will have a healthcare system where: <ul style="list-style-type: none">- whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions;- we have integrated health and social care;- there is a focus on prevention, anticipation and supported self-management;- where hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm; There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate, with minimal risk or re-admission.						In partnership with Patients Service Users Unpaid Carers Families Staff Professionals Partners Communities Public
	Delivering Health and Wellbeing Outcomes						
	Using Integration Principles						
Resources	Staff	Bought in Services	Money for Resources	Assets and Equipment	E’Health, Records and Information		Resources
Strategic Direction	Joint Strategic Commissioning Plan - Needs Assessment – Resources – Performance - Risk						Strategic Direction
Strategies	Primary Care Strategy	Shetland Mental Health Strategy	NHS Shetland Public Health	Changing Lives: Report of the 21 st Century Social Work Review	Shetland Clinical Strategy	Older People’s Strategy	Property and Asset Management Strategy
Government’s Health and Social Care Delivery Plan	Autism Spectrum Disorder Strategy	Carers’ Strategy	Reshaping Care for Older People: A Programme for Change	Domestic Abuse Strategy	Prescription for Excellence	Oral Health Strategy	Children and Young Peoples Integrated Strategic Plan
Keys for Life	Alcohol and Drug Strategy	National Dementia Strategy	Adult Rehabilitation	Realising Potential	Realistic Medicine	See Hear Strategy	Shetland Partnership Local Outcome Improvement Plan
National and Local Strategy for Autism	Allied Health Professionals National Delivery Plan	Intermediate Care Operational Plan	Prevention and Management of Falls	Integration Fund Plan	Unscheduled Care plan	Winter Plan	“On Da Level”, Achieving a Fairer Shetland
Service Delivery Plans:	Joint Strategic (Commissioning) Plan						Service Delivery Plans:
	Service Plans						
	Financial Plan / Budgets						
	Resources and Support Services						
	Change Management Projects						
Measured By (for assurance / improvement):	Performance Measures	Chief Social Work Officer Annual Report	Audits		Quality Reports		Measured By (for assurance / improvement):

Current Performance on Health and Wellbeing Outcomes

There are in place a range of service and quality indicators which are used to measure Shetland's health and care performance against national targets and outcomes. Shetland, on the whole, performs well and delivers high quality, safe and effective services.

A recent publication from the Scottish Government, the Health and Social Care Delivery Plan 2016, reflected on the success of the health service in general, when it stated that, "there have also been significant improvements in treatment times, reductions in mortality rates, ... reduction in healthcare associated infections...and patient satisfaction has also increased to record highs".

There are specific measures for the Health and Social Care Partnership, known as Health and Wellbeing Outcomes. Shetland's performance, against peer group comparators and the Scottish average, is outlined in the table below. Some areas worth highlighting are:

- Percentage of the last six months of life spent at home or in a community setting in 2014/15, Shetland achieved 92.3% (compared to the Scotland average of 86.3%). For this outcome, Shetland is the best in Scotland.
- Percentage of carers who feel supported to continue in their caring role (at 54% compared to a national average of 41%); although 54% may still be considered to be a lower than acceptable level.
- Percentage of adults with intensive needs receiving care at home (69% compared to a national position of 61%); while starting to fall slightly, the rate has historically been very high for Shetland compared with the peer group average and well above the Scotland level.
- The emergency admission to hospital rate is lower than the Scottish average and the peer group (and the trend has remained fairly static in Shetland compared to a general increase for Scotland as a whole).
- The rate of emergency bed days is also low with Shetland at the lowest end of the peer group range indicating fewer days are spent in hospital after an emergency admission.
- The readmission rates to hospital within 28 days of discharge is low, indicating that services are working at discharging people when they are ready and then keeping them in the community thereafter.
- The falls rates per 1,000 of population in the over 65s has been mostly above peer group and Scotland average, although it has dropped in the last year.

The Scottish Government has asked the Shetland Islands Health and Social Care Partnership, along with all other partnerships, to pay particular attention to the following indicators:

- Unplanned admissions
- Occupied bed days for unscheduled care
- A&E performance
- Delayed discharges
- End of life care and
- The balance of spend across institutional and community services.

The good performance shown in 2014-15 has been sustained into 2015-16 and Shetland continued to perform well across all categories. It is the intention that the changes outlined in this Plan will seek to maintain the good performance in these areas, so far as it is reasonably possible to do so within the funding available, as described below.

Indicator	Current Performance	Target
Unplanned admissions	2015-16 unplanned admission rates 75+ all specialities: best in Scotland	Maintain current performance.
Occupied bed days for unscheduled care	2015-16 unplanned bed day rates 75+ all specialities: second best in Scotland.	Maintain current performance
A&E performance	A&E Attendance rate per 1,000 population 2015-16: 12 th in Scotland (out of 32). A&E % seen within 4 hours, November 2016: 5 th in Scotland (out of 32).	Maintain current performance
Delayed discharges	Delayed Discharge Census November 2016 Standard Delays over 3 days, by type of delay: best in Scotland	Maintain current performance
End of life care	Proportion of the last six months of life spent at home or in a community setting for people who died in 2015-16: best in Scotland. 2015-16 Bed Days in the last six months of life by partnership: lowest (best) in Scotland.	Maintain current performance.
The balance of spend across institutional and community services	2014-15 Balance of Care 75+ by Intensive Care at Home; Care Home and Hospital: 11 th in Scotland (out of 31).	Continue to shift the balance of care from hospital to the community by investing in a community based Intermediate Care Team for Rehabilitation and Reablement.

Table 1: Performance against National Health and Wellbeing Outcomes

Indicator	Shetland	Peer Group Average	Scotland
1. Percentage of adults able to look after their health very well or quite well	95%	95%	94%
2. Percentage of adults supported at home who agree that they are supported to live as independently as possible.	78%	86%	84%
3. Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided.	81%	80%	79%
4. Percentage of adults supported at home who agree that their health and care services seemed to be well co-ordinated.	60%	77%	75%
5. Percentage of adults receiving any care or support who rate it as excellent or good	79%	83%	81%
6. Percentage of people with positive experience of care at their GP practice.	89%	90%	87%
7. Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life.	84%	87%	84%
8. Percentage of carers who feel supported to continue in their caring role.	54%	45%	41%
9. Percentage of adults supported at home who agree they felt safe.	79%	86%	84%
10. Percentage of staff who say they would recommend their workplace as a good place to work.*	Not yet available.		
11. Premature mortality rate (per 100,000 population)	443.90	371.58	423.20
12. Rate of emergency admissions for adults.* - data shown for all ages per 100,000 total population	9,143.35	9,595.47	10,435.95
13. Rate of emergency bed days for adults.* - data shown for all ages per 100,000 total population	65,617.74	73,144.10	73,597.30
14. Readmissions to hospital within 28 days of discharge.*	5.40	6.53	7.80
15. Proportion of last 6 months of life spent at home or in community setting.	92.32	88.55	86.29
16. Falls rate per 1,000 population in over 65s.*	20.32	18.69	20.48
17. Proportion of care services graded 'good' (4) or better in Care Inspectorate Inspections.	80.0%	77.1%	81.2%
18. Percentage of adults with intensive needs receiving care at home.	69.3%	64.4%	61.1%
19. Number of days people spend in hospital when they are ready to be discharged. (per 1,000 pop)	1661.20	1143.51	1043.99
20. Percentage of total health and care spend on hospital stays where the patient was admitted in an emergency.	14.9%	21.3%	23.1%
21. Percentage of people admitted from home to hospital during the year, who are discharged to a care home.*	Not yet available.		
22. Percentage of people who are discharged from hospital within 72 hours of being ready.*	Not yet available.		
23. Expenditure on end of life care.*	Not yet available.		

Strategic Needs Assessment

The Shetland Partnership's Local Outcome Improvement Plan highlighted a number of priority services where focused partnership working is required:

Priority Outcome: We live longer healthier lives and people are supported to be active and independent throughout adulthood and in older age

Priority Actions:

- Reduce percentage of adults who smoke
- Reduce premature mortality from Coronary Heart Disease among under 75s
- Increase Physical Activity Levels
- Reduce obesity levels
- Address issues arising from mental health
- Promote Suicide Prevention

Priority Outcome: Shetland is a safe place to live for all our people, and we have strong, resilient and supportive communities

Priority Actions:

- Address issues arising from domestic violence
- Reduce the harm caused by alcohol

The Plan needs to address some growing pressures on health and care services as a recent Report from the Accounts Commission on Health and Social Care Integration in December 2015 stated that,

"If current rates of activity continue, it is unlikely that health and social care services will be able to cope with the effects of the changing population unless they make major changes to the way they deliver services."

At a national level, if the current rates of activity and growth in demand continue, the movement from 2013 to 2030 could be:

- The number of people in the age group 75-84 could increase by 44% and those over 85 could rise by 68%;
- The number of GP consultations is projected to rise by 12%;
- The number of homecare clients is forecast to rise by 33%;
- The number of homecare clients receiving 10+ hours per week of care is predicted to rise by 31%;
- The number of practice nurse consultations could rise by 18%;
- The number of long-stay care home residents could rise by 35%;
- Acute emergency bed days from patients with 3+ admissions could increase by 26%;
- Similarly emergency bed days are forecast to rise by 28%;
- The number of acute emergency admissions is predicted to increase by 16%;
- Acute day cases could rise by 14%; and
- New outpatient appointments could increase by 9%.

Shetland is already responding to these demographic and social changes. There is evidence of:

- A growing demand for services (an increasing number of people being referred or assessed for services).
- A growing demand for services from an increasingly elderly population, living well longer but often with complex and multiple conditions. Health Centres are responding to an increased number of residents with long term conditions (asthma, diabetes, high blood pressure). There is an increased number of frail elderly in the community requiring additional support to remain at home. Analysis of Lerwick Health Centre appointments, for example, has shown that the number of GP and Additional Nurse Practitioner appointments increased by 26% from 23,773 in 2014-15 to 29,933 in 2015-16.
- An increase in referrals to mental health services for assessment of anxiety and depression.
- Demographic change placing demands on centres of population, leaving remote and rural services more difficult to sustain.
- Significant financial savings and efficiencies to be realised.
- More people living alone.
- The need to tackle health inequality barriers.
- Lifestyle choices, eg alcohol consumption and the impact on personal health and population health.
- Workforce challenges – recruitment and retention; integrated working and professional support; pension age changing; generic and specialist skills mix; single handed practitioners; expectation that staff will deliver the ‘transformational change’; technological advances; ability to ‘compete’ with other employers.
- The changing nature of availability of unpaid carers and informal support networks putting pressure on statutory services.
- Rising expectations of services – a more demanding public and expectation of more engagement about individual health and care options.
- Medical advances, changing the nature of treatment for diseases.
- The potential for home or community based technology to transform interactions between professionals and patients / service users, including living safely at home and managing long term conditions.
- The use of video conferencing facilities, social media and smart phone applications to transform our relationship with patients / services users and help them to look after and improve their own health and wellbeing.

- An increase in focus on community based provision and primary and social care - working in partnership with local communities, enhancing roles in primary care, and helping people to help themselves.
- A persistent, and perhaps widening, inequality gap.

“The Commission on Tackling Inequalities in Shetland⁴ heard evidence relating to socio-economic equalities and geography in Shetland. The Foreword states that,

“Shetland doesn’t exhibit the extreme disparities in wealth, health and other indicators that characterise some communities. Nevertheless, the evidence gathered by the Commission confirms that, in 2016, inequality is an inescapable feature of Shetland life. Some of our fellow citizens are struggling. Their circumstances differ, but lack of sufficient money to live a decent life is a common factor. The causes of their difficulties are not simple but it’s clear that a variety of influences, including changes in welfare policies, are making their position steadily more precarious.

Inequality can take many forms. It is frequently thought of as economic and characterised in terms of wealth and poverty. However, there are also manifestations of inequality in education, environmental quality, ethnicity, gender, geography, health, social status and in power and influence.

Inequalities in Shetland are more keenly felt, where the differences between those with resources and without are well defined; the relatively prosperous community and cost of housing adds to the pressures faced by those who are struggling to make ends meet. In summary, those individuals and families in Shetland who are particularly vulnerable are those:

- *with poor educational experiences: engagement is difficult, attainment may be low;*
- *unable to achieve or maintain employment;*
- *at risk of homelessness;*
- *with poor mental health;*
- *with chronic illness;*
- *with experience of substance misuse;*
- *not involved in their local community (this may include not attending pre-school);*
- *living in remote areas, where employment opportunities are limited and the cost of transport or running a private vehicle can be prohibitive.*

And:

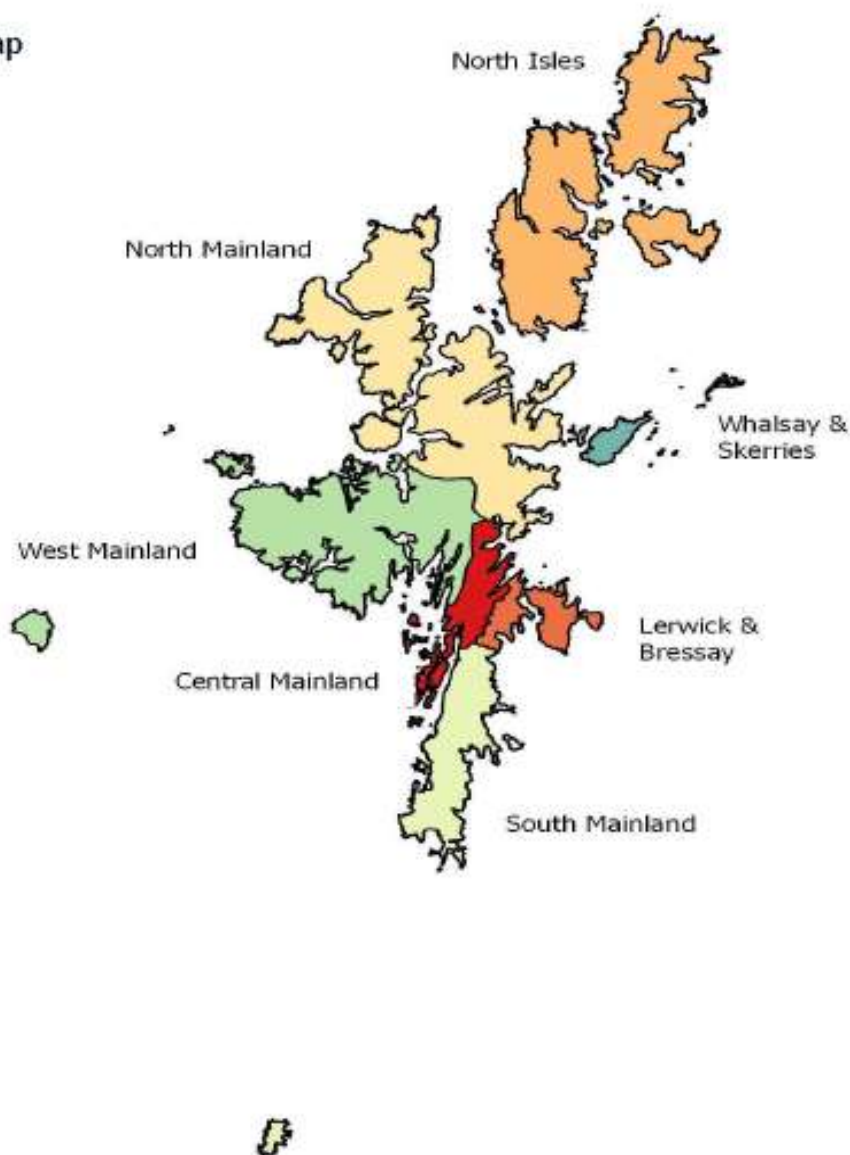
- *Looked After Children;*
- *workless or low income households; and*
- *young.*

⁴ On Da Level, Achieving a Fairer Shetland, Report and Recommendations from Shetland’s Commission on Tackling Inequalities, March 2016

Planning in Localities

The Strategic Plan is formed around seven localities based on geography and ward boundaries; also used for locality planning purposes and for community planning. The views and priorities of localities must be taken into account in the development of the Strategic Plan.

Localities Map

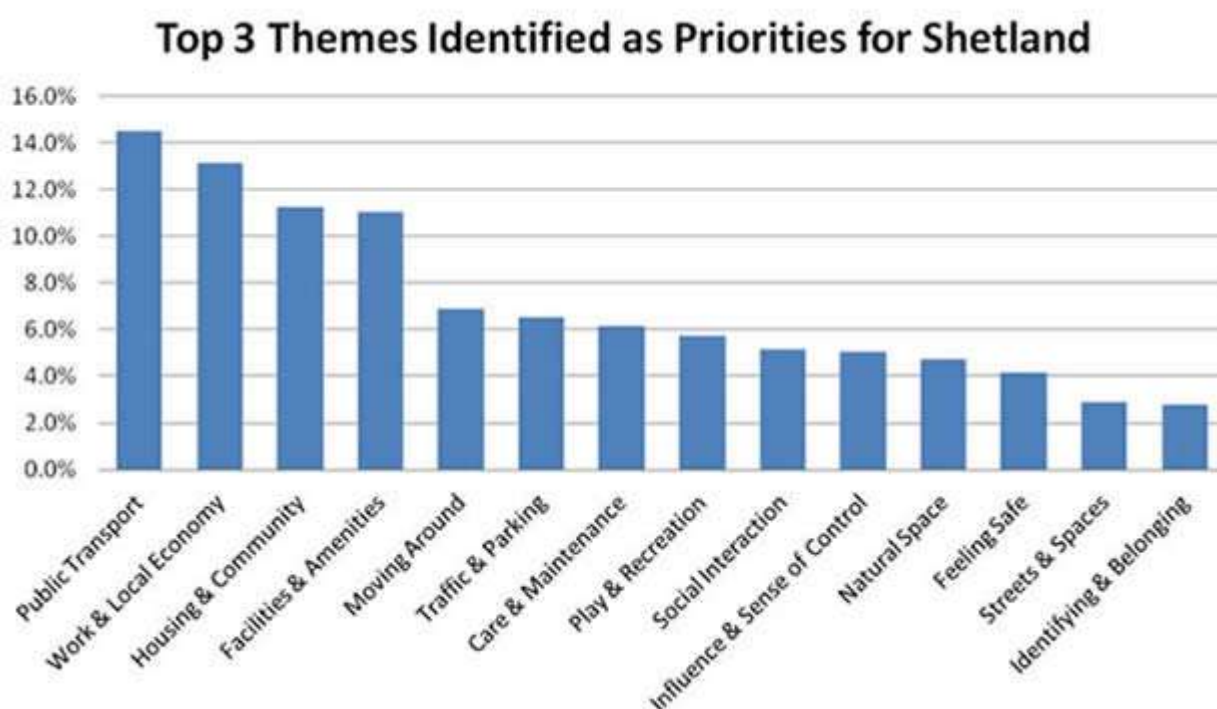


The Shetland Place Standards⁵ is a consultation exercise undertaken to find out what people feel is most important to where they live. The survey took place in July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments. This helps to build the evidence for what makes communities good places to live in and highlights issues which

⁵ A community consultation exercise run by Shetland Partnership Board in July 2016

might need to be resolved. In time, it will provide good evidence to help public sector agencies to have open discussions with communities about any potential changes to service delivery models.

The bar chart below also shows the data for the fourteen themes that respondents feel should be prioritised for improvement for Shetland as a whole. The top four themes identified, across all areas, were: public transport; work and local economy; housing and community; and facilities and amenities.



While each area may have similar health and care needs overall, there will be very specific differences as to how we can respond to meeting those needs, perhaps around transport, population demographics, distances from specialist services, etc.

The Shetland Partnership, the group which oversees strategic planning on a Shetland-wide level and across all service sectors, have set three high level priorities in the Local Outcome Improvement Plan. The Partners have agreed to work together to improve the lives of the people of Shetland through:

- making the best use of existing assets, infrastructure and human capital for sustainable socio-economic development;
- ensuring the needs of our most vulnerable children and young people are met; and
- supporting the development of a digital, diverse and innovative business base (which will include comprehensive and resilient broadband coverage).

The key issues with regard to delivering health and care services are outlined at Appendix 1 and summarised below.

North Isles

Primary Care – current GP Recruitment and Retention issues, sustainable Primary Care Provision, Dental Provision, Out of Hours services, Community Nursing on Non Doctor islands

Using technology to ensure that access to specialist services (e.g. in a hospital setting) is equitable and achievable

Sustainable care models and, in particular, the building issues for Isleshavn Care Centre

Whalsay and Skerries

Primary Care – Sustainable Primary Care arrangements, Out of Hours services, Community Nursing on Non Doctor islands

Using technology to ensure that access to specialist services (e.g. in a hospital setting) is equitable and achievable

North Mainland

Primary Care - Sustainable primary care arrangements

Using technology to ensure that access to specialist services (e.g. in a hospital setting) is equitable and achievable

West Mainland

Primary Care - Sustainable primary care arrangements, Community Nursing on Non Doctor islands

Using technology to ensure that access to specialist services (e.g. in a hospital setting) is equitable and achievable

Lerwick and Bressay (including services provided on a Shetland-wide basis)

Ensuring that we deliver the best and most appropriate balance of specialist services in Shetland (e.g. models for hospital and specialist services in Shetland versus mainland service provision)

Primary Care – Lerwick Health Centre demand and capacity management

Community Nursing on non doctor islands, intermediate care team

South Mainland

Primary Care – community nursing on Non Doctor Islands

Using technology to ensure that access to specialist services (e.g. in a hospital setting) is equitable and achievable

Local Delivery Arrangements and Strategic Priorities

Shetland's local priorities for the period 2017-2020 will be built on:

- Keeping people safe from harm, protecting vulnerable people
- Delivering integrated health and care pathways and single point of entry to services by continuing to shift resources to primary and community care
- Strengthening and working in partnership with individuals, their families and communities
- Reducing avoidable admission to and inappropriate use of hospital services
- Developing primary care and community responses through multi-disciplinary teams
- Supporting unpaid carers
- Tackling inequalities, with a focus on health inequality
- Prevention and early intervention
- Promoting health lifestyles
- Improving mental health and wellbeing
- Promoting self management and independence

The service delivery arrangements are set out in Appendix 2, the detailed Service Plans (to follow).

The service arrangements, for the integrated services, are summarised in Appendix 3 which includes:

- a description of the services and their purpose;
- the number of service users and emerging trends which have been identified;
- the resources (assets, staff and budget) needed to delivery services;
- the current performance measures and actual performance; and
- a note of the links to the strategic programmes and projects, where applicable.

The specific links to other infrastructure and services are set out at Page 27, with the Housing Contribution Statement included at Appendix 4.

The things which might go wrong and mean that we are unable to, or are less successful in being able to, deliver what we are trying to achieve are included in the Risk Assessment section on Page 28.

The Integrated Impact Assessment is included at Appendix 5.

This work to develop a sustainable health and care model will be done through ten strategic work programmes under three strategic themes:

- Whole population
- Sustainable models
- Organisational issues

The projects which will be developed under each of the strategic themes are summarised and then expanded on below.

(A) Whole Population:

- Implementing an asset based approach to health care prevention
- Effective Prescribing – working with patients and prescribers to ensure that evidenced, best value, medicines are started and stopped appropriately

(B) Sustainable Models:

- Developing a safe and effective model of unscheduled care
- Developing a sustainable hospital, acute and specialist services model for Shetland
- Developing a sustainable primary care model for Shetland
- Developing a sustainable model of social care resources
- Development a sustainable model for mental health services, including appropriate crisis and emergency arrangements
- Developing a sustainable model for adults affected by learning disabilities and autistic spectrum disorders

(C) Organisational Issues

- Improving business performance and efficiency
- Improving the Quality and Safety of our services

The background and intended outcomes for each of the projects are set out below. Appendix 6 maps the projects to each of the nine health and wellbeing outcomes and includes a timeline for the projects to be undertaken.

(A) Whole Population Health

Implementing an asset based approach to health care prevention

NHS Shetland's Public Health and Health Improvement Team's work cover the three strands of: prevention; protection; and cessation. The focus of the team's work will be: weight management; physical activity; substance misuse; mental health and inequality. There is a key link with the priority outcomes as described in the Local Outcome Improvement Plan (the LOIP). The team will have a significant influence in leading and developing the project to implement an asset based approach to health care prevention. This will promote an approach that is 'person centred'.⁶ This means working with people as active participants rather than passive recipients of health or social care programmes, in ways which are empowering, and could ultimately lead to less reliance on public services. Indeed many of the solutions which individuals will be able to draw on may be from community based or private sector providers. The project is multi-dimensional and cross cutting and will include:

- understanding patients
- health information and self directed care
- health literacy
- behaviour change and skills development

⁶ Healthcare Quality Strategy for NHS Scotland

- reducing health inequalities
- anticipatory care
- self management / long term conditions support group
- involving carers
- realistic medicine

When analysing service trends and demand, some services have highlighted an issue around repeat attenders to services. In some cases there is a link between repeat or frequent attenders and high costs, referred to as High Resource Individuals. These are often appropriate and reflective of complex, long term and multiple needs. However, there may be underlying social or mental health needs which result in unnecessary attendances or repeat referrals which are of no benefit to the service user / patient and therefore cause waste within the system. One of the first priorities for this project will therefore be to look into the causes of and effect on people who are high users of services. This work may identify unmet needs or gaps in service at the lower level social intervention stage to see if other service models might help to avoid some folk feeling the need to access statutory services, for no long term benefit.

The work to reduce the barriers causing health inequalities is set out in the Report 'On Da Level'. Services will consider how best to respond to help families who are struggling to thrive and work with local communities and voluntary services to ensure that no one is lonely or stigmatised. The report indicated that approximately 5% of people in Shetland, at any life stage, are not able to have the same positive experiences and opportunities as the majority of people living in Shetland. Over the last 15 or so years, it has become more common to see these poor experiences being passed down the generations. Shifting money and staff to better target support, and at an earlier stage, is known to help these families and also save money. There are many local examples of the impact of stigma, isolation and loneliness on people and families and there is an increasing body of research showing the negative impacts on physical and mental health. Services will be encouraged to target resources to break negative cycles for individuals and within families.

Effective Prescribing- working with patients and prescribers to ensure that evidenced, best value, medicines are started and stopped appropriately

The recent Annual Report from the Chief Medical Officer, entitled Realistic Medicine, challenged current health care by stating that,

“Doctors generally choose less treatment for themselves than they provide for their patients. In striving to provide relief from disability, illness and death, modern medicine may have overreached itself and is now causing hidden harm – or at best providing some care that is of lesser value.... Waste in healthcare should be assessed not in terms of what might be thrown away, but in interventions that don’t add value for patients.... We need to change the outdated ‘doctor knows best’ culture to one where both parties can combine their expertise and be more comfortable in sharing the power and responsibility of decision-making. It requires system and organisational change to promote the required attitudes, roles and skills”.

This needs to become an underpinning philosophy in all the service redesign models and will be a specific theme in the Effective Prescribing project.

(B) Sustainable Service Models

Developing a safe and effective model of unscheduled care

The Scottish Government recognises the importance of primary care as the first point of contact to health care for most people and that this should also be the case during the out of hours period when people need urgent (unscheduled) care. A recent national review of Primary Care out of hours⁷ services recommended that services:

- are person-centred, sustainable, high quality, safe and effective;
- provide access to relevant urgent care when needed; and
- deliver the right skill mix of professional support for patients during the out-of-hours period.

The national review recommended a model for out of hours and urgent care in the community that is clinician-led and delivered by a multi-disciplinary team (referred to as an “unscheduled care hub”) enabling patients to be seen by the most appropriate professional to meet their individual needs.

Shetland already has a number of challenges in sustaining “out of hours” services, whether these are in the community or in secondary care with the issues highlighted in the national review exacerbated as a result of remoteness, economies of scale and existing recruitment and retention issues.

The ability to safely deliver services at all times of the day (24/7) is also a key determinant of the staffing required for a particular community or service and it is therefore important Shetland develops resilient out of hours unscheduled care services. This project will therefore explore how Shetland can implement the recommendations in the national report and create a sustainable 24/7 unscheduled care service.

Developing a sustainable hospital, acute and specialist services model for Shetland

NHS Shetland’s long established policy is that the Gilbert Bain Hospital is a Rural District General Hospital, with a consultant led model of care. This is based predominantly on safety, quality and logistical reasons but has also been considered to be the most cost effective model for Shetland. However, with current recruitment issues there are concerns that this model is no longer sustainable. A project will be undertaken to review the options available to develop models for a sustainable hospital, acute and specialist service model for Shetland that is built around sustainable care pathways. This work will include a costing exercise to understand the fixed and variable costs associated with running the Gilbert Bain Hospital in its current form and the extent to which services, bed numbers, staffing and support services need to change to become sustainable in the medium term (3-5 years). This will explore a number of scenarios for the provision of acute hospital services for the local population including comparing the current consultant led rural general hospital with other models. It is intended to progress this work in partnership with other island Health Boards to inform the drafting of the North of Scotland Regional Clinical Strategy so that a clear Island General hospital model is developed.

⁷ National Review of Primary Care Out of Hours Services

A complimentary project will continue to develop the extent to which some services might be repatriated from mainland hospitals and provided locally. The focus on this work is on avoiding unnecessary travel (for patients and for staff) and unnecessary appointments by maximising the opportunities for services to be provided locally and extending the use of tele-health and other technological solutions as well as streamlining pathways, to reduce where possible unnecessary steps in patient journeys.

Alongside this, the project to rebalance care from hospital to the community will continue. The Scottish Government's Health and Social Care Local Delivery Plan 2016 states that, "too often, older people, in particular, are admitted to institutional care for long periods when a package of assessment, treatment, rehabilitation and support in the community – and for help for their carers – could better serve their needs". This philosophy is well-established and community care has successfully responded to the reduction in long stay hospital beds over the years. The Government policy is clear about the reasons for the shift in the location of care; minimising time in hospital and maximising opportunities for rehabilitation in the community provides the best possible outcome for the patient / service user. This work will be continued locally, with the ongoing development of the intermediate care team, the extension of community rehabilitation and the resultant optimisation of bed use within the Gilbert Bain hospital.

Developing a sustainable primary care model for Shetland

The approval of the Primary Care Strategy together with the recent requests for two practices within Shetland to become employees of the NHS (and not remain independent) provides a foundation upon which to build sustainable models of primary care within each locality. Primary Care services are predominantly the first point of contact for our service users and include GP practices, dentistry, pharmacy, nurses working in the community and allied health professionals. In many cases, primary care practitioners co-ordinate access to specialist services (in Shetland and mainland Scotland) and bring together complex care planning across health and social care services based in the community. Due to the fragility of the current arrangements, the remodelling of options for Primary Care will start with the north isles and be under-pinned by some fundamental principles including: quality; effectiveness; safety; accessibility; equality; integrated teams; and sustainability and be built in partnership with each local community.

The intention, as the project develops, is for the vision within the Primary care strategy to be fully implemented and a clear and sustainable Primary care model for Shetland to be created.

Developing a sustainable model of social care resources

The current model of care centres is not sustainable in the long term. The policy focus is to find ways to enable folk to stay safely and independently in their own home for as long as possible; moving away from hospital and residential models of care. The balance of permanent and respite care beds is regularly reviewed. In September 2016, the overall occupancy of beds was 91%. The funding from Shetland Charitable Trust towards the care home model is due to reduce by £100,000 per annum for the next 3 years, while the cost structure will increase due to wage increases and inflation. There is therefore a need to look again at sustainable models of community care

resources, including the development of integrated, multi-purpose care 'hubs' within each community identifying, where possible, opportunities for the co-location of services within one physical space and sharing back office support functions. The complexity, and cost, of enabling people to stay in their own home, including end of life care, is challenging and work will need to be done to further explore options for 24 hour care in localities. The value of unpaid carers and local and national third sector organisations in building sustainable service models is acknowledged and will be an integral part of the review process.

Developing a sustainable model for mental health services, including appropriate crisis and emergency arrangements

Mental illness is one of the major public health challenges in Scotland. Around one in three people are estimated to be affected by mental illness in any one year. Improving wellbeing, resilience and mental health is therefore a priority for Shetland Islands Health and Social Care Partnership. Work to promote mental wellbeing and improve mental health services is set out in the Mental Health Strategy and mirrors the importance of this area as a national priority. There are also specific work programmes to reduce suicide and self harm.

We will therefore continue to focus on delivering these strategies in 2017-18 including the development of a sustainable model for mental health services with appropriate crisis and emergency arrangements in place. This will need to look across all service areas, from specialist and acute services in Aberdeen and elsewhere, through local primary care support and into community based programmes supported by local and national voluntary organisations. The project aims to build capacity through the redesign and integration of health and social care elements of mental health.

Services for people living with dementia, their families and carers are set out in the Dementia Strategy, which is a key element of mental health services. There will be a specific focus on how we develop Old Age Psychiatric Services in the refreshed strategy and action plan for 2017-18 and beyond.

Developing a sustainable model for adults affected by learning disabilities and autistic spectrum disorders

A Scottish Government report in 2013, called The Keys to Life, set out recommendations for improving the quality of life for people with learning disabilities. The report acknowledged the stark fact that people with learning disabilities still die 20 years earlier than the general population. The report set out to ensure that all those who work in health care understand the health needs of people with learning disabilities, how these can differ from the general population and to respond appropriately and positively to support individuals to lead healthier and happier lives. People with learning disabilities should be supported to live independently in the community wherever possible. Shetland has a good range of services to support individuals and their families and unpaid carers – through housing, day care, short breaks and respite, and employment and training opportunities. The demand for services is growing and a new resource centre to support adults with learning disabilities is due to completion in the summer of 2017. However, with a projected reduction in funding overall, there is a need to look afresh at sustainable models of service to respond to the changing demands.

(C) Organisational Issues

Improving business performance and efficiency

Staff are at the heart of all the service delivery models. It is therefore intended, as part of all our projects, to put in place the right staffing numbers, ratios and skills mix for each service area. Within this we will respect professional boundaries while also supporting multi-disciplinary team working. The Health and Social Care Partnership needs to support staff to be the best they can be through positive leadership and creating a culture of openness and trust which allows staff to grow, learn and develop in a safe environment in a rapidly changing service. We expect our staff to be the champions of the transformational change that this plan advocates. There will therefore be specific support arrangements to build organisational capacity and resilience to focus on staff health and well-being, including aspects of leadership, values and behaviours and clear communication.

Alongside the support to staff, there will be a programme to redesign business and organisational systems, integrated insofar as they possibly can be, so that our staff can focus on tasks which support front line service delivery and are not wasteful. This might also involve working locally with partners in Shetland to make the best use of systems and resources, where it might be possible to develop a common approach. An example of this might be shared transport and distribution arrangements. The programme will cover:

- Maximising eHealth, Telehealthcare and Telecare opportunities
- Building staff organisational resilience and capacity
- Maximising local opportunities from national shared services programmes
- Review of decision making arrangements
- Procurement and commissioning
- Working out ways to do things 'once for Shetland', by sharing common systems and resources with local partners.

Within this we recognise the inherent tension between working out how best to do things for Shetland's Health and Care Partnership at a local level whilst also responding to the challenges for the NHS of working better at a regional and national level.

Improving the Quality and Safety of our services

(To be completed once the Local Delivery Plan Guidance is issued).

A summary of the programme of work is set out in the Table below.

Table 2: Overview of Strategic Programmes

(A) Whole Population	
Implementing an asset based approach to health care prevention	Effective Prescribing- working with patients and prescribers to ensure that evidenced, best value, medicines are started and stopped appropriately
(B) Sustainable Service Models	
Developing a safe and effective model of unscheduled care	Developing a sustainable hospital, acute and specialist services model for Shetland
Developing a sustainable primary care model for Shetland, with clear links to the 7 locality areas and the Gilbert Bain Hospital	Developing a sustainable model of social care resources
Developing a sustainable model for mental health services, including appropriate crisis and emergency arrangements	Developing a sustainable model for adults affected by learning disabilities and autism spectrum disorders
(C) Organisational Issues	
Improving Business Performance and Efficiency	Improving the Quality and Safety of our services
Achieving Financial Balance	

Resources Section / Financial Plan (TO FOLLOW)

Reliance on Other Services

The community focused nature of the Plan means that it cannot be delivered without relying on the support and services provided by others, including housing, leisure, learning and transport arrangement.

Housing

The Health and Wellbeing Outcomes provide a focus for enabling people to live safely and independently in their own homes and this is for all housing tenures, including private homes, rented homes, social housing and extra care housing. The Vision for the Housing Service is:

“to work in partnership to enable everyone in Shetland to have access to a choice of affordable housing options across all tenures that are warm and safe, energy efficient and in keeping with the Shetland environment, of good quality and in good repair, able to meet demand and the particular needs of households in inclusive and vibrant communities.”

The Housing Contribution Statement is included at Appendix 6.

Third Sector, Communities and Volunteering

The third sector provides an invaluable tool in helping to shape services. They play a significant role in identifying and finding ways to address unmet need. Their approach of helping individual and communities to help themselves lies at the heart of how public sector services need to be reformed. Their overall objective is to improve people’s lives and their approach to ensuring that community views are heard and understood is one of the under-pinning principles of the Plan. Harnessing the skills, knowledge and ability of communities to find solutions for themselves is essential to the Plan’s success.

Transport

Reliance on safe and regular public transport is fundamental to supporting people to access health and care services. It also allows our staff to get to any area of Shetland to visit people in their own homes, during the day and at night time for planned visits and at any time to respond to emergency incidents. ZetTrans is a statutory body responsible for the provision and maintenance of public transport services in the Shetland Islands. Working in cooperation with a number of stakeholders and interested bodies, including bus operators, airlines and ferry companies, ZetTrans is geared towards the development of a sustainable transport network to meet the needs of the present while also looking towards the future.

Roads

The care at home service relies on unpaid carers and staff having safe access to people’s own homes all over Shetland. The Council’s approved Winter Maintenance Policy identifies the level of service that is provided in order to “ensure an efficient, effective and proportionate response to winter conditions within an environment of reducing resources.”

Leisure

Supporting people to lead an active lifestyle through regular exercise is a key element of helping people to live to stay healthy for longer.

Infrastructure – Broadband

The existing and emerging technological solutions to support digital working and Telehealth and Telecare services relies on full coverage of effective and resilient broadband services.

Risk Assessment

The things which might go wrong and mean that we are unable to, or are less successful in being able to, deliver what we are trying to achieve include:

- the governance arrangements detracting from rather than supporting a journey towards 'single system' working across health and care services;
- the scale of the financial challenges and extent of the Government's ambition to modernise public services not being well understood when decisions about changes to specific service areas are required;
- the individual needs of each of the partner organisations being greater than the partnership agreement in influencing how services are designed and delivered;
- this Strategic Commissioning Plan not adequately reflecting the transformational change required to build sustainable and affordable health and care services for Shetland;
- the need for transformational change not being effectively understood or communicated to all stakeholders;
- the pressure to address short term needs is greater than planning what needs to change to create a sustainable future;
- spending decisions being based solely on historical service models rather than those we need to develop for now and into the future;
- insufficient staff, or ability to recruit and retain staff with the necessary skills;
- lack of leadership in the transformational change agenda, including insufficient clarity of purpose;
- cultural differences around extent to which staff on the ground are able to make decisions and choices around flexible, integrated and person-centred health and care services without recourse to management;
- when the fixed costs of maintaining the current model of service is factored into the financial planning process, the savings may have to fall disproportionately on community health and social care and health improvement services, which is contrary to the Government guidance on where investment should be targeted to achieve the best outcomes for individuals;
- legal impediments around records management which may limit the extent to which each partner organisation can pro-actively support data sharing arrangements for front line staff;
- the Strategic Commissioning Plan may be seen as a stand-alone document which does not get converted in achievable delivery plans;
- there may be insufficient staff time to undertake all the strategic projects in the timeframe suggested as staff have to balance their time between operational matters and development work and day to day service delivery matters will always take priority.

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National Review of Primary Care Out-of-Hours Services

<http://www.gov.scot/Topics/Health/Services/nrpcooh>

ENDS

Appendix 1, Locality Profiles

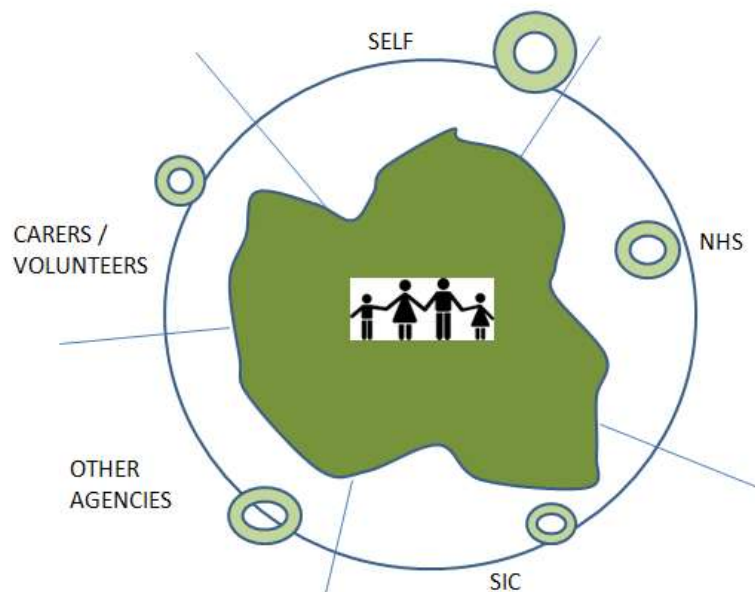
Introduction

The Plan is considered across seven localities based on geography and ward boundaries. The same arrangements are in place for all Shetland's strategic plans, including the Shetland Partnership's Local Outcome Improvement Plan.

A good strategic commissioning process will take account of the differing needs of each locality. Over time, and aligned to modernising ways of work supported by the community planning philosophy, the Strategic Commissioning Plan will evolve into a plan which clearly links needs to resources in each locality area.

This way of working moves from a paternalistic approach (doing things to people / communities) to actively working with local communities to share problems, identify solutions and make the best possible use of all resources available.

The Plan will be developed and 'owned' by each locality; it is then the responsibility of the commissioning body (the IJB) to turn that into service delivery on the grounds through its service delivery arrangements with public, community, voluntary and private sector partners. It places individuals, families, their carers and communities at the heart of the planning process, as shown diagrammatically below.

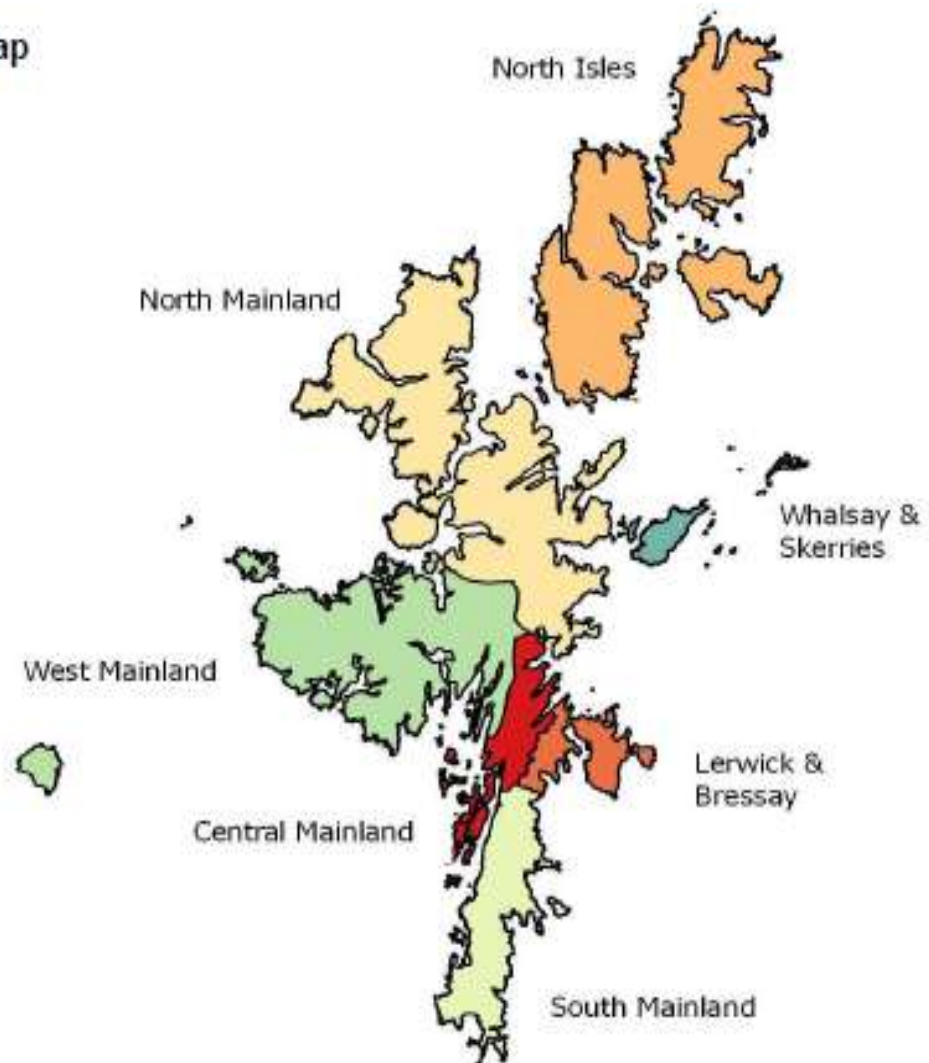


The seven localities in Shetland are:

- North Isles
- North Mainland
- West Mainland
- Whalsay and Skerries
- Central Mainland
- Lerwick and Bressay
- South Mainland

These are shown on the map below.

Localities Map



Each area currently has a set of services delivered within the locality:

- primary care;
- community nursing;
- care at home; and
- care home resources.

In addition, the Occupational Therapy and Health Improvement teams have practitioners allocated to deliver services and work with partner services within the locality. The Adult Social Work team has identified link professionals for each locality and the Pharmacy and Prescribing service are developing their community based support to GP practices.

Many services, although located in Lerwick, will provide outreach services throughout the islands to wherever the patients and service users live. An example of this way of working is the podiatry service.

During 2015/16 a series of locality planning meetings were held across localities to engage local staff and key other stakeholders (third sector, user and carer representatives, and community leaders - Community Council and SIC councillors), and feedback of the issues identified were passed to services to inform the development of the Joint Strategic Commissioning Plan.

The next section sets out some key health and social care indicators by locality. This is a summary of the published locality data held at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/Localities.asp

The source (and year to which the data refers) is included in the main analysis on the web-site.

The overall practice patient registrations (as at July 2016) is shown below.

Some of the datasets are currently incomplete and work is in hand to make sure that the analysis included comparable data across all seven localities.

Not all GP practices provide an Out of Hours service. Only those who do provide out of hours have a satisfaction score for the statement 'Overall, how would you rate the care you experienced out of hours?'

Shetland Practice's Patient Registrations

	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
Bixter	90	140	132	278	309	131	70	17	1167
Brae	146	252	318	627	751	273	96	29	2492
Hillswick	59	77	86	198	212	95	32	19	778
Lerwick	436	962	1078	2263	2495	944	538	178	8894
Levenwick	128	323	286	592	815	321	164	48	2677
Scalloway	248	456	346	993	949	338	156	72	3558
Unst	28	70	37	100	178	118	49	18	598
Walls	46	94	85	160	199	86	52	24	746
Whalsay	59	132	122	251	274	139	97	32	1106
Yell	43	116	93	192	347	149	94	26	1060
Total	1283	2622	2583	5654	6529	2594	1348	463	23076

North Isles

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-NorthIslesMASTERV4.pdf

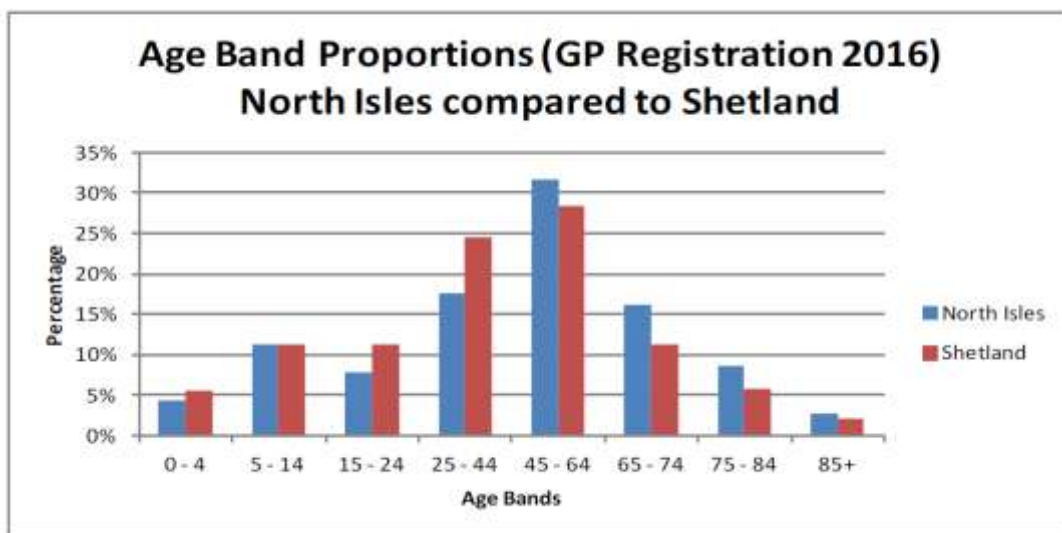
Age Profile of the North Isles Population

The information below is based on GP practice registrations for 2016. It shows the number of people registered with the Unst and Yell practices within a number of different age groups.

North Isles Practice's Patients Registrations

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
North Isles	71	186	130	292	525	267	143	44	1658

The graph below shows that the age profile of the patients registered with the Unst and Yell in 2016 is slightly different to the rest of Shetland with fewer young people and adults in the 15-44 age group and then more in all the older age groups, compared to Shetland as a whole. There are some differences between the age profiles in the Unst and Yell population, but the actual numbers are small. Having a slightly larger population of older people and a slightly smaller population of working age people could mean that the implications of an aging population for the provision of health and care services in the North Isles could be even more marked in this area compared to the rest of Shetland. The data is from 1st July 2016.



Service Points

The key assets for accessing health and social care services in the north isles are:

- Unst Health Centre
- Yell Health Centre
- Nordalea Care Home
- Isleshavn Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices. The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Unst Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	100%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	100%
I am treated with compassion and understanding	98%
Overall, how would you rate the care provided by your GP practice?	98%

Yell Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	87%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	92%
I am treated with compassion and understanding	95%
Overall, how would you rate the care provided by your GP practice?	91%
Overall, how would you rate the care you experienced out of hours?	67%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Nordalea Care Centre

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Nordalea, Unst	6	67	1	250	7	95	8

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Nordalea Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
29 June 2016	4- Good	No grade available	No grade available	4-Good
15 Oct 2015	5 – Very Good	5 – Very Good	4 – Good	4 - Good

Nordalea Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
6 Feb 2015	5 – Very Good	5 – Very Good	5 – Very Good	5 – Very Good
30 Jan 2012	5 – Very Good	5 – Very Good	Not assessed	Not assessed

Isleshavn Care Centre

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Isleshavn, Mid Yell	9	22	1	677	10	92	4

Isleshavn Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
10 Aug 2015	3 – Adequate	4- Good	4- Good	4-Good
15 Oct 2016	4- Good	4- Good	4 – Good	4 - Good

Isleshavn Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
29 June 2016	4- Good	No grade available	No grade available	4- Good
30 Jan 2012	4- Good	4- Good	4 – Good	4 - Good

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Unst Health Centre		Yell Health Centre	
	Number of Patients (and where given % of total registered)			
	Comment on data where pattern is not similar to other practices			
Smoking	155 patients (combined total), which is 9.3%			
Obesity	97	17%	205	19%, Highest
Hypertension	161	second highest	311	Highest
Asthma	51		91	
COPD ¹	8		13	
CHD ²	20		73	Significantly higher
Heart Failure	4		26	Second highest
Diabetes	42		76	Significantly higher
Stroke TIA ³	17	higher than average	30	Higher
Chronic Kidney or Renal Disease	32	high	72	Highest
Cancer	22		36	
Mental Health	7		6	
Depression	24		67	
Dementia	16 patients (combined total)			

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

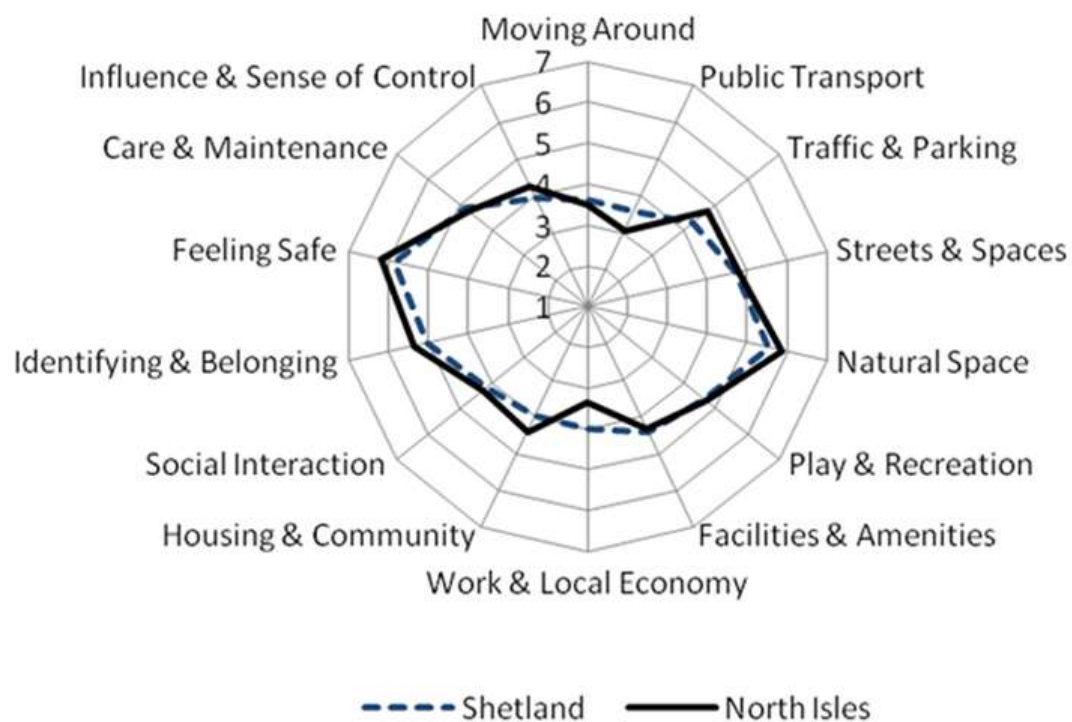
<http://www.shetland.gov.uk/placestandard.asp>

The top 3 considerations for the north isles were:

- Public transport
- Work and Local Economy
- Facilities and Amenities

Average Rating North Isles

1: A lot of room for improvement
7: No improvement required



North Mainland

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-NorthMainlandMASTERV4.pdf

Age Profile of the North Mainland Population

North Mainland Practices Patient Registrations North Mainland overall has roughly the same age distribution as Shetland, with slight differences – slightly more 15-64 year olds and slightly fewer 75 year olds and older. However, the differences are small scale (1 or 2%).

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
North Mainland	205	329	404	825	963	368	128	48	3270

Service Points

The key assets for accessing health and social care services in the north mainland are:

- Hillswick Health Centre
- Brae Health Centre
- North Haven Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices.

The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Hillswick Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	99%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	98%
I am treated with compassion and understanding	98%
Overall, how would you rate the care provided by your GP practice?	99%

Brae Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	90%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	97%
I am treated with compassion and understanding	84%
Overall, how would you rate the care provided by your GP practice?	91%

Overall, how would you rate the care you experienced out of hours?	80%
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Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

North Haven Care Centre

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
North Haven	13	54	2	312	15	93	12

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

North Haven Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
22 Jul 2016	4- Good	No grade available	No grade available	4-Good
17 Aug 2015	3 – Adequate	4 – Good	3- Adequate	3 - Adequate

North Haven Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
2 May 2016	4- Good	No grade available	No grade available	4- Good
6 May 2015	4- Good	4- Good	4- Good	3 - Adequate

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Further work done in Hillswick as part of a needs assessment project has shown a higher number of people with chronic conditions and higher rates of smoking in patients with chronic diseases, but not in the population as a whole. This project found that there are a group of people in that area with a number of related chronic conditions, where a focus on prevention and dealing with risk factors could make a big difference to their health.

Category	Hillswick Health Centre		Brae Health Centre	
	Number of Patients (and where given % of total registered)			
	Comment on data where pattern is not similar to other practices			
Smoking				
Obesity		Higher		High
Hypertension				
Asthma		Highest		
COPD ¹		Highest		
CHD ²		High		
Heart Failure		High		
Diabetes	207	Highest		
Stroke TIA ³				
Chronic Kidney or Renal Disease				
Cancer				
Mental Health				
Depression		Higher		Higher
Dementia				

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

<http://www.shetland.gov.uk/placestandard.asp>

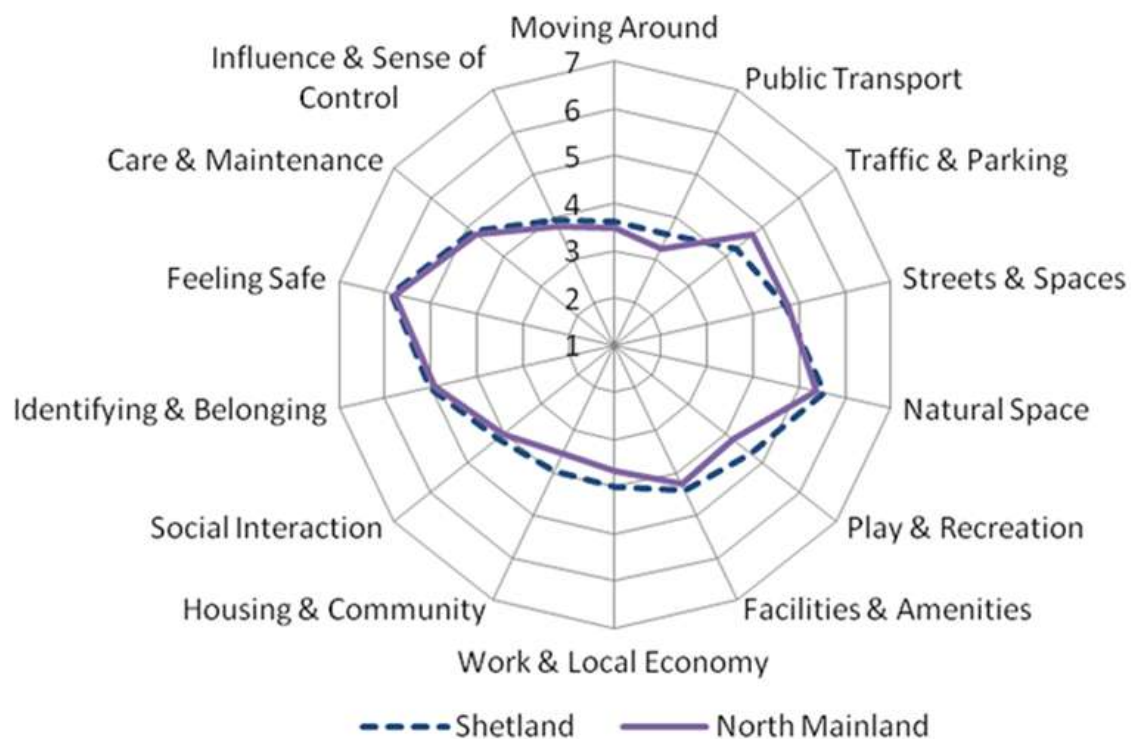
The top 3 considerations for the north mainland were:

- Public transport
- Housing and Community
- Work and Local Economy

Average Rating North Mainland

1: A lot of room for improvement

7: No improvement required



West Mainland

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-WestMainlandMASTERV4.pdf

Age Profile of the West Mainland Population

The information below is based on GP practice registrations: it shows the number of people registered with the Walls and Bixter practices within a number of different age groups.

The chart shows that the age profile of the patients registered with the West Mainland practices is similar to the rest of Shetland with slightly fewer adults in the 25-44 and 45-64 age groups.

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
West Mainland	136	234	217	438	508	217	122	41	1913

Bixter has a similar rate, or less, in the older age groups compared to the rest of Shetland, and more in the youngest age groups. Walls has a higher rate of people in the older age groups, and more in the very youngest age groups.

Service Points

The key assets for accessing health and social care services in the north isles are:

- Walls Health Centre
- Bixter Health Centre
- Wastview Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices. The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Walls Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	97%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	97%
I am treated with compassion and understanding	96%
Overall, how would you rate the care provided by your GP practice?	94%
Overall, how would you rate the care you experienced out of hours?	76%

Bixter Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	99%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	100%
I am treated with compassion and understanding	95%
Overall, how would you rate the care provided by your GP practice?	95%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Wastview Care Centre

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Wastview	13	96	2	88	15	88	12

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Wastview Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
2 May 2016	4- Good	No grade available	No grade available	4-Good
4 June 2015	4- Good	4- Good	4 – Good	3 - Adequate

Wastview Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
4 Feb 2016	5 – Very Good	5 – Very Good	4 – Good	4 – Good
21 Feb 2013	5 – Very Good	5 – Very Good	5 – Very Good	4 – Good

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Bixter Health Centre		Walls Health Centre	
	Number of Patients (and where given % of total registered) Comment on data where pattern is not similar to other practices			
Smoking	195 patients (combined total)			
Obesity	158	17% , High	49	8%
Hypertension	212		127	
Asthma	103		60	
COPD ¹	21		8	
CHD ²	37		16	
Heart Failure	10		12	
Diabetes	50		22	Lowest
Stroke TIA ³	22		28	Highest
Chronic Kidney or Renal Disease	81	Lower	12	Lower
Cancer	40		17	
Mental Health	7		10	
Depression	89	higher	22	Lower
Dementia	3	Lowest	15	Highest

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

<http://www.shetland.gov.uk/placestandard.asp>

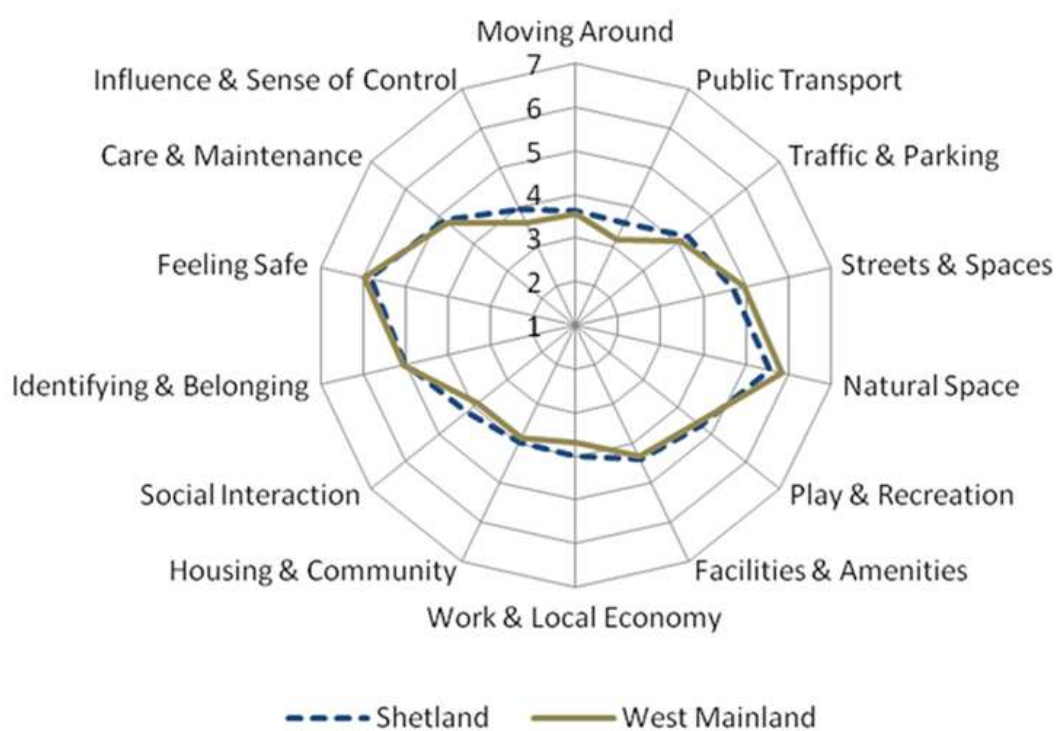
The top 3 considerations for the West Mainland were:

- Public transport
- Facilities and Amenities
- Work and Local Economy

Average Rating West Mainland

1: A lot of room for improvement

7: No improvement required



Whalsay and Skerries

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-WhalsaySkerriesMASTERV4.pdf

Age Profile of the Whalsay and Skerries Population

The information below is based on GP practice registrations for 2016. It shows the number of people registered with the Whalsay practice within a number of different age groups.

Whalsay Practice Patients Registrations

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
Whalsay & Skerries	59	132	122	251	274	139	97	32	1106

Whalsay and Skerries have slightly fewer adults in the 25-64 age group – although this equates to around 30 individuals – not a huge figure. They also have slightly more older adults in the 65-85+ age groups, compared to Shetland as a whole – these are only 1 or 2 %. We see an aging population which is slightly higher than the Shetland average, with fewer (than the Shetland average) middle aged working adults.

Service Points

The key assets for accessing health and social care services in Whalsay and Skerries are:

- Whalsay Health Centre
- Fernlea Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices. The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Whalsay Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	94%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	96%
I am treated with compassion and understanding	94%
Overall, how would you rate the care provided by your GP practice?	95%
Overall, how would you rate the care you experienced out of hours?	95%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Fernlea Care Centre

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Fernlea	8	88	2	77	10	88	8

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Fernlea Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
11 Dec 2015	4- Good	5 – Very Good	4 – Good	4-Good
23 Jan 2015	4- Good	5 – Very Good	4 – Good	4 - Good

Fernlea Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
23 Jan 2015	5 – Very Good	5 – Very Good	4 – Good	4-Good
2 Feb 2012	5 – Very Good	Not assessed	Not assessed	4-Good

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Whalsay and Skerries Health Centre	
	Number of Patients (and where given % of total registered) Comment on data where pattern is not similar to other practices	
Smoking		
Obesity		High
Hypertension		Higher
Asthma		
COPD ¹		
CHD ²		
Heart Failure		
Diabetes		
Stroke TIA ³		
Chronic Kidney or Renal Disease		Higher
Cancer		
Mental Health		Below Average
Depression		

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² Coronary Heart Disease

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Community Consultations

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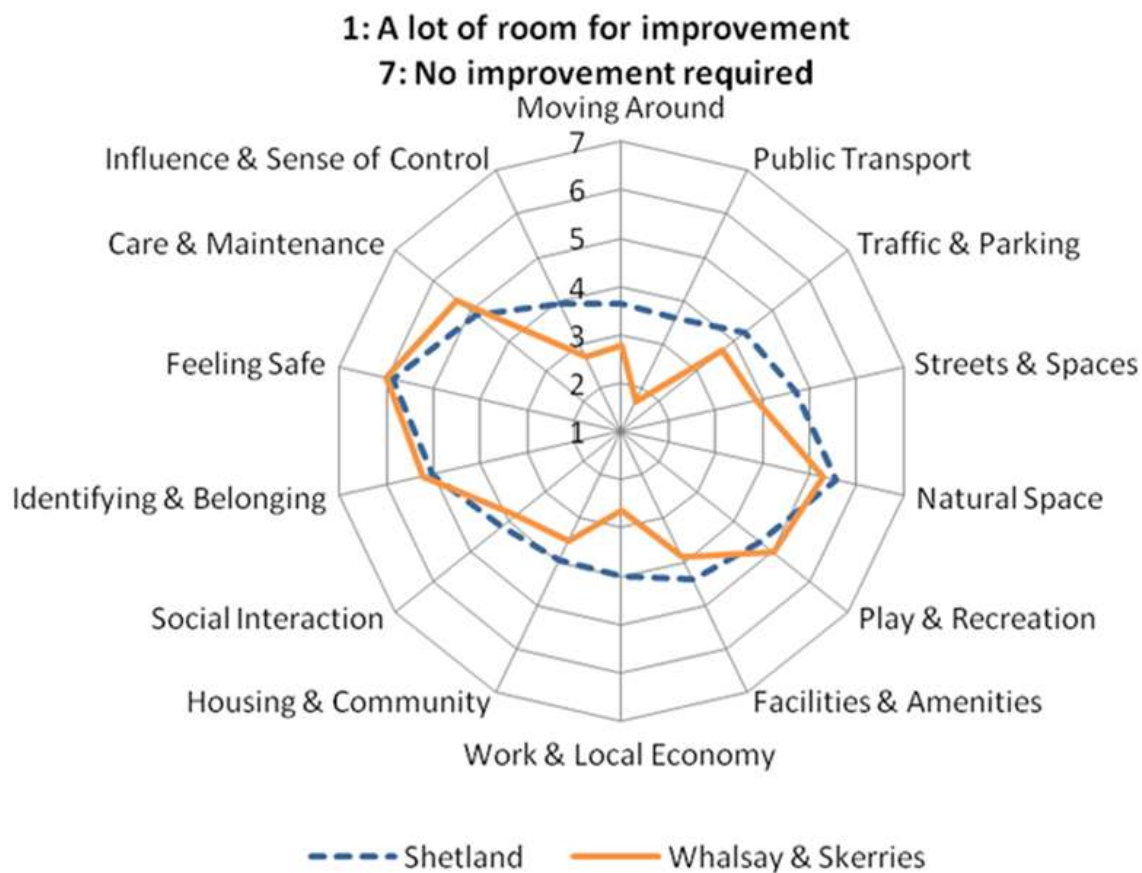
The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

<http://www.shetland.gov.uk/placestandard.asp>

The top 3 considerations for Whalsay and Skerries were:

- Public transport
- Facilities and Amenities
- Work and Local Economy

Average Rating Whalsay & Skerries



Central Mainland

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-CentralMainlandMASTERV4.pdf

Age Profile of the Central Mainland Population

The information below is based on GP practice registrations for 2016. It shows the number of people registered with the Scalloway practice within a number of different age groups.

Central Mainland Practices Patients Registrations

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
Central Mainland	248	456	346	993	949	338	156	72	3558

Central mainland has an age distribution roughly similar to the whole of Shetland. The 15-24 and 65-74 age groups are very slightly smaller in central mainland, whereas the 25-44 age group is larger, but the differences are small.

Service Points

The key assets for accessing health and social care services in the Central Mainland are:

- Scalloway Health Centre
- Walter and Joan Gray Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices. The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Scalloway Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	89%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	92%
I am treated with compassion and understanding	98%
Overall, how would you rate the care provided by your GP practice?	100%
Overall, how would you rate the care you experienced out of hours?	58%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Walter and Joan Gray Care Home

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Walter and Joan Gray Home	15	56	1	743	16	99	10

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Walter and Joan Gray Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
14 Oct 2015	4- Good	4- Good	4 – Good	4- Good
29 Aug 2014	4- Good	4- Good	4 – Good	4- Good

Walter and Joan Gray Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
30 Jan 2015	4- Good	4- Good	4 – Good	4- Good
3 Feb 2012	5 – Very Good	4- Good	Not assessed	Not assessed

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Salloway Health Centre	
	Number of Patients (and where given % of total registered) Comment on data where pattern is not similar to other practices	
Smoking		
Obesity		Lower
Hypertension		Low
Asthma		Above average
COPD ¹		Lower
CHD ²		
Heart Failure		
Diabetes	130	Below average
Stroke TIA ³		Lower
Chronic Kidney or Renal Disease		Lower
Cancer		
Mental Health		Higher
Depression		Higher

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

<http://www.shetland.gov.uk/placestandard.asp>

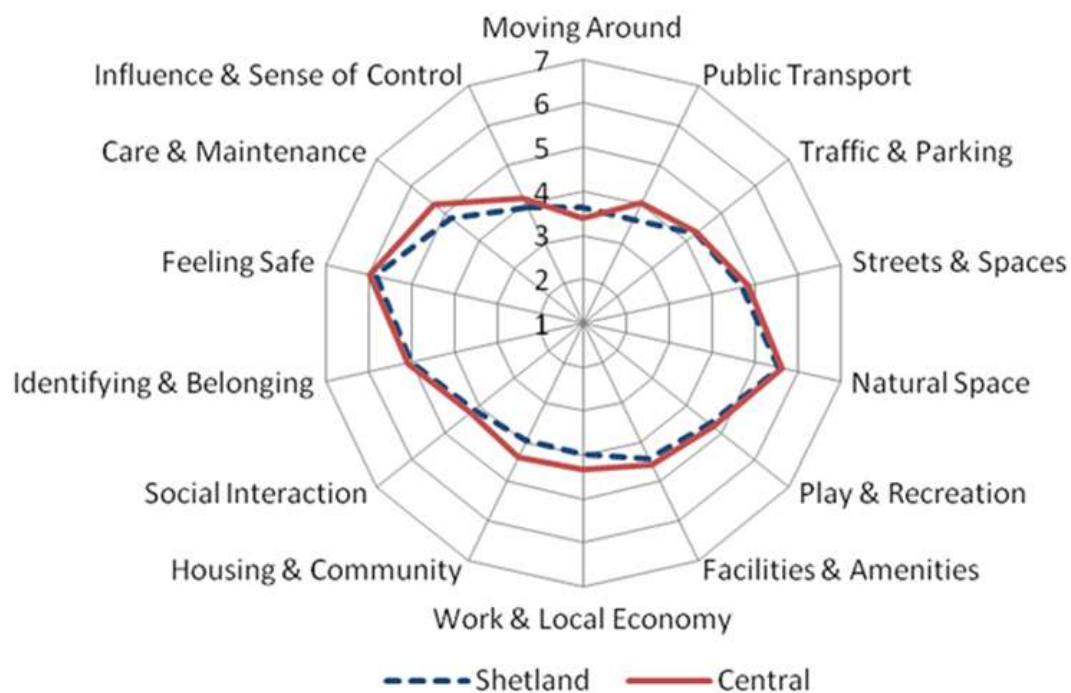
The top 3 considerations for Central Mainland were:

- Public transport
- Facilities and Amenities
- Housing and Community

Average Rating Central Mainland

1: A lot of room for improvement

7: No improvement required



Lerwick and Bressay

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-LerwickandBressayMASTERV4.pdf

Age Profile of the Lerwick and Bressay Population

The information below is based on GP practice registrations for 2016. It shows the number of people registered with the Lerwick practice within a number of different age groups.

Lerwick Practice's Patients Registrations

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
Lerwick & Bressay	436	962	1078	2263	2495	944	538	178	8894

Lerwick and Bressay have an age distribution very similar to the whole of Shetland. The 15-44 age group is fractionally larger in Lerwick and Bressay.

Service Points

The key assets for accessing health and social care services in Lerwick and Bressay are:

- Lerwick Health Centre
- Gilbert Bain Hospital
- Ewarard Thomason and Taing House Care Home
- Montfield Support Services
- Independent Living Resource Centre

The Scottish Government arranges an annual survey of patient experience in attending GP practices. The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Lerwick Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	34%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	87%
I am treated with compassion and understanding	84%
Overall, how would you rate the care provided by your GP practice?	79%
Overall, how would you rate the care you experienced out of hours?	83%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Edward Thomason and Taing House and Montfield Support Services

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Edward Thomason and Taing House, Lerwick	38	97	3	38	41	93	12
Montfield, Lerwick	2	100	15	81	17	83	

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Edward Thomason and Taing House Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
27 Sept 2016	5 – Very Good	Not assessed	Not assessed	5 – Very Good
1 Dec 2015	4- Good	5 – Very Good	4- Good	4- Good

Edward Thomason and Taing House: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
27 Sept 2016	5 – Very Good	Not assessed	Not assessed	5 – Very Good
1 Dec 2015	4- Good	5 – Very Good	4- Good	4- Good

Montfield: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
27 May 2016	5 – Very Good	No grade available	No grade available	5 – Very Good
2 July 2015	4- Good	4 - Good	4- Good	4- Good

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Lerwick Health Centre	
	Number of Patients (and where given % of total registered) Comment on data where pattern is not similar to other practices	
Smoking		
Obesity		Fewer
Hypertension		
Asthma		Below average
COPD ¹		
CHD ²		
Heart Failure		Lower
Diabetes	328	Lower
Stroke TIA ³		
Chronic Kidney or Renal Disease		
Cancer		
Mental Health		Above Average
Depression		Higher

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

<http://www.shetland.gov.uk/placestandard.asp>

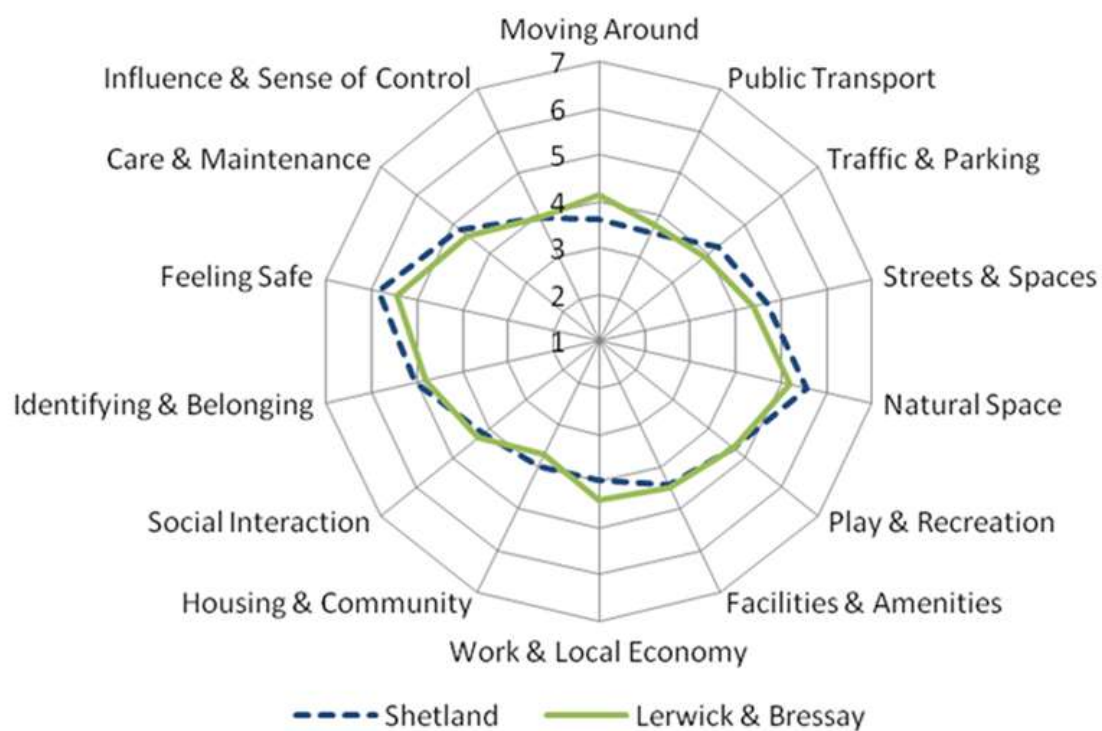
The top 3 considerations for Lerwick and Bressay were:

- Housing and Community
- Work and Local Economy
- Public Transport

Average Rating Lerwick & Bressay

1: A lot of room for improvement

7: No improvement required



South Mainland

Main Report

The full analysis can be found at:

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/HealthandSocialCareIntegration-SouthMainlandMASTERV4.pdf

Age Profile of South Mainland Population

South Mainland has slightly more people in the 45-64 age group, and slightly fewer in the 25-44 age group, compared to Shetland as a whole, but overall the age distribution is similar to Shetland.

Age Group	0 - 4	5 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75 - 84	85+	Total
South Mainland	128	323	286	592	815	321	164	48	2677

Service Points

The key assets for accessing health and social care services in the South Mainland are:

- Levenwick Health Centre
- Overtonlea Care Home

The Scottish Government arranges an annual survey of patient experience in attending GP practices.

The most recent scores are shown below (<http://www.hace15.quality-health.co.uk/index.php/reports/gp-practice-reports>).

Levenwick Health Centre

Statement	Result 2015-16
Overall, how would you rate the arrangements for getting to see a doctor in your GP practice?	75%
Overall, how would you rate the arrangements for getting to see a nurse in your GP practice?	94%
I am treated with compassion and understanding	92%
Overall, how would you rate the care provided by your GP practice?	93%
Overall, how would you rate the care you experienced out of hours?	65%

Care services are subject to regular inspection through the Care Inspectorate. The most recent scores are set out below (<http://www.careinspectorate.com/>).

Overtonlea Care Home

Establishment	Permanent Residential Places (No)	Permanent Residential Places (% Occupancy, Sept 2016)	Respite / Short Stay Places (No)	Respite Residential Places (% Occupancy, Sept 2016)*	Total Places (No)	Occupancy at September 2016 (%)	Day Care Places (No)
Overtonlea	13	62	2	287	15	85	12

* The Director can adjust the use of beds between 'residential' and 'respite' to suit need.

Overtonlea Quality Grades: Care Home

Date	Care and Support	Environment	Staffing	Management and Leadership
18 Nov 2016	4- Good	Not assessed	Not assessed	4- Good
10 Dec 2015	4- Good	4- Good	4- Good	4- Good

Overtonlea Quality Grades: Support Services

Date	Care and Support	Environment	Staffing	Management and Leadership
4 Feb 2015	5 – Very Good	4- Good	4- Good	4- Good
27 Jan 2012	5 – Very Good	Not assessed	Not assessed	4- Good

Health Risk Factors

The next section assesses the prevalence of various conditions by GP practice area.

A higher recording for a practice may reflect differences in recording methods or projects to target specific conditions; it is not necessarily an accurate reflection of a 'better' or 'worse' health profile without further investigation.

The small numbers involved also make it difficult to draw specific conclusions.

Category	Levenwick Health Centre	
	Number of Patients (and where given % of total registered) Comment on data where pattern is not similar to other practices	
Smoking		
Obesity		Lower
Hypertension		Low
Asthma		
COPD ¹		Below average
CHD ²		Below average
Heart Failure		Very Low
Diabetes		Below average
Stroke TIA ³		Lower
Chronic Kidney or Renal Disease		
Cancer		Below average
Mental Health		Below average
Depression		Below average

¹ Chronic Obstructive Pulmonary Disorder

² Coronary Heart Disease

³ Transient Ischaemic Attacks

Community Consultations

The Shetland Place Standard Consultation took place between 14th June to 10th July 2016. A total of 939 people responded to this public consultation, and there were 4,840 individual comments.

The results of the consultation are presented below, outlining respondents' views on how they feel about where they live. The results are presented as 'spider' diagrams, showing the average rating for each of the 14 questions in the Place Standard survey for each of the seven localities.

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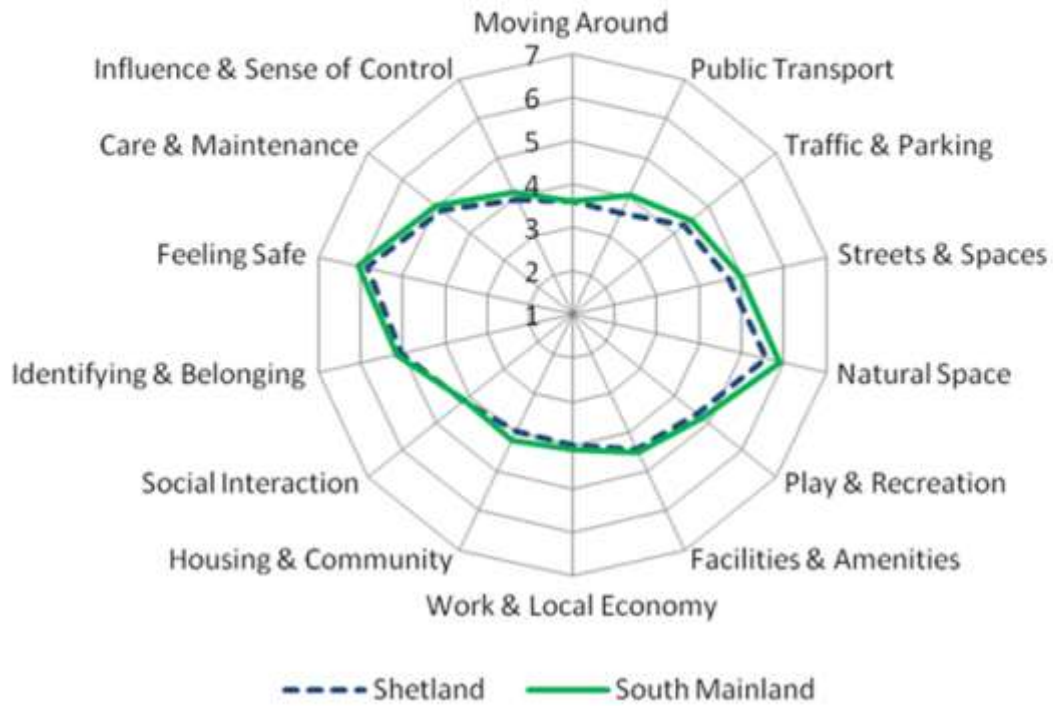
The top 3 considerations for the South Mainland were:

- Public Transport
- Facilities and Amenities
- Work and Local Economy

Average Rating South Mainland

1: A lot of room for improvement

7: No improvement required



Appendix 2, Service Plans

Roles and Responsibilities

The Partners are:

IJB	the Integration Joint Board, which is the formal arrangements for Shetland Islands Health and Social Care Partnership
NHS Board	Shetland Health Board
SIC	Shetland Islands Council

Delegation

The extent to which each organisation can approve the Strategic Commissioning Plan and direct activity, through the Service Plans, is determined by the Shetland Islands Health and Social Care Partnership Integration Scheme 2015.

http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/SHSCPartnershipIntegrationScheme15May2015.pdf

Service Plans

Detailed Service Plans are included (to follow) as an integral part of Strategic Commissioning Plan. These are the means by which services will respond to the needs assessment.

The Integration Scheme is mainly for adults aged over 18. However, some services are not easily delineated between children and young people and adult services, and transition into adulthood is an intrinsic part of some service offerings (eg for adults with learning disabilities). The Service Plans have been built around natural groupings of services and those which may include children services are highlighted in the schedule below.

Each service falls within a Category as described below.

- **Category A** services - the community health and social care services which are wholly integrated and wholly delegated to the Integration Joint Board within the managerial responsibility of the Chief Officer;
- **Category B** services – certain acute and hospital based services which support integration, referred to as ‘set aside’ services and managed outwith the IJB;
- **Category C** services – other local health services which are included in the Plan in the interest of having a holistic oversight of all health and care services. These are also managed outwith the IJB.

Schedule

Service Area	Category A	Category B	Category C	Children and Young People
Adult Services	√			Transition
Adult Social Work	√			
Allied Health Professionals	√			Yes
Carers	√			Yes
Community Care Resources	√			
Community Nursing	√			
Criminal Justice	√			
Domestic Abuse	√			Yes
Health Improvement		√		
Intermediate Care	√			
Mental Health	√			
Oral Health	√			Yes
Pharmacy and Prescribing	√	√		Yes
Primary Care	√			Yes
Renal		√		
Sexual Health		√		
Substance Misuse	√			Yes
Suicide Prevention	√			Yes
Unscheduled Care		√		Yes
Child and Family Health			√	Transition
Elective Services			√	Yes
Biomedical Sciences			√	Yes
Scheduled / Planned Care			√	Yes
Public Health			√	Yes
Human Resources and Support Services			√	
Finance			√	
Estates, Facilities and Medical Physics			√	

Purpose of Direction

The detailed Service Plans which will form the basis of the 'direction' from the Integration Joint Board to NHS Shetland and Shetland Islands Council.

The 'Direction' is defined in the Integrated Resource Advisory Group Finance Guidance as a, 'written instruction from the integrated authority that an integrated function must be carried out by a particular person, eg the Local Authority or Health Board which is binding on the recipient'.

The 'Direction' is the specific instruction from the Integration Joint Board which requires NHS Shetland and Shetland Islands Council to:

- Deliver the Strategic Commissioning Plan by providing the services as set out in the Service Plan;
- Delivers the services within the budget and resources described in the Strategic Commissioning Plan;

- Delivers the services within the overall strategic and policy framework which supports both service delivery and back office support functions;
- Undertakes to implement to the agreed timescale all the service change, savings or efficiency projects set out in the Strategic Delivery Plan;
- Puts in place the necessary performance monitoring arrangements to reassure the IJB that:
 - services within the Strategic Commissioning Plan are being delivered;
 - that service standards and performance targets are being met;
 - that the services are provided within budget;
 - the projects are being implemented on time; and
 - remedial action is being taken as necessary if expected performance is not achievable.
- Regularly review the strategic and operational risks of delivering the plan and puts in place arrangements to reassure the IJB that the risks are well managed and appropriate mitigation is in place.

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Adult Services (Learning Disability and Autism Spectrum Disorder)	Day Care, Housing, Learning, Employment and Leisure	Number of service users 155. No daycare clients at Newcraigielea is 20. Number of respite beds at Newcraigielea is 9 (4 of which are currently used).	51 young people under 16 years of age who will transition into Adult Services. As the population of people with a learning disability and autism spectrum disorder grows larger and are reaching older age, they will experience issues associated with older age.	Number of incidents of emergency respite provided for adults with Learning Disability / Autistic Spectrum Disorder.	Consistently achieving zero.
				Number of adults with LD/ASD obtaining a recognised qualification in lifelong learning; personal development; maintaining skills.	Target no. 35, no data supplied
Adult Social Work	Screening referrals to establish whether or not a social work response is required. This area of work may result in no further action, offer of advice, signposting or referral to other service areas, referral to social work assessment. Assessment of social need and care management – assess whether or not an adult (aged 18 or over) requires support. For complex cases the team will manage the case, this is called care management. Mental Health assessment, support and intervention – assess whether or not an individual requires support due to a mental health disorder. There are a number of specific functions only a Mental Health Officer can perform.	220 Clients		Percentage of assessments completed on time.	Target 100%, achieving 92% at Quarter 2 2016-17.
				Percentage of reviews completed on time.	Target 100%, achieving 90% at Quarter 2 2016-17.
				How satisfied are residents with local social care / social work services (annual)	Target 80% 2014-15, achieved 85%.

Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Carers	Carers' support groups. Outreach services. Information / Advice / Newsletters / Websites. Short Breaks. Other services enabling carers to have a break from their caring role. Specific services for young carers.	2,034 Unpaid Carers (Carer's Information Strategy)	Local research shows that by 2020 we can expect to see a 3-fold increase in the number of people with disabilities who will need Community Health and Social Care services from the numbers in 2000. Population projections for the next 15 years predict an increase in the numbers of older people of approximately 40% and simultaneously a 15% decrease in the adult working population. Consequently the need for unpaid and family carers is going to grow for the foreseeable future.		
Residential care used for long term care or short breaks (respite)	Community Care Resources provides services to adults in need across Shetland. Our purpose is to enable people to remain within their own homes and communities by providing person centred care to increase or maintain levels of independence, self-care and self-managed care. The service works in partnership to reduce unplanned, emergency and inappropriate admissions to hospital and facilitate early discharge from hospital wherever possible. The service is delivered from a number of localities around Shetland	Number of beds (used for permanents, respite and short breaks) is 149 (occupancy 91% at September 2016). At September 2016, the waiting list of residential care was 15.	Shetland's Older People's Strategy evidences the demographic changes that Shetland is facing with an ageing population, increasing prevalence of long term conditions and increasing multiple morbidity. It is suggested that the number of people aged 65 or over is 38% greater than in 2006 and will be 92% greater by 2031. The service is seeing an increase in requests for carer support, particularly respite care and day care. The service is seeing unmet need in day care provision and its ability to respond to immediate unscheduled care.	Percentage of people 65 and over receiving intensive care package (over 10 hours per week) in their own home rather than a care setting.	Target 40%, achieving 50% at Quarter 2 2016-17.
Day services		The number of available day care places is 78.		Number of 65 and over receiving Personal Care at Home	Target no. 200, achieving 208 at Quarter 2 2016-17.
Care at home		Clients receiving personal care is 223. Intensive care packages as an alternative to residential care is 72.		Increasing number of people receiving home monitoring for health and social care (technology enabled care).	Target no. 599, achieving 672 at Quarter 2 2016-17.

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Domestic		Clients receiving domestic care is 171		Delayed Discharge from Hospital - no delays exceeding 14 days.	Target no. 2, achieving 2 at Quarter 2 2016-17.
Meals on Wheels				Occupancy of Care Homes	Target 90%, achieving 90% Quarter 2 2016-17.
				Proportion of last 6 months of life spent at home or in community settling (annual)	Target 91% 2014-15, achieved 92%.
Community Nursing	District Nurses, Practice Nurses, Advance Practitioner Nurses, Specialist Nurses, Non Doctor Islands, Out of Hours and Intermediate Care Team			Number of anticipatory care plans in place.	Target 700, achieving 940 at Quarter 2 2016-17.
				Percentage of Catheter Associated Infections in individuals with an indwelling urinary catheter.	Consistently achieving 0%.
Criminal Justice	The Shetland Islands Council has had a statutory duty to provide criminal justice social work services for individuals awaiting sentencing; subject to community based disposals or custodial sentences. The Service ensures that all people who are referred to the service are appropriately assessed, supervised and risk managed. The service works predominantly with individuals over the age of 16 years and is responsible for the delivery and development of all criminal justice social work services throughout Shetland. This includes the production of court reports and risk assessments to aid the Court in making effective sentencing decisions; reducing reoffending and public protection through supervision and management of offenders who are subject to		There has been a significant increase in the number of Supervision and Unpaid Work requirements compared to the previous years and this has placed increased pressure on a small team.	Percentage of Offenders (supervision) seen within 5 working days of the order being made.	Consistently achieving 100%.
			The service continues to work closely with colleagues in other agencies to ensure that individuals receive the best service possible. Over the past year we have seen an increase in offences that involve violence, domestic abuse, sexual offences and public disorder and we are working with partners to ensure our joint working processes remain effective. Supervision and Unpaid Work Requirements remain the most	Percentage of court reports submitted on time.	Consistently achieving 100%.
				Risk and need assessment completed and case management plans in place within 20 days.	Consistently achieving 100%.
				Unpaid work commenced within 7 working days	Target 100%, achieving 67% Quarter 2 2016-17.

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
	management of offenders who are subject to community based sentences and rehabilitation of offenders who have been subject to custodial sentences. The service also offers support and advice to family members.		work requirements remain the most frequently used disposals and this allows the service to work in a proactive manner with offenders.	Percentage of individuals showing a decrease in assessed risk and need at end of order.	Target 75%, achieving 65% in 2015-16.
Domestic Abuse	Domestic Abuse and other gender based violence services are delivered by a number of organisations. The services cover adult and child protection, criminal justice, housing (including a refuge service), criminal justice, A&E, Substance Misuse and Mental Health, Victim Support, Rape Crisis and specialist advice, support and counselling through Shetland Women's Aid.				
Intermediate Care	Reduce unplanned admissions to hospital or long term care, enhance discharge planning from hospital			Delayed Discharge from Hospital - no delays exceeding 14 days.	Target no. 2, achieving 2 at Quarter 2 2016-17.
Mental Health	Community Psychiatry Services, Community Psychiatric Nursing Service, Psychological Therapies Service, Substance Misuse Recovery Service, Dementia Services.		Prevalence increasing.	People newly diagnosed with dementia will have a minimum of 1 years post-diagnostic support	Target 50% (interim measure), achieving 43.7% Quarter 2 2016-17
				People with a diagnosis of dementia on the QOF dementia register	Target no. 184, achieving no. 173 in Quarter 2 2016-17.
				18 weeks referral to treatment for Psychological therapies	Target 90%, achieving 77% Quarter 2 2016-17
				Admission Rates to Psychiatric Hospitals	Target no. 6, achieving 3 at Quarter 2 2016-17 (proxy measure for effectiveness of local services)

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Oral Health	Primary Dental Care will be provided predominantly through independent NHS practices. Public Dental Service will cover: special needs; remote and rural; public health; oral health promotion; specialist services.			Number of people who are waiting to register with the Public Dental Service for ongoing care.	Target 500, achieving 704 at Quarter 2 2016-17.
				The ratio of WTE primary care dentists providing NHS oral health care to the total resident population of Shetland.	Target 1,670, achieving 2,167 at Quarter 2 2016-17.
				Decay experience of children in P1: percentage of children with no obvious caries in deciduous teeth (children aged 5-6 years in P1 attending SIC primary schools).	Target 75% in 2015-16, achieved 79%.
				The percentage of the adult populations who are registered with Shetland dentists for NHS dental care.	Achieving 84% in 2015-16.
				The percentage of the child populations who are registered with Shetland dentists for NHS dental care.	Achieving 94% in 2015-16.
Pharmacy and Prescribing	Community and Hospital Prescribing Services			Percentage rate of antibiotic prescribing in relation to Scottish average.	Target 99%, achieving 96.1% at Quarter 2, 2016-17.
				Number of polypharmacy reviews completed.	Target no. 30, achieved no. 121 at Quarter 2 2016-17. (Nos fluctuate)
				Number of discharge prescriptions dispensed out of hours by nursing staff.	Target no. 48, achieving 34 at Quarter 2 2016-17. (Nos fluctuate).
				Percentage spend for Shetland on GP Prescribing compared to the national average.	Target 99%, achieving 97% Quarter 2 2016-17.

Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Primary Care	GP Services and Ophthalmic Services (Pharmacy and Dental included elsewhere)	23,076 (approximate, services are delivered to all Shetland residents, plus temporary residents e.g. People on holiday, cruise ships etc)	Increased number of residents with long term conditions (asthma, diabetes, high blood pressure); increased numbers of frail elderly in the community requiring additional support to remain at home. Analysis of LHC appointments alone has shown that the number of GP and ANP appointments increased by 26% from 23,773 in 2014-15 to 29,933 in 2015-16	48 hour access or advance booking to an appropriate member of the GP team	Annual target 90%, achieved 76% in 2015-16.
				Percentage access to a primary care health professional for on the day requests at any Shetland Health Centre.	Consistently achieving 100%.
				Percentage access to a primary care health professional for an appointment within 48 hours at any Shetland Health Centre.	Consistently achieving 100%.
Substance Misuse	Information and advice, screening and referrals, treatment, residential treatment (outwith Shetland) and aftercare	200 in Substance Misuse Recovery Service (SMRS)	People living longer with long term health and social needs caused by drug misuse	Clients will wait no longer than 3 weeks from referral received to appropriate alcohol treatment that supports their recovery.	Target 90%, achieving 100% at Quarter 2 2016-17
		12 in Bike Project (Employability Pathway)	Radily changing landscape due to new psycho-active substances (such as legal highs / research chemicals).	Clients will wait no longer than 3 weeks from referral received to appropriate drug treatment that supports their recovery.	Target 90%, achieving 78% at Quarter 2 2016-17 (7 of 9 clients)
			Alcohol continues to be the most significant cause of social, health, financial issues which individuals/families and communities face (LOIP)	Sustain and embed alcohol brief interventions in 3 priority settings and broaden delivery in wider settings.	Target no. 129, achieved 77 at Quarter 2 2016-17
			When comparing against Scotland the male prevalence of problem drug use in Shetland is significantly worse		

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Nutrition and Dietetics	Dieticians assess, diagnose and treat diet and nutrition problems at an individual and wider public health level. They use the most up-to-date public health and scientific research on food, health and disease, which they translate into practical guidance to enable people to make appropriate lifestyle and food choices. Dieticians treat complex clinical conditions such as diabetes, food allergy and intolerance, IBS syndrome, eating disorders, chronic fatigue, malnutrition, kidney failure and bowel disorders. They provide advice to caterers to ensure the nutritional care of all clients in NHS and other care settings such as care homes, they also plan and implement public health programmes to promote health and prevent nutrition related diseases. A key role of a dietician is to train and educate other health and social care workers. Dieticians also advise on diet to avoid the side effects and interactions between medications.				

Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Occupational Therapy	Occupational therapy takes a whole-person approach to both mental and physical health and wellbeing, enabling individuals to achieve their full potential. It provides practical support to enable people to facilitate recovery and to overcome any barriers that prevent them from doing the activities (occupations) that matter to them. This helps to increase people's independence and satisfaction in all aspects of life. Occupational therapists work with adults and children of all ages with a wide range of conditions; most commonly those who have difficulties due to a mental health illness, physical or learning disabilities. They can work in a variety of settings including health organizations, social care services, housing, education and voluntary organisations. In Shetland the Occupational Therapy Team provides Occupational Therapy Assessments at home, in the Gilbert Bain Hospital or as outpatient appointments, a rehabilitation and reablement service, advice, Wheelchair Assessments and Blue Badge Assessments			Number of people waiting longer than nationally agreed referral to assessment timescales for an occupational therapy assessment (count).	Target no. 10, achieving 12 at Quarter 2 2016-17 (nos fluctuate).

Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Orthotics	Orthotists provide gait analysis and engineering solutions to patients with problems of the neuro, muscular and skeletal systems. They are able to design and provide orthoses that modify the structural or functional characteristics of the patients' neuro-muscular and skeletal systems enabling patients to mobilise, eliminate gait deviations, reduce falls, reduce pain, prevent and facilitate healing of ulcers. They treat patients with a wide range of conditions including Diabetes, Arthritis, Cerebral Palsy, Stroke, Spina Bifida, Scoliosis, MSK, sports injuries and trauma.			Percentage Waiting Time from referral to Treatment for Orthotics Services (18 weeks).	Target 90%, achieving 100%.
Physiotherapy	Physiotherapists help people affected by injury, illness or disability through movement and exercise, manual therapy, education and advice. They maintain health for people of all ages, helping patients to manage pain and prevent disease. The profession helps to encourage development and facilitate recovery, enabling people to stay in work while helping them to remain independent for as long as possible. Physios use their knowledge and skills to improve a range of conditions associated with different systems of the body, such as: Neurological (stroke, multiple sclerosis, Parkinson's); Neuromusculoskeletal (back pain, whiplash associated disorder, sports injuries, arthritis); Cardiovascular (chronic heart disease, rehabilitation after heart attack); Respiratory (asthma, chronic obstructive pulmonary disease, cystic fibrosis).	2,576	Increase year on year of 35% since 2010.	Percentage Waiting Time from Referral to Treatment for Physiotherapy Services (18 weeks).	Target 90%, achieving 99%.

Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Podiatry	Podiatrists triage, assess, diagnose and treat the full range of podiatric conditions of the foot and lower limb. We provide treatment for nail management, wound management, vascular and neurological assessment, advise on foot health and footwear, provide advise and practical solutions for personal footcare, work with the multidisciplinary "high risk limb" team, musculoskeletal clinics, manufacture and prescription of orthoses, nail surgery, undertake diabetic foot screening and assessment, assist patients in preventing trips and falls, work towards prevention of foot problems therefore reducing non-planned hospital admissions, provide treatment for patients with long term conditions (LTC), work jointly with other health care professionals, provide training to care workers, hold joint assessments with Physiotherapy and work closely with the Shetland Voluntary Nail Cutting Service (SVNCS)			Percentage Waiting Time from Referral to Treatment for Podiatry Services (18 weeks)	Target 90%, achieving 100% Quarter 2 2016-17.
Speech and Language Therapy	Speech and language therapists (SLTs) provide life-improving treatment, support and care for children and adults who have difficulties with communication, eating, drinking or swallowing. SLTs assess and treat speech, language and communication problems in people of all ages to help them communicate better. They also assess, treat and develop plans to support people who have eating and swallowing problems. Using specialist skills, SLTs work directly with clients and their carers and provide them with tailored support. They work closely with teachers and other health professionals such as nurses, doctors and other AHPs and psychologists to help develop programmes.	94 (of whom 34 with learning disabilities)			

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Appendix 3

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance
Health Improvement	Information and advice, awareness raising / training and preventative work (focus on: smoking; inequalities; obesity; alcohol and mental health)				
Unscheduled Care	Emergency or unplanned service responses in community, hospital or specialist settings, including (list limited to integrated services): community nursing and primary care out of hours services; Accident and Emergency service; admission to hospital for medical services			4 hours from arrival to admission, discharge or transfer for A&E treatment.	Target 98%, achieving 95% Quarter 2 2016-17 (582 presentations out of 627 left A&E within 4 hours)

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance

Strategic Commissioning Plan
Schedule of Integrated Services - Category A and B Services Only

Service Area	Services Summary	Number of Service Users	Specific Trends (where given)	Performance Measures	Performance

Housing Contribution Statement

March 2016

Introduction

The Housing Contribution Statement (HCS) is a statutory requirement, as set out in the Government's Housing Advice Note, 'Statutory Guidance to Integration Authorities, Health Boards and Local Authorities on their responsibilities to involve housing service in the Integration of Health and Social Care, to support the achievement of the National Health and Wellbeing Outcomes'.

The HCS sets out the contribution of housing and related services in Shetland towards helping achieve priority outcomes for health and social care. It serves as a key link between the Strategic Commissioning Plan and the Local Housing Strategy and supports improvements in aligned strategic planning and the shift to prevention.

As a local housing authority, the Council has a statutory duty and a strategic responsibility for promoting effective housing systems covering all tenures and meeting a range of needs and demands.

The Council's strategic housing plan is articulated in the Local Housing Strategy¹ which is underpinned by the robust and credible evidence from the Housing Need and Demand Assessment (HNDA)².

Health & Social Care Partnership

The Public Bodies (Joint Working) (Scotland) Act 2014 establishes the legal framework for integrating health and social care to ensure joined-up, seamless services. In 2015 the Integrated Joint Board (IJB) was established as a separate legal entity.

The IJB has a responsibility to produce a Strategic Plan by April 2016.

The Executive Manager – Housing is represented on the Strategic Planning Group to actively promote the housing sector's role in health and care integration. The Chief Executive of Hjalmland Housing Association is also a member of the Strategic Planning Group.

¹ http://www.shetland.gov.uk/housing/policies_housing_strategy.asp

² http://www.shetland.gov.uk/housing/policies_housing_need.asp

National Outcomes

The national health and wellbeing outcomes to be delivered through integration set out 9 specific outcomes. Outcome 2 is of particular relevance to setting out the housing contribution.

Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.

Locality Planning

Locality planning has been established and unified in Shetland at a Community Planning level. This means that strategic documents such as the LHS reflect the same 7 localities. This will allow for integration of services operationally as the local implementation plans develop.

Delegated Function

The Act sets out a range of health and social care functions, including functions under housing legislation which 'must' or 'may' be delegated to the IJB. These are contained in the Health and Social Care Integration Scheme approved in June 2015.

The housing functions that are delegated to the IJB are:

- Housing Adaptations (General Fund and Housing Revenue Account) – an adaptation is defined in housing legislation as an alteration or addition to the home to support the accommodation, welfare or employment of a disabled person or older person, and their independent living. The General Fund adaptations are carried out by Hjaltland Housing Association through their One-Stop-Shop and are for owner occupiers and tenants of private landlords. The Housing Revenue Account is where any adaptations for tenants of Council houses are funded.

Other housing functions which have a close alignment with health and social care outcomes but are not part of any delegated functions are:

- Housing support services and homelessness
- Other wider functions to address future housing supply, specialist housing provision and measures to address fuel poverty.

Local Housing Strategy

The Local Housing Strategy (2011-2016) sets out the vision for Housing in Shetland:

“to work in partnership to enable everyone in Shetland to have access to: A choice of affordable housing options across all tenures that are warm and safe, energy efficient and in keeping with the Shetland environment, of good quality and in good repair, able to meet demand and the particular needs of households in inclusive and vibrant communities.”

The Local Housing Strategy sets out 5 key themes/priorities:

- Future Housing Supply
- Fuel Poverty
- Housing Support/Housing for an Ageing Population
- Homelessness
- Private Sector Housing

All of the key themes of the LHS are relevant to the HCS.

Key Issues for Shetland

Housing Profile

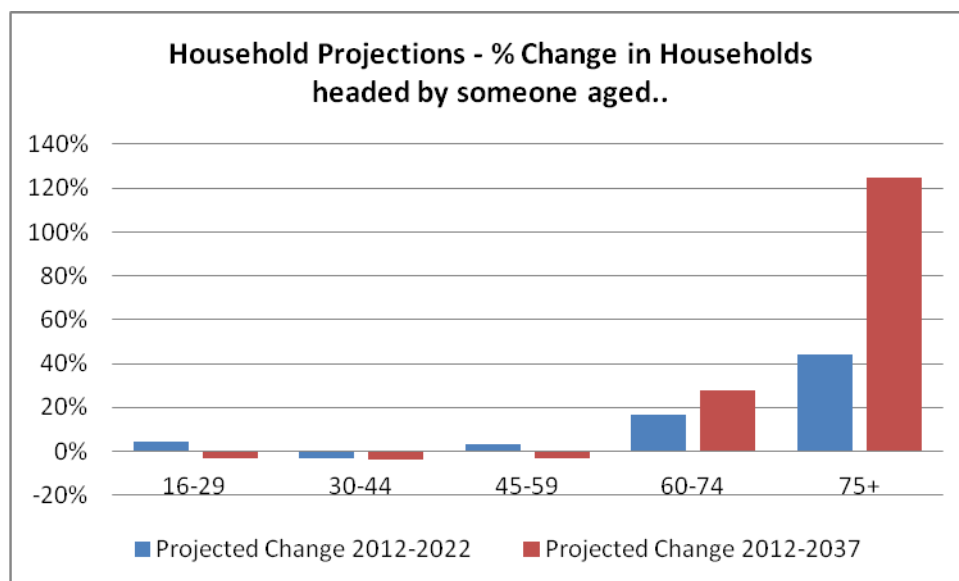
Population	<ul style="list-style-type: none"> • 23,230³ • 3,946 (17%) aged over 60 years
Households	<ul style="list-style-type: none"> • 10,201 • 9.8% increase 2004-2014 • Average household size 2.26 • 3.8% decrease 2004-2014
Household Composition	<ul style="list-style-type: none"> • 33% single adult households⁴ • 58% small family households • 8% large family households
Dwellings	<ul style="list-style-type: none"> • 10,950 • 8.2% increase 2004-2014
Completions	<ul style="list-style-type: none"> • Annual average 94 (2010-2015) • 47% Affordable housing • 53% Private housing
Tenure	<ul style="list-style-type: none"> • 65% Owner occupied • 24% Social rented • 9% Private rented • 2% other
Specific needs	<ul style="list-style-type: none"> • 83% of the population do not consider that they are limited by a disability⁵
Specific Housing Provision	<ul style="list-style-type: none"> • 273 sheltered houses (social rented) • 25 extra care units (social rented) • 15 Homes for Life units (social rented in pipeline)
Adaptations	<ul style="list-style-type: none"> • 223 adaptations to private sector properties through Scheme of Assistance since 2011 • 70% to provide level access shower • 15% to provide ramped access • 8% both shower and ramp provision • 3% to provide WC upstairs/downstairs • 3% extension/conversion • 1% driveway/external access • Adaptations to Council properties in graph below

³ GRO Scotland mid-2014

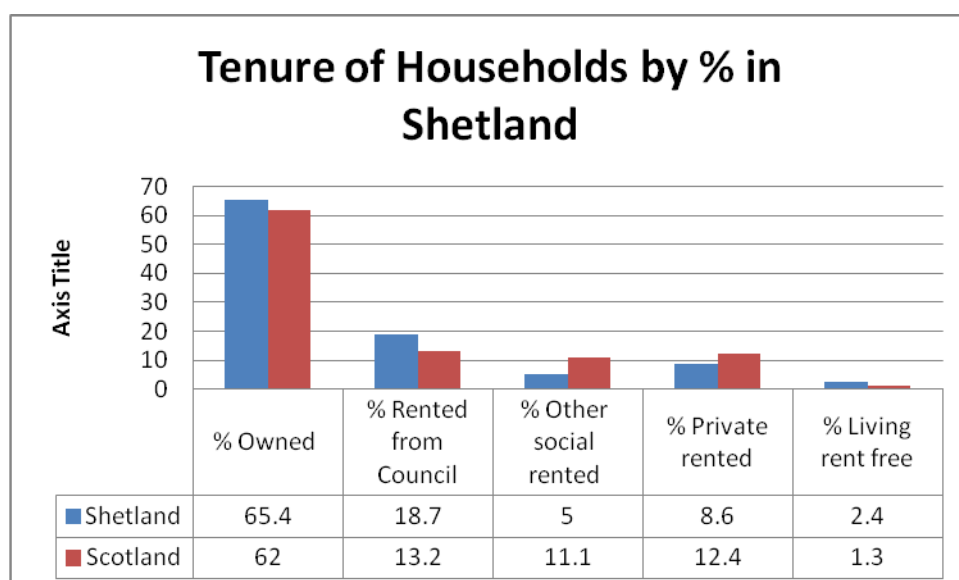
⁴ National Records of Scotland 2012

⁵ Census 2011

Appendix 4, Housing Contribution Statement



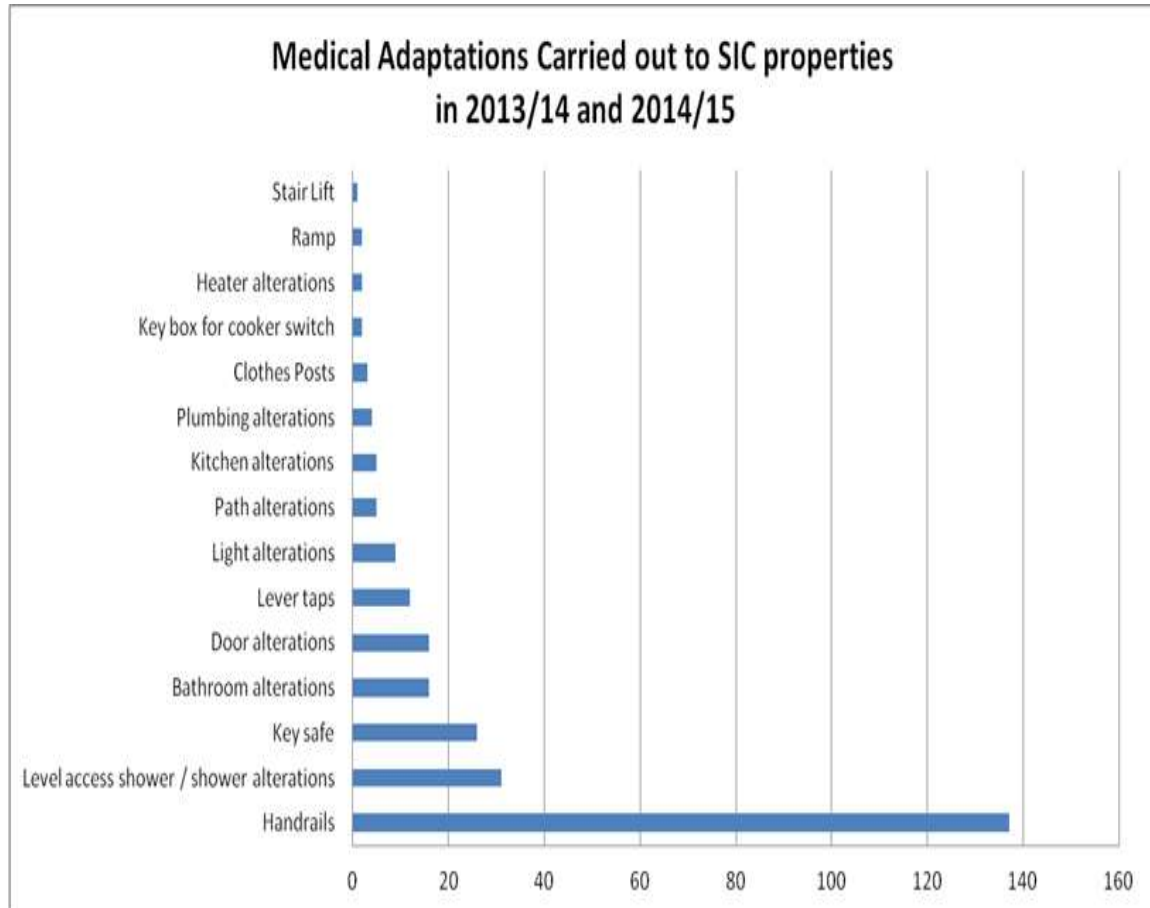
Source National Records Scotland



Source: Census 2011

Age group	Total no.	Day to day activities limited a lot	Day to day activities limited a little	Day to day activities not limited
65-74	2143	266 (12%)	505 (24%)	1372 (64%)
75-84	1178	337 (29%)	398 (34%)	443 (38%)
85 and older	456	265 (58%)	123 (27%)	68 (15%)

Source 2011 Census



Housing Contributions to Integration

- Encourage future housing supply that is the right size and in the right location across all tenures ; built to modern standards and future-proofed design, mainstreaming of barrier-free, dementia friendly design and promoting provision for the use of assistive technologies.
- Moving away from 'sheltered housing' and 'very sheltered housing' labels to accessible housing, homes with support and homes for life.
- Developing better shared assessment processes with health and care teams in localities to link with housing support plans and housing allocation process.
- Reviewing housing allocations policy to ensure that it continues to match people with housing that is suitable for their needs.
- Developing a housing options approach which would assist with longer term planning and anticipating future needs by fostering a prevention/early intervention approach to housing need. This will include developing a range of information and advice access points in partnership with a range of agencies in all localities.
- Providing a flexible and adaptable housing support service in all localities.
- Anticipate an increase in the number of adaptations required. The range and flexibility of adaptations should be reviewed to enable choices and to allow for future planning to happen as early as practicable. Timescales and priorities for adaptations to be kept under review.
- Increase the number of accessible houses in the Council's housing stock. There is a template for this from the North Isles pilot project.
- Integrating telecare and telehealth technology with provision of adaptations
- Review and develop the Handyman service for all tenures
- Recording and analysing a range of data and indicators on housing need, demand and provision to provide a robust baseline of future and anticipated needs.

Challenges

Demographic – projected rapidly ageing population will present a universal challenge in terms of delivering services to meet projected increased demands.

Financial – continued financial pressure on public sector budgets will present a number of challenges going forward. Changes to welfare benefits will impact on the housing sector.

Knowledge – there is a real need to develop better, shared baseline information about the housing and support needs of people with long term, multiple health conditions and complex needs.

Support needs – demographic change suggests that there will be a small but significant number of people who will require intensive levels of support and care. This will bring challenges in a small, mainly rural local authority where availability of specialist services may not always be locality based. There is also likely to be an increase in the demand for lower level housing support to enable people to sustain their own tenures and allow them to continue to be supported at home as far as is practicable.

Housing Stock – Shetland has an imbalance in its housing stock with a prevalence of larger sized properties whereas demand is currently for smaller properties. There are also more 'sheltered' properties in landward areas and a lack of such provision in the town. Work has been done on a pilot project to demonstrate that accessible conversions can be carried out to stock in a cost effective way.

Resources

Housing Adaptations General Fund	£355k
Housing Adaptations HRA	£104k
Total	£459k

There are no plans for any staff with responsibility for housing functions to be transferred to the health and care partnership. Close partnership working will be essential, both strategically and operationally to ensure that housing's contribution can be achieved.

The General Fund adaptations are delivered through an agreement with Hjaltsland Housing Association through a 'one-stop-shop'. This model has successfully provided a range of adaptations. With projected increased demand for adaptations to enable people to stay in their own homes, resources for aids and adaptations are likely to require close monitoring and review.

Programmes of maintenance and investment in housing stock has ensured that tenants in social rented sector have homes that meet the Scottish Housing Quality Standard. Continued planned investment will focus on energy efficiency which makes a significant contribution to health inequalities.

The Council and Hjaltsland Housing Association work in partnership to deliver the Strategic Housing Investment Plan which is the development of a new build programme to meet the needs and priorities identified through the LHS. The current new build plan contains provision for the proposed Homes for Life development at King Harald Street, Lerwick. HHA are also carrying out a masterplanning exercise on the large site at Staneyhill, Lerwick and there may be opportunities to include specialist provision in the planned development as that takes shape.

Monitoring and Review

This statement forms the link between the LHS and the SCP. Actions will be reviewed jointly through monitoring arrangements for both documents.

Anita M Jamieson
Executive Manager – Housing

March 2016

Appendix 5, Integrated Impact Assessment

Part 1 – Background Information

Name of Responsible Authority	Shetland Integration Joint Board, NHS Shetland and Shetland Islands Council
Title of Plan, Programme or Strategy (PPS)	Joint Strategic Commissioning Plan 2017-2020
Contact Name, Job Title, Address, Telephone Number and email	Simon Bokor-Ingram Director of Community Health and Social Care NHS Shetland Board Headquarters Burgh Road Lerwick, Shetland ZE1 0LA Telephone: 01595 743087 Email: simon.bokor-ingram@nhs.net
Signature	
Date of Opinion	NN January 2017
Purpose of PPS. Please give a brief description of the policy, procedure, strategy, practice or service being assessed.	The purpose of the plan is to show how the whole system of health and social care in Shetland is working towards improving the health and wellbeing of the people of Shetland, as set out in the national health and wellbeing outcomes.
Why PPS was written What is the intended outcome of this policy, procedure, strategy, practice or service?	Joint Strategic planning document for Integrated Joint Board (IJB) business. Statutory requirement for IJB when planning services.
Period covered by PPS	3 financial years from 2017-18 to 2019-20.
Frequency of Updates	Annual
Area covered by PPS (geographically and/or population)	Shetland
The degree to which the PPS sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources.	The Plan will set a framework for all service activities including planning change and delivery within localities and decisions on resource deployment.
The degree to which the PPS influences other PPS including those in a hierarchy.	Overarching strategic planning document for integrated health and care services, and for NHS Service Planning.
Summary of Content	It is a strategic commissioning plan which is structured around the client groups / services that are included within the delegated authority of the IJB. In addition, it includes plans for NHS non-integrated services to provide a single Joint Strategic Commissioning Plan for health and social care in Shetland.
Objectives of PPS	To improve national health and wellbeing outcomes for people in Shetland through the joint commissioning of services that are included within the delegated authority of the IJB, and as a single system approach to health and care service planning through NHS Shetland.

Appendix 5, Integrated Impact Assessment

Part 1 – Background Information (continued)

What are you trying to achieve?	Service change and redesign to improve health and wellbeing outcomes.
Is this a new or an existing policy, procedure, strategy, practice or service being assessed?	Existing strategic plan updated.
Please list any existing documents which have been used to inform this Integrated Impact Assessment.	Draft Ethnic Minorities Health Needs Assessment for Shetland 2017 The needs assessment and consultative elements of Older People's Strategy and Primary Care Strategy.
Has any consultation, involvement or research with people impacted upon by this change, in particular those from protected characteristics, informed this assessment? If yes, please give details.	<p>Yes in relation to specific client groups. For example, a health needs assessment for Minority Ethnic People in Shetland is underway. Initial findings show an increase in numbers of people from ethnic minority backgrounds in Shetland.</p> <p>Health Improvement: ongoing consultation / dialogue with people with learning disabilities, lower paid men in mainly manual type work, people of ethnic minorities, people with mental health issues.</p> <p>Adult Services for Learning Disability and Autism – Progression of the Day Services New Build (Eric Gray Resource Centre) Stakeholder engagement has taken place in the form of regular meetings and consultation with the Eric Gray Users Group; the new Eric Gray Resource Centre Working Group which includes nominated family, carers and users.</p> <p>Occupational Therapy Informal feedback from clients and stakeholders has helped us to define areas for improvement.</p> <p>Primary Care Issues of importance to local communities have been identified through the round of locality planning meetings. Additional service specific information has been held by engagement with various groups eg patient satisfaction survey for Advance Nurse Practitioner service at Lerwick Health Centre. General satisfaction survey across all of District Nursing and Continence Service. Discussions with community councils on health issues. Podiatry Services produce annual patient satisfaction surveys for a% of caseload. Feedback from survey enables service to produce and implement action plans.</p>
Is there a need to collect further evidence or to involve or consult people, including those from protected characteristics, on the impact of the proposed policy? (example: if the impact on a group is not known what will you do to gather the information needed and when will you do this?)	<p>Ongoing process of needs assessment in Health Improvement. It is clear from the Ethnic Minority Health Needs Assessment that statutory services in Shetland do not routinely collect enough data on protected characteristics, such as ethnicity, to be able to judge the accessibility and appropriateness of current services, let alone proposed changes to services. The EMHNA will recommend further work to fill this gap in future.</p> <p>The proposed audit of Adult Service Learning Disability and Autism service is anticipated to include engagement with</p>

Appendix 5, Integrated Impact Assessment

	<p>people with learning disability, autism spectrum disorder, families and carers through meetings and gathered feedback. It is anticipated that this will be undertaken between April and June 2017.</p> <p>Further engagement work will be undertaken with island communities to explore / discuss sustainable service models for the future.</p> <p>The PPF will be used to discuss changes in nursing services based on the outcome of the national review of District Nursing services and the local work being carried out by Meridian Productivity.</p> <p>Podiatry service will continue to use both formal and informal feedback from service users to redesign and develop service provision.</p>
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Part 2 – People and Communities

	Impact Positive, Negative, No impact or Not Known	Next Steps
Economic	<p>No impact / positive.</p> <p>In Health Improvement all our programmes are adapted to suit individual circumstances as far as possible.</p> <p>For Primary Care; not known at this stage – potential negative impact if reduction of employment in small communities through changes in service provision.</p>	<p>Discussions with partner agencies / other stakeholders as part of service review.</p> <p>We will use the recommendations contained in 'On Da Level' (the report of the Shetland Inequalities Commission, 2016) in assessing the impact of proposed service changes.</p>
Cultural	<p>Primary Care – potentially negative; communities may perceive changes in service provision as having negative impact on their culture.</p> <p>It is possible that significant changes in service provision may encourage community activism and an increase in communities taking ownership of and responsibility for health and social care.</p>	<p>Discussions with stakeholders as part of service reviews and engagement with communities in any major service change.</p> <p>Support for community initiatives and 'capacity building' in conjunction with Community Development and Learning and the Third Sector.</p>
Environmental	<p>There may be an increase in travel required if services are delivered further away from local communities. However the programme to return services to Shetland from Grampian and elsewhere may counterbalance this.</p>	<p>We will ensure that all changes in service provision are considered with regard to impact on environment.</p>

Appendix 5, Integrated Impact Assessment

	Impact Positive, Negative, No impact or Not Known	Next Steps
Poverty	No impact / positive. Primary Care – not known, may have negative impact if changes in access to services rely on care ownership or availability of public transport. Podiatry – not known.	We will use the recommendations contained in 'On Da Level' (the report of the Shetland Inequalities Commission, 2016) in assessing the impact of proposed service changes. We recognise that services may need to be adapted to individual circumstances to ensure that fewer people in Shetland live in poverty. Engagement with communities in any major service change. Podiatry will seek service user feedback on this.
Health	No impact / positive. As services are more targeted in their approach to the provision of services to those in greatest need.	
Stakeholders	No impact / positive. Primary Care	Discussion with partner agencies / other stakeholders as part of service review.

Appendix 5, Integrated Impact Assessment

Equalities

	Impact Positive, Negative, No impact or Not Known	Next Steps
Ethnic Minority Communities (consider different ethnic groups, nationalities, language barriers)	We are not aware of any impact – positive or negative – at present.	Completion of EMHNA may allow an assessment of impact. It is likely that more complete data recording and engagement with people from ethnic minorities will be required to properly assess the impact of changes to services
Gender	No impact / positive	
Gender reassignment (consider transgender and transsexual people. This can include issues such as privacy or data and harassment).	No impact / positive	
Religion or Belief (consider people with different religions, beliefs or no belief)	No impact / positive	
People with a disability (consider attitudinal, physical and social barriers)	No impact / positive	
Age (consider across age ranges. This can include safeguarding, consent and child welfare)	No impact / positive	
Lesbian, Gay and Bisexual	No impact / positive	
Pregnancy and Maternity (consider working arrangements, part-time working, infant caring responsibilities)	No impact / positive	
Other (please state)	No impact / positive	

Part 3 – Resources

	Impact Positive, Negative, No impact or Not Known	Next Steps
Staff	Positive / Negative. Staff in some services will have to spread themselves more thinly with few resources	
Finance	Positive / No impact. We will continue to deliver within current or available resources. Some services identify that savings still need to be identified.	Podiatry planning to investigate alternative methods of service delivery
Legal	Positive / No impact.	
Assets and Property	Not known currently but potentially opportunities for sharing assets and property through integration, especially at locality levels.	Consider as part of all developments being progressed.

ENDS

Project	Expected Impact on Health and Wellbeing Outcomes								
	Live in Good Health Longer	Live Independently at Home	Positive Experience	Improved Quality of Life	Health Inequality	Unpaid Carers	Safe from Harm	Staff Engagement	Resources
Implementing an asset based approach to health care prevention									
Understanding Patients	√		√	√	√				√
Health Information and Self Directed Care	√	√	√	√	√				√
Health Literacy	√		√	√	√		√		√
Behaviour Change and Skills Development	√		√	√	√				√
Creating /Tackling the environment (positive health environment) and reducing health inequalities	√		√	√	√				√
Anticipatory Care	√	√	√	√	√	√	√		√
Self Management / Long Term Conditions Support Group	√	√	√	√	√	√	√		√
Involving Carers						√			
Realistic Medicine			√	√	√				√

Project	Expected Impact on Health and Wellbeing Outcomes								
	Live in Good Health Longer	Live Independently at Home	Positive Experience	Improved Quality of Life	Health Inequality	Unpaid Carers	Safe from Harm	Staff Engagement	Resources
Effective Prescribing - working with patients and prescribers to use minimally disruptive interventions (including lifestyle changes) wherever possible									
Quality Assurance			√	√	√				√
Staff Development								√	
Prescribing			√	√	√				√
Medicines Management									√
Systems and Process									√
Developing a safe and effective model of unscheduled care									
Developing an Unscheduled Care Hub (for mainland Shetland)			√		√				√

Project	Expected Impact on Health and Wellbeing Outcomes								
	Live in Good Health Longer	Live Independently at Home	Positive Experience	Improved Quality of Life	Health Inequality	Unpaid Carers	Safe from Harm	Staff Engagement	Resources
Developing a sustainable hospital, acute and specialist services model for Shetland									
Scenario Planning for the rural district general hospital model			√		√				√
Sustainable planned care pathways		√	√	√	√				√
Enhancing the environment and capacity for day surgery and ambulatory care		√	√	√	√				√
Developing a Sustainable clinical workforce (with a particular emphasis on medical staffing)			√					√	√
Review of Diagnostic Services									√
Developing a sustainable primary care model for Shetland, with clear links to the 7 locality areas and the Gilbert Bain Hospital									
Developing sustainable out of hours models for the outer isles			√		√				√
Intermediate Care	√	√	√	√	√				√
Primary Care Redesign	√	√	√	√	√				√
Community Nursing Capacity / Demand	√	√	√	√	√				√

Project	Expected Impact on Health and Wellbeing Outcomes								
	Live in Good Health Longer	Live Independently at Home	Positive Experience	Improved Quality of Life	Health Inequality	Unpaid Carers	Safe from Harm	Staff Engagement	Resources
Developing a sustainable primary care model for Shetland, with clear links to the 7 locality areas and the Gilbert Bain Hospital									
Planning, designing and delivering services in multi-disciplinary area based teams within the seven locality areas, including management arrangements	√	√	√	√	√			√	√
Developing a sustainable model of social care resources									
Demand analysis for levels of care services, by locality.	√	√	√	√	√	√			√
Resources / Capacity to respond to changing demand	√	√	√	√	√	√			√
Developing a sustainable model for mental health services, including appropriate crisis and emergency arrangements									
Building capacity through redesign and integration of health and social care elements of mental health.	√	√	√	√	√	√	√		√
Developing a sustainable model for adults affected by learning disabilities and autism spectrum disorders									
Building a model to create sustainability that responds to changing demand.	√	√	√	√	√	√	√		√

Project	Expected Impact on Health and Wellbeing Outcomes								
	Live in Good Health Longer	Live Independently at Home	Positive Experience	Improved Quality of Life	Health Inequality	Unpaid Carers	Safe from Harm	Staff Engagement	Resources
Improving Business Performance and Efficiency									
Maximising eHealth, Telehealthcare and Telecare opportunities	√	√	√	√	√				√
Building staff and organisational resilience and capacity								√	
National Shared Services									√
Review of Decision Making Structures									√
Procurement / Commissioning									√

Strategic Programme / Project	Expected Timeline								
	2017-18				2018-19				2019-20
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Asset based approach to health care prevention									
Effective Prescribing									
Developing a safe and effective model of unscheduled care									
Developing a sustainable hospital, acute and specialist services model									
Developing a sustainable primary care model									
Developing a sustainable model of social care resources									
Developing a sustainable model for mental health services									
Developing a sustainable model for adults affected by learning disabilities									
Improving Business Performance and Efficiency									



Meeting(s):	Policy and Resources Committee Shetland Islands Council	13 February 2017 15 February 2017
Report Title:	2017/18 Budget and Charging Proposals – Community Health and Social Care Directorate	
Reference Number:	F-007	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee RECOMMEND to Council that they approve the budget proposals for 2017/18 for Community Health and Social Care Directorate included in this report and set out in detail in the Budget Activity Sheet (Appendix 2) and Charging Sheet (Appendix 3); and
- 1.2 That the Policy and Resources Committee RECOMMEND to the Council that they approve a payment for 2017/18 to the Community Health & Social Care Partnership Integration Joint Board of £19.231m.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Policy and Resources Committee to consider the controllable budget proposals for the services within the Community Health and Social Care Directorate.
- 2.2 For financial year 2017/18 the Council proposes that a sum of £19.216m is allocated to the Shetland Islands Health and Social Care Partnership Integration Joint Board (IJB) for the delivery of social care services, with a further £0.015m allocated for external audit fees.
- 2.3 The proposed budget for 2017/18 for Community Health and Social Care Directorate is £20.494m, and the difference between these costs and the sum allocated for services, above, is £1.278m. The Council expects to receive this sum from the IJB, made available from funding it receives from NHS Shetland. The IJB retains the £0.015m for external audit fees, which means that there is a net income to the Council of £1.263m.
- 2.4 A core element of the governance arrangements of the IJB is the approval of its Strategic Plan 2017-20. This will inform any Directions that it will issue to the Council in relation to how the funding (the anticipated sum receivable from the IJB in 2017/18 is £20.494m) will be used to achieve the Strategic Plan objectives. If the IJB chooses to do so, then it may comment on the allocation of funds made by the Council for the delegated functions and where these comments are of significance then a further report to the Committee will be required.

- 2.5 The Council's overall General Fund revenue budget will propose to make provision for cost pressures that it anticipates will arise in 2017/18 by way of pay awards, pension increases and alike that will impact on all Services, including those delegated to the IJB. When actual costs are known and where it is appropriate then a further allocation of up to £0.814m will be available to the IJB to cover these costs. In-year monitoring of the local impact of these cost pressures and trading position will determine the future allocation of these funds.
- 2.5 Appendices 1,2 and 3 attached to this report show the 2017/18 proposed budgets reconciled by Committee, by activity, and the proposed schedule of charges which have been incorporated, consecutively.

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 Despite the work done so far, sustainability in particular is extremely challenging at this time with reducing Scottish Government funding being the trend since 2011/12. It is expected that this will continue while the UK and Scottish Government's seek to balance their budgets and prioritise their spending. In order to take action on improving the Council's approach to identifying and implementing sustainable solutions for the future Directorate plans identify core priority areas for action between now and 2020, which can be summarised as follows;
- Keeping people safe from harm, protecting vulnerable people;
 - Delivering integrated health and care pathways and a single point of entry to services by continuing to shift resources to primary and community care;
 - Strengthening and working in partnership with individuals, their families and communities;
 - Reducing avoidable admission to/inappropriate use of hospital services;
 - Developing primary care and community responses through multi-disciplinary teams;
 - Supporting unpaid carers;
 - Tackling inequalities, with a focus on health inequality;
 - Prevention and early intervention;
 - Promoting healthy lifestyles;
 - Improving mental health and wellbeing;
 - Promoting self management and independence.

4.0 Key Issues:

- 4.1 Each of the Council's directorates was provided with a target operating budget based on the 2015-2020 Medium Term Financial Plan which was adjusted for cost pressures, service transfers and excess savings achieved in 2016/17 plus savings to be achieved in 2017/18. Each Director has subsequently developed their directorate budget proposals.

- 4.2 The Community Health and Social Care Directorate are proposing a budget which is £801k under target, taking into account the additional funding contribution to be provided from the IJB to support these budgets. Below is a summary of how the Directorate budgets have moved from the 2016/17 to 2017/18 proposed budgets.

Budget Position	Community Health & Social Care Services £000	Integration Joint Board Contribution £000	Community Health & Social Care Net Budget £000
2016/17 Budget	20,432	(512)	19,920
Cost Pressures	1,132	(426)	706
Service Transfers	(197)		(197)
Savings Target for 2017/18	(412)		(412)
2017/18 Target	20,955	(938)	20,017
Growth	290		290
New Income Generation		(340)	(340)
Other Efficiencies/Minor Changes	(751)		(751)
2017/18 Proposed Service Budget	20,494	(1,278)	19,216
IJB Audit Fee contribution retained by IJB		15	15
2017/18 Proposed Budget	20,494	(1,263)	19,231

- 4.3 Explanations of the movement in budget position in the table above are detailed below:

- 4.4 The cost pressures included in the Community Health and Social Care Directorate budgets are:

- an increase in Service budgets for Off-Island Placements previously funded from corporate contingency, £581k;
- an increase in funding to the Council from the IJB due to additional funding provided by the Scottish Government to support living wages and other cost pressures facing local authorities £512k.
- an increase in Service budgets to enable funding for the 3rd Sector, previously funded by the Shetland Development Trust, £200k;
- a reduction in national insurance liabilities, (£161k);

- 4.5 Transfers of service budgets between Community Health and Social Care Directorate and other Council Directorates were:

- Eric Gray Replacement borrowing costs budget transferred to be dealt with centrally. (£171k);
- Transfer of the costs relating to changes in payroll administration, (£21k);
- Transfer of CAB funding, (£5k).

- 4.6 A total reduction of £1.503m is proposed in the 2017/18 Community Health and Social Care Directorate budget. This will be achieved substantially by implementing the following:

- A structural reduction to the employee cost budgets across the Directorate of (£899k) recognising that over-provision has been made within the budgets in prior years. This change includes the provision for relief cover (£398k) and a reduction of budgeted pension costs (£132k), together with specific adjustments made by the individual Services following detailed review, which ensure that safe levels of staffing are provided at all times. The vacancy factor which was included in the 2016/17 budgets has been removed as a result of these targeted changes, £166k.
- Income for the Directorate will be increased through the uplift of Resource Transfer from NHS Shetland (£136k) and an increase in charging income (£71k) and the application of additional Scottish Government funding provided for the IJB, which is designated for local authority use (£340k).

- 4.7 The total reduction is off-set by growth items of £290k. These are, an increase budget provision for self-directed support packages, £104k and increased staffing provision in response to increased caseload, a proposed uplift in the contract with an external care provider and allowance for 50% of the cost of the Director's personal assistant, £186k.
- 4.8 Appendix 1 sets out a reconciliation showing how the Council's overall budget proposals for the services with Directorates aligned to the remit of the Committees.
- 4.9 Appendix 2 sets out the 2017/18 budgets in detail by activity. For comparison purposes the 2016/17 original budget has also been included.
- 4.10 The proposed charging structure included in the budget proposals for the Community Health and Social Care Directorate is attached at Appendix 3.
- 4.11 In terms of funding allocated by the Council to the IJB for 2017/18 the IJB will require to be satisfied that government direction has been adhered to. That advice can be summarised from a letter received from the Director of Health and Social Care Integration, who wrote that "Local Authorities will be able to adjust their allocations to Integration Authorities in 2017/18 by up to their share of £80m below the level of budget agreed with their Integration Authority for 2016/17 (as adjusted where agreed for any one-off items of expenditure which should not feature in the baseline)".
- 4.12 The Council is complying with this statement, having taken account of a number of one-off adjustments (including relevant adjustments to ensure appropriate comparison year on year, e.g. off island placements) and recognition of the sums held for social care in the cost pressures/contingency budgets of the Council. This can be shown as follows:

	£'000
Budget 2016/17 (Allocation to IJB)	19,920
Less:	
Share of £80m	(340)
One-off Baseline Adjustments:	
- Debt charges	(171)
- National Insurance adjustment	(162)
- Pension adjustment	(132)
- Relief Cover average	(398)
- Vacancy Factor removed	166

		- Off Island Placements budget included	581
		- Cost Pressure budget held by the Council	140
		Government based allocation to IJB 2017/18	19,604
		Proposed Allocation to IJB:	
		Initial Budget Allocation 2017/18	19,231
		Cost Pressure budget held by the Council	814
		Council calculated allocation to IJB 2017/18	20,045
		Council allocation in excess of Government calculations	441
5.0 Exempt and/or confidential information:			
5.1 None			
6.0 Implications :			
6.1 Service Users, Patients and Communities:	Consultation and communication with relevant groups and individuals as appropriate to the budgets proposals have been considered as part of the overall work on the Strategic Commission Plan 2017-20 for the Integration Joint Board. The proposed budgets ensure that there is no reduction to services for users.		
6.2 Human Resources and Organisational Development:	All budget proposals with staffing implications will be actioned in line with HR advice and the relevant policies.		
6.3 Equality, Diversity and Human Rights:	None		
6.4 Legal:	<p>Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief financial officer/Section 95 officer has responsibility for the administration of those affairs.</p> <p>There is a requirement on the Council to set a balanced budget through Section 93 of the Local Government Finance Act 1992.</p> <p>The proposals in this report are consistent with the Public Bodies (Joint Working) (Scotland) Act 2014 and the Integration Scheme for Shetland's IJB.</p>		
6.5 Finance:	<p>This report presents budgets that are under the target included in the Medium Term Financial Plan 2015-2020 for the Directorate of Community Health and Social Care.</p> <p>The services under the remit of this Committee have proposed budgets which are under target by £801k.</p>		

	Any decision to recommend changes to the proposals in this report will result in an increased or decreased draw on reserves, and may result in not meeting the sustainable position set out in the Medium Term Financial Plan. This will require a formal amendment and be fully quantified in the Committee decision.
6.6 Assets and Property:	This budget proposes a risk based approach for the maintenance of assets to minimise deterioration and potential failure.
6.7 ICT and new technologies:	This budget will ensure continuing analysis and search for new technology which can be implemented to ensure effectiveness and efficiency in provision of services.
6.8 Environmental:	None
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 financial risks for services reporting to this Committee are:</p> <ul style="list-style-type: none"> • Increased demand for care services as a result of the changing demographic of Shetland's population; • Unexpected demand for care services which may be costly depending on circumstances; • The level of charging income received can vary significantly, as it is dependent on the individual financial circumstances of those in care at any time, this is further impacted by legislation which states that charges should be waived where they are for the benefit of carers, or which relate to periods of re-enablement; • Reduction in funding to support the Rural Care Model; • Difficulty in attracting and retaining qualified care staff. <p>These risks are mitigated by the Directorates using realistic approaches and the latest data when setting the budget, and the inclusion in the overall Council budget of a corporate cost pressure and contingency budget to support cost pressures or contingencies which may arise during the year.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for significant unforeseen events.</p>
6.10	The Policy and Resources Committee has delegated authority to

Policy and Delegated Authority:	advise the Council in the development of services and objectives, policy and plans concerned with service delivery. Approval of the revenue budgets requires a decision of Council, under the terms of Section 2.1.3 of the Council's Scheme of Administration and Delegation.	
6.11 Previously considered by:	n/a	n/a

Contact Details:

Sheila Duncan, Management Accountant, sheila.duncan@shetland.gov.uk, 13 February 2017

Appendices:

Appendix 1- 2017/18 Reconciliation of Directorates' Proposed Budgets to Committees
Appendix 2 - 2017/18 Community Health and Social Care Directorate Budget Activities
Appendix 3 2017/18 Community Health and Social Care Directorate Schedule of Charges

2017-18 Reconciliation of Directorates' Proposed Budgets to Committees

Directorate	Development Committee £000	Education & Families Committee £000	Environment & Transport Committee £000	Policy & Resources Committee £000	Shetland College Board £000	Total £000
Executive & Corporate Services				10,200		10,200
Children's Services		41,852				41,852
Health & Social Care				20,494		20,494
Integration Joint Board				-1,263		-1,263
Development Services	8,480	323	5,974		125	14,902
Infrastructure Services			19,809			19,809
TOTAL	8,480	42,175	25,783	29,431	125	105,994

2017/18 Community Health and Social Care Directorate Budget Activities

F-007 - Appendix 2

Service	Activity	Links to Corporate Plan	2016/17 Original Budget £	2017/18 Proposed Budget £	Change (Increase)/ Decrease £	Proposed Changes to Service Level	Impact Assessment Details (if appropriate)	2016/17	2017/18	Change
								FTEs	FTEs	(Increase)/ Decrease FTEs
Health and Social Care Integration Plans	Mental Health	People will be supported to look after and improve their own health and well-being, helping them to live in good health for longer	1,060,488	619,335	441,153	None. Decrease in cost is due to re-categorisation of aspects of the services provided by Annsbrae from Mental Health to Community Care Resources. This re-categorisation is also evidenced in the FTE reduction. The overall proposed level of service and staffing for Annsbrae remains the same as the previous year.	N/A	28.94	16.83	12.11
Health and Social Care Integration Plans	Substance Misuse	Our integrated services will be providing the services we need in a more efficient way, improving standards of care and keeping people healthier for longer	257,163	179,594	77,569	None - Budget changes due to £20k reduction in funding to be paid out to 3rd Sector and re-categorisation of costs against service headings following service re-design.	N/A	1.05	0.00	1.05
Health and Social Care Integration Plans	Directorate	Our staff will have the highest possible standards of leadership and management, helping to create a culture that makes sure we achieve the things set out in this plan.	424,680	441,396	(16,716)	None - £18k increase relates to additional budget required for Director's PA employee costs from NHS.	N/A	3.35	3.66	(0.31)
Health and Social Care Integration Plans	Pensioners	N/A Statutory provision	78,029	77,870	159	None	N/A	0.00	0.00	0.00
Health and Social Care Integration Plans	Adult Services	Older people and people living with disabilities (including learning disabilities) or long term conditions will be getting the services they need to help them live as independently as possible	5,201,063	4,944,404	256,659	None - Increase in 3rd Sector funding provided by SIC (formerly paid from Development Trust) (£200k)/Eric Gray Borrowing Costs transferred to be dealt with centrally£171k/Structural employee costs reduction of £259k/Resource Transfer Uplift £17k	N/A	136.39	130.93	5.46
Health and Social Care Integration Plans	Adult Social Work	More people will be able to get the direct payments and personal budgets that they want, so they can make the best choices for their own lives	1,664,586	2,811,525	(1,146,939)	The 2017/18 budget reflects a number of staffing changes which have been made over recent years but funded in the first instance through other funding streams or under other service headings. These are a Hospital Discharge Social Worker and Admin Worker (£78k) funded from IJB categorisation Funding, 2 FTE Care@ Home Senior Social Workers moved from Community Care Resources to Adult Social Work (£76k) and 1 FTE Social Worker funding through Substance Misuse funding (£47k). These posts are now established within Adult Social Work as well as growth in 2017/18 of 2 FTE Social Workers to address the significant increased caseload in recent years due demographic pressure. A structural employee cost reduction of £32k has also been made. IJB Additionality Funding also allowed for an increase in Self Directed Support costs of (£347k) to be funded in 2016/17. This will continue in 2017/18, and a further (£104k) cost pressure is recognised as packages continue to increase.	N/A	19.29	26.52	(7.23)
Health and Social Care Integration Plans	Community Care Resources	Older people and people living with disabilities (including learning disabilities) or long term conditions will be getting the services they need to help them live as independently as possible	10,511,789	10,031,999	479,790	Structural employee costs reduction £885k/Trfr 2 x Social Care Assistants to Adult Social Work £76k/Net increase in charging income based £83k/Uplift in Resource Transfer £62k/Independent Sector Placements budget transferred to the Service from Contingency (£178k). There is also a change of (£370k) due to the re-categorisation of Annsbrae Service across service headings, moving expenditure from Mental Health to Community Care Resources.	N/A	396.31	382.51	13.80
Health and Social Care Integration Plans	Criminal Justice	The needs of the most vulnerable and hard-to-reach groups will be identified and met, and services will be targeted at those that need them most	29,149	18,209	10,940	None	N/A	7.37	7.13	0.24
Health and Social Care Integration Plans	Occupational Therapy	Older people and people living with disabilities (including learning disabilities) or long term conditions will be getting the services they need to help them live as independently as possible	1,370,630	1,369,819	811	None	N/A	16.29	15.13	1.16
			20,597,577	20,494,151	103,426			608.99	582.71	26.28

2017/18 Community Health & Social Care Directorate Schedule of Charges
F-007 Appendix 3

Activity	Charge	Unit	2016/17 Charge £	2017/18 Charge £	Variance %
Social Work Establishments	Permanent Residents - All Establishments - single room	per week	1144.00	1143.00	-0.1
	Temporary Residents - All Establishments - single room	per week	277.00	280.00	1.1
	Supported Living - Supported Living Service	per week	56.00	56.00	0.0
	Supported Living Transition Experience Flat	per night	11.00	11.00	0.0
	Personal Care Charge (under 65s)	per hour	17.53	17.67	0.8
	Domestic Home Care Charge	per hour	12.33	13.13	6.5
	Day Care Attendance Charge	per day	5.00	5.00	0.0
	Day Care Meal Charges	per meal	6.00	6.00	0.0
	Meals on Wheels	per meal	6.00	6.00	0.0
	Social Work Premises - room hire rate	per hour	10.25	10.50	2.4
Cross Reach	Negotiated price inclusive of enhancements for all client groups	per week	880.00	965.10	9.7
Mainland Placements	Negotiated price will be on an individual basis in line with COSLA's benchmark figures		Negotiable	Negotiable	n/a
Direct Payment Rates	Personal Care	per hour	17.53	17.67	0.8
	Domestic Tasks per hour (including Laundry and Meal preparation)	per hour	12.33	13.13	6.5
Telecare	Community Alarm Response Service	per week	1.15	1.30	13.0



Shetland Islands Council

Agenda Item

5

Meeting(s):	Development Committee Policy and Resources Committee Shetland Islands Council	8 February 2017 13 February 2017 15 February 2017
Report Title:	Housing Revenue Account (HRA) Business Plan 2017-2022	
Reference Number:	DV-16-17-F	
Author / Job Title:	Anita Jamieson / Executive Manager - Housing	

1.0 Decisions / Action Required:

- 1.1 That the Development Committee RECOMMEND that the Policy and Resources Committee RECOMMEND that the Council approves the Housing Revenue Account (HRA) Business Plan 2017-2022 (Appendix A), as part of the Council's Policy Framework, to be managed by the Development Committee.

2.0 High Level Summary:

- 2.1 The HRA Business Plan draws together the financial, property and customer aspects of the Housing Service to demonstrate a sustainable and affordable service to tenants. The Business Plan is supported by 30 year financial modelling and projections, an Asset Management Strategy (Appendix B) and a refreshed Tenant Participation Strategy (Appendix C). The Business Plan looks at a five year window of operation but will be refreshed annually in line with the Medium Term Financial Plan and will be used to form the basis of the HRA budget process.

3.0 Corporate Priorities and Joint Working:

- 3.1 '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.'
- 3.2 The proposed Business Plan aligns with the vision set out in the Corporate Plan, in seeking to demonstrate to our tenants, applicants, the public and those we are accountable to, that the HRA is financially sustainable and that it seeks to provide a quality service to its customers.

4.0 Key Issues:

- 4.1 This is the first time that there has been a holistic plan for the Housing Revenue Account (HRA). The HRA was for many years driven by the high level of historic debt and the resolution of the outstanding debt has provided a clear opportunity to think and plan differently for the future to ensure the sustainability of the service. Over the initial five year period of the Plan, the priority will be to ensure that sufficient investment is made in the existing housing stock to ensure that it meets the appropriate national standards, that rents are maintained at an affordable level and that tenants continue to be included in shaping the service provided by their landlord.

5.0 Exempt and/or Confidential Information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	Existing tenants will benefit from the reassurance that the service is sustainable and that a degree of certainty can be provided on future investment and rent levels.
6.2 Human Resources and Organisational Development:	The Business Plan identifies priority areas for service review to ensure that we meet the service needs.
6.3 Equality, Diversity and Human Rights:	No specific implications.
6.4 Legal:	The operation of the Housing Revenue Account is set out in the Housing (Scotland) Act 1987 and subsequent amendments. The statutory provision of tenant participation is contained in the Housing (Scotland) Act 2001.
6.5 Finance:	The financial modelling is key to the demonstration of a sustainable and affordable service over time. The work done has demonstrated that the account is sustainable over the long term view. The modelling will form the basis of the annual business plan and budget reviews and will assist greatly in providing certainty on expenditure and income to the account including rent levels.
6.6 Assets and Property:	The development of an Asset Management Strategy provides a clear future plan of investment based on robust survey data. This will shift spending patterns away from reactive repairs and move to a planned, component –based system. Information on assets and their condition will also be improved.
6.7 ICT and New Technologies:	The current Housing Management system is designed to be integrated across the service and there are no additional implications as a result of the HRA Business Plan.
6.8 Environmental:	Through the Asset Management Strategy we will be looking at ensuring we have efficient procurement procedures and practices that meet the Council's environmental obligations.

6.9 Risk Management:	The greatest risk of not having an HRA Business Plan in place is the need to plan holistically around the parts of the service and to ensure that investment decisions are taken in a balanced way, which can weigh up the relevant risks. The financial modelling is able provide 'what-if' scenarios to assist with appropriate decision making.	
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Development Committee has delegated authority to take decisions in relation to those functions within its remit which includes Housing. It is appropriate therefore that the Development Committee consider and decide on the HRA Business Plan and its associated appendices.</p> <p>In accordance with Section 2.2.1 of the Council's Scheme of Delegations, Policy and Resources Committee has referred authority to recommend the inclusion of strategies contained in the Policy Framework, for final determination and approval by the Council (Section 2.1.3.2).</p>	
Previously considered by:	n/a	n/a

Contact Details:

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02 February 2017

Appendices:

Appendix A - Housing Revenue Account Business Plan 2017-2022
Appendix B - Asset Management Strategy
Appendix C - Tenant Participation Strategy

Background Documents: None



Housing Revenue Account (HRA)

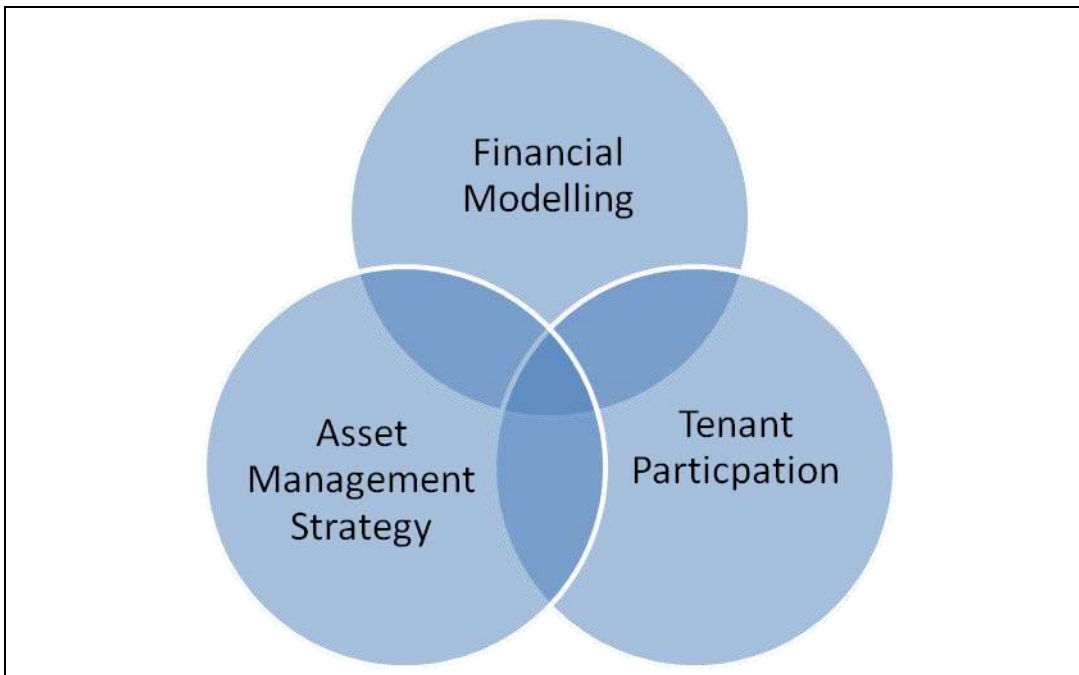
Business Plan 2017

Executive Manager - Housing

1.0 Introduction

1.1 Development of the Business Plan

- 1.2 The Housing Revenue Account (HRA) Business Plan explains where we want to be as a Council housing service and our proposals for getting there. Shetland Islands Council's HRA has for many years been constrained by a burden of historic housing debt. Following successful negotiations with both UK and Scottish Governments in 2013, a debt resolution was agreed that reduced the debt burden in line with the Scottish average. This makes it all the more important that we take time to produce a business plan for the future that ensures the ongoing sustainability of the account and provides some certainty to our tenants and customers about future service levels.
- 1.3 The purpose of the HRA Business Plan is to set out our vision, core objectives and key actions so that they are clear to our tenants and customers, our staff, the general public, our colleagues and partner agencies, and to external scrutiny bodies. The Business Plan is designed to set out the strategic goals of the Council's Housing Service and measure progress toward achieving these goals. The Business Plan provides a realistic appraisal of how these strategic goals will be achieved within the limitations of available funding and the likely economic climate.
- 1.4 The Business Plan expresses the values which influence all that we do and how we seek to improve. It also addresses how we will change and respond to the challenges ahead. This will involve a strong focus on more efficient and effective public services. At the same time, we want to ensure that our customers are satisfied with the services we provide and have the opportunity to build on the Tenant Participation structures that we have in place. Tenants enjoy a significant level of statutory input into the service and in order to ensure that, where possible, their customer experience is enhanced, it is vital to recognise those structures and to continuously review and improve the mechanisms available to our tenants to be directly involved.
- 1.5 The Business Plan is intended to be easily accessible to stakeholders. It provides information to demonstrate that the Council has a clear picture of its strategic direction and the associated financial position of the service in order to deliver this.
- 1.6 The Business Planning process has involved several work-streams culminating in the final document, this is illustrated in the diagram on page 3, to show the inter-dependence of each area:



- 1.7 The overlapping sections of the graph can be further detailed by the following list of key areas which need to be considered and addressed through the HRA Business Plan and budget process.
- Rent Levels and Affordability
 - Quality Standards e.g. Energy Efficiency Standard for Social Housing (EESH)
 - Levels of Service Provision
 - Capacity for investment
 - Inflation
 - Capacity for new build development
 - Available Balances
 - Public Sector Borrowing
 - Tenants views
- 1.8 Our starting point needed to be extensive financial modelling carried out to establish our base case financial position. The financial sustainability of the account had to be tested and we also needed to be clear on what capacity there was on the HRA for future investment plans. The financial model enables us to look at short, medium and long term projections of the HRA and to test a number of scenarios. We also carried out sensitivity analysis of the impact of changes to inflation and interest rates. While this produces a 30 year long term picture, for planning purposes we are focussing on a five year window with ongoing annual review.
- 1.9 This document uses the Scottish Housing Regulator's best practice framework for housing business planning¹ as well as the the Scottish Government's guidance on the

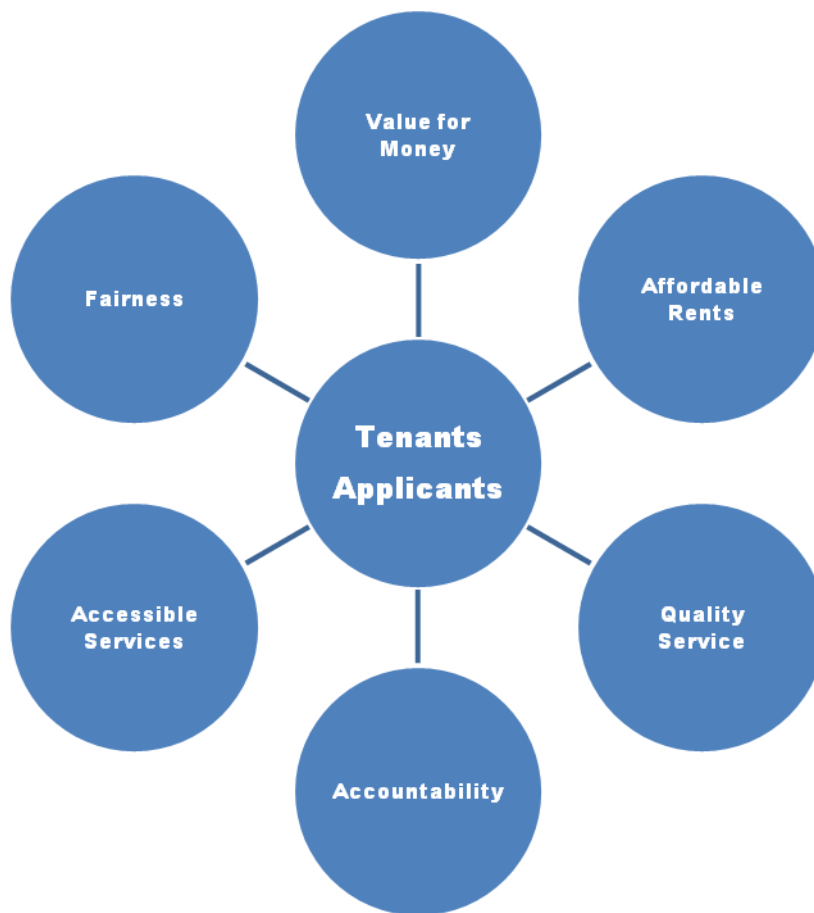
¹<https://www.scottishhousingregulator.gov.uk/sites/default/files/publications/Business%20Planning%20RP%20-%20FINAL%20-%20Version%205%20-%202014%20December%202015.pdf>

operation of HRAs² published in 2014. This ensures that the Council follows the prevailing guidelines in creating its HRA Business Plan for the next 30 years.

- 1.10 External support to the process came from Robert McDowall Consultancy, The Tenant Participation Advisory Service – Scotland (TPAS) and Michael Dyson Associates. Internally, the financial modelling was carried out by the Management Accountancy team in Finance Services.
- 1.11 The Council has not previously had an Asset Management Strategy for its housing stock so the opportunity to integrate that into the Business Plan was timely and necessary. Whilst the Council had a volume of stock information this needed to be verified by way of a sample stock condition survey to provide the base starting point for developing the strategy.
- 1.12 Tenants are at the heart of everything the housing service does and are entitled by law to be involved in the decisions that affect their homes. A revised Tenant Participation Strategy was produced and all tenants were consulted on the document. A refreshed action plan will be produced during 2017.

² <http://www.gov.scot/Resource/0044/00445684.pdf>

2.0 Business Plan Objectives



- 2.1 The objectives of the HRA Business Plan are to demonstrate that we can operate a sustainable HRA into the future that allows for fair, accessible and good quality services to be delivered to our tenants and applicants at an affordable cost, demonstrating good value for money. The Housing Service must be accountable to its tenants and also to elected members, the Scottish Government, the Scottish Housing Regulator and service delivery partners.
- 2.2 The Business Plan aims to align corporate and service strategic documents to demonstrate how the service will operate into the future and to continue to provide services that meet the core objectives set out in the diagram above.

3.0 Strategic Links

3.1 Links to other Strategies

- 3.1.2 The Housing Service fits into the Council's strategic and performance management framework as detailed below.

3.2 Community Plan & Local Outcomes Improvement Plan (LOIP)

- 3.2.1 The Community Planning Partnership (Shetland Partnership) involves key agencies from the public, private and voluntary sector working together with communities to develop a community plan that aims to make Shetland the best place to live and work by creating communities that meet the national targets of: Wealthier & Fairer; Learning & Supportive; Healthy & Caring; Safe; Vibrant & Sustainable.
- 3.2.2 These are delivered through the Local Outcome Improvement Plan (LOIP) agreed in June 2016. Outcome D of the plan focuses on sustainable economic growth and ensuring that all people have the chance to be part of island life. Within the plan is a priority action of attracting more people to Shetland to live, work, study and invest. Housing has a pivotal role in contributing to these outcomes and this is reflected through the Local Housing Strategy and its delivery.

3.3 Council Corporate Plan

- 3.3.1 The Council sets out its corporate vision in its Corporate Plan:

<p>By the end of this Plan (2020), we want to be known as an excellent organisation that works with our partners to deliver sustainable services for the people of Shetland.</p>

- 3.3.2 Housing is high on the agenda of the key priorities set out in the Corporate Plan, with **Increased the supply of affordable housing in Shetland** featuring as one of the listed five key priorities for the Council.

3.4 Local Housing Strategy

- 3.4.1 The Housing Service operates within a strategic framework which links to local and national policies. These are contained in the Local Housing Strategy³. and underpinned by the evidence base presented in the Housing Need and Demand Assessment which identifies housing supply and demand, trends, affordability level and imbalances in housing stock and tenures based on a range of robust and credible datasets and information⁴. The five key themes of the Local Housing Strategy are:

³ http://www.shetland.gov.uk/housing/policies_housing_strategy.asp

⁴ http://www.shetland.gov.uk/housing/policies_housing_need.asp

- Future housing supply
- Homelessness
- Housing support/ housing needs of an ageing population
- Fuel Poverty
- Private Sector

3.5 Directorate Plan

- 3.5.1 The Housing Service is part of the Development Directorate. The Development Directorate encompasses Housing, Planning, Economic Development, Transport Planning, Community Planning and Development and Shetland College.
- 3.5.2 There are clear strategic connections and synergies between the services that comprise the Development Directorate. These are brought together in an annual Directorate Plan which identifies the key drivers and links between the services and the delivery of the Corporate Plan priorities.

3.6 Strategic Housing Investment Plan (SHIP)

- 3.6.1 The Strategic Housing Investment Plan is the delivery plan for the Local Housing Strategy and specifically details the capital investment projects to meet the outcomes identified. The SHIP covers a five year time period and is reported every two years. SHIP's are submitted to Scottish Government for approval and forms the basis of the funding allocation from the Governments Affordable Housing Investment programme.

4.0 Asset Management

4.1 The Council's Housing Stock

- 4.1.1 An integral part of the business planning process has been the detailed work that has gone into the Asset Management Strategy.

The Council supplemented its own stock information with an externally commissioned survey of 20% of the stock. The findings of the survey conclude that the stock is generally in good condition and that good investment had been made in recent years. However, it was noted that a number of properties have components which are approaching the end of their useable life. This is to be expected given the age profile of our housing stock. Key areas for future investment are energy efficiency, replacement heating systems, kitchen replacements and roof covering replacement.

- 4.1.2 Some additional structural concerns in particular stock design or materials have been identified and consultant engineers commissioned to provide detailed survey information on these to be prioritised for remedial works.
- 4.1.3 The purpose of the housing stock asset management strategy is to ensure that we maintain our housing stock to current standards and that we procure component replacement in the most cost effective way. Our investment

programmewill be developed around planned repairs to housing stock, thus reducing the expenditure on reactive repairs. As part of the Asset Management Strategy we will also develop standardised specification documents and will ensure that replacement components are quality products which are suitable for the Shetland environment and with consideration to the lifetime of the asset, represent good value for money. Tenants will be consulted and involved in decisions on the introduction of specification standards.

4.2 Stock Profile

4.2.1 As at 31 March 2016, the Council's housing stock on the HRA numbered 1725 properties throughout Shetland. Details of the housing stock are set out in the Asset Management Strategy. In summary, just over half (52%) of the stock is located in Lerwick with the remainder dispersed throughout Shetland. The majority of the housing stock was built after 1965 and are mainly two and three bedroom properties.

5.0 How We Work

5.1 The Housing Service is organised into the following sections:

- Housing Management & Homelessness
- Asset Management
- Repairs Service
- Housing Support
- Research & Information
- Business Support

With around 87 FTE staff, the Housing Service is managed by an Executive Manager and three Team Leaders (Asset Management, Housing Management and Housing Support) covering both the HRA and General Fund activities of the Housing Service.

5.2 An annual training programme aims to balance mandatory and developmental training with the aim of providing a professional, customer focused service. Use of career-grades has given staff opportunities to 'grow' into professional roles with formal qualification and supported work experience. The Service uses the Shelter Training package to provide recognised national standard training in Housing Advice, Information and Law for all staff. Regular one-to-one support and formal annual employee review meetings are carried out within all teams.

5.3 Team structure service reviews have been recently carried out in Housing Support and Housing Management to ensure that the service meets current needs and is fit for purpose.

Within the Development Directorate reviews of admin/business support and research and information teams has led to the development of virtual teams and more joined-up working across the directorate.

5.4 Identified areas for team structure service review in 2017/18 are: Asset Management and Housing Repairs.

5.5 All our policies are compiled into an accessible Quality Manual and are regularly reviewed and updated.

5.6 Recent achievements within the Housing service include:

- Achieving resolution of the Housing Debt
- Implementing a new integrated housing management system
- Achieving an excellent Care Inspectorate report for Housing Support Service
- Redesigning the Housing Support Service
- Continuing to work in partnership with Hjaltsland Housing Association on the delivery of new housing supply
- Removing the Trading Account status from the DLO to enable an integrated housing repairs service to be developed
- Focusing on prevention of homelessness to reduce numbers of homeless presentations

5.7 Service Strengths

5.7.1 Through various methods, such as inspection, benchmarking and national reporting, we have been recognised as having significant strengths in the following areas:

- Commitment to Tenant Participation
- Partnership working being at the core of our strategic planning and service delivery
- Focus on early intervention and offering a housing options approach
- High levels of satisfaction with repairs and maintenance service
- Dedicated and professional staff

5.8 Areas for Improvement and Service Priorities

5.8.1 We are currently reviewing and evaluating a number of key areas with a view to improving service planning, provision and delivery:

- Energy efficiency needs of our housing stock
- Rent levels and affordability
- The workforce requirements of the repairs service
- Use of technology and mobile working options
- Formalised benchmarking
- Updating of our Tenant Participation action plan

5.9 Partnership Working

5.9.1 The Housing Service is committed to partnership working to deliver on its aims and objectives and to support a range of services and projects with links to Housing. There are multiple partnerships in place at both strategic and operational levels. Some examples of partnership/multi-agency working include Anti-Social Behaviour; Corporate Parenting; Domestic Abuse Partnership; Welfare Reform; Fuel Poverty etc.

5.9.2 We also consider our tenants and applicants to be partners in our work and have produced a refreshed Tenant Participation Strategy as part of the business plan process. This has been consulted on with all tenants and has been positively received. The Tenant Participation Strategy sets out our partnership commitment to our tenants. A new action plan for greater tenant involvement in line with the Scottish Housing Regulator's national frameworks will be developed in 2017.

5.10 Common Housing Register

5.10.1 Shetland Islands Council and Hjalmland Housing Association operate a shared housing waiting list. In practice this means that applicants only need to complete one form to apply for social housing in Shetland. This provides applicants with a more efficient housing application process. Regular reviews are carried out and tenants' views are sought on the process to provide feedback and allow continuous improvement.

6.0 Quality of Service – Accountability and Value for Money

6.1 The Housing Service must be accountable to its tenants and also to elected members, the Scottish Government, the Scottish Housing Regulator and service delivery partners.

In 2014, the Scottish Housing Regulator introduced new reporting requirements through the Scottish Social Housing Charter. All social landlords must produce an annual return on the charter (ARC) reporting against a range of key performance measures devised in consultation with tenants nationally. Also locally landlords must produce a report card on annual performance for distribution to all tenants.

6.2 The Scottish Housing Regulator has also produced a comparison tool using the charter returns from all landlords in Scotland so that benchmarking and peer group comparisons can be done.

In developing our tenant scrutiny further, we will look to expand our internal audit process to widen involvement of tenants in reviewing our policies and procedures, as set out in the Tenant Participation Strategy.

7.0 Scottish Housing Regulator

7.1 The Scottish Housing Regulator (SHR)⁵ is an independent external body that assesses the effectiveness of housing landlords across Scotland, both local authority and housing association landlords. The SHR introduced a uniform set of performance indicators for all landlords to report on annually, together with a requirement to publish performance data annually in a report card format for all tenants, known as the Annual Return on the Charter (ARC). The ARC focuses on enabling tenants to hold landlords accountable for performance in achieving the outcomes that matter to them. This data also provides accessible and valuable benchmarking information across all social housing landlords in Scotland

⁵ <https://www.scottishhousingregulator.gov.uk/>

8.0 Tenant Participation and Consultation

- 8.1 The Council has a long history of involvement in tenant participation and consultation. The establishment of an independent Tenant Participation Worker through the Shetland Tenants Forum was hailed as a model of good practice when it was established. The refreshed Tenant Participation Strategy which has been developed alongside this Business Plan shows the evolution of tenant participation. Tenant participation was given statutory status in the Housing (Scotland) Act 2001.
- 8.2 Traditionally tenant participation has focused on tenant groups, however changes brought about by the Scottish Housing Regulator make it clear that wider tenant involvement is needed. Not all tenants want to be part of a formal group but do want to have a say in how their landlord provides services to them. The Council recognises that there are different ways for tenants to be involved and through our refreshed Tenant Participation Strategy, we will seek to develop a range of options for tenants throughout 2017 and beyond. This will include providing views, opinions and feedback on services through surveys, focus groups, estate inspections, tenant led audits etc.

9.0 Tenant Satisfaction

- 9.1 From the Scottish Housing Charter survey carried out in 2014, 77.9% of tenants reported that they were satisfied with the overall service provided. From the Charter survey sample, 84.7% of tenants reported that they were satisfied with the repair and maintenance service they had had. From our own feedback surveys which we carry out for each repair we recorded higher levels of satisfaction, with 94% of responses indicating that they were satisfied with the service received. However from the survey tenants satisfaction with their opportunities to participate in landlord's decision making and who felt that their landlord was good at keeping them informed about their services and outcomes was lower than average at 50% and 67.4% respectively.

10.0 Performance Management

- 10.1 It is important to have a performance monitoring framework in place that allows us to:
- Clearly demonstrate what our customers can expect from us;
 - Assess systematically whether we are meeting the standards and targets we have set;
 - Ensure that performance is reviewed and actions to correct or improve performance can be identified and implemented;
 - Make clear to staff what the standards of service that they need to work to are.
- 10.2 We measure our performance through the use of performance indicators developed from national and local sources. This ensures consistency and allows management to focus on our key priorities. Our integrated housing management system allows managers to access user-defined monitoring reports in real time. Areas of poor performance are investigated quickly and appropriately by managers. Regular reports to Committee ensure that elected members are apprised of the service performance on a regular, quarterly basis.

- 10.3 Annual reporting on the Housing Charter to both the SHR and to tenants through the Report Card ensures that our tenants and external scrutiny body are fully informed of our performance. Through our refreshed Tenant Participation Strategy we plan to extend tenant involvement in shaping policy through a range of focus groups and tenant audit programmes.

11.0 Benchmarking

- 11.1 Benchmarking, or comparing performance with others, can be a useful way of checking performance levels. The Scottish Housing Regulator has published all the Charter information returns in a way that allows comparisons with other landlords. This tool is available online and can be accessed by anyone. It is a useful way for tenants to do their own comparisons. As with all high level statistical reporting, further analysis and understanding of context is needed to properly understand where there are differences. Formal benchmarking and performance is an area that we have identified to be developed further. There are national membership organisations who are providing this service and we plan to investigate what services they are able to offer.

An initial comparison carried out using the SHR reporting tool with the published 2015/16 information to compare Shetland Islands Council with our closest comparators across a range of the reported indicators shows the following:

2015/16		SIC	OIC	HC	HHA	HHP	SHR Ave.
Homes & Rents	Stock Number	1741	952	13899	630	2191	4418
	Ave rent 1 bed home	£57.82	£65.06	£61.11	£75.60	£65.41	£62.76
	Ave rent 3 bed home	£84.53	£77.07	£74.95	£87.27	£76.63	£75.66
Tenant Satisfaction	Overall % tenants satisfied with service	74.8	87.6	74.0	90.3	83.0	83.7
Quality & Maintenance	Ave time taken to carry out emergency repair (hours)	5.0	6.9	7.9	5.5	9.4	8.1
	% repairs carried out 'right first time'	83.7	93.7	95.3	94.8	88.3	94.5
	% tenants satisfied with repair	82.7	84.3	83.3	89.2	83.6	85.1
Neighbourhood	Cases of anti-social behaviour per 100 homes	0.6	4.0	15.1	11.6	1.5	12.7
	% of anti social behaviour	70	81.6	81.0	83.6	81.2	81.1

Appendix A (DV-16-17)

	cases resolved within local targets						
Value for Money	% rent not collected through void/empty homes	1.3	1.5	1.0	0.1	0.7	1.0
	Average time taken in days to re-let homes	64.2	40.6	47.1	6.5	21.1	41.5

Key: SIC – Shetland Islands Council
 OIC – Orkney Islands Council
 HC – Highland Council
 HHA – Hjalaland Housing Association
 HHP – Hebridean Housing Partnership
 SHR Ave – Scottish Average as per SHR charter report

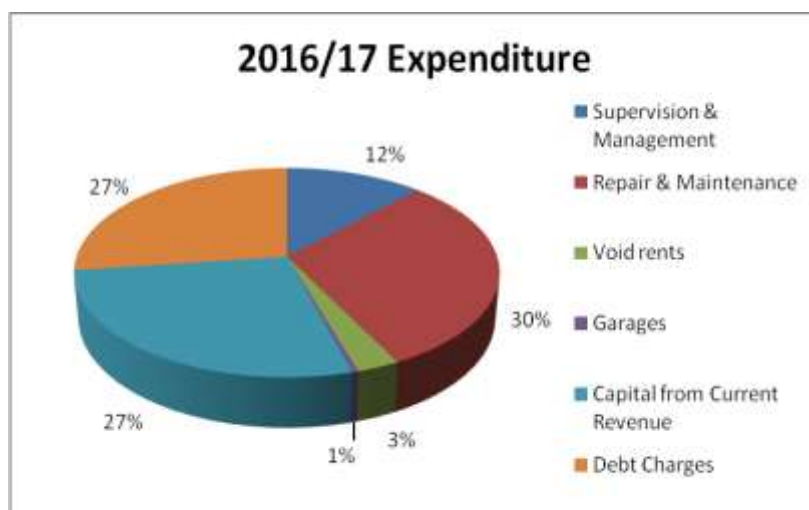
12.0 Financial Plan

12.1 Housing Revenue Account

12.1.1 The HRA is a statutory requirement for all local authorities that provide a housing landlord service. It is a ring-fenced account with income mainly being generated from tenants' rents. Expenditure is incurred through the management and maintenance of, as well as investment in, the housing stock to ensure that tenants' homes are safe, secure, warm free from defects and meet current standards.

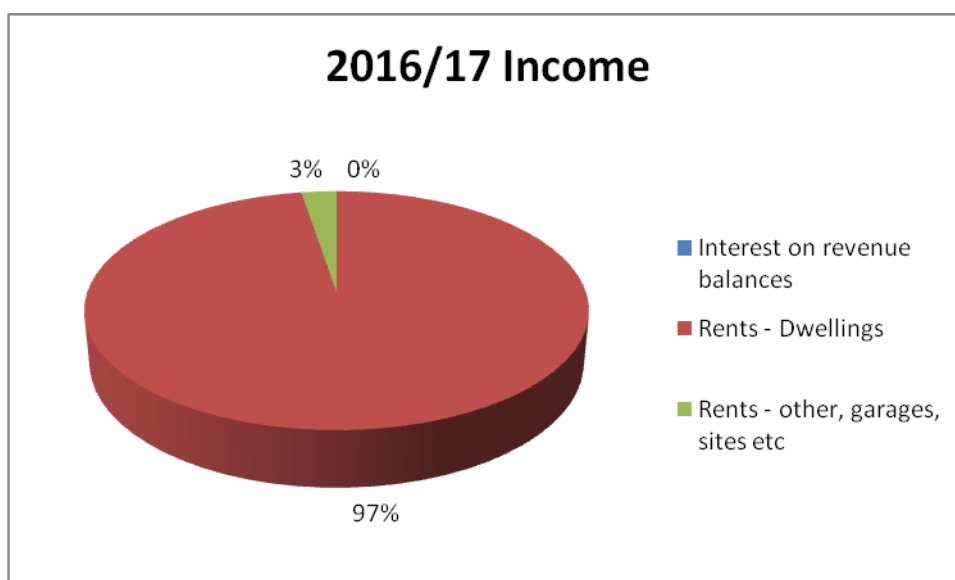
The HRA is divided into Capital and Revenue items. Expenditure on Capital items is where money is invested in major works (such as external refurbishment, replacement roofs, full house heating and insulation upgrades) to improve the physical quality of the houses.

Revenue income is predominantly the rent that tenants pay to the Council and Revenue expenditure is associated with the day-to-day management and maintenance of the houses. Further detail on the revenue income and expenditure is provided within Figures A and B below.



(Figure A – 2016/17 HRA Agreed Expenditure Budget)

The greatest proportion (30%) of revenue spend is on repair and maintenance, with funding for capital projects and debt charges the next highest.



(Figure B – 2016/17 Agreed HRA Income Budgets)

It should be noted that homelessness services and housing support services are funded from the Council's General Fund and do not form part of the Housing Revenue Account.

12.2 Overview

12.2.1 The primary focus of the financial modelling which underpins the Business Plan was to ensure that the HRA can be sustained over the 30 year period, with more detailed focus on the medium term (3-5 years). The model has allowed the review and assessment of the required level of funding over the medium to long term.

12.3 History of the HRA

12.3.1 The HRA has historically been constrained by a very high level of housing debt, which peaked at around £59m in the late 1980's. The debt was incurred when the oil industry arrived in Shetland in the 1970s and money was borrowed to build houses and to maintain and refurbish the original housing stock over a period of years.

A debt resolution was sought from the Scottish Government and agreed in 2013, which has brought borrowing levels down to £15m. This means that the debt is now at a more manageable level.

12.4 Stock Valuation

12.4.1 The 2015-16 Annual Accounts of Shetland Islands Council states the valuation of Council Dwellings on the HRA at £65.771M. Other land, buildings and vehicles held on the HRA have a stated value of £1.078M.

12.5 Financial Modelling

12.5.1 Financial modelling has been done, taking the 2017/18 proposed HRA budgets as the base year. The actual housing stock numbers as at 31 October 2016 have been used to model opening stock.

12.6 Key Financial Assumptions

12.6.1 Inflation

The model has used the longer-term expected rate of 2% CPI over the 30 year period. An assumption as to the future value of inflation is available from government forecasts, which although low at present, with the Consumer Prices Index (CPI) currently⁶ 1.6%, the Office for Budget Responsibility shows government forecasts for CPI to return to 2% by 2020. Given the long-term nature of these assumptions, looking back over the last 20 years, UK CPI averaged 2.7% over the last 10 years, 2.2% over 15 years and 2.1% over 20 years.

Using all of this as a backdrop it is not unreasonable to forecast that CPI may exceed 2% in the long-term and as such to recommend using future inflation proofing of investments at 2.1%, the 20 year average.

12.6.2 Real Growth Above Inflation

The model has assumed growth of 0.5% per annum above underlying inflation. This reflects the increased costs associated with managing and maintaining housing services within a remote community.

12.6.3 HRA Costs

The main expenditure items on the HRA are repairs and maintenance, supervision and management, capital expenditure (including exceptional works) and borrowing costs.

Repairs and Maintenance

This covers the cost of the responsive and cyclical maintenance and the staffing costs associated with providing these services. This takes account of the cyclical maintenance costs detailed in Asset Management Strategy, along with the cost of running the Housing Repairs Service.

Supervision and Management

The HRA requires proper supervision and management in order to ensure that its properties are effectively managed, maintained and let to tenants.

⁶ Office for National Statistics: Consumer Price Inflation, December 2016

Capital Expenditure

Capital expenditure includes the cost of major component replacement. The Asset Management Strategy has been developed following a detailed stock survey and this information has been fed into the model. The focus in the medium term will be to ensure that energy efficiency targets and required planned maintenance of existing housing stock is achieved and maintained. It was acknowledged in the stock condition survey that there will be peaks and troughs in relation to the expenditure from year to year for major component replacements and other capital works. The modelling has smoothed out the impact of those peaks and troughs by building in a flat rate of £3.155m per annum, adjusting for stock numbers, underlying inflation and growth. This flat rate recognises and takes account of the current annual capacity limits within both the Housing Repair Service and the local construction industry to undertake repair works.

Exceptional Works

The Asset Management Strategy also recognises some additional capital expenditure which is deemed as exceptional works. This expenditure relates to identified failure of blocks manufactured between 1975 and 1981 and used in the construction of some of the HRA's housing stock, and also issues with Cruden design steel frames used in properties built in the late 1940s and early 1950s. It is difficult to forecast the cost of these works accurately until all properties are inspected. Only then will the full extent of the works be known.

Based on the repair work already undertaken and the structural surveys commissioned on the properties, a best and worst case scenarios for the exceptional works has been calculated. The financial modelling uses a mid-point costing in this respect, of £20.706M, programmed over years 2 to 8 of the model.

Borrowing Costs

Historically, borrowing has been required to fund the HRA. The model includes the costs associated with the repayment of this old debt, which will be repaid in full in year 15. There is also a requirement for new borrowing to ensure the Asset Investment Strategy can be met, this is discussed in more detail below.

It is expected that borrowing will be undertaken at the Council's internal pooled rate, on which interest has been estimated at 5.75% for the purpose of the financial modelling.

12.7 How is the HRA Funded?

The HRA must be self-sustaining, so the expenditure detailed above must be funded. The primary ways in which the HRA is funded are through rental Income, use of reserves and borrowing. In year 1 the model also shows Capital Receipt income.

Rental Income

Rent modelling has been undertaken and assumes the underlying inflation rate and real growth factor over the 30 year lifetime of the model. A key service priority for the HRA is to provide affordable rents.

It has been recognised that there is a disparity between the average rental we charge on our smaller properties and that charged by other Councils and Housing Associations. In the medium term (5 years), the plan has incorporated the application of 2% inflation on an annual basis to all rents, with an additional £1 per week to be added to the rent for one and two apartment properties. This will bring the rents in line with benchmark figures, ensuring the differential between rental cost per apartment size does not continue to widen. Tenants were consulted on this for the 2016/17 and agreed with this principle. The impact of this change versus a straight 2.5% increase to all property rentals in the first 5 years is minimal.

In considering rental income there is a need to take account of the levels of rent arrears, bad debts and void costs and make provision for these. The bad debt provision has been estimated at 1% of total rental income as debt written off over the last 5 years have not exceed this level (2013/14 0.66% peak). Void costs are calculated for general and sheltered accommodation at 2.4% and 3% of total rental income, respectively, again this has been modelled on voids data collated over the last 5 years.

To fund the forecast expenditure of the HRA over the medium to long term, solely through rental income, would require rent to rise by more than the underlying inflation and growth rates. Our modelling showed that rental income would need to increase by 6-7% during the years the exceptional works were being undertaken to meet the costs. This would increase rents to an unaffordable level, so has been ruled out as a funding option.

Use of Reserves

The Council has a specific reserve which has been built up over a number of years initially created from the Reserve Fund. This reserve is necessary to ensure the HRA is financially sustainable and can meet any unforeseen or exceptional circumstances.

As at 31 March 2016 the Housing Repairs and Renewals Reserve balance was £13.1m. The financial modelling identified that additional funding, beyond the planned rent increase, is required to meet planned expenditure over the medium to long term. Use of reserves has been tested and will be insufficient to meet the whole of the remaining cost.

The use of the reserve needs to be sustainable, so it is necessary to set a minimum level to which the Housing Repairs and Renewals Reserve can fall. Given that any major fluctuations in the timing of expenditure are likely to be within the Asset Investment Programme, the minimum reserve level has been set at £4m. This is equal to the annualised cost of one year's planned asset investment (£3.2m) plus an allowance of 4% of the current estimated overall cost of exceptional works (£800k). It is felt this is a prudent level to set reserves at to account for fluctuations and unexpected circumstances.

Borrowing

Capital expenditure can also be funded from borrowing. This means that the cost of capital in any particular year is spread over a number of years in line with the conditions of borrowing (i.e. 20 years/30 years or a combination). This results in an annual charge for borrowing which has to be met from revenue. Any borrowing has to be undertaken in line with the current Council's Borrowing Policy.

Borrowing can be internal or external to the Council. The economic case for borrowing externally or using the Council's own reserves to finance capital expenditure is essentially down to whether interest rates are higher or lower than the long term average return on the Council's external investments (with fund managers).

As at 31 March 2016 the HRA borrowing was £13.828m. At this level of borrowing, the debt cost per dwelling is £7,460. This compares to national average of £12,807 per dwelling⁷ for 2015/16.

Further borrowing will be required from year 4 to 26 based on the financial modelling, to meet the remaining funding gap necessary to facilitate the Asset Investment Programme. The total additional borrowing requirement has been estimated at £38.504m, with the debt per dwelling peaking in year 7 at £12,981.

Capital Receipts

In the model it is predicted that a further 4 house sales will occur in 2017/18 through Right to Buy Legislation. The Tenant's Right to Buy came to an end on 1st August 2016, so this is anticipated to be the final year where house sales will take place. The sale of houses generates a capital receipt which is used to funding capital expenditure.

12.10 Financial Risks

There are many variables in the financial modelling to be considered. The assumptions made in the financial modelling have been tested, but financial risks still remain.

- Interest rates are currently at a very low level, but over the lifetime of the model are likely to rise. This is mitigated to some extent with the use of a pooled rate of interest, which are less likely to show major fluctuations.

The uncertainty over the cost of exceptional work required could have a major impact on the model. The worst case scenario, would involve further borrowing and push the model towards a less sustainable position. Comfort can be taken from the findings of work done to date on the affected properties that the worst case scenario is not the likely outcome and that the mid-point estimation used is prudent

⁷ <https://www.scottishhousingregulator.gov.uk> – Sector Analysis – Statistics – 2016 Table FRS102(8) – Financial Ratios and Costs

13.0 Future Investment

13.1 New Affordable House Building

The supply of new affordable housing is a key theme in the Local Housing Strategy. The delivery of new social housing is currently undertaken in partnership with Hjaltland Housing Association who is the lead developer in the delivery of social rented housing. This arrangement maximises external funding into Shetland and is detailed in the Strategic Housing Investment Plan (SHIP). It is important that the Council, as the statutory enabling body for housing, seeks to maximise this kind of opportunity as it offers different funding mechanisms that do not impact on the HRA.

13.2 Asset Management & National Standards (SHQS and EESSH)

The production of an Asset Management Strategy sets a clear course for future investment in the existing housing stock. This information is based on verified data. The shift to planned maintenance and reduced reliance on reactive maintenance will provide clearer programmes of work for staff and tenants. Initial focus will be in ensuring that national standards such as the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESSH) can be met. This will require significant investment in heating and insulation programmes for our housing stock. A five year planned work programme will be developed and shared with tenants. This will be regularly reviewed and progress reported. The Asset Management Strategy makes an explicit link to the Tenant Participation Strategy and the work plan will identify a number of workstreams to develop tenant involvement in this area.

A further strand of the Asset Management Strategy is to evaluate efficient procurement, with assistance from our Corporate Procurement team.

13.3 Other Investment Plans

While the Asset Management Strategy has identified and costed the major component replacements required (e.g kitchens, bathrooms, windows etc), there are a number of additional areas which may require investment due either to construction methods or structural concerns. Where these occur we will commission specific professional surveys and reports and will prioritise investment through review of the programme and the financial modelling outputs.

14.0 Rent Strategy

- 14.1 Council rents in Shetland have traditionally been at the higher end of the scale in comparison to other local authorities. The high level of rents was due to the historic housing debt which was a main driver in rent-setting in the past. Rent increases have in recent years, up to the resolution of the housing debt, been in excess of inflation. The Business Planning process has allowed us to financially model the impact of costs and investments on rents. Consultation with tenants has indicated that while most tenants feel that their rents are high, they are generally happy with the service they receive. Tenants have expressed concerns about affordability should rent increases be above inflationary level. The business planning process allows a degree of certainty over planned future rent levels. It is recommended to advise tenants of the likely rent levels over the coming three year period, subject to annual review.

- 14.2 In looking in detail at benchmarking data, it is clear that our previous strategy of applying a flat percentage increase across all property sizes has skewed our rent differentials. In practice this means that our bedsit, one-bedroom and two bedroom properties have rent levels well below the Scottish average. These rents are also much lower than our comparator landlords (see table at 11.1). This gap is being addressed in future rent increases by applying an appropriate formula to the smaller properties. Further rent modelling and tenant consultation will be carried out annually as part of the HRA Budget process.

15.0 Conclusions

- 15.1 The HRA can demonstrate financial viability over the 30 year life of the Business Plan, whilst at the same time fulfilling the strategic priorities of the Local Housing Strategy.
- 15.2 The financial modelling gives the HRA a solid base for annual review to be translated into HRA budget proposals.
- 15.3 The financial modelling allows us to be clear that the financial demands on the HRA over the short to medium term are the maintenance of the existing Housing stock, leaving little scope for new build projects.
- 15.4 The Business Plan will be reviewed annually and updated for any significant change to the investment plan and reported to the relevant committee through the Budget Process.

Executive Manager – Housing

January 2017



Asset Management Strategy

Responsible Officer:	Team Leader – Asset Management
Last Revision Date:	07 December 2016 (DRAFT H)
Document Reference:	Asset Management Strategy

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*Management is a key part of Business Planning
which connects at a strategy level, decisions about
an organisation's business needs, the deployment
of its assets and its future investment needs"*

Sir Michael Lyons (2004)

Asset Management Strategy

Background

As part of Shetland Islands Council (SIC) ongoing review and development of the Housing Service it was agreed that a new Asset Management Strategy was required to identify how the SIC propose to deliver the best use of the Housing Service assets.

This Housing Asset Management Strategy will compliment and support the new Housing Service Business Plan.

What is an Asset Management Strategy?

Asset management is the range of activities undertaken to ensure the housing stock meets the needs and standards now and for the future. The Asset Management Strategy is about reviewing and developing the asset to provide the right accommodation in the right location. This Strategy will demonstrate the SIC is effectively managing their assets and is therefore evidence that the organisation is well managed and governed.

Vision Statement

Shetland Islands Council Vision Statement;

‘We will provide affordable, well maintained and energy-efficient homes for now and the future’

Underpinning this vision are three values;

Putting people first;

We value our tenants and our employees and we consider actions before making decisions.

Supporting communities;

We will work with others to do what is right.

Spending money wisely;

We will achieve value for money by consulting with tenants and involving employees to help make the right choices.

Aims and Objectives

The following aims and objectives have been developed to complement and support the SIC with meeting its Vision Statement;

- To deliver home improvements which are sustainable and represent best value.

- To continue to maintain homes in line with statutory standards and property related legislation.
- To provide a range of good quality homes to people in housing need and those requiring care and support.
- To achieve continuous improvement in all property related services through effective performance management and benchmarking.
- To ensure that funding is maximised and to deliver value for money and identify efficiency savings wherever possible.
- To improve the energy efficiency of homes in order to help reduce fuel poverty and contribute to the wider environmental sustainability agenda.
- To create successful, sustainable communities through ongoing regeneration activity with partners and stakeholders.
- To ensure resident involvement and consultation is effective, allowing views to be heard and services to be applied accordingly.

Asset Profile

Stock Data

The SIC has a total housing stock of 1787 as at October 2016.

The earliest property was constructed during the mid 18th century with the latest built during 2014. Diagrams One and Two provide an indication of the construction age for our current housing stock. The busiest period for constructing new homes in Shetland occurred between 1965 and 1982 when 1010 homes were built, which accounts for 55% of our housing stock. During this period oil was discovered within the North Sea and Shetland underwent a change in industry and prosperity as a result of the needs to service this new commerce.

Construction Period	Properties Built
Pre 1944	163
1945-1965	328
1965-1982	967
1983-2000	247
Post 2000	82
Grand Total	1787

Diagram One – Current Housing Stock Built Date Data

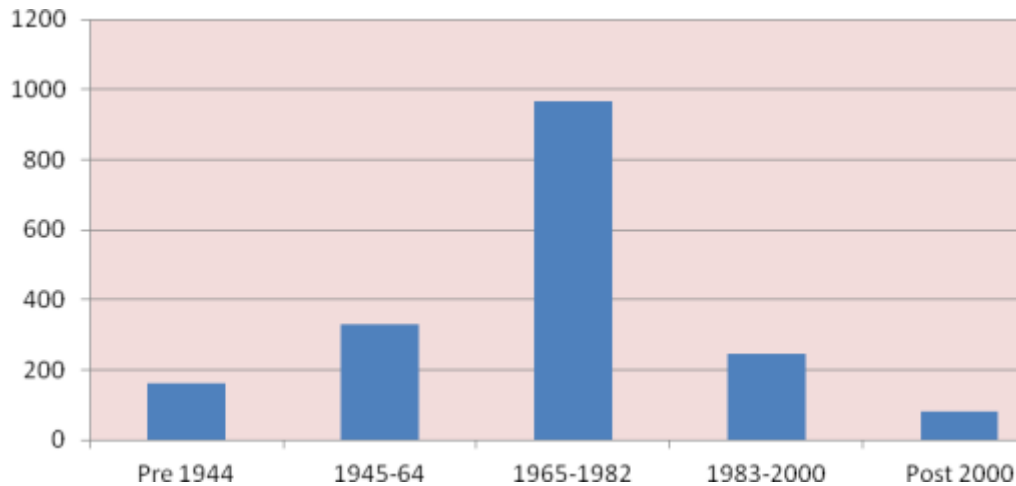


Diagram Two – Built Date Profile

Diagrams Three and Four detail the size of properties based upon the number of bedrooms provided. The largest provision of the current stock is for three bedroom properties accounting for 36% of our stock. The smallest allocation of four plus bedroom sized properties accounts for only 2% of our stock.

Property Size	Property Numbers
Bedsit/1 Bed	558
2 Bedrooms	545
3 Bedrooms	641
4+ Bedrooms	43
Grand Total	1787

Diagram Three – Property Size Data

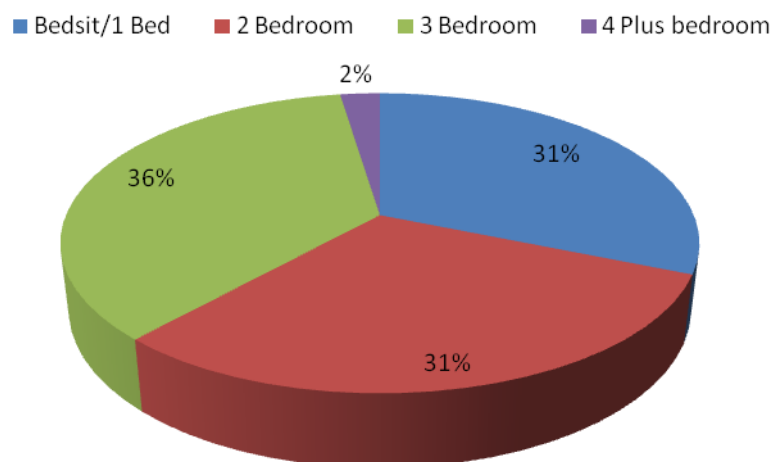


Diagram Four – Property Size Chart

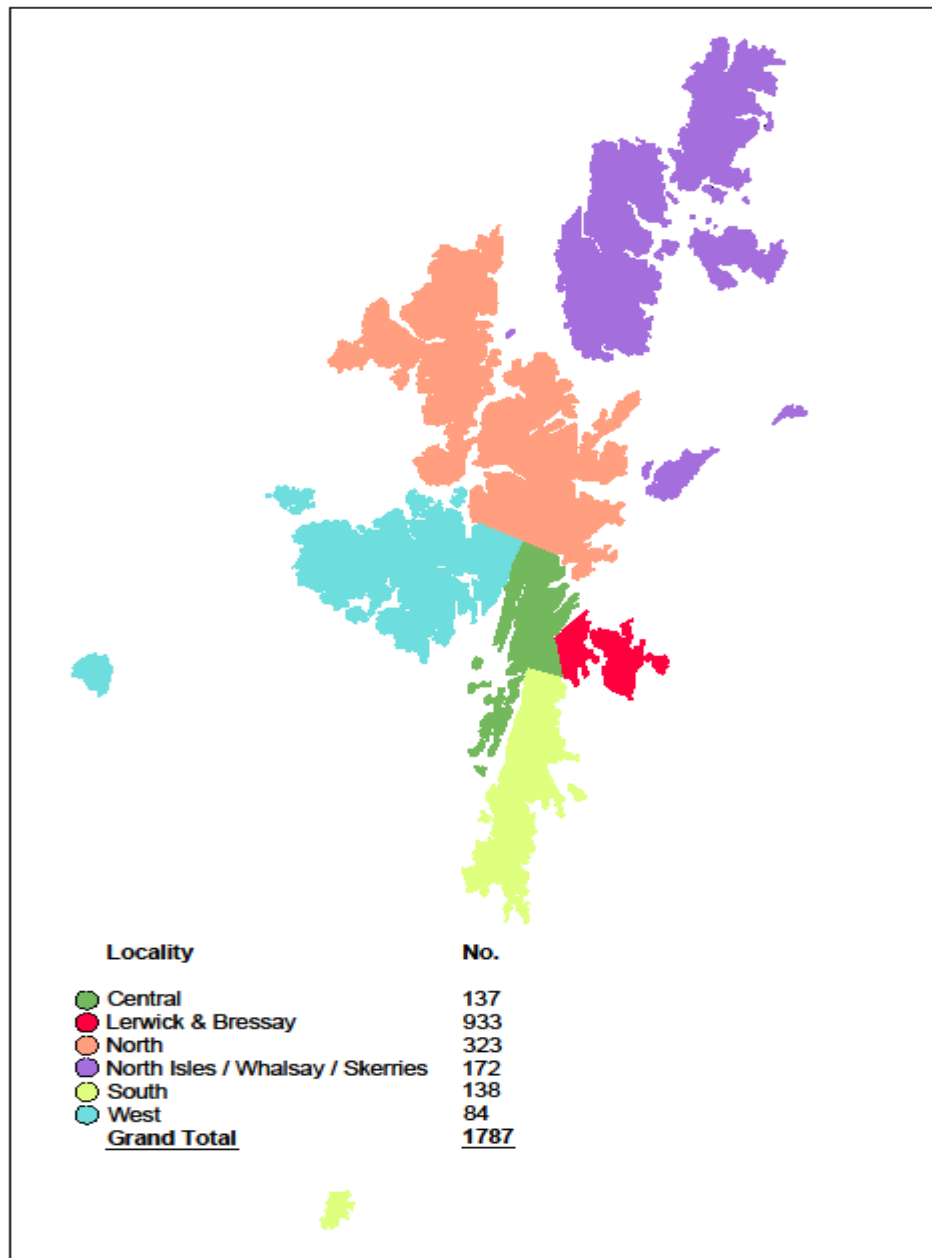


Diagram Five – Stock Location

The above map provides an indication of the location and numbers of housing stock within Shetland. The largest group is located within the Lerwick/Bressay area at 933 homes, this would reflect the area of largest population within Shetland.

Right to Buy

The Housing (Scotland) Bill was passed by the Scottish Parliament on 25 June 2014 and became an Act on 1st August 2014. The Act entitled council and housing association tenants in Scotland the opportunity to buy their property for a limited time. The Right to Buy for tenants ended on 1 August 2016 and as at 18 November 2016 there are 76 active Right to Buy applications. Further guidance can be found on the following dedicated website;

http://www.shetland.gov.uk/housing/housing_options_right_to_buy.asp

Asset Condition Review

The SIC have undertaken the following investigations to establish the condition of the existing assets;

- Stock Condition Survey
- Identified Structural Surveys
- Energy Assessments

Stock Condition Survey

The SIC commissioned a 20% Stock Condition Survey which was undertaken during October 2014. The headline findings from the Stock Condition Survey are as follows;

- Externally the consultant stated that the ***“properties appeared to be in good condition.”***
- The surveys identified that ***“investment had been made in recent years, however it was noted that a number of properties have components which are approaching the end of their useable life.”***
- The greatest immediate cost liability across the stock lies with replacement kitchens, with slightly over 21% of all properties requiring a new kitchen within the next 5 years.
- The replacement of heating systems presents the highest likely cost liability over a 30 year period.
- Roof coverings present the highest cost liability for external components.

Identified Structural Surveys

The SIC commissioned consultant engineers to undertake surveys of recognised structural issues. These surveys were undertaken during October 2014. The surveys related to concerns with block failure and properties constructed with a Cruden design.

Block Failure

The predominant issue identified related to concrete blocks manufactured between 1975 and 81. Some blocks manufactured during this period are now showing a loss of structural strength, presumably due to failings within the block manufacturing process.

To date the SIC have undertaken exceptional remedial repairs to 60 properties affected by block failure. Investigations are ongoing to identify any further stock affected.

Cruden Design

Cruden design properties were built throughout Britain during the late 1940's and early 1950's. These properties are built with a structural steel frame over clad with an outer finish. Through the passage of time it has been established that the steel frames were susceptible to failure. As a result of these failings exceptional remedial works are required to repair the affected areas.

To date the SIC have undertaken exceptional remedial repairs to 28 properties affected by frame failure. Investigations are ongoing to 6 further properties, which are the only remaining Cruden design homes within our housing stock.

Energy Assessments

The SIC undertook a desktop study to establish the current Energy Efficiency Ratings for our housing stock. This exercise identified the energy improvement works required to improve the energy ratings in line with the requirements of The Scottish Housing Quality Standards and Energy Efficiency Standards for Social Housing (ESSH). These are mandatory standard for social landlords which must be met by the end of 2020.

This desktop exercise identified that approximately 67% of our properties required remedial energy improvement works to meet the legislative standards by the end of 2020.

Stock Condition Review Action Points

The Housing Service will continue to monitor, record and assess the condition of our asset. When issues are identified we will proactively undertake remedial works to ensure our properties are well maintained and are energy efficient.

Investment

The SIC are responsible for financing housing management, maintenance and investment costs through the full rental income generated from our housing stock.

The outcomes of the Stock Condition Review assisted with the identification of the overall costs required to maintain and improve the housing asset over a 30 year business planning period. This information will enable the SIC to make

informed investment decisions against the estimated rental income over future years. This information is incorporated into the financial modelling of the Housing Service Business Plan.

Stock Condition Survey

The 20% Stock Condition Survey undertaken on behalf of the SIC identified the condition and likely renewal date for property components. Through the initiation of these projects we will continue with a programme of cyclical replacement which will ensure that components are replaced before they reach the end of their affective life.

The initial five year planned programme identified the following component areas as requiring significant investment;

- Kitchens
- Windows/doors
- Roof finishes
- External wall finishes
- Heating

Following the results of the Stock Condition Survey, the SIC reviewed the recorded data and developed a programme of capital component replacement and cyclical maintenance. Through the establishment of these programmes a reduction with reactive and emergency repairs is anticipated and therefore a decline in expenditure on unplanned repairs.

The SIC are developing a standard specification document for the replacement of components. The SIC believe that replacing components with good quality products, which are suitable for the chosen environment and with consideration to the life of the asset represents good value for money.

Exceptional Works

The SIC and consultant engineer are currently reviewing the Reports produced following the engineers surveys. This review will result in the establishment of a programme of remedial works required to rectify the identified structural issues, together with agreed timescales. This information will be included within the 30 year Investment Plan supporting the Housing Service Business Plan.

Energy Efficiency

Following a study by our Contracts Manager (Services/Energy) we identified a programme of remedial works required to meet current legislation standards. The study identified the need for the following property improvements works;

- Increase attic insulation
- Increase external wall insulation
- Increase underfloor insulation
- Improvement to heating systems

Resources

The SIC Housing Service Asset Management and Repairs Service who are responsible for the repair and maintenance of the Housing Service asset.

The Asset Management Section employs a mixed team of professionals to manage and monitor construction and maintenance projects. The estimated value of these projects can range from £10,000 to in excess of £1,000,000. The disciplines employed by the SIC are listed below;

- Contract Administration
- Inspection
- Architectural
- Contract Management (Services/Energy)
- Quantity Surveying

The Repair Service employs a multi trade workforce who provides a 24 Hour, 365 days a year responsive service. The trades employed by the SIC are listed below;

- Joinery
- Plumbing
- Electrical
- Painting

When works are identified that requires either specialist trades or our own workforce does not have the capacity to undertake the work we appoint external trade contractors.

Diagram Six Identifies the professional disciplines required to undertake a typical construction project. The positions shown in blue are those roles carried out by SIC employees. The positions shown in orange would be met by the appointment of external consultants. We do not have a sufficient workload to justify the employment of either an engineer or health and safety professional and therefore appointing this resource when required provides us with the correct balance and best value approach.



Diagram Six – Typical Construction Project Team

When planning future projects the SIC Housing Service have to take into account the 'Shetland factor'. This relates to the Islands remote location, our access to limited resources and the impact of other construction related projects.

As a result of this factor we work closely with other construction related organisations to identify future market trends. We also look to develop projects to reflect what the local market can best accommodate in relation to resources and availability.

Training

The SIC recognises that reviewing employee performance and the identification of development needs is central to the continuous improvement of service delivery and the motivation of employees.

We proactively ensure that our employees are trained to meet the standards required by current legislation and to keep our staff well informed with new developments.

The SIC have an Employee Review and Development Policy. Employees meet with management annually to review and discuss performance, future training needs and development and career planning.

The SIC operates an e-learning system. This gives the opportunity for staff to access a range of online training courses using Brightwave, which is an e-learning system developed by local authorities in Scotland.

Energy Efficiency

The SIC aim to improve the energy efficiency of our homes, reduce energy consumption, fuel poverty and the emissions of greenhouse gases.

The Scottish Housing Quality Standard (SHQS)

SHQS was introduced in February 2004 and was the Scottish Government's principal measure of housing quality in Scotland. The SHQS is a set of five broad housing criteria which must all be met if the property is to pass SHQS. These criteria in turn consist of 55 elements and nine sub-elements against which properties need to be measured.

The purpose of introducing a minimum housing standard in Scotland is essentially to provide a 'floor' below which a property should ideally not fall. In the case of the social housing sector (local authority landlords and Registered Social Landlords), Scottish Government has set a policy target for landlords to bring their stock up to every element of the standard (where applicable) by April 2015.

The SIC informed the Scottish Housing Regulator following the April 2015 deadline that 99.9% of our homes met SHQS with exemptions in relation to element 54 (Common Door Entry). The buildings we occupy eligible for a door entry system provide accommodation for a small number of mixed SIC and private tenancies. Historically we have had no issues highlighting the need for a door entry system. This is likely due to our Islands environment, where the issues that occur in the larger polluted areas on the mainland do not exist within Shetland.

The Energy Efficiency Standard for Social Housing (EESH)

EESH is a further legislative requirement from the Scottish Government. This is a mandatory standard for social landlords which must be met by the end of 2020. EESH succeeded the energy targets and guidance of SHQS.

EESH aims to encourage landlords to improve the energy efficiency of social housing in Scotland. This supports the Scottish Governments vision of warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland, as set out in the Scottish Governments Sustainable Housing Strategy.

The Standard aims to improve the energy efficiency of social housing and reduce energy consumption, fuel poverty and the emission of greenhouse gases. Meeting this standard will help to achieve the Climate Change (Scotland) Act 2009 target of reducing carbon emissions by 42 per cent by 2020 and 80 per cent by 2050.

The standards are available on the following dedicated website:

<http://energyefficientsocialhousing.org/>

The SIC identified a program of remedial works required to ensure that our homes meet the EESSH standards by the end of 2020. This will include the homes identified as exceptions from SHQS.

Energy Efficiency Action Points

Our Contracts Manager (Services/Energy) manages our energy efficiency projects. With the advent of SHQS and EESSH we have noted a steady increase in energy efficiency projects. Annually these works account for almost 25% of our annual budget and affect circa 350 properties. We have forecast that this profile will continue over the next 5 years to meet the needs of EESSH before the 2020 deadline. Subsequent ongoing analysis against legislative targets will identify future project needs.

Our Contract Manager (Services/Energy) has the added responsibility of developing and managing contracts in relation to services, which are identified under cyclical maintenance.

Taking into consideration the growth of energy efficiency projects together with the continued need to deliver our cyclical maintenance works we are reviewing our resource need to meet this increased service demand.

Tenant Involvement

Tenant involvement is important to us, it allows us to share information, evaluate needs and take onboard views prior to decisions being made. Feedback is also important, from this we can identify what works, what does not, and where improvements can be made.

During May 2015 the SIC arranged a workshop with stakeholders to review tenant feedback regarding building related works. The following points were raised as important;

- Tenants want more involvement with decision making.
- Improved communication before, during and after works are undertaken.
- Tenant involvement with performance monitoring.

Shetland Tenants Forum

The Shetland Tenants Forum was formed in 1991 and is the independent ear and voice for tenants. The way Shetland has approached tenant participation is held up as a model of good practice. The Housing Service and Tenants Forum

are in regular contact discussing asset management issues for both individual tenants and estate wide concerns. Involving and valuing the tenants is a key theme and as an organisation there is a strong focus on access and customer care across all aspects of the Housing Service. Further information regarding the Shetland Tenants Forum can be found on the following website;

<http://www.shetlandtenantsforum.com/>

Inspection Officers

All tenants have a named Inspection Officer who can provide technical advice and guidance. The officers liaise with tenants, assist with issues and provide technical advice. When required they will organise and manage repair works.

Estates Inspections

Estates inspections are carried out annually with invites issued to tenants, tenant groups, elected members and Environmental Health. These inspections are an opportunity for all to raise estate management issues on a formal or informal basis.

Tenants Home Improvement

Under the Scottish Secure Regulations 2002 tenants have the right to carry out improvement works to their homes, provided they obtain approval from the SIC. Tenants who carry out improvement works may have the right to claim compensation for any agreed specific works when their tenancy comes to an end.

Feedback

The SIC periodically carry out Tenants Satisfaction Surveys to provide feedback on the services provide by Housing to our customers. The responses from these surveys are summarised and included within the Scottish Social Housing Charter Return.

The information from the last Survey was also used within the Housing Report Card 2015-16 which was issued to all tenants. This Report Card summed up how the Council performed based on the information provided by tenants. The Housing Report Card can be found at the following web address;

<http://www.shetland.gov.uk/housing/documents/2015.16HousingReportCard.pdf>

Complaints

We are an organisation committed to continual improvement and see customer complaints as an essential part of that process. It is important to listen and work together to resolve issues. The SIC has provided a leaflet on how complaints are dealt with and this leaflet can be found at the following web address;

http://www.shetland.gov.uk/comments_complaints/

Condensation

Complaints associated with condensation related dampness have increased significantly in the last year. This issue is not specific to Shetland with other mainland social landlords reporting that these complaints have tripled over the last 12 months.

The SIC issued to all householders and published a leaflet during March 2015 to inform tenants of the causes of condensation. The leaflet also provided advice on how tenants and the SIC can work together to eliminate dampness caused by condensation. The leaflet can be found at the following website;

<http://www.shetland.gov.uk/housing/documents/SICHousingCondensationLeafletFINAL13022015.pdf>

Information Technology (IT)

The Housing Service operates a fully integrated housing management system (Capita).

Capita is regularly updated by staff to ensure that the data stored is current and the information can be used to inform SIC staff, tenants, contractors and anyone with a need for this data of the current status of a property/tenant.

The SIC also operate complimentary Capita software which can produce reports to assist with monitoring and future planning.

The SIC has a comprehensive Internet homepage that provides the public with an extensive library of information on Council Services. The Housing Service section of this site supplies the viewer with information on a wide range of housing related topics. The SIC Housing page can be found at the following web address;

<http://www.shetland.gov.uk/housing/>

Information Technology Action Points

We are developing Operational Procedures to ensure the Housing Service have agreed recorded guidance for staff to update and operate our IT systems. We acknowledge that IT is an area known for development and change, therefore we recognise the need to continually monitor and develop our Service needs to maximise the benefits from technology developments.

Procurement

In 2010 the SIC agreed that a corporate procurement approach be adopted with the establishment of a Procurement Section. The remit of the section is to ensure

that the regulatory procurement regime is adhered to and to take steps to improve procurement practice in order to realise significant cost savings.

The strategy sets out good procurement practice which in turn is aimed at delivering considerable cost savings, greater collaboration at a national and local level. It will also support local contractors, suppliers, service providers and benefit the local economy. We are exploring the potential to use community benefit clauses when the SIC enters into future contracts with the private sector. The strategy promotes and develops good procurement practice for the benefit of all concerned.

Procurement Action Points

The Housing Service is an active member of the Council's Procurement Contacts network. This network was created to monitor and develop procurement in line with regulatory requirements, changing industry standards and other procurement opportunities. We are a committed member of this network and acknowledge the positive benefits of collaborative working to identify and develop best procurement practice for Housing and the Council.

Cyclical Maintenance

Cyclical maintenance covers the work undertaken on an annual or long term basis. The current cyclical maintenance programme includes the following work areas;

- Legionella
- Heat pump servicing
- Ventilation servicing
- Fire alarm servicing
- Septic tank maintenance
- External painting
- Electrical testing

Cyclical Maintenance Action Points

The Housing Service will continue to proactively undertake a program of maintenance projects to meet legislative and manufacturers written guidance.

Housing Repairs Service

The Housing Repair Service is made up of a multi trade workforce that provides a 24 hour 365 days a year responsive service. The responsibility for repairs to SIC houses is shared between the SIC and the tenant in line with the tenancy agreement. In general, the SIC is responsible for maintaining the fabric and permanent fittings of the building. The tenant is responsible for internal decoration, furnishings and removable fittings like clothes lines, TV aerials, curtain rails, light bulbs and so on.

The SIC operate a repairs helpdesk where issues can be reported. Through this facility, repairs can be logged and tickets issued based upon priority. Repairs are categorised by the SIC as emergency, urgent, routine or 'other'. Tenants have the right to a repair being carried out within the timescales set out below.

- Out of Hours Emergency Repairs (same day)
- Emergency Repairs (same day)
- Urgent Repairs (response within 3 working days)
- Routine Repairs (response within 1 month)
- 3 Month Repairs

Further information regarding repairs can be found on the following dedicated website;

http://www.shetland.gov.uk/housing/tenants_repair_responsibilities.asp

Right to Repair

Under the Housing (Scotland) Act 2001, Scottish secure tenants have the right to have small urgent repairs carried out by their landlord within a given timescale. This is called the '*Right to Repair*'. It covers certain repairs which are known as 'qualifying repairs'. If the SIC repair service does not start the qualifying repair within the time limit set, the tenant can select another contractor from a provided list of contractors. The new contractor will inform the SIC and the tenant will receive compensation for the inconvenience caused.

Repair Service Action Points

Following the development and introduction of a new Housing Management System (Capita) our ability to evaluate performance and the changing service needs of the Repair Service has improved. We can now identify the localities where service need is greatest by trade together with the types of works undertaken. Through the analysis of this data we can develop our Repair Service to meet the developing needs of our housing stock.

The Repairs Service operates a Schedule of Rates to assist with calculating repair costs. The Housing Service engaged an external consultant to review our current schedule. We are looking to develop the schedule to provide a more specific list of items, which will be comparable with nationally recognised standards and assist with our performance reporting.

Through the development of our evaluation and monitoring procedures, we will establish and target service delivery together with developing the Service to limit the number of reactive repairs and proactively plan long term maintenance of the housing stock.

Health and Safety

The Scottish Housing Quality Standard (SHQS) was introduced in February 2004 and was the Scottish Government's principal measure of housing quality in Scotland. The SHQS is a set of five broad housing criteria which must all be met if the property is to pass SHQS and Section E of this Standard relates to Healthy, Safe and Secure. The Scottish Government set a policy target date for landlords to bring their stock up to meet the standard by April 2015. In the case of Section E there are 15 elements to comply with, the SIC met all of these standards and applied for an exemption from element 54, this relates to the need to provide secure door entry systems to common front doors. Only two properties were identified that met the criteria of requiring a door entry system. Historically no issues have been identified to necessitate the need to install door entry systems within these properties.

Asbestos

The SIC engaged external consultants to review and update our Housing Asbestos Management Plan in accordance with the following legislation;

- The Control of Asbestos at Work Regulations 2012
- Health and Safety at Work Act 1974
- Management of Health and Safety at Work Regulations 1999

Our Plan details the approach that the SIC will take with the day to day management of asbestos contained within our assets.

The Capita computer system operated by the SIC incorporates our Asbestos Register. In its present form the Register indicates where known or suspected asbestos containing materials have been located and their generic type. This is a live document, which is continually updated.

The Control of Asbestos at Work Regulations 2012 continues a specific duty to manage the risk from asbestos containing materials in non-domestic premises. These regulations can also be used as guidance for domestic premises where the landlord has a duty of care to staff and tenants living and working within these properties.

Legionella

As a residential accommodation provider our obligations come under the approved code of practice 'The Control of Legionella Bacteria in Water Systems' guidance.

Water quality testing is carried out on a 6 month cycle and Legionella Risk Assessments are carried out at 24 monthly intervals to all 'at risk' buildings managed by the SIC.

Electrical Testing

In accordance with the 17th edition of the IET Wiring Regulations BS 7671:2008 electrical testing will be carried out at 10 year intervals unless the qualified electrician recommends an earlier inspection.

Inspections of the electrical installations will be carried out at every change of occupancy by a competent person. Competent person are those who hold a certification for attending the Electrical Awareness course provided by CORGI Technical Services.

Gas

Shetland does not have mains gas supply and therefore we have no properties with gas central heating.

We supply a small number of gas appliances which are serviced annually in accordance with our statutory obligations.

Fire Safety

The Regulatory reform (Fire Safety) Order 2005 came into effect on the 1 April 2006.

As a result of this legislation, all organisations were made responsible for their own fire safety. All employers must conduct a fire risk assessment regardless of the size of the risk, provide staff with fire awareness training, fire marshal training and the provision of fire safety management plans, log books and maintenance of fire safety precautions.

To ensure SIC is fully compliant, fire risk assessments of all offices and common areas of residential properties have been carried out.

Recorded Data

All information collected regarding health and safety is uploaded onto our Capita Housing Management System. This system provides our staff, tenants and contractors with readily available information about the health and safety data arising for our housing assets. In addition, this information assists us with managing all respective repair work tickets and managing our planned works program.

Health and Safety Action Points

The SIC is an organisation that proactively meets its statutory obligations with regards to Health and Safety. We will through continuous review, training and development ensure the safety of staff, contractors, tenants and stakeholders.

Review

To enable us to monitor and access progress in relation to our Asset Management Strategy we have developed an Action Plan (Appendix 1) This Plan will provide the appropriate foundations and allow us to progress with a structured plan towards specific goals.

The Asset Management Team Leader within the Housing Service will monitor and manage the Action Plan. The Team Leader will meet with the Housing Services Executive Manager regularly to review progress. The Executive Manager will report on the progress to appropriate Council committees.

The Asset Management Strategy and Action Plan will be reviewed annually and updates published as required.

The Asset Management Strategy and the associated documents are live documents, which through continual review and development will assist the SIC to provide *“affordable, well maintained and energy-efficient homes for now and the future”*

**Tenant Participation Strategy for Shetland
2016-2019**

“Working together to provide a quality housing service”

Shetland Islands Council and Shetland Tenants Forum

Our commitment to Participation and involvement

Tenants are at the very heart of the service we provide. We are committed to providing quality services to our tenants and to ensuring that all tenants have access to participate in shaping the service that they receive. This strategy document sets out a variety of ways that we have agreed will help enable this to happen. Tenant participation is a two-way process that involves sharing information and ideas to help improve standards and services.

Anita Jamieson

Executive Manager - Housing

Aims and objectives

- ✓ To actively encourage and involve tenants in decisions which will affect them, their homes and communities
- ✓ To support Tenants and the Council working together to improve services for all tenants
- ✓ To offer a range of options for tenants and residents to participate collectively through tenant and resident groups and individually.
- ✓ To ensure tenants have the support and information needed to enable them to get involved.
- ✓ To provide tenants with up to date information
- ✓ To develop training opportunities for elected members, staff and tenants across a range of housing activities
- ✓ To ensure tenant participation activities reflect equal opportunities and are accessible

Equal opportunities - we recognise the importance of equality of opportunity for all our tenants. We will not discriminate on the basis of age, disability, gender reassignment, pregnancy and maternity, race religion and belief, sex, sexual orientation and marriage and civil partnership. We will assist tenants who may need support to participate.

Introduction to the Strategy

This Strategy sets out what we plan to do, how we will consult with our tenants and residents, options available for getting involved, how we will take account of tenants and residents views and how we will feedback to tenants and residents.

The strategy 2016-2019

The past the present and the future

Shetland Islands Council is committed to ensuring tenants take part in decisions that affect them. The Council has a long and strong history of tenant involvement and since 2000 has supported the Shetland Tenants Forum (STF), the representative body for tenants and residents in Shetland. The Shetland Tenants Forum has a tenant participation worker to support and promote participation.

The past - Our strategy was out of date and needed a complete review. Since our first strategy, housing law has changed, more opportunities for tenant involvement have been introduced. TPAS Scotland, a national social enterprise organisation has worked with us to develop our new strategy.

The present - A draft strategy which incorporated new legislation and new opportunities for involvement was sent to tenants groups, STF members and tenants seeking their views on the draft in 2016. A large scale Tenants Satisfaction Survey in 2014 also informed the development of the revised strategy.

The future - The strategy 2016-2019 was approved by STF in July 2016. It is a “living” document, which will change over time to take account of emerging initiatives and tenants’ ideas.

Shaping the Strategy – new opportunities

The Scottish Social Housing Charter was developed by tenants in Scotland for tenants in Scotland. It sets out housing standards and outcomes that all Councils and housing associations should achieve in performing housing activities for tenants. It outlines what tenants should expect from their landlords.

The Charter is important to tenants; homeless people and other service users because it will help tenants have

- a clear understanding of what they can expect from their landlord
- It will give landlords clarity and certainty around what they should be achieving for their tenants and other service users

The Charter gives tenants more opportunities to get involved in developing good housing services. A copy of the Charter is available from the Council’s Housing service or STF offices or www.scotland.gov.uk

The Scottish Housing Regulator (SHR)

The SHR’s role is to safeguard and promote the interests of current and future tenants, homeless people and other people who use the services provided by all social landlords. The SHR monitors and regulates the Council’s housing services. The SHR requires landlords to work with their tenants to make sure tenants are at the heart of their organisation and tenants have opportunities to monitor performance and improve services.

The Annual Report to Tenants

Annually, landlords must complete the Annual Return against the Charter (ARC) and It must be delivered to the SHR by the end of May each year.

The Council and tenants will work together every year to develop a report card for tenants. This will be a summary of information on the Councils housing service performance over the year. The report card is to be completed by the end of October each year. In August of each year, the SHR will publish on line the performance of every landlord in Scotland and this information will be available to every tenant in Scotland. www.scottishhousingregulator.gov.uk.

Getting involved

Open to all – equal opportunities

We will ensure that we actively promote equal access to participation. In all our participation and consultation activities we will promote and encourage our tenants to get involved regardless of their age, disability, gender reassignment, pregnancy and maternity, race religion and belief, sex, sexual orientation and marriage and civil partnership. We will use a wide range of methods to consult, involve and enable participation which reflects and respects the diversity of our tenants.

We will make every effort to ensure that any barriers that may prevent tenants from participating are addressed. We will for example:

- ✓ When requested provide information in a range of formats
- ✓ Make sure all our information is easy to read and understand, written in plain language
- ✓ Make sure all our information, before it is published is approved by STF and has the Tenant Tick approved logo
- ✓ Hold meeting, events and other activities in places that are accessible
- ✓ Pay reasonable travel expenses or provide transport to attend events
- ✓ Pay reasonable care costs to enable tenants to attend events
- ✓ Provide additional support as required such as digital hearing systems

The Council is a member of Language Line.

How can you get involved?

There is no one way of getting involved that suits everyone. We recognise that some tenants will be more interested in participating than others.

There are a range of ways you can get involved and give your opinions. The Council and STF welcomes the view of all its tenants and residents, and there may be some occasions where only the views of tenants are taken into account, for example in annual consultations over rents; only tenants pay rent so only tenants views count.

Shetland Tenants Forum

What is it? – tenants from all over Shetland meet monthly and discuss and give their views on a range of local housing issues, local community issues, as well Council and Scotland wide issues for tenants. The forum is run and controlled by a committee of tenants.

The STF works in partnership with the Council to ensure tenants are actively involved in shaping proposals to change services, new initiatives, consultations etc.

The STF is open to all tenants in Shetland;; it is funded by the Council and employs a worker to actively encourage and support tenants to get involved as individuals or to help set up and support existing and new tenants and residents groups. The STF gives grants of £300 to help with the start-up costs for new groups and annual grants of £300 to support groups activities.

The STF also offers an advice service for tenants;; if you have a complement, complaint, issue or problem you can take that to STF.

The STF has its offices in Lerwick –

Shetland Tenants Forum

1a Water Lane

Lerwick

ZE1 0AG

Email: **joann@shetlandtf.plus.com**

Tel / Fax: 01595 695197

If you would like more information about STF or to join the STF and to take part in shaping the future of Council housing services in Shetland contact the Forum. It doesn't involve a huge amount of time or effort and STF will pay towards your travel to attend meetings.

Information from STF – STF keeps tenants up to date through its newsletter, which will be full of topical information and will give you a chance to have your say.

All publications from the Housing Service are edited by the STF . On approval new publications will show the tenant tick logo.

The website www.shetlandtenantsforum.com gives up to date information on consultations, forum meetings, groups in your area, up and coming events.

STF is an equal and active member on a range of Housing Service working groups, such as rent setting, satisfaction surveys etc.

Annual quality audits are carried out on all aspects of the housing service by STF members .

STF can make positive change to tenants' lives – it's easy to get involved and be part of that change.

Tenants and Residents Groups

A Tenants and Residents Group is made up of local people who represent the interests of everyone living in their area. It plays a large part in dealing with problems that people come up against, as well as organising things like social events. Groups are set up for everyone to join and membership is open to all local people.

The Council and STF actively promote the setting up of groups to discuss local issues and to represent local communities directly with the Council. STF gives annual and start up grants to help support groups. Help and guidance to form a group is available from STF.

A Tenants and Residents Group must have a constitution and an active committee to qualify for a grant. STF has a constitution which groups can use as a guide. To become a Registered Tenants Organisation (RTO) the Scottish Government has laid down certain requirements; for more information please contact STF.

The Council is obliged to maintain a register of RTOs as a public document.

Formal and informal groups have access to support, information and training through STF and the Council.

Register of Interested Tenants

If you want to keep up to date with what is happening, and you want to have your views heard on one or a range of subjects, join the Register of Interest. You will be invited to take part in surveys, working groups and meetings. Or if you prefer, you can choose to take part only by surveys. You can express an interest in all topics or just ones which are of particular interest to you. Joining the Register is a way of getting your views across without leaving your armchair. To find out more contact STF.

Tenant Information Volunteers (TIVS)

TIVs represent their local community by speaking to their neighbours, asking their views on a variety of issues or topics and reporting these views back to the Forum. TIVs will be supported by STF by keeping you up to date with what's new, what's being consulted on, methods of gathering your friends and neighbours views etc. You will be trained and supported by STF.

Working Groups

The Council and STF often get together to look in depth at a subject and form working groups. Tenants' voices are very important in these working groups to drive forward change and improvements. These working groups focus on a range of key issues and are set up as required with timescales attached. They are informal groups and are used to look at, for example, a housing policy review or a change to a policy for example, repairs, communications etc. These groups will be made up of tenants, service users, council officers and elected members as appropriate.

If you have a particular area of interest look out for adverts in the newsletter on the website, or if you are on the register of interested tenants, you will be invited to take part.

Surveys

The Council will carry out a tenant satisfaction survey of all tenants every two years. The Council and STF will undertake short surveys, on for example your satisfaction with the quality of repairs.

Tenant conference/information day

Every year the STF and Council along with other local organisations such as the CAB and credit union will hold an information day or conference for tenants. The day will enable tenants to pick up information and have a say in an informal setting.

Meetings

The Council or the STF might occasionally organise a meeting in your local area to discuss a project or an issue, to give you information or to get your view on a specific issue.

Service Enquiry Group

Tenant Service enquiries are carried out by a team of informed council tenants and other service users. They will closely examine a particular area of Housing and the Repairs Service to identify strengths and recommend areas for improvement in the service. This will allow tenants to review the services delivered by the Council and work in partnership to deliver better more efficient services in the future. The Council provides training and support to enable this group to undertake the service enquiry reviews.

The Council and STF have set up a panel of tenants to look in depth at a service area or at the how the Housing Service performs in a particular area. The Group members will all be fully trained and supported to undertake their scrutiny role.

The Group will thoroughly investigate a specific area or service and recognise things that are done well and make recommendations for improvement.

Keeping you up to date

It is important that you are kept up to date with information. The Housing Service and the STF will provide you with a range of good quality information which is accurate, up to date and written in plain language. You can receive information in a number of ways, face to face, by post, by email, through the STF or Council web site and through local papers and radio.

The information will include:

- ✓ Your tenancy agreement
- ✓ Tenants handbook
- ✓ Newsletter from STF
- ✓ Newsletter from the Council
- ✓ Any proposed changes to policy or services
- ✓ Annual rent consultation
- ✓ Annual tenants report card on how we are performing
- ✓ And feedback on any consultation exercises

You will be asked your views on?

The Housing Service and STF will ask you for your views on and consult you on for example:

- Any changes to our housing management policies and procedures such as
 - Allocations
 - Repairs service
 - How we manage our estates
 - Anti-social behaviour
 - Tenant participation
- Our rents
- How satisfied you are with our services
- Our service standards for example our relet policy
- Our new build homes
- Any proposals to transfer our homes to another landlord
- Any changes in Scottish Government laws
- Any other local or Shetland wide issue

The Housing Service and STF will:

- make sure you have all the information you need
- have a named person to contact for further information or to ask a question
- give you time to consider your view
- give you a range of options to express your views, for example by survey, by phone, email or at a meeting etc

- make sure your views are taken into account before any decision is taken
- let you know what is the process for reaching a decision
- let you know the final decision and reasons for the decision

Support for participation

The Housing Service has given funds to the STF to give grants to local groups.

Tenants organisations can receive a start-up grant to get going of £300

An annual grant of £300 is awarded to existing groups, to receive this grant groups must provide their annual accounts.

Groups will have support from STF and Housing Service staff

Training can be given to groups either from STF, the Housing Service or from an independent organisation.

Transport and reasonable care costs will be covered for attending Housing Service or STF events and meetings.

Have we got it right?

This strategy is a working documents, it is a living document. We need to make sure it continues to be fit for purpose. We will review this strategy with tenants every 3 years. We will include any new legislation updates in newsletters etc.

STF and the housing service will develop and monitor progress through an annual action plan

This strategy can be given in different formats and languages on request.



Meeting(s):	Policy & Resources Committee Shetland Islands Council	13 February 2017 15 February 2017
Report Title:	5 Year Asset Investment Plan 2017-22	
Reference Number:	F-014-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee RECOMMENDS that the Council RESOLVES to:
- 1.1.1 approve the capital budget proposals for 2017/18 included in this report, and set out in detail in Appendix 1; and
 - 1.1.2 adopt Appendix 1 as the Council's 5 Year Asset Investment Plan 2017-22, subject to any requirements of the Council's Gateway Process for the Management of Capital Projects.

2.0 High Level Summary:

- 2.1 The purpose of this report is to set out the proposed sustainable capital budget for the Council over a five year period from 2017-2022 in line with the Capital Investment Planning policy set out in the 2015-2020 Medium Term Financial Plan.
- 2.2 The proposed capital budget for 2017/18 totals £15.5m, and the full 5 year total from 2017-22 is projected to be £75.8m.
- 2.3 There is substantial provision for ferry and terminal replacements over the 5 years (£22.9m). The delivery of these projects is the subject and a key element of discussions with Transport Scotland in relation to the Government's commitment to fair funding for the inter-island ferry services. The Plan assumes that grant funding will be received to support the replacements, pending the outcome of the work with Transport Scotland and the Scottish Government.
- 2.4 The Plan identifies a relatively small sum (£2.2m) that is available, over the 5 year period that provides, in the first instance, protection against construction price inflation on the projects contained therein. Additionally Council officers continue to undertake work on business cases in a range of areas, to which no funding is allocated. Only after business cases have been developed in accordance with the Council's Gateway Process for the Management of Capital Projects and been given appropriate consideration and the necessary approvals will funding be considered. More information is provided in section 4 below.

- 2.5 It is likely that everything the Council would seek to bring forward will not be affordable within the limitations of the £2.2m available over the life of the Plan therefore prioritisation of effort by officers and of projects themselves will be required.
- 2.6 The Plan has been prepared after taking account of the £267k of additional capital grant that the Council will receive in 2017/18, announced on 2 February 2017.
- 2.7 Where ports and harbour assets are concerned then borrowing would be the recommended means of financing any projects, which is repayable over the life of the assets.
- 2.8 Appendix 1 of this report details the projects and funding requirements over the 5 year period and also details the anticipated funding sources.

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 Despite the work done so far, sustainability in particular is extremely challenging at this time with reducing Scottish Government funding being the trend since 2011/12. It is expected that this will continue while the UK and Scottish Governments seek to balance their budgets and prioritise their spending. As shown in the Long Term Financial Plan, agreed by the Council in December 2014 the Council has an extensive asset base which it is not financially sustainable to maintain, let alone grow. It is therefore vital that as part of the proposals for the future in terms of service redesign and transformation investment is applied in the most effective ways that fully consider the capital and revenue implications. Asset investment proposals are only progressed in light of appropriate business cases being prepared and reviewed through the approved Council's Gateway Process for the Management of Capital Projects.

4.0 Key Issues:

- 4.1 The capital budget proposals for the Council for the period 2017-2022 are summarised in the following table:

Description	2017-22 Budget £000
Maintenance of Existing Assets	31,071
New Developments	4,624
Housing Revenue Account Projects	14,415
Potential Projects	2,794
Fair Funding for Ferry Projects	22,900
Expenditure	75,804
Scottish Government General Capital Grant	(30,011)

External Grant Funding	(24,429)
Capital Receipts	(1,895)
Funded from Revenue	(18,568)
Draw from Reserves	(30)
External Borrowing	(3,111)
Funding	(78,043)
Net Surplus	(2,239)

- 4.2 At present the forecast for the current financial year is that there will be an underspend on the Asset Investment Plan. A report will be presented to Members at the end of the financial year, which will address any proposals for carry forward of existing approved 2016/17 budgets due to project slippage, and they are therefore not addressed in this report.
- 4.3 The continuing focus of this Plan is on the maintenance and life extension of existing assets as recommended in the Capital Expenditure Policy, with the exception of new developments for 2017/18 being:
- the new Anderson High School Halls of Residence; and
 - the new Eric Gray Resource Centre.
- 4.4 As referred to in section 2 above there are a number of areas where work is progressing in relation to the necessary business cases required by the approved Council's Gateway Process for the Management of Capital Projects. Areas of the Council where business cases are yet to be fully developed and therefore costs are not known include:
- Knab site redevelopment;
 - business transformation;
 - recycling legislative requirements;
 - tug vessel replacement programme;
 - Toft pier; and
 - Children's Resources accommodation.
- 4.5 The funding for projects in these areas will only be allocated following approval through the Council's Gateway Process and until then these projects do not represent a commitment in the Plan..
- 4.6 Funding sources for projects in the General Fund can include specific capital grants and capital receipts, and in addition a further funding option is the Council's Spend to Save scheme where the relevant criteria are met. Projects in relation to ports and harbour assets or General Fund assets that cannot be met by other funding would have to be met by borrowing. The cost of that borrowing is a direct cost to the relevant Council Account, whether that be the Harbour Account or General Fund and has to be affordable, sustainable and prudent.
- 4.7 The Scottish Government has not specified the level of core capital grant that it will provide to the Council over the next five years, but the indications are that there will be a reduction in the level of the grant over the period. Therefore, a figure of £5.5m has been forecast for the later years of the Plan. This will be updated at each annual review of the Plan.

4.8	As referred to in section 2 above, a significant part of the Plan focuses on the vessels and terminals that are required to support the inter-island ferry services. Approximately a third of the total expenditure in the Plan relates to either life extension or replacement works and is a critical component of capital investment for the Council. However paying for all of these works is not affordable to the Council, the cost of borrowing for the 5 years cost identified in the Plan is approximately £1.2m per annum for 30 years. The work with Transport Scotland and the Scottish Government is therefore fundamental to the affordability of these projects. The Plan incorporates the replacement programme in light of the knowledge that action is required to address an ageing fleet of vessels.
4.9	The General Fund revenue budget for 2017/18 has provision within it to pay for the level of borrowing that the Plan requires, and is mainly in connection with the current projects to build the Halls of Residence and the Eric Gray Resource Centre. Should the Scalloway Fishmarket rebuild proceed then the Harbour Account will also fund borrowing costs in 2017/18.
4.10	Appendix 1 to this report details the proposed capital expenditure budgets for the 5 Year Plan from 2017-22.
5.0 Exempt and/or confidential information:	
5.1	None
6.0 Implications :	
6.1 Service Users, Patients and Communities:	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.
6.2 Human Resources and Organisational Development:	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model and in adherence to the Council's approved Human Resources and Organisational Development policies and procedures.
6.3 Equality, Diversity and Human Rights:	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.
6.4 Legal:	Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief financial officer/Section 95 officer has responsibility for the administration of those affairs.
6.5 Finance:	Any decision to recommend changes to the budget proposals in this report will result in an increased or decreased draw on reserves, and may result in not meeting the affordable position set out in the Medium Term Financial Plan. This will require a formal amendment and be fully quantified in the Committee decision.

6.6 Assets and Property:	This budget proposes a risk based approach for the maintenance of assets to minimise deterioration and potential failure.	
6.7 ICT and new technologies:	This budget includes provision for the annual maintenance and replacement of existing ICT equipment, as required.	
6.8 Environmental:	None arising directly from this report, the detailed implications will be addressed through the Council's Gateway Process using the 5 case business model.	
6.9 Risk Management:	<p>The main budget risks for the delivery of the Asset Investment Plan are:</p> <ul style="list-style-type: none"> • the level of Scottish Government capital grant that will be received during the five years of the Plan, as there has been no specific forecast; • the anticipated level of capital receipts is not realised from the sale of existing assets; • a negative outcome from the Scottish Government/Transport Scotland in relation to the Fair Funding for Ferries for ferry terminal and vessel replacements – the costs of replacing these assets is not affordable to the Council without support; • cost projections for future year projects are adversely affected by external factors such as construction inflation and contractor availability; <p>These risks are mitigated by using a realistic approach and the most up-to-date information when setting the budget.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for other significant unforeseen events.</p>	
6.10 Policy and Delegated Authority:	The Policy and Resources Committee is required to make recommendations to the Council as to the estimates of capital expenditure. Approval of the capital budget requires a decision of Council, in terms of Section 2.1.3 of the Council's Scheme of Administration and Delegations.	
6.11 Previously considered by:	n/a	n/a

Contact Details:

Brenda Robb, Management Accountant, brenda.robbs@shetland.gov.uk, 7 February 2017

Appendices:

Appendix 1 - 5 Year Asset Investment Plan 2017-2022

Shetland Islands Council
5 Year Asset Investment Plan 2017-2022

F-014 - Appendix 1

Directorate	Project	Year 1 2017/18 £	Year 2 2018/19 £	Year 3 2019/20 £	Year 4 2020/21 £	Year 5 2021/22 £	5 Year Total £	Gateway Stage Achieved
Development	24/25 Leaside Conversion	30,000					30,000	Implementation Stage
Corporate	Town Hall Windows	80,000					80,000	Implementation Stage
Corporate	Lerwick Library Redevelopment	800,000	50,000				850,000	Implementation Stage
Infrastructure	Building Maintenance Capital Works	997,875	1,000,000	1,000,000	1,000,000	1,000,000	4,997,875	Business Justification Case Approved
Infrastructure	Bells Brae Primary School Refurbishment	300,000					300,000	Implementation Stage
Infrastructure	Landfill Capping		159,000		211,000		370,000	Business Justification Case Approved
Infrastructure	Energy Recovery Plant	50,000	50,000	50,000	50,000	50,000	250,000	Business Justification Case Approved
Infrastructure	Vehicle & Plant Replacement Programme	995,000	1,130,000	1,144,000	1,130,000	1,146,000	5,545,000	Business Justification Case Approved
	Building Maintenance & Vehicle Replacement	3,252,875	2,389,000	2,194,000	2,391,000	2,196,000	12,422,875	
Corporate	PC & LAN Replacement	100,000	100,000	100,000	100,000	105,000	505,000	Business Justification Case Approved
Corporate	Schools ICT Equipment	194,000	194,000	194,000	194,000	194,000	970,000	Business Justification Case Approved
Corporate	Photocopier Replacement	75,000	75,000	75,000	75,000	75,000	375,000	Business Justification Case Approved
Corporate	Shetland Public Sector Network	256,000	256,000	256,000	256,000	256,000	1,280,000	Business Justification Case Approved
	ICT Equipment	625,000	625,000	625,000	625,000	630,000	3,130,000	
Infrastructure	Hendra life extension			1,000,000			1,000,000	Awaiting Business Justification Case
Infrastructure	Leirna life extension	800,000					800,000	Awaiting Business Justification Case
Infrastructure	Geira Life Extension		200,000	800,000			1,000,000	Awaiting Business Justification Case
Infrastructure	Filla Fire Detection System		75,000				75,000	Awaiting Business Justification Case
Infrastructure	Daggri/Dagalien Radar Replacement	100,000					100,000	Awaiting Business Justification Case
Infrastructure	Ferry Life Saving Equipment	30,000	30,000				60,000	Awaiting Business Justification Case
	Ferry Vessel Life Extensions	930,000	305,000	1,800,000	0	0	3,035,000	
Infrastructure	Bridge Repairs/ Replacement	210,000	375,000	161,000	200,000	200,000	1,146,000	Business Justification Case Approved
Infrastructure	Streetlighting Replacement	225,000	175,000	175,000	196,000	200,000	971,000	Business Justification Case Approved
Infrastructure	Streetlighting Removal	0	26,000	24,000	3,000		53,000	Business Justification Case Approved
Infrastructure	Road Reconstruction	604,000	615,000	615,000	615,000	615,000	3,064,000	Business Justification Case Approved
Infrastructure	Pelican Crossings Lk, repl complete installations	35,000	20,000	20,000	20,000	20,000	115,000	Business Justification Case Approved
Infrastructure	Road Safety Barrier Replacement	138,000	120,000	120,000	120,000	120,000	618,000	Business Justification Case Approved
Infrastructure	Hillhead Railing Replacement					34,000	34,000	Business Justification Case Approved
Infrastructure	Traffic Management	50,000	50,000	50,000	50,000	50,000	250,000	Business Justification Case Approved
Infrastructure	Road Accident Investigation & Prevention	35,000	35,000	35,000	35,000	35,000	175,000	Business Justification Case Approved
Infrastructure	Scord Quarry Plant Replacement	195,000	245,000	160,000	200,000	200,000	1,000,000	Business Justification Case Approved
Infrastructure	Trondra Bridge Painting	5,000					5,000	Business Justification Case Approved
Infrastructure	Burra Bridge Painting			25,000	365,000	5,000	395,000	Business Justification Case Approved
Infrastructure	Muckle Roe Bridge Painting	200,000	3,000				203,000	Business Justification Case Approved
	Roads Repairs & Maintenance	1,697,000	1,664,000	1,385,000	1,804,000	1,479,000	8,029,000	
Infrastructure	P&H Plant, Vehicles & Equipment	70,000	70,000	70,000	70,000	70,000	350,000	Business Justification Case Approved
Infrastructure	P&H Navigational Aids	70,000	70,000	70,000	70,000	70,000	350,000	Business Justification Case Approved
Infrastructure	Terminal Linkspan Life Extensions	600,000	650,000	300,000			1,550,000	Awaiting Business Justification Case
Infrastructure	Piers Cathodic Protection	350,000	250,000	250,000	220,000	134,000	1,204,000	Business Justification Case Approved
Infrastructure	Tug Jetty - Cathodic Protection	500,000	500,000				1,000,000	Business Justification Case Approved
	Ports & Harbours Repairs & Maintenance	1,590,000	1,540,000	690,000	360,000	274,000	4,454,000	
	TOTAL MAINTENANCE OF EXISTING ASSETS	8,094,875	6,523,000	6,694,000	5,180,000	4,579,000	31,070,875	
Children's Services	Anderson High School Replacement	1,065,000	22,268				1,087,268	Implementation Stage
Children's Services	Anderson High School Halls of Residence	538,944	412,000				950,944	Implementation Stage
Children's Services	Anderson High School - Sports Facility	6,924					6,924	Implementation Stage
Community Health & Social Care	Eric Gray Replacement	781,650	1,797,400				2,579,050	Implementation Stage
	TOTAL NEW DEVELOPMENTS	2,392,518	2,231,668	0	0	0	4,624,186	

Directorate	Project	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Year 5 2021/22	5 Year Total	Gateway Stage Achieved
Development	Heating Replacement Programme	660,000	660,000	660,000	660,000	660,000	3,300,000	Business Justification Case Approved
Development	Housing Quality Standard	2,152,500	2,152,500	2,152,500	2,152,500	2,152,500	10,762,500	Business Justification Case Approved
Development	Vehicle Replacement Programme	100,000	70,000	56,000	70,000	56,000	352,000	Business Justification Case Approved
	TOTAL HOUSING REVENUE ACCOUNT PROJECTS	2,912,500	2,882,500	2,868,500	2,882,500	2,868,500	14,414,500	
Infrastructure	Scalloway Fishmarket Rebuild	1,930,700	863,500				2,794,200	Outline Business Case Approved
	TOTAL POTENTIAL PROJECTS	1,930,700	863,500	0	0	0	2,794,200	
Infrastructure	Ferry Vessel & Terminal Replacement	200,000	2,000,000	9,800,000	9,400,000	1,500,000	22,900,000	Preparation of Strategic Outline Programme underway
	TOTAL FAIR FUNDING FOR FERRIES PROJECTS	200,000	2,000,000	9,800,000	9,400,000	1,500,000	22,900,000	

TOTAL ASSET INVESTMENT PLAN EXPENDITURE	15,530,593	14,500,668	19,362,500	17,462,500	8,947,500	75,803,761
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Area	Funding Source	Year 1 2017/18 £	Year 2 2018/19 £	Year 3 2019/20 £	Year 4 2020/21 £	Year 5 2021/22 £	5 Year Total £
General Fund	Scottish Government General Capital Grant	(7,177,000)	(5,916,000)	(5,918,000)	(5,500,000)	(5,500,000)	(30,011,000)
General Fund	Scottish Govt Cycling Walking Safer Streets	(32,000)	(25,000)	(25,000)	(25,000)	(25,000)	(132,000)
General Fund	Fair Funding for Ferries - Transport Scotland	(200,000)	(2,000,000)	(9,800,000)	(9,400,000)	(1,500,000)	(22,900,000)
Harbour Account	European Maritime Fisheries Fund	(965,350)	(431,750)				(1,397,100)
	FUNDED BY EXTERNAL GRANTS	(8,374,350)	(8,372,750)	(15,743,000)	(14,925,000)	(7,025,000)	(54,440,100)
General Fund	Capital Receipts (Properties)	(300,000)	(200,000)	(200,000)	(295,000)	(200,000)	(1,195,000)
General Fund	Capital Receipts (Vehicles)	(79,000)	(85,000)	(80,000)	(75,000)	(80,000)	(399,000)
General Fund	2nd Homes Ctax Reserve	(30,000)					(30,000)
Harbour Account	Harbour - Capital from Current Revenue	(1,590,000)	(1,540,000)	(690,000)	(360,000)	(274,000)	(4,454,000)
HRA	HRA - Capital from Current Revenue	(2,691,500)	(2,867,500)	(2,848,500)	(2,857,500)	(2,848,500)	(14,113,500)
HRA	HRA - Capital Receipts (Land & Properties)	(200,000)					(200,000)
HRA	HRA - Capital Receipts (Vehicles)	(21,000)	(15,000)	(20,000)	(25,000)	(20,000)	(101,000)
	FUNDED BY RESERVES	(4,911,500)	(4,707,500)	(3,838,500)	(3,612,500)	(3,422,500)	(20,492,500)
	FUNDED BY BORROWING	(2,244,743)	(866,018)	0	0	0	(3,110,761)

TOTAL ASSET INVESTMENT PLAN FUNDING	(15,530,593)	(13,946,268)	(19,581,500)	(18,537,500)	(10,447,500)	(78,043,361)
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NET TOTAL BALANCE OVERALL	0	554,400	(219,000)	(1,075,000)	(1,500,000)	(2,239,600)
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Meeting(s):	Policy & Resources Committee Shetland Islands Council	13 February 2017 15 February 2017
Report Title:	Shetland Islands Council Budget Book 2017/18	
Reference Number:	F-013-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 That the Policy and Resources Committee CONSIDER information provided by the Chairs of Service Committees/Boards in relation to the 2017/18 Budget recommendations made by their Committees and contained in the Budget Book;
- 1.2 That the Council CONSIDER information provided by the Chair of Policy and Resources Committee in relation to the 2017/18 Budget recommendations made by the Committee and contained in the Budget Book; and
- 1.3 That the Policy and Resources Committee RECOMMEND that the Council RESOLVE to approve the 2017/18 Budget by:
 - a. Approving the Council Budget Book 2017/18 (Appendix 1);
 - b. Adopting the Formal Resolutions (Appendix 2);
 - c. Agreeing to increase the Council Tax by 3%; and
 - d. Accepting the package of funding and conditions that was contained in the Scottish Government funding settlement for 2017/18.

2.0 High Level Summary:

- 2.1 The purpose of this report, and the 2017/18 Budget Book that accompanies it, is to set out a summary of the spending plans for Shetland Islands Council in the next financial year.
- 2.2 The 2017/18 Budget Book covers the General Fund, the Harbour Account, the Housing Revenue Account (HRA) and also incorporates the Capital programme for each, as part of a 5-year Asset Investment Plan.
- 2.3 Overall the budgeted use of Council reserves is affordable in 2017/18.
- 2.4 The General Fund budget has been set in the context of the Medium Term Financial Plan 2015-2020, however it fails to deliver the level of savings that had been anticipated. While options and proposals present a balanced budget there is a one-off use of reserves in 2017/18, to the value of £2.753m. This increased use

of reserves by the General Fund (£21.247m in 2017/18) is not sustainable in the medium term.

- 2.5 The Council has again faced a reduction in Scottish Government grant funding, that is £2.8m less than the current year, and this is after including the additional funding announced on 2 February 2017.
- 2.6 The Harbour Account is budgeted to make a surplus during the year and for over £5.6m to be used to deliver day to day General Fund services.
- 2.7 The Housing Revenue Account (HRA) proposes to increase rents by an inflation rate of 2% plus and additional £1 per week for one and two bedroom properties. This is in line with the HRA Business Plan 2017-2022 and current rent strategy.
- 2.8 The Asset Investment Plan for 2017/18 proposes capital investment of over £15m in 2017/18, as part of a 5 year Plan that outlines projects to the value of £75m.
- 2.9 In capital terms due to the scale and timing of capital projects, which are delivered over a period of years, the funding is calculated over a five year planning cycle. As such the funding that is re-profiled is estimated to be sufficient to balance the 5-year Asset Investment Plan for 2017-22. The 5-year Asset Investment Plan is reviewed on an annual basis to ensure that the plan, year on year, remains affordable.
- 2.10 The next meeting of the Policy and Resources Committee will consider a report on the Investment Strategy and Prudential Indicators, which will present the Council's prudential indicators that are required following the approval of the budget.
- 2.11 Appendices 1 and 2 of this report provide the 2017/18 Budget Book, which incorporates all of the budgets proposed for revenue and capital, and the formal resolutions in relation to the setting of the Council's budget for financial year 2017/18, consecutively.

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 Despite the work done so far, sustainability in particular is extremely challenging at this time with reducing Scottish Government funding being the trend since 2011/12. It is expected that this will continue while the UK and Scottish Governments seek to balance their budgets and prioritise their spending. In order to take action on improving the Council's approach to identifying and implementing sustainable solutions for the future Directorate plans identify core priority areas for action between now and 2020.
- 3.3 The Council must address the underlying challenges that have already been highlighted in the Medium Term Financial Plan, including the anticipation of

continued reductions in grant funding, to reduce expenditure and to recognise the need for service redesign that successfully responds to the financial realities that it faces.

4.0 Key Issues:

- 4.1 Each of the Council's service committees, the Harbour Board and Shetland College Board considered the budget and charging proposals for 2017/18 for the services in their remit at meetings as follows:

Education and Families Committee	6 February 2017
Environment and Transport Committee	7 February 2017
Development Committee	8 February 2017
Shetland College Board	9 February 2017
Harbour Board	10 February 2017

- 4.2 Earlier on this agenda, the Policy & Resources Committee (13 February 2017) has considered the budget and charging proposals for Corporate and Executive Services.
- 4.3 Similarly, the Policy & Resources Committee (13 February 2017) has considered the budget and charging proposals for the Community Health & Social Care services delivered by the Council that are delegated to the Shetland Islands Health & Social Care Partnership Integration Joint Board (IJB). The Committee also made a recommendation in relation to the funding that the IJB is to receive from the Council.
- 4.4 The IJB is due to meet on 17 February and will discuss the funding that it will receive from its partners and provide comment thereafter. If those comments are significant then a further report will be prepared for the Committee.
- 4.5 The budget and charging proposals were originally prepared in line with the budget targets for 2017/18 as set out in the Council's Medium Term Financial Plan 2015-2020 and included measures to address cost pressures from a number of sources including, for the General Fund, an estimated reduction in funding from the Scottish Government of 1.6%. The announcement of the Scottish Government's 2017/18 financial settlement is a reduction of 3.3% which has significantly impacted on the funding of the budget.
- 4.6 The Council's Budget Book 2017/18 and Formal Resolutions are attached as Appendices 1 and 2 respectively to this report.
- 4.7 It is recommended that the Council Tax Band D for 2017/18 increase by 3% to £1,084.59. The budget proposals assume a 98.5% collection rate.

Brief Summary of the 2017/18 Local Government Financial Settlement

- 4.8 A report was presented to the Special Shetland Islands Council meeting on 18 January 2017 to agree the financial package for the Shetland Islands Council.

- 4.9 Since then, on 2 February 2017, the Scottish Government has announced further funding for Local Government and this amounts to £1.039m (revenue) and £0.267m (capital) for Shetland Islands Council.
- 4.10 Having taken into account this additional funding the comparative figures for the settlement are shown in the table below and indicate a Scotland wide funding increase of 1% from the current year, with a significant difference between the impact on revenue and capital. The announcement by the Cabinet Secretary for Finance and the Constitution identified that an additional £107 million had been provided through the National Health Service budget for the purpose of providing funding for Integration Joint Boards to deliver on Social Care outcomes.

	2016/17 £m	2017/18 £m	Movement £m	Movement %
Total Scotland Funding	10,312	10,413	101	1.0%
Revenue	9,705	9,626	(79)	-0.8%
Capital	607	787	180	29.7%
Shetland				
Revenue Distributed	82.628	79.705	(2.923)	
Revenue Undistributed	0	0.181	0.181	
	82.628	79.886	(2.742)	-3.3%
Capital	6.831	7.209	0.378	5.5%
Total Shetland	89.459	87.095	(2.364)	-2.6%

- 4.11 For Shetland, a further £0.188m in 2017/18 is to go directly to schools to close the gap in the educational attainment of young people from Scotland's most and least deprived areas. This is to be paid as a ring fenced grant.

Revenue

- 4.12 Although the revenue funding in Scotland has increased by 1.0%, the impact of the hugely complex allocation methodology is not the same for each local authority. The figures above show that Shetland Islands Council received a particularly low share of the reduced funding pot for 2017/18. After factoring in an estimate of funding that will be distributed during 2017/18, this amounts to a grant reduction of 3.3%.
- 4.13 In addition to having less funding there are conditions, which if not accepted will result in a revised offer being made by the Scottish Government. The conditions are:
- Pupil/Teacher ratios are to be maintained at a national level (Shetland 10.2:1);
 - Secure places for all probationers who require one under the teacher induction scheme;
 - That the Council's share of the additional £120m of the Attainment Fund to support closing the attainment gap is additional funding to schools rather than substitutional funding (Shetland £0.188m); and
 - That the Council's share of the additional £107m (Shetland £0.450m) provided through the NHS to Integration Joint Boards is used to meet the full year costs of the aspiration to deliver the living wage for social care, sleepovers and sustainability and the removal of social care charges for

those in receipt of war pensions and pre-implementation work as regards the new carers legislation. £80m of this funding (Shetland £0.340m) may be used by local authorities to adjust their funding to the Integration Joint Boards, taking their level of funding below that of 2016/17 (as adjusted for any one-off items of expenditure which should not feature in the baseline).

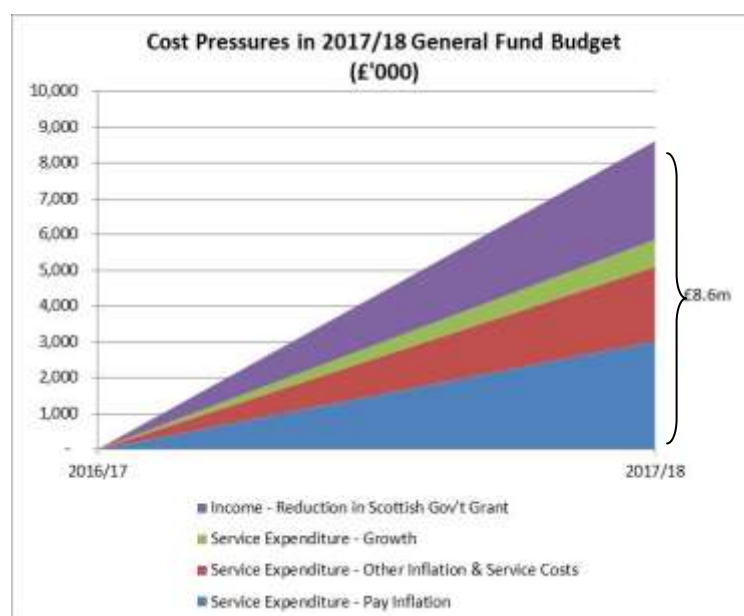
- 4.14 Further information can be obtained on the financial settlement in the report that was presented to Council on 18 January 2017.

Capital

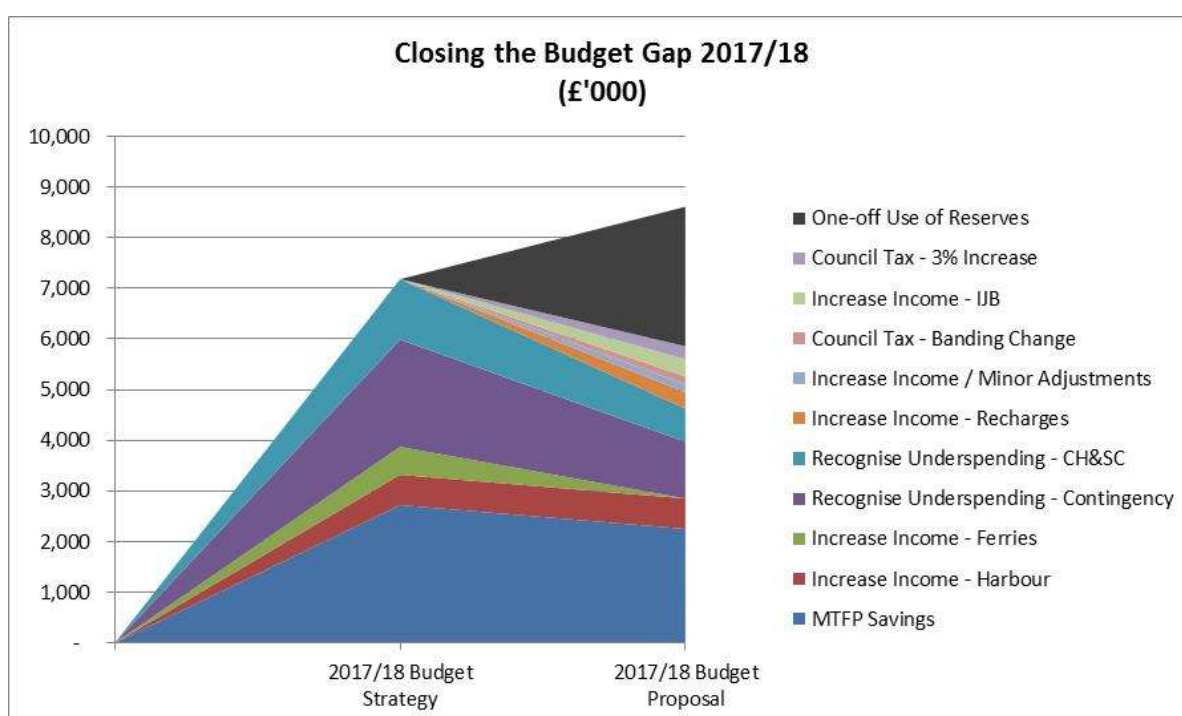
- 4.15 Including the additional funding announced on 2 February 2017, the 2017/18 capital funding of £7.209m is £0.378m or 5.5% more than the 2016/17 funding of £6.831m, which included £1.240m of capital funding which was withheld and will only be paid to local authorities in 2018-2020.

Balancing the General Fund Revenue Budget for 2017/18

- 4.16 Preparation for the revenue budget started last summer and was subject to scrutiny by the Corporate Management Team on a number of occasions, with the detailed proposals being presented at Members' Seminars in November 2016 and January 2017. As stated above the proposals were considered by all Service Committees earlier this month.
- 4.17 Arriving at the balanced budget proposals has been achieved despite a backdrop of rising costs. For example pay awards for all staff of 1%, pension fund contributions (1.0%), the final element of pension auto-enrolment, the introduction of the apprenticeship levy and numerous inflationary and contractual uplifts.
- 4.18 In addition the Council has taken into account a number of areas where costs are rising due to need, for example, in relation to the care of children.
- 4.19 The cost of all of these elements and upward cost pressures in the 2017/18 Budget is £5.859m.
- 4.20 When added to the reduction in funding by the Scottish Government of £2.753m, the total cost pressure that has to be funded is £8.612m.



- 4.21 Finding the solutions required to close the gap in the budget was not easy and throughout the process of preparing the 2017/18 Budget Book there has been an awareness, amongst other things, of decisions that have previously been taken, policies that are in place, the Corporate Plan outcomes and the underlying need for the Council to maximise its external income to support service delivery.
- 4.22 Developing a balanced budget starts with proposals for the recognition of additional income and the delivery of savings in line with the Medium Term Financial Plan 2015-2020. The investment income/return that was utilised in the current year's budget was on the basis of maximising them to support service delivery. This meant there was limited scope to increase the assumption further for 2017/18, although inflation increases of 2.1% have been incorporated.
- 4.23 Services have been set the challenge of 3.3% savings year on year by the Medium Term Financial Plan and this was the starting point for preparing revenue estimates. Thereafter the budget strategy was to increase income where possible, to take account of areas of service where underspending had taken place and, as a last resort, to consider any prior year underspending that could be used on a one-off basis from reserves.
- 4.24 The budget strategy, in August 2016, had anticipated a budget gap of £7.2m, however with the added cost pressure of reducing grant from the Scottish Government, announced in December 2016 and updated in February 2017, this rose to £8.6m.
- 4.25 The continued work on the budget identified changes and amendments that had to be taken account of, including a recognition that any announcement on fair funding for inter-island ferry services would be after the Council has considered its budget proposals. This has meant, for example, that a working assumption around receiving funding from Transport Scotland has been removed (represented by the green slice in the graph below).



- 4.26 The graph above shows the changes in options used to close the budget gap of £8.6m.
- 4.27 The core Medium Term Financial Plan savings targets were not fully achieved but proposals have been taken up to a value of £2.3m, an 18% shortfall placing pressure on finding other options.
- 4.28 Income from a variety of sources has been identified, from the Council's own resources by way of appropriately recharging support and service costs to other Council accounts; increasing the use of surpluses expected from the Harbour Account; and investment income has risen too. A total value of a further £1m has been recognised in the budget from Council resources.
- 4.29 Furthermore, income that will transfer from NHS Shetland to the IJB can also be recognised by the Council (£0.34m).
- 4.30 Additional income is also available following the legislation changes in relation to Council Tax bandings. With effect from 1 April 2017 the Council Tax bands E to H will be subject to an increased multiplier, the effect of this is that an increase in the charge for Council Tax will apply and as such the Council will generate increased income. In Shetland it is estimated that an additional sum of £0.155m will arise. There is no discretion for the Council to alter these multipliers.
- 4.31 Underspensing has been a feature of the last few years and the Council has worked hard to reduce its reliance on its own resources such that the amounts that are drawn from reserves have reduced. The benefit of this was that the Council could look at reducing the amount that was budgeted in those areas. Particular areas that were the focus of attention were the Cost Pressures and Contingencies budget that is held centrally and also the Community Health and Social Care budgets.
- 4.32 Initially removing a sum of over £2.1m was considered as potentially possible from the Contingencies element of this budget however on further consideration through the process it was recognised that the reduction had to be less. A reduction in the Contingencies budget to the value of £1.1m has been built into the budget proposals. This leaves limited scope for addressing any unplanned or unexpected expenditure but is reasonable in the overall context of the other parts of the budget.
- 4.33 The underspending in Community Health and Social Care services delivered by the Council was carefully looked at and a number of changes were made to recognise budgets that were not being fully used or where there was an over-provision of budget. Similar to the situation found with the Contingencies budget the first estimate of what was possible and what was then achieved were quite different. An initial assumption that a further £1.25m could be saved from this area resulted in actual adjustments of £0.66m being identified and built into the revenue estimates for 2017/18.
- 4.34 A number of these adjustments have been identified as baseline adjustments that have been taken into account when considering the value of funding being allocated to the IJB.

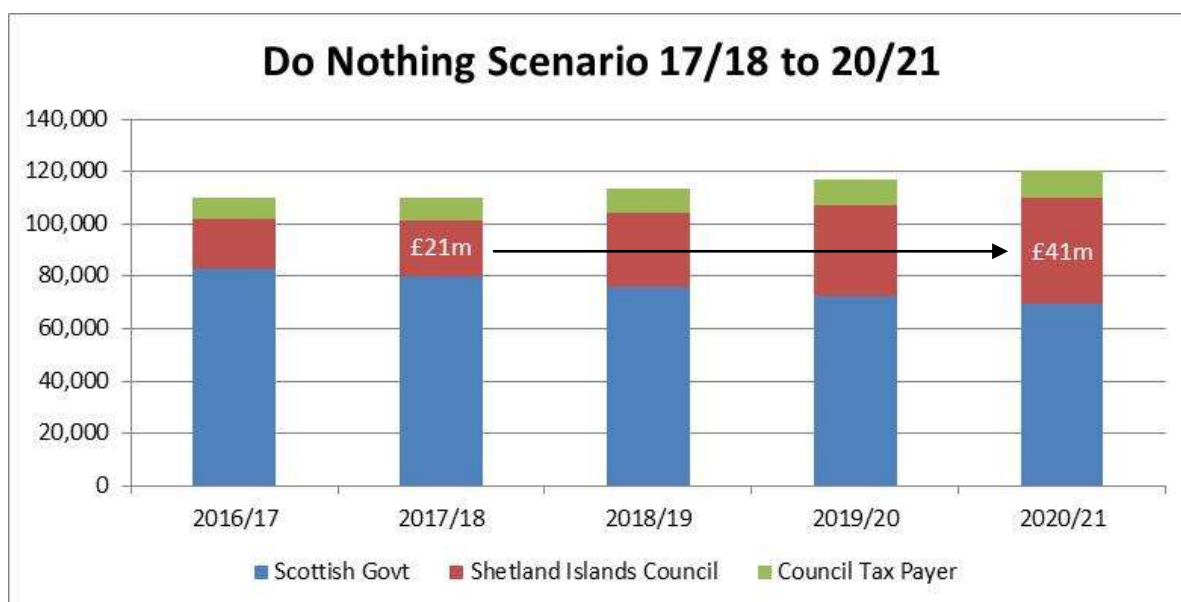
- 4.35 Having utilised all of the options, which amount to a total of £5.6m, described above, there is still a shortfall in balancing the budget.
- 4.36 The proposal therefore is to consider the value of reserves that the Council has and the level of Council Tax.
- 4.37 It is recommended that Council Tax is increased by 3%, the maximum, in accordance with guidance included in the financial settlement received from the Scottish Government. The reason for this is that Shetland Islands Council currently charges the 4th lowest level of Council Tax in Scotland and while proposing to make use of more of the reserves it is prudent to take the opportunity to increase income on a recurring basis rather than use even more of our reserves, which are one-off in nature.
- 4.38 The recommendation to increase Council Tax by 3% will generate approximately £0.258m on a recurring basis. The increase will be in addition to the increases introduced by the Scottish Government for properties in bands E to H.
- 4.39 Finally the issue of reserves that are available to be used on a one-off basis. It is proposed that the benefit that arose from the underspending in 2015/16 is taken advantage of and to balance the budget by utilising some of the underspend. A sum of £2.753m is required to balance the budget.
- 4.40 In light of the potential for an announcement about fair funding for inter-island ferry services then to use a sum from reserves is affordable, particularly as the underspend in 2015/16 had not been taken into the Medium Term Financial Planning assumptions therefore is not relied upon to deliver ongoing investment returns.
- 4.41 The proposals for 2017/18 were discussed at a Budget Seminar on 24 January 2017, to which all Councillors were invited.
- 4.42 Overall, the General Fund budget, presented in the 2017/18 Budget Book is balanced, is prudent and is affordable.

Sustainability – the case for change

- 4.43 The question of the extent to which the budget is sustainable is less clear, due to the uncertainty over rising costs and falling income in the future, and the degree of which is not apparent from a national or local perspective. These two features of public service service delivery mean that new and creative options for transforming the way we do things as a Council are essential. Transformation needs to be carried out in the context of service redesign and the Council must take the opportunity to embrace this and to move services forward with the express understanding that there are financial limitations. Future budgets need to adapt and take account of this and Directorate Plans, while in line with the Corporate Plan priorities, must consider the financial consequences of not addressing the continuing reduction in resources available.
- 4.44 For the second year in a row there is a reliance on non-recurring monies held in reserve, underlining the fact that the current costs of service delivery are not sustainable.

Preparing for 2018/19 and beyond

- 4.45 On 18 November 2015 the Policy and Resources Committee noted that the Council's Medium Term Financial Plan makes assumptions with regard to the local government settlements in future years. This and other factors indicated that each year up to 2019-20 will be increasingly challenging for the Council and work has been planned to continue to look at how to maintain the good progress that has been made by the Council in balancing its budget.
- 4.46 More recent information on local government finances clearly show that there is no end in sight in relation to Scottish Government funding reductions, therefore to do nothing into the future about our costs is not an option. The graph below provides an indication of the extent to which Council resources would be required to address the scenario of rising costs and falling grant income resulting in a gap of over £20m to be tackled by 2021.
- 4.47 The Corporate Management Team will be working to capture the benefits from business transformation and service redesign so that this can be addressed while there is time to do so. Further reporting on business cases, options appraisals and opportunities will be undertaken as part of this work. A more detailed analysis of the Medium Term Financial position of the Council will be presented to Council in March 2017.



5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:

The proposed budgets ensure that there is limited impact on users and communities. Where proposals for service change require it then an equalities impact assessment will require to be carried out and relevant consultation undertaken.

6.2

Each individual service will be responsible for addressing human

Human Resources and Organisational Development:	resource issues prior to making any changes to the existing level of service delivery.
6.3 Equality, Diversity and Human Rights:	The proposed budgets ensure that there is limited impact on users and communities. Where proposals for service change require it then an equalities impact assessment will require to be carried out and relevant consultation undertaken.
6.4 Legal:	<p>Under Section 95 of the Local Government (Scotland) Act 1973, there is a requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief financial officer/Section 95 officer has responsibility for the administration of those affairs, and Section 93 of the Local Government Finance Act 1992 requires the Council to set a balanced budget.</p> <p>Each individual service will be responsible for addressing legal issues prior to making any changes to the existing level of service delivery.</p>
6.5 Finance:	<p>The Council is setting a budget which is affordable.</p> <p>The Council has reached a positive position through responsible decision-making and taking action on its costs in recent years. This has enabled it to continue to support the General Fund budget with a sustainable use of reserves, which rely on global investment returns.</p> <p>An affordable draw from reserves has been calculated at approximately £12m.</p> <p>As a result of the investment returns generated it is possible for the Council to have a higher cost base for service delivery than mainland councils. This budget seeks to ensure that the real value of the reserves is protected during 2017/18.</p> <p>It is important that the Council continues this responsible budgeting approach into the future and starts planning how to meet future years' budget challenges.</p> <p>A decision to recommend changes to the budget proposals in this report that would result in an increased or decreased draw on the reserves which would mean that the affordable draw from reserves would have to be reconsidered.</p> <p>Changes to the budget proposals will require a formal amendment and would have to be fully quantified in the Committee decision.</p>
6.6 Assets and Property:	The Medium Term Financial Plan recommends that the Council focus on effective asset management and a reduction in the number of operational properties used by the Council. The

	<p>Executive Manager – Capital Programme will determine the opportunities for maximising revenue income and capital receipts from the property estate.</p> <p>There is an assumption in the Asset Investment Plan that capital receipts will be generated during the year.</p>
6.7 ICT and new technologies:	<p>Business transformation is a crucial element of the Council adapting to the current financial and technological environment. Corporate and Executive Services, in conjunction with Service led redesign, are leading a programme of work that seeks to maximise the benefits that can be achieved from ICT and new technologies.</p>
6.8 Environmental:	<p>This budget proposes continuing work on reducing carbon emissions to support the Council's duty under the Climate Change (Scotland) Act 2009.</p> <p>Each individual service will be responsible for assessing environmental issues prior to making any changes to the existing level of service delivery.</p>
6.9 Risk Management:	<p>There are numerous risks involved in planning the delivery of services for the future and the awareness of these risks is critical to successful financial management.</p> <p>These budgeted assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>There are a number of assumptions around anticipated income levels, returns on investments and cost pressures within the budget that are based on the latest information available and these may vary throughout the year.</p> <p>A significant financial risk exists in relation to the income projections from the Harbour Account and from the Shetland Gas Plant as a result of the volatility around levels of throughput and the price of oil and gas. For example, the oil and gas price has had a significant impact on the level of income the Council is expecting to receive from the Shetland Gas Plant. By revising the value of income downwards the robustness of the Budget is improved, removing over-optimistic values and any complacency that may arise from having unachievable income levels.</p> <p>The budget provides for a net 5.2% return on reserves annually which results in an estimated return of over £12m. Taking a long term view of investment returns is vital to providing assurance that this level of return can be achieved as the value of investments will go down as well as up. A net 5.2% return has been based upon a gross return of 7.3% per annum, and is at the upper end of the range over the last 21 years that has seen longer term rates of between 3.56% and 8.19% per annum.</p>

	<p>Managing the Council's investments through a diversified investment strategy and monitoring performance ensures the Council remains in a position to achieve this level of investment return over the long term.</p> <p>The budget contains savings of over £3m; there is a risk that should savings not be achieved it will result in an increased draw on reserves. The 2017/18 budget will require a net draw on reserves of £12.252m.</p> <p>These risks are mitigated by using a realistic approach and the most up-to-date information when setting the budget. Also, the inclusion in the overall Council budget of a corporate cost pressure and contingency budget to support volatile and unexpected additional costs.</p> <p>A strong balance sheet and the availability of usable reserves ensure that the Council is prepared for other significant unforeseen events. As at 31 March 2016 an uncommitted General Fund balance of more than £10m is available.</p>	
6.10 Policy and Delegated Authority:	<p>The Policy & Resources Committee is required to make recommendations to the Council as to the estimates of capital and revenue expenditure. The decisions required in this report may only be determined by the Council, in accordance with Section 2.1.3 of the Council's Scheme of Administration and Delegations, including the power to fix the Council Tax.</p> <p>The budget fits within the policies included in the Medium Term Financial Plan. The Chief Executive and Directors will deliver the Council's budget in accordance with the Scheme of Delegations and Financial Regulations.</p>	
6.11 Previously considered by:	Service Committes, as notified in section 4 of the report	

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6 February 2017

Appendices:

Appendix 1 – 2017/18 Budget Book
Appendix 2 – Formal Resolutions

Background Documents:

Shetland Islands Council



The Council Budget Book 2017/18

Corporate Plan Vision:
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.

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Executive Summary

- 1.01 Shetland Islands Council's 2017/18 budget will ensure that public services in Shetland continue to be better funded than any other local authority in Scotland. This is because the Council will top up its Council Tax income and core Scottish Government grant with an additional £21.247m, which is affordable as a result of the budgeted Harbour Account surplus, budgeted income from the Shetland Gas Plant and drawing from expected long-term investment returns.
- 1.02 The Council is setting a budget that requires a draw from investment returns (underpinned by Council reserves) of £12.252m which is an affordable amount, this includes £2.753m of one-off interim funding from 2015/16 underspends. This is unsustainable going forward but as a short term solution using the underspend from 2015/16 (which was not included in the current Medium Term Financial Plan), the capital value of reserves is protected. This has enabled the Council to offset the significant reduction in government funding over and above the level anticipated when planning the budget, and will assist to meet the rising cost pressures that will impact in 2017/18.
- 1.03 This budget has been set using one-off underspends whilst the Council awaits confirmation of fair funding for ferries from Transport Scotland. An announcement by Transport Scotland is unlikely until the Scottish Government budget bill has been approved later in February 2017.
- 1.04 The medium term is fundamental to setting this budget, as it recognises that to make choices on service changes at this time, when such a significant element of the budget (internal ferries) is the subject of ongoing discussions, could have an adverse impact and give rise to unintended consequences.
- 1.05 In looking at the medium term, taking account of the underlying downward trend in core government funding, there is an undoubted need to address the cost of Council services and the affordability issues. For this reason the proposals and the Directorate priorities for the forthcoming year are presented to look to the future, to develop a framework of transformational change and to do this in conjunction with service redesign. There is an absolute requirement for different ways of working to be identified that can work in Shetland and to move towards implementation of solutions that make better use of modern technology and digital improvements that are planned by 2020.
- 1.06 The Council is extremely fortunate to be able to supplement its annual budget from funds generated by its own resources, but these are not limitless, and it is important that the Council continues its responsible budgeting approach into the future as this represents the greatest benefit over the long term for the delivery of Council services in Shetland.
- 1.07 The 2017/18 budget does not adhere to the Medium Term Financial Plan as a result of the significant grant funding reductions it has experienced; in this and next year almost 9% of Scottish Government grant has been lost. The level of required savings of £3.409m has not been achieved as it faces rising costs and growing demands, particularly in caring for children.
- 1.08 Financial sustainability needs to be reviewed in light of the latest data and forecasts available, therefore Councillors will need to continue to receive updates to the Medium Term Financial Plan

annually and set future budgets in line with it to ensure that the responsible and positive approach taken in recent years continues into the future. A revised Medium Term Financial Plan will be presented to the Council in March 2017.

Progress to Date & Future Challenges

- 1.09 At present the Council is on course to deliver its 2016/17 Budget which included £2.9m of savings. When added to the £2.1m of savings delivered in 2015/16, £12.7m in 2014/15, £12.5m in 2013/14, £15m in 2012/13 and £11.5m in 2011/12, the Council is demonstrating a track record of budget delivery.
- 1.10 Despite the work done so far, sustainability in particular is extremely challenging at this time with reducing Scottish Government funding being the trend since 2010/11. This downward trend is expected to continue while the UK and Scottish Governments seek to balance their budgets and prioritise their spending.
- 1.11 This year there has been a further significant reduction in the general revenue grant from the Scottish Government whilst the Council has to manage an ever increasing demand for Council services and manage cost pressures that apply to the models of service delivery, such as pay awards and national policy changes.
- 1.12 It is important that the Council carries out any analysis and research required to make the right decisions for Shetland and to achieve the outcomes it seeks. Based on the findings of that work it will enable the Council to formulate a plan and prepare to redesign services and transform the way it works and, at times, make what will be difficult decisions.
- 1.13 In order to take action on improving the Council's approach to identifying and implementing sustainable solutions for the future, Directorate plans identify core priority areas for action between now and 2020.
- 1.14 It is important in this process to engage with communities and involve them in decision-making. Within Shetland Community Choices one of the workstreams is to progress towards a more mainstream approach to participatory budgeting encouraging and facilitating idea generation, debate and discussion around ideas for improving the community and also in relation to different ways of delivering services efficiently and effectively through the use of a digital tool.

1.15 Draw on Reserves

1.16 The Council is asked to approve a draw on reserves to balance the 2017/18 budget, as shown in the table below:

Draw on Reserves	Budgeted Draw Contribution from/ (to) Reserves £m
General Fund	21.247
Harbour Account Surplus	(9.509)
Housing Revenue Account	0.484
Asset Investment Plan	0.030
TOTAL NET BUDGETED DRAW ON RESERVES 2017/18	12.252

1.17 The total net budgeted draw on reserves for 2017/18 is £12.252m. This is possible due to investment returns (income and growth in value), increased income being applied from the Harbour Account surplus and a one-off application of 2015/16 underspends which has not been taken into account in the current Medium Term Financial Plan. The Medium Term Financial Plan outlines the challenges that the Council faces in relation to the next five years in terms of delivering a balanced and affordable budget.

Key Budget Messages

1.18 The most significant budget proposals are as follows:

- The Scottish Government has increased the amount that people living in properties in Council Tax bandings E-H will have to pay. This is estimated to generate £0.155m for the Council.
- The Shetland Islands Council currently charges the 4th lowest level of Council Tax out of the 32 local authorities in Scotland whilst providing the best funded services.
- The reduction in Scottish Government revenue funding of 3.3% was significantly higher than the earlier estimate of a 1.6% reduction, resulting in an additional reduction in funding of £1.43m. This is including the additional funding for local government that was announced on 2 February 2017 – which provided revenue funding of £1.039m to Shetland.
- 2016/17 funding of £250m through the NHS to the Community Health & Social Care Integration Joint Boards (IJB) has been included in the baseline for 2017/18 and beyond. This ensures a sum of £1.024m continues to be available to the IJB. An additional £107m, £80m of which councils can access immediately, was also announced as part of the Scottish Government's budget. The IJB receives £0.450m and Shetland Islands Council's share is £0.340m.

- The Council's contribution to the IJB for social care services takes account of the baselined and additional funding referred to above, and complies with the direction on funding levels for IJBs given by the Scottish Government.
- The budget contains total savings of £3.187m, this was just short of meeting the Council's savings target of £3.409m as set out in the Medium Term Financial Plan.
- The cost pressures and contingencies budget totalling £6.218m is higher than last year due to the cost pressures for pay inflation and associated employer costs, i.e. pay award, pension contributions, pension auto-enrolment, apprenticeship levy, etc. This budget ensures that there is a corporate budget to mitigate any unplanned expenditure.
- The cost pressures and contingencies budget includes a sum of £0.5m to fund change projects.
- The Shetland Gas Plant is now operational, however, due to fluctuating gas prices, it is estimated that there will be limited income from this source in 2017/18. Therefore, it has been prudently estimated that an income of £0.550m from the lease will be received.
- The Harbour Charges at Sullom Voe are to remain at the 2016/17 level. This will enable the Council to continue to generate the surplus it requires (subject to actual tanker numbers), in line with the Medium Term Financial Plan, to support Council service expenditure.
- The Housing Revenue Account (HRA) budget has been prepared in line with the proposed HRA 30 Year Business Plan.
- The Asset Investment Plan (AIP) budget provides significant investment in the Council's asset infrastructure and while business cases are developed for a number of priority areas there remains, over the whole 5 year period, £2.2m of capital funding that can be applied to these business cases. However it is very unlikely that all of these priorities can be funded over the 5 year period.
- An outline ferry vessel and terminal replacement programme has been included in the AIP, with the funding being assumed as receivable from the Scottish Government/Transport Scotland by way of external capital grant. If this is not forthcoming under the Scottish Government's commitment to fair funding for inter-island ferry services then the Council will face costs that are not affordable.

Budget Decisions

1.19 The 2017/18 Budget Book contains the following specific proposals, subject to approval by the Council on 15 February 2017:

- It is proposed the Council Tax is increased by 3%, following a period of nine years' freeze of the Council Tax, so a Band D property will now incur an annual charge of £1,084.59.

- An initial allocation of £19.231m in 2017/18 is proposed to be paid to the Shetland Health & Social Care Partnership IJB for functions delegated to it by the Council.
- For the Housing Revenue Account it is proposed to increase rents in 2017/18 by an inflationary sum of 2%, plus an additional £1 per week on all one and two bedroom properties.
- Each Council Committee has proposed to set a range of fees and charges for Council Services during 2017/18 (and 2018/19 in a few specific circumstances).
- It is proposed that 2017/18 budgets for each Council account are as set out in Sections 4 to 7 of this Budget Book.

Introduction to the Budget Report

Medium Term Financial Plan

2.01 The Medium Term Financial Plan is the Council's strategic finance document which focuses on the next five year period. The financial strategy included within the plan is:

- To take a prudent approach to core Scottish Government funding projections for the next five years; to take a cautious approach to the benefits that may be generated from fluctuating oil and gas prices; and to take a measured approach to the long-term investment returns that will be generated, to determine the overall value of Council income;
- To treat all non-specific grants received as a corporate resource despite the implied treatment described in funding award letters / Scottish Government circulars;
- To take action on costs over the life of this Plan on the basis that Scottish Government funding will not increase for years to come and that it is likely to never return to the funding level (in real terms) that it has now to deliver services;
- To structure services in a way that maximises productivity and operates as efficiently and effectively as is possible;
- To prioritise service delivery that is identified as being most likely to successfully achieve the Corporate Plan objectives and outcomes in the long term or is required to fulfil the Council's statutory duties, and to agree to stop discretionary services that do not contribute to that achievement;
- To build upon the financial management improvements that have already been made, and continue to base decision making on evidence based reporting, following the building better business cases methodology, demanding fully costed options and recognition that the use of Council resources all come with a cost;
- To capture savings from improved and robust procurement and commissioning processes, including the re-negotiation of contracts;
- To improve the consistency and application of charging policies to take account of the principles outlined in the Plan;
- To focus investment returns on supporting revenue expenditure;
- To limit capital expenditure to a programme that is deliverable and affordable based on the estimated level of Scottish Government Capital Grant, supplemented by capital receipts;
- To borrow in specific circumstances for capital investment, that cannot be funded from Capital Grant or capital receipts, the cost of which will be borne by the service that the investment benefits. Borrowing will be carried out under the Prudential Code framework of prudence, sustainability and affordability in line with the Council's Borrowing Policy;

- To seek all opportunities to enter into dialogue with the Scottish Government in relation to services for which the Council does not receive its fair share of funding, or where inconsistency exists between Shetland and other local authorities;
- To commit resources to ensure that the Island Proofing provisions within the current Consultation on Provisions for a Future Islands Bill¹ adequately reflect funding and financial aspects. The consultation refers to the concept of placing a duty on Scottish Ministers and other relevant public bodies to 'island proof'

The 2017/18 Budget

- 2.02 The 2017/18 Council budget is a financial plan that complements the strategic Medium Term Financial Plan and moves the Council towards delivering its strategic financial objectives.
- 2.03 The Budget encapsulates all aspects of the Council's business; the General Fund, the Housing Revenue Account, the Harbour Account and the Asset Investment Plan. This means it is clearer for Councillors to see the full impact that the spending proposals will have on the Council's reserves during the financial year. This is important because the Council relies upon drawing an affordable sum from its invested reserves to fund the delivery of services.

The Approach to Setting the Budget

- 2.04 The Council has a rolling programme for selecting one directorate to use a zero-based budgeting approach each year while the remainder of directorates use traditional incremental budgeting. This year the directorate chosen to do zero-based budgeting was Corporate Services.
- 2.05 Assumptions were made regarding the level of Scottish Government funding in the early preparation of the budget. Unfortunately early assumptions anticipated a shortfall in grant funding which was significantly lower than that final settlement received. There were also assumptions that confirmation of grant funding from Transport Scotland would be known prior to setting the budget. The Council anticipates an announcement on the matter however, at the time of writing, this has not been made.
- 2.06 The resulting outcome of this budgeting exercise is that the aggregated budget proposals put forward by directorates are greater than the budget targets that were set within the Medium Term Financial Plan. Those proposals are aligned to the Council's priorities and outcomes as set out in the Corporate Plan.

Other Aspects of the Budget Report

- 2.07 The objective of the Shetland Islands Council Budget Book 2017/18 is to provide a high level summary of the proposals, their contribution towards delivering the Medium Term Financial Plan, and their impacts on the Council's reserves.

¹ Consultation on Provisions for a Future Islands Bill, Scottish Government, September 2015

- 2.08 The detailed budget proposals for each area of the Council are set out in separate reports which were presented to Service and Policy & Resources Committees during February 2017. This report guides Councillors to those other reports where more detailed information can be found on the General Fund services, the Harbour Account, the Housing Revenue Account and the Asset Investment Plan.

Spend to Save/Improvement Fund

- 2.09 The Council has a Spend to Save/Improvement Fund. The purpose of the Spend to Save scheme is to provide up front funding to a service in order to effect a change that will result in recurring savings in the future. It is expected to work in conjunction with the funding for change budget included in the revenue contingency budget. The funding for change budget will initially be used to fund feasibility studies to bring a project forward to a stage where a decision can be made to implement. The Spend to Save Fund would be used to fund project implementation for those which meet the Spend to Save scheme criteria.

Linking the 2017/18 Budget to the Council's Corporate Plan

- 3.01 The 2017/18 General Fund budget proposes to incur net expenditure of £110.136m on services to the people of Shetland during the next financial year.
- 3.02 Although budgets have reduced in recent years to move the Council to a position where it is closer to a sustainable footing, Shetland Islands Council is still providing some of the highest funded services to the public of any local authority in Scotland.
- 3.03 During that time the Council has sought to maximise the potential impact of the available funding for services by targeting resources towards the key priorities of the Council as set out in its Corporate Plan. In line with the new Medium Term Financial Plan the opportunity should be taken by Directors to prioritise the delivery of services that contribute most effectively to the successful delivery of the Corporate Plan objectives and outcomes in the long term, or are required to fulfil the Council's statutory duties. This should be taken forward by Directors in planning for the future beyond 2017/18.
- 3.04 Further detail on how these priorities will be delivered in the 2017/18 financial year can be found in the five Directorate Plans. These set out how the budgets of each directorate will be used to contribute towards the delivery of the Corporate Plan. These reports were presented to the Service Committee meetings. These can be found on the Council's website.

Community Health & Social Care Directorate	CC-056-F Community Health & Social Care Directorate Plan 2017/18 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Development Services Directorate	DV-063-F Development Services Directorate Plan 2017/18 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Children's Services Directorate	CS-06-F Children's Services Directorate Plan 2017/18 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Infrastructure Services Directorate	ISD-01-F Infrastructure Services Directorate Plan 2017/18 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Corporate & Chief Executive Directorates	CRP-025-F Corporate and Chief Executive's Directorate Plan 2017/18 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=

The 2017/18 General Fund Budget

4.01 The 2017/18 General Fund budget is set out in the table below:

Line No.	Description	2017/18 £000	2017/18 £000
1	Chief Executive & Cost of Democracy	1,871	
2	Children's Services	41,852	
3	Community Health & Social Care Services	20,494	
4	Development Services	14,902	
5	Infrastructure Services	19,809	
6	Corporate Services	8,329	
7	Corporate Services (Fund Manager Fees)	895	
8	GENERAL FUND SERVICES NET EXPENDITURE (equals lines 1-7)		108,152
9	Allocation to the Integration Joint Board (IJB)	19,216	
10	Allocation to the Integration Joint Board (Audit Fee)	15	
11	Contribution from the Integrated Joint Board (IJB)	(20,494)	
12	NET CONTRIBUTION FROM THE IJB (equals lines 9 - 11)		(1,263)
13	Contingencies and Budget Pressures		4,791
14	Capital Financing Costs		1,427
15	Support Recharges to Harbour Account , HRA and Capital		(2,044)
16	Interest on Revenue Balances		(27)
17	Economic Development Investment Income		(900)
18	TOTAL NET GENERAL FUND EXPENDITURE (equals line 8 plus lines 12-17)		110,136
	Funded by -		
19	General Revenue Grant/NNDR (Scottish Government Allocation)	(79,886)	
20	Council Tax	(9,003)	
21	TOTAL CORE FUNDING (equals lines 19-20)		(88,889)
	Deficit to be funded from Reserves		
22	Draw on Reserves – 2015/16 Underspend Carry Forward	(2,753)	
23	Draw on Reserves – Core Expenditure General Fund	(12,272)	
24	Draw on Reserves – Equivalent to Harbour Account Surplus	(5,672)	
25	Shetland Gas Plant Contribution	(550)	
26	TOTAL FUNDING FROM RESERVES (equals lines 22-25)		(21,247)
27	TOTAL FUNDING (equals line 21 plus line 26)		(110,136)
28	BALANCED BUDGET (line 18 plus line 27)		0

4.02 The proposals in the 2017/18 General Fund budget are over the agreed Directorate Target Operating Budgets as set out in the Medium Term Financial Plan 2015-2020.

4.03 The table below shows Directorate proposals compared to revised Target Operating Budgets:

	2017/18 Target £000	Cost Pressures/ Transfers £000	2017/18 Revised Target £000	2017/18 Actual Budget £000	Variance £000
Corporate & Executive Services	10,118	83	10,201	10,200	1
Children's Services	39,871	973	40,844	41,852	(1,008)
Community Health & Social Care Services	20,532	423	20,955	20,494	461
Integration Joint Board	(512)	(411)	(923)	(1,263)	340
Development Services	14,850	21	14,871	14,902	(31)
Infrastructure Services	19,985	(161)	19,824	19,809	15
Total Directorate budgets	104,844	928	105,772	105,994	(222)

The main cost pressures applied in 2017/18 have been for pay award, service specific spending such off island placements, free school meals, children's residential services and third sector payments, offset by increased income and reduced national insurance amount to a net £0.928m. Some of this was for cost pressures identified in the 2016/17 budget exercise which have been realised e.g. free school meals.

Expenditure

- 4.04 The General Fund services net expenditure is budgeted to be £108.152m in 2017/18 (as shown at Line 8 in the table at 4.01) which represents the spending on day-to-day Council services. Excluding the Fund Manager Fees (Line 7) and taking into account the net income from the IJB (Line 12) the table below shows how the Actual Directorate Budgets 2017/18 (as shown in the table at 4.03) reconcile to the detailed budget proposal reports that have been through the Service Committee meetings in February 2017:

Directorate	Develop- ment Committee £000	Education & Families Committee £000	Environment & Transport Committee £000	Policy & Resources Committee £000	College Board £000	Total £000
Executive & Corporate				10,200		10,200
Children's		41,852				41,852
Community Health & Social Care				20,494		20,494
Net Transactions between the Council and IJB				(1,263)		(1,263)
Development	8,480	323	5,974		125	14,902

Infrastructure			19,809			19,809
TOTAL	8,480	42,175	25,783	29,431	125	105,994

4.05 The detailed General Fund budgetary information which underpins this section of the budget report can be found in the following Budget Proposals Reports (including appendices) which were presented to Service Committee Meetings.

Education & Families Committee 6 February 2017	F-008-F 2017/18 Budget & Charging Proposals Education and Families Committee http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Environment & Transport Committee 7 February 2017	F-002-F 2017/18 Budget and Charging Proposals Environment and Transport Committee http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Development Committee 8 February 2017	F-004-F 2017/18 Budget and Charging Proposals Development Committee http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Shetland College Board 9 February 2017	F-006-F 2017/18 Budget Proposals for Shetland College http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Policy and Resources Committee 13 February 2017	F-007-F 2017/18 Budget and Charging Proposals Community Health and Social Care Partnership http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
Policy & Resources Committee 13 February 2017	F-005-F 2017/18 Budget and Charging Proposals Policy & Resources Committee http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=

Contingencies and Cost Pressures

- 4.06 A figure of £6.218m has been included in the General Fund budget to cover contingencies and cost pressures (as set out in Lines 13 and 14 of the table at 4.01). This figure has been calculated based on the best information known as at January 2017 and includes the anticipated cost of capital financing costs.
- 4.07 A sum has been calculated as relating to Social Care services to a value of £0.814m that will be transferrable to the IJB once the actual costs are known and the financial position of Social Care services is monitored during the year.
- 4.08 This budget line generally covers Council-wide issues and therefore will be held centrally by the Executive Manager – Finance. It will only be released when the Executive Manager – Finance is

satisfied that the cost pressure has materialised or the conditions exist to legitimately release contingency monies.

4.09 The following tables show how the figure of £6.218m (£5.768m for cost pressures and £0.450m for contingencies) has been calculated:

Cost Pressures	Description	Allowance in 2017/18 budget (£000)
Pay Award	This is to meet the additional cost of the 2017/18 annual pay award.	1,000
Holiday Pay/Sleepovers/Living Wage	This is to meet the estimated cost of holiday pay relating to overtime and additional hours to meet the cost of the living wage hourly rate and sleep-over payments.	739
Superannuation	This is to meet the actuarial increase on pension costs.	478
Pension Auto-Enrolment	In line with legislation all staff not in a pension scheme require to be auto-enrolled in the Council's pension scheme.	800
Apprenticeship Levy	This is to meet the new apprenticeship levy being applied by the Government. (0.5% of the pay bill)	474
AHS Maintenance/Lifecycle	This is to meet the cost of the maintenance/lifecycle costs which will be incurred from the new AHS build with the Scottish Government.	350
Capital Financing Charges	This is to meet the financing charges for external borrowing in relation to the Asset Investment Plan.	1,427
Funding for Change	To provide funding for transformational change across the organisation to be able to meet the budget reductions expected by 2020.	500
TOTAL COST PRESSURES		5,768

Contingencies	Description	Allowance in 2017/18 budget (£000)
Other Contingencies	This will provide a contingency budget for a range of possible contingencies which services have identified may arise in 2017/18 such as supply teachers, ferry vessel fuel costs etc.	1,379
Risk based reduction – 67%		(929)
TOTAL CONTINGENCIES		450
TOTAL FUNDING IN BUDGET	COST PRESSURES AND CONTINGENCY	6,218

Funding

- 4.10 Initially the Scottish Government was providing £78,847m of funding for General Fund services to Shetland Islands Council in 2017/18. This funding represents the Council's General Revenue Grant and includes the level of income that the Council will receive from the National Non-Domestic Rates Pool. This was £3.792m less than last year's settlement.
- 4.11 An announcement by the Scottish Government on 2 February 2017 increased revenue and capital funding to all local authorities. Shetland Islands Council benefits to the value of £1.039m in revenue grant (and £0.267m for capital grant). This means that the revenue grant reduction for 2017/18 has been reduced to £2.753m and is a 3.3% reduction from 2016/17.
- 4.12 The Council is proposing to raise the Council Tax following a nine year freeze; a Band D property will incur an annual charge of £1,084.59. The Shetland Islands Council has the 4th lowest level of Council Tax out of the 32 local authorities in Scotland whilst providing the best funded services. At this rate of taxation it is expected that the Council will generate £9.003m from Council Tax during 2017/18.
- 4.13 It has been assumed that a 1% increase in the property base will occur, and Central Government has increased the cost of Council Tax for people living in properties that are in Band E to H. The increase in band values will generate an estimated income of £0.155m. The Council has no discretion to alter these banding changes.
- 4.14 The remainder of the funding required to balance the General Fund will come from the Council's reserves. This is budgeted to total £21.247m in 2017/18 (Line 26 in the table at 4.01).

The 2017/18 Harbour Account Budget

5.01 The proposed budget for the Harbour Account is as follows:

Line No.	Description	2017/18 £000
	<i>Expenditure</i>	
1	Sullom Voe	11,502
2	Scalloway	1,154
3	Other Piers	428
4	Jetties & Spur Booms	2,070
5	Terminals	1,498
6	TOTAL EXPENDITURE (equals lines 1-5)	16,652
	<i>Income</i>	
7	Harbour Fees & Charges	(20,496)
8	Jetties & Spur Booms	(2,070)
9	TOTAL INCOME (equals lines 7-8)	(22,566)
10	HARBOUR ACTIVITY NET SURPLUS (equals lines 6-9)	(5,914)
11	Internal contribution from the General Fund for terminal berthing charges	(3,045)
12	Shetland Gas Plant	(550)
13	TOTAL SURPLUS (equals line 10-12)	(9,509)
	<i>Contributions to/(from) Reserves</i>	
14	Contribution to the Reserve Fund	9,509
15	BALANCED HARBOUR ACCOUNT (line 13 plus line 14)	0

5.02 The Sullom Voe Terminal operator requires a 24 hour, 7 day per week harbour operation to facilitate tanker movements. This means that there is a requirement on the Council to continue to incur considerable expenditure to maintain this level of service against reducing tanker numbers. Following the structural increase in tanker charges in 2016/17, there is proposed to be no increase applied to tanker charges for 2017/18.

5.03 It is proposed to increase other charges by approximately 2.5%. The increase on other charges is to contribute to national cost pressures relating to pay and pensions.

5.04 Overall, the Council forecasts that the surplus generated on ports and harbours activities will meet the requirement in the Medium Term Financial Plan for 2017/18.

5.05 The berthing charge for the inter-island ferry use of shore-based ferry terminal assets results in net income of £3.045m.

5.06 Income from the Shetland Gas Plant throughput activity is anticipated to be minimal in 2017/18 due to fluctuating gas and oil prices, therefore it has been estimated that there will be income of £0.550m from the base rent during the year.

5.07 The detailed Harbour Account budgetary information which underpins this section of the budget report can be found in the following budget proposals report (including appendices) which was presented to the Harbour Board on 10 February 2017:

Harbour Board 10 February 2017	F-003-F 2017/18 Budget and Charging Proposals Harbour Board http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
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The 2017/18 Housing Revenue Account Budget

6.01 The 2017/18 Housing Revenue Account budget is set out in the table below:

Line No.	Description	2017/18 £000
	Expenditure	
1	Supervision & Management	817
2	Repairs & Maintenance	1,884
3	Void Rents & Charges	165
4	Garages	30
5	Capital Funded from Current Revenue	2,692
6	Capital Charges - Dwellings	1,711
7	TOTAL EXPENDITURE (equals lines 1-6)	7,299
	Income	
8	Interest on Revenue Balances	(1)
9	Rents - Dwellings	(6,623)
10	Rents - Other i.e. garages/sites etc	(191)
11	TOTAL INCOME (equals lines 8-10)	(6,815)
12	TOTAL DEFICIT (line 7 plus line 11)	484
	Surplus to contribute to Reserves	
13	Contribution from Housing Repairs & Renewals Fund (Reserves)	(484)
14	BALANCED HOUSING REVENUE ACCOUNT BUDGET (line 12 plus line 13)	0

6.02 The objective of the 2017/18 Housing Revenue Account (HRA) budget is to deliver a sustainable position and minimise rent increases for the year in line with the proposed HRA 30 Year Business Plan.

6.03 The proposal on rents is to continue the 2016/17 rent strategy to remove the disparity between smaller and larger properties as the distinction is no longer reasonable, and this is in line with tenant feedback. Rents are proposed to increase by 2%, with an additional £1 per week being added to rents for one and two bedroom properties for 2017/18.

6.04 The capital expenditure in the Asset Investment Plan is set at £2.913m in 2017/18. This is in line with the HRA 30 Year Business Plan.

6.05 The detailed HRA budgetary information which underpins this section of the budget report can be found in the following budget proposals report (including appendices) which was presented to the Policy and Resources Committee on 13 February 2017:

Development Committee 8 February 2017	F-010-F 2017/18 Housing Revenue Account Budget and Charging Proposals http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
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The 2017/18 Asset Investment Plan (Capital Programme)

7.01 The 2017/18 Asset Investment Plan is set out in the table below:

Line No.	Description	2017/18 Budget £000
1	Maintenance of Existing Assets	8,095
2	New Developments	2,392
3	Housing Revenue Account Projects	2,913
4	Potential Projects	1,931
5	Fair Funding for Ferry Projects	200
6	TOTAL EXPENDITURE (equals lines 1-5)	15,531
7	Scottish Government General Capital Grant (General Fund)	(7,177)
8	Other Capital Grants (General Fund & Harbour)	(1,197)
9	Capital Receipts (General Fund and HRA)	(600)
10	Capital Funded from Current Revenue (Harbour and HRA)	(4,282)
11	Draw on Reserves – Second Homes Council Tax (General Fund)	(30)
12	TOTAL FUNDING (equals lines 7-11)	(13,286)
13	FUNDING SHORTFALL (equals line 6 plus line 12)	2,245
14	Borrowing (General Fund & Harbour)	(2,245)
15	TOTAL BORROWING (equals line 14)	(2,245)
16	TOTAL FUNDING AND FINANCING (equals line 12 plus line 15)	(15,531)
17	BALANCED ASSET INVESTMENT PLAN (equals line 6 plus line 16)	0

7.02 There are 13 key criteria for capital investment planning included within the Medium Term Financial Plan. These are:

- No growth in the operational asset base;
- Capital expenditure is primarily focussed on the capital maintenance of existing assets;
- A gateway process will ensure strategic fit is demonstrated early and decisions are taken at key stages. This will be supported by a full business case, including projected future demand, and options and investment appraisal process before a project can be considered for inclusion on the Asset Investment Plan;
- No project will be considered for inclusion on the Asset Investment Plan, and existing projects will be removed, unless they have a robust financial estimate of cost. The Executive Manager – Finance will determine whether the financial estimates of cost is robust;
- All capital projects must clearly demonstrate the revenue consequences arising from a capital spending decision to assist Councillors in understanding the full financial impact;
- The focus will be on effective asset management, driven forward through the Asset Strategy and Implementation Plan. This will ensure that the Council occupies a reduced number of properties in the future.

- Scottish Government Capital Grant will be applied initially to short life assets (e.g. vehicles, ICT, certain maintenance);
- Capital Receipts will be targeted at core capital maintenance costs.
- Capital Funded from Current Revenue (CFCR) will be used where appropriate to fund low value, shorter life capital expenditure.
- Where available and determined as appropriate by the Executive Manager – Finance, other assets may be funded from Capital Grants, Capital Receipts and CFR;
- All other capital expenditure will be financed by borrowing. If interest rates are lower than the return on the long-term investments described in the Medium Term Financial Plan, external borrowing will be undertaken. If interest rates are higher than investment returns, internal borrowing will be undertaken;
- The service(s) that benefit from the capital asset will be required to make sufficient revenue savings to free up budget to pay for the cost of capital (interest charges and principal repayments of debt) based on the amount borrowed. This will be calculated on the amount borrowed. The only exception to this will be in relation to the New Anderson High School as the agreement to borrow pre-dates this Policy;
- Capital financing products are affected by external and financial market factors and can develop in a way that may enable the Council to achieve its Corporate Plan outcomes through alternative means. Where new capital financial opportunities arise, such as Scottish Government Initiatives like the National Housing Trust models, then the Executive Manager - Finance will give consideration to such products, subjecting them to financial viability, affordability and risk tests, and make a recommendation prior to proceeding.

7.03 The level of borrowing required to finance the Asset Investment Plan is called the Capital Financing Requirement (CFR). The Council will be able to manage limits for borrowing based on what it thinks is prudent, affordable and sustainable through annually agreeing Prudential Indicators as part of the Annual Borrowing & Investment Strategy.

Asset Investment Plan 2017/18 to 2021/22

- 7.04 The Asset Investment Plan proposed expenditure totals £75.8m over the next five years which represents a significant investment in the Council's infrastructure.
- 7.05 The focus of the Asset Investment Plan over the five years is on the maintenance of existing assets rather than the creation of new assets. The main exceptions to this rule are the building of a new Anderson High School Halls of Residence and new Eric Gray Resource Centre.
- 7.06 Over a third of the Plan focuses on the vessels and terminals that are required to support the inter-island ferry services. The funding for the vessel and terminal replacement programme is subject to ongoing dialogue with Transport Scotland and a successful conclusion to that dialogue, with the Scottish Government meeting its commitment to fair funding for the inter-island ferry services is fundamental to the affordability of this programme.
- 7.07 Over the 5 years of the Plan there is a net surplus of capital funding of £2.2m. The allocation of this will be subject to the approvals made under the Council's Gateway Process for the Management of Capital Projects. Where the assets are held within the Harbour Account then it is recommended that borrowing would be the means of funding.

- 7.06 The detailed Asset Investment Plan budgetary information which underpins this section of the budget report can be found in the following budget proposals report (including appendix) which was presented to the Policy & Resources Committee on 13 February 2017.

Policy & Resources Committee 13 February 2017	F-014-F Proposed 5 Year Asset Investment Plan 2017/18-2021/22 http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=
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Shetland Islands Council – Budget Estimates 2017/18**The Formal Resolutions Required:****Recommendation**

It is recommended that to provide for the expenses foreseen in the Budget Estimates for 2017/18, the Council RESOLVE THAT:-

1. they IMPOSE and LEVY the following assessments for the period from 1 April 2017 to 31 March 2018.

NON DOMESTIC RATES

- (a) **THE SHETLAND ISLANDS COUNCIL DO DECERN AND ORDAIN** the whole occupiers in Shetland Islands liable for the aforesaid assessments, to make payment thereof to the Executive Manager - Finance, either by ten instalments, as near equal amounts as practicable, the first on or before 1 April 2017 and at monthly intervals thereafter, or in a single payment on or before 30 September 2017.

COUNCIL TAX

- (a) **Council Tax:** Council Tax of £1,084.59 – Band D equivalent, on all chargeable dwellings in Shetland and to be paid by the persons liable therefor under the Local Government Finance Act 1992, as amended by the Local Government etc. (Scotland) Act 1994.
- (b) **THE SHETLAND ISLANDS COUNCIL DO DECERN AND ORDAIN** the persons liable as described in the Local Government Finance Act 1992, in respect of chargeable dwellings referred to in paragraph (ii) (a) for the aforesaid assessments to make payment thereof to the Executive Manager - Finance, either by 10 monthly instalments, as near equal in amount as practicable, the first on or before 1 April 2017 and at intervals thereafter, or in a single payment before 1 June 2017.

2. NON DOMESTIC RATES APPEALS

- (a) The Council adopt the following regulations with regard to the lodging and hearing of appeals against rates, in terms of Section 238 of the Local Government (Scotland) Act 1947, viz:
 - (b) persons complaining that they have been improperly charged, must lodge their appeals with the Executive Manager - Finance not later than 28 days after receipt of a rates demand note and these appeals will be heard by Council on a date to be notified to appellants. Appellants may appeal personally in support of their appeals or be represented by an agent.
 - (c) no appeal against the valuation entered in the valuation roll is competent.
3. The de minimis sum (used to establish whether expenditure of a capital nature should be charged to capital or revenue) for the year commencing 1 April 2017 should be set equal to £10,000.



Meeting(s):	Policy & Resources Committee	13 February 2017
Report Title:	Chair's Report – Development Committee – 13 December 2016 Shetland Investment Fund - Decision Making and Conditions	
Reference No:	P&R-0213-DV-60	

1.0 Decisions / Action required:

1.1 That the Policy and Resources Committee RESOLVE to:

- a) Approve the decision making process for the Shetland Investment Fund as detailed in section 4 (and further illustrated by the flow chart in Appendix 1).
- b) Instruct the Executive Manager – Economic Development to establish a Shetland Investment Board (to operate under the terms of reference detailed in Appendix 2).
- c) Delegate authority to the Executive Manager – Economic Development to make decisions on lending activity within the Shetland Investment Fund (as detailed in Appendix 3).
- d) Approve the addition of a condition to the Shetland Investment Fund Lending Policy (as shown in section 4.5) requiring borrowers who are employers to pay no less than the Living Wage.
- e) Approve the Deed of Conditions for Shetland Investment Fund loans (Appendix 4).
- f) Approve the Conditions for Shetland Investment Fund Hire Agreements with the Option to Purchase (Appendix 5).

2.0 Report

- 2.1 The purpose of this report is to consider a recommendation from the Chair of Development Committee in relation to a report requiring a decision of Policy and Resources Committee.
- 2.2 The report concerned the Council's Shetland Investment Fund which operates as part of the Economic Development Service (the report is attached as **Appendix A**).
- 2.3 The report also proposed the adoption of revised standard conditions for lending and the inclusion of a specific condition requiring borrowers, who are employers, to pay no less than the Living Wage
- 2.4 The Chair will present any further information to the Committee as to the debate or issues that the Committee considered.

3.0 Implications

- 3.1 Detailed information concerning the proposals was contained within the report, which includes the strategic and resources implications for the Council.
- 3.2 Copies of the report can also be accessed via the Council's website at the link shown below, or by contacting Committee Services.
- 3.3 There are no additional implications to be considered by the Committee.

4.0 Previously Considered by:

Development Committee

13 December 2016

For further information please contact:

Mr A Cooper, Chair of Development Committee
25 January 2017

Background documents:

Report to Development Committee – 13 December 2016: Shetland Investment Fund – Decision Making and Conditions

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=5369>

Report to Development Committee – 4 October 2016 and Policy & Resources Committee 24 October 2016 – Economic Development Lending Service, including proposed Lending Policy & Guidelines and Interest Rate Calculation Guidelines.

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=5105>

END



Meeting(s):	Special Development Committee Policy & Resources Committee	13 December 2016 13 February 2017
Report Title:	Shetland Investment Fund - Decision Making and Conditions	
Reference No:	DV-60-16-F	
Author/ Job Title:	Douglas Irvine/Executive Manager – Economic Development	

1.0 Decisions / Action required:

- 1.1 That the Development Committee RECOMMEND that the Policy and Resources Committee RESOLVE to:
- Approve the decision making process for the Shetland Investment Fund as detailed in section 4 and further illustrated by the flow chart in Appendix 1.
 - Instruct the Executive Manager – Economic Development to establish a Shetland Investment Board to operate under the terms of reference detailed in Appendix 2.
 - Delegate authority to the Executive Manager – Economic Development to make decisions on lending activity within the Shetland Investment Fund as detailed in Appendix 3.
 - Approve the addition of a condition to the Shetland Investment Fund Lending Policy (as shown in section 4.5) requiring borrowers who are employers to pay no less than the Living Wage.
 - Approve the Deed of Conditions for Shetland Investment Fund loans, attached as Appendix 4.
 - Approve the Conditions for Shetland Investment Fund Hire Agreements with the Option to Purchase, attached as Appendix 5.

2.0 High Level Summary:

- 2.1 This report concerns the Council's Shetland Investment Fund which operates as part of the Economic Development Service. Following the Council decision in April 2016 to establish a Shetland Investment Fund, work has continued to review the policies and procedures in place to manage the lending activity. This report focuses on the decision making processes for the Shetland Investment Fund and recommends that a Shetland Investment Board is established to consider proposals for new and existing investments. The Board will make recommendations to the Executive Manager - Economic Development for decision under delegated authority.
- 2.2 The report also proposes the adoption of revised standard conditions for lending and the inclusion of a specific condition requiring borrowers, who are employers, to pay no less than the Living Wage.

3.0 Corporate Priorities and Joint Working:

- 3.1 Shetland Islands Council's Our Plan 2016 - 2020 recognises that Shetland's future prosperity is dependent on maintaining a sustainable economy. The Shetland Investment Fund assists in the delivery of the following Economy & Housing objectives detailed in the Corporate Plan:
- "The long term community plan aim is for Shetland to have good places to live as well as sustainable economic growth with good employment opportunities, and for our residents to have the skills they need to benefit from those opportunities."
 - "We 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."
 - "We will be investing development funds wisely to produce the maximum benefit for Shetland's economy."
- 3.2 The Shetland Partnership recognises the link between economic success and strong communities and the Shetland Partnership's Local Outcomes Improvement Plan 2016-20 sets out the activity and priorities to achieve the Shetland Community Plan. The following outcomes are relevant to the lending service:
- "D2: Make the best use of existing assets, infrastructure and human capital for sustainable socio-economic development."
- "D3: Supporting the development of digital, diverse and innovative business base."

4.0 Key Issues:

Decision Making Process

- 4.1 Currently decisions on new and existing Shetland Investment Fund investments are made by the Development Committee. There is one loan scheme in place where decision making is delegated to the Executive Manager – Economic Development. This scheme assists local fishing businesses to purchase whitefish quota and fishing licences.
- 4.2 It is proposed that authority be delegated to the Executive Manager – Economic Development to make decisions on new and existing investments within the Shetland Investment Fund. Part of the decision making process would be to establish a Shetland Investment Board consisting of Council Officials to assess all proposals within an agreed remit. Unanimous agreement from the Board would be required to recommend approval to the Executive Manager – Economic Development. A flow chart to illustrate the path applications would take is attached as Appendix 1. The draft terms of reference for the Shetland Investment Board are attached as Appendix 2 and draft terms of the delegation to the Executive Manager – Economic Development are attached as Appendix 3. The existing whitefish quota and fishing licence scheme would cease to exist as a separate scheme and all applications would be routed through the new process.
- 4.3 This proposal would bring flexibility to the decision making process allowing applications to be considered as and when required. This would lead to more efficient decision making and thus improve the economic development service offered by the Council.

The Living Wage/Sick Pay Conditions

- 4.4 At the Policy and Resources Committee on 24 October 2016 [Min Ref: 74/16] the draft Lending Policy & Guidelines were considered and a decision was deferred to allow advice to be received on additional conditions on the payment of the Living Wage and sick pay.
- 4.5 The legal advice received indicates that it is legally permissible to include a condition requiring borrowers who are employers to pay the living wage. The Council has made a commitment to the principle of the Living Wage in order to promote the wellbeing of people working in Shetland. There is therefore good reasoning to incorporate a condition into the Council's lending policy. It is proposed that the following be included in the Lending Service Policy & Guidelines which will be presented to Policy & Resources Committee on 13 February 2017 for approval.
- "Applicants who are employers will be required to pay no less than the 'Living Wage' as set by the Living Wage Foundation to all employees."
- 4.6 The following clause (clause 7.11) is also included in the Deed of Conditions attached as Appendix 4.
- "in the event that the Borrower is an employer, the Borrower shall pay no less than the 'Living Wage' as set by the Living Wage Foundation to all employees throughout the term of the loan agreement."
- 4.7 It should be noted that not all borrowers will be employees and some businesses operate with workers who are self employed or contracted i.e. in the fish catching sector. Such businesses would not be affected by this condition.
- 4.8 Subject to certain conditions employees are legally entitled to statutory sick pay. All employers will therefore be paying their employees who qualify for statutory sick pay. The Council does not have a stated policy position on the payment of additional sick pay by private sector employers in Shetland and it may be regarded as an operational matter for businesses. The Council needs to consider what reasons it would have to set conditions which interfere with the operation of the borrower's business and have no immediate relevance to the loan or the Council's wider policy objectives. It is therefore not recommended that any additional conditions regarding sick pay are introduced into the lending scheme.

Deed of Conditions

- 4.9 The Deed of Conditions is a list of standard conditions which apply to all loans/Hire Purchase (HP) agreements approved. The Deed is referred to in loan/HP agreements issued by the Council. Some conditions must be satisfied before funds can be released and others must be complied with throughout the term of the loan/HP agreement.
- 4.10 In addition to the standard conditions, loan/HP agreements also include additional conditions which are specific to that business or project.
- 4.11 The two existing Deeds have been reviewed by external legal advisors and updated accordingly. These documents are attached as Appendices 4 and 5 and recommended for approval.

5.0 Exempt and/or Confidential Information:	
None.	
6.0 Implications:	
6.1 Service Users, Patients and Communities:	<p>Implementation of the decision making process proposed in this report will lead to more efficient decision making and thus improve the economic development service offered by the Council.</p> <p>Standard lending terms contained in the Deed of Conditions for loans and HP will provide clarity to both lender and borrower on the conditions which apply to Council lending prior to fund release and for the duration of the loan/HP agreement.</p>
6.2 Human Resources and Organisational Development:	The administration of the Shetland Investment Board will be carried out by Economic Development staff.
6.3 Equality, Diversity and Human Rights:	A condition of lending that borrowers must pay staff no less than the Living Wage is one way in which the Council can promote the well being of people working in Shetland.
6.4 Legal:	All lending conditions proposed in this report have been prepared following legal advice.
6.5 Finance:	There are no direct financial implications arising from this report.
6.6 Assets and Property:	None.
6.7 ICT and New Technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	<p>Risks associated with lending to local businesses are mitigated through having robust lending policies and systems in place. Due diligence is carried out on all new investments and each investment is actively monitored and managed to completion.</p> <p>The risks associated with the project to establish a lending service are listed on JCAD and have a controlled risk profile score of 2 (low risk).</p>

6.10 Policy and Delegated Authority:	<p>This report has been prepared with regard to the pledges contained in the Council's Economic Development Policy Statement 2013-2017. The Policy Statement was approved by the Development Committee on 14 January 2015 [Min Ref: 01/15].</p> <p>The Lending Service supports the following objective:</p> <p>Section 2.1 "Encourage sustainable growth in the local economy through support for business development and social enterprises".</p> <p>The Development Committee has functional responsibility for economic development matters, including decisions on business investments.</p> <p>The Policy and Resources Committee must however make a decision as this Committee has functional responsibility for Council processes and procedures and delegated authority for the co-ordination, control and proper management of the financial affairs of the Council.</p>	
6.11 Previously Considered by:	Economic Development Policy Group Lending Service Project Board	13 September 2016 8 November 2016

Contact Details:

Douglas Irvine, Executive Manager – Economic Development,
douglas.irvine@shetland.gov.uk Date: 6 December 2016

Appendices:

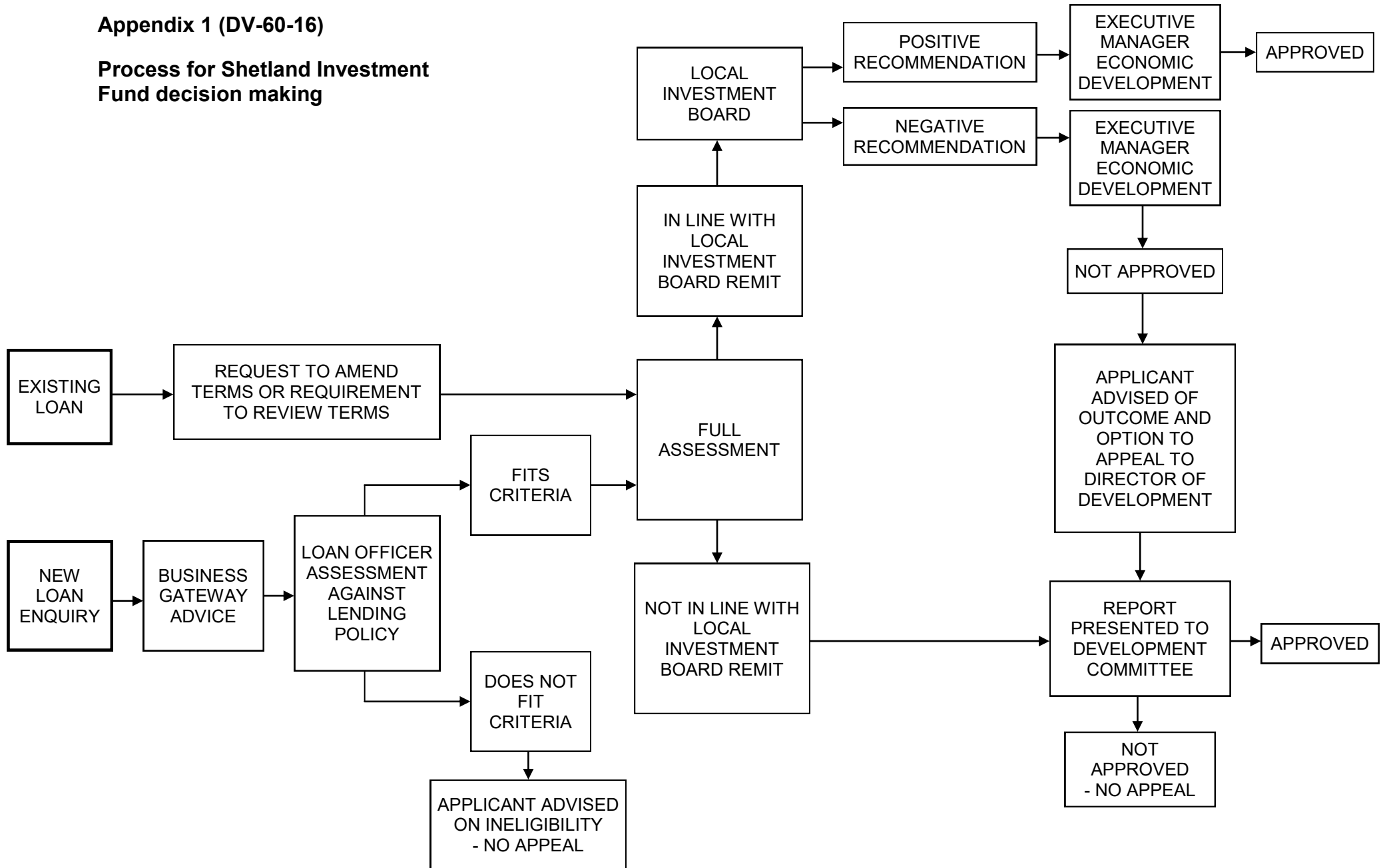
Appendix 1 – Decision Making Process – Flow chart
Appendix 2 – Shetland Investment Board – Terms of Reference
Appendix 3 – Delegation to the Executive Manger – Economic Development
Appendix 4 – Deed of Conditions for Loans
Appendix 5 – Conditions for Hire Agreements with the Option to Purchase

Background Documents:

Report to Development Committee – 4 October 2016 and Policy & Resources Committee
24 October 2016 – Economic Development Lending Service, including proposed Lending
Policy & Guidelines and Interest Rate Calculation Guidelines.

Appendix 1 (DV-60-16)

Process for Shetland Investment Fund decision making



**Shetland Islands Council
Shetland Investment Board
Terms of Reference**

1.0 Aim

- 1.1 To fulfil Council Policy objectives and Service Plan targets for Economic Development.

2.0 Remit

New Investments:

- 2.1 To make recommendations to the Executive Manager – Economic Development:
- 2.1.1 That applications for loans, hire purchase facilities and equity investments be approved, subject to all the following criteria being met:
- The maximum value of loan application which can be considered by the Board is £500,000 per application, or total Shetland Investment Fund investment in any one business (or group) of £500,000.
 - Recommendations must be made in accordance with the Lending Policy & Guidelines approved (subject to approval).
 - All proposals are in line with the Medium Term Financial Plan and agreed with the Executive Manager – Finance Services as Section 95 Officer.
 - Council funding must not represent more than 75% of the total project cost.
 - Approvals must be scheduled for repayment within a 10 year term.
- 2.1.2 That applications be declined. Such decisions and the reasons why will be communicated to applicants. Applicants will have the option to appeal and have their case presented by the Director of Development to Development Committee for final decision.
- 2.2 To consider pre-application enquiries and provide direction to the Council's Commercial Investment Officers on suitable lending terms.

Management of Investments:

- 2.3 To oversee the existing portfolio of investments and new investments as they are released.
- 2.4 To oversee a programme of annual Business Reviews on investments.
- 2.5 To make recommendations to the Executive Manager – Economic Development to approve amendments to the terms of existing investments to protect the best interests of the Council. This includes:
 - 2.5.1 Reschedule repayments on existing investments by introducing interest only periods and/or extending the term of the investment up to a maximum of 6 months per investment. Requests in excess of 6 months or repeat requests will be presented to Development Committee.
 - 2.5.2 Approve revised interest rates for all investments which have been agreed with scheduled interest rate review periods. The Interest Rate Calculation Guidelines will apply (subject to approval).
 - 2.5.3 Approve the sale, redemption or other exit route for equity assets included in the Council's Shetland Investment Fund. Clear justification for how any approval achieves best value for the Council must be shown.
 - 2.5.4 Agree the repayment terms for arrears on investments.
 - 2.5.5 Agree changes to security for existing investments provided the proposal is in the best interests of the Council.
 - 2.5.6 Release securities on completion of investment agreements.
- All proposals must be in line with the Medium Term Financial Plan and agreed with the Executive Manager – Finance Services as Section 95 Officer.
- 2.6 To monitor the cashflow of the Shetland Investment Fund and ensure a sustainable level of commitments is maintained.
- 2.7 To monitor debt situations and risk profile of investments.
- 2.8 To seek professional advice from external specialist organisations to protect Council investments (following Council procurement processes and funded from Economic Development Budgets).
- 2.9 To approve annual reporting information on the Shetland Investment Fund prior to presentation to Development Committee.

3.0 Definition of Shetland Investment Fund investments:

- 3.1 Loans, equity investments, hire purchase agreements, remaining loan guarantees and fishing licences; and investments remaining in the bare trust following wind up of the Shetland Development Trust.

4.0 Management of Fishing Quota

- 4.1 The Shetland Investment Fund does not include the whitefish quota owned by the Council, however the Shetland Investment Board will monitor and manage the quota in line with the Management Agreement, and other information available from the Shetland Fisheries Producer's Organisation, and the industry as a whole, to ensure that the best return can be achieved for both the Council and the fishing industry in Shetland.

5.0 Board Representation

- 5.1 Director of Development Services
Executive Manager – Finance Services
Executive Manager – Economic Development
Team Leader – Legal Services

6.0 Administration of Shetland Investment Board

- 6.1 Economic Development Services staff will be responsible for gathering agenda items and preparing reports for consideration by the Board.
- 6.2 All reports presented will include an appraisal of the proposal and a recommendation to the Board. Input from Finance Services and Legal Services will be sought through the due diligence phase.
- 6.3 Reports will be marked as confidential and not issued publically when concerning the financial affairs of applicants.
- 6.4 Agendas will be sent at least 5 working days in advance of a meeting.
- 6.5 Board Members can appoint a depute to act on their behalf.
- 6.6 Board Members can provide their views by email if they, or a depute, are not available to attend. Written views should be expressed clearly and state whether the Board member is in agreement with the recommendations or otherwise.

- 6.7 Decisions on new investments are to be notified to the Communications team and discussion held on the suitability of each decision to be issued as a Press Statement. Development Committee Members will be notified prior to any press releases.
- 6.8 All decisions on new or existing investments will be progressed and formalised with advice from Legal Services.
- 6.9 A right of appeal exists for applications which fit the Lending Policy and are in line with the remit of the Shetland Investment Board, but which are given a negative decision by the Board. The appeal process is for applicants to request that the Director of Development Services prepares a report for Development Committee.

7.0 Meetings

- 7.1 Meetings will be scheduled and held approximately every 8 weeks. Additional meetings can be called with the agreement of the Director of Development Services if urgent decisions are required.
- 7.2 Minutes will be taken at all meetings and draft minutes presented for approval at the following meeting.
- 7.3 Meetings will be held in private and reports should not be made public.

8.0 Reporting

- 8.1 Quarterly Updates in the form of an appendix to the Development Service Directorate Performance Report (to Development Committee). To include details of:
 - 8.1.1 New approvals in the period (under delegated authority and Committee).
 - 8.1.2 Loans declined by the Shetland Investment Board.
 - 8.1.3 Approved changes to existing investments.
 - 8.1.4 Completed investments in the period.
 - 8.1.5 Funds released in the period.
 - 8.1.6 Capital returned in the period.
 - 8.1.7 Total value of loans made and commitments (to be released).

8.2 Annual Performance Report (to Development Committee). To include:

8.2.1 Summary of all investments included in the portfolio, including details of balances due, purpose of loan and up to date information.

8.2.2 List of new approvals, including:

- Number of businesses supported in the year.
- Capital and interest returned within the year.
- Number of new start businesses supported.
- Number of jobs created and sustained .
- Turnover increases forecast for the 3 years following investment/start of project.

8.2.3 Outcomes associated with investment activity in the 12 month period:

- Value of jobs created and sustained based on the Gross Weekly Earnings statistics for Shetland.
- Value of turnover and jobs with multipliers.
- External funds and private funds co-invested in projects.

8.2.4 Approved changes to existing investments.

8.2.5 Statement of financial position of the fund including Shetland investment total commitments due to be released and balance available for lending (invested in Managed Funds).

8.2.6 Information on demand for the Shetland Investment Fund and enquiries:

- Loan enquiries – numbers, purpose, sector, loan amount.
- Business Gateway assistance offered.
- Outcome of enquiries i.e. proceeded to Council application, signposted to other lenders and proceeded, not in line with Lending Policy and reasons why.
- Loans declined by the Shetland Investment Board and reasons why.

8.2.7 Details of monitoring activity.

8.2.8 Report on Council owned Whitefish Quota financial and economic performance, including outlook for the future.

**Shetland Islands Council
Shetland Investment Fund
Delegation to the Executive Manager – Economic Development**

The Executive Manager – Economic Development is authorised:

1.0 New Investments

1.1 To approve loans, hire purchase facilities and equity investments in businesses up to £500,000 per application, or total Shetland Investment Fund investment in any one business of £500,000, on condition that:

- The proposal has been unanimously agreed by the Shetland Investment Board.
- The proposal is in line with the Shetland Investment Fund Lending Policy and Guidelines (subject to approval).
- All decisions are in line with the Medium Term Financial Plan and agreed with the Executive Manager – Finance Services as Section 95 Officer.
- The funding represents no more than 75% of the total project cost.
- The funding is scheduled for repayment within a 10 year term.

2.0 Existing Investments

2.1 To approve amendments to existing investments, provided that proposals:

- Have been unanimously approved by the Shetland Investment Board.
- Are in line with the Medium Term Financial Plan.
- Have been agreed with the Executive Manager – Finance Services as Section 95 Officer.

2.2 This includes authority to:

- Reschedule repayments on existing investments by introducing interest only periods and/or extending the term of the investment up to a maximum of 6 months per investment. Requests in excess of 6 months or repeat requests will be presented to Development Committee.
- Approve revised interest rates for all investments which have been agreed with scheduled interest rate review periods. The Interest Rate Calculation Guidelines will apply (subject to approval).

- Approve the sale, redemption or other exit route for equity assets included in the Shetland Investment Fund Portfolio. Clear justification for how any approval achieves best value for the Council must be shown.
- Agree the repayment terms for arrears on investments.
- Agree changes to security for existing investments provided the proposal is in the best interests of the Council.
- Release securities on completion of investment agreements.

3.0 Limitations on Delegation

- 3.1 Any proposal which is in line with the Shetland Investment Service Lending Policy and Guidelines (subject to approval), but does not clearly fit with the remit of the Shetland Investment Board will be referred to Development Committee.
- 3.2 Any application which meets Council Policy objectives other than those within the remit of Economic Development will be presented to an appropriate Council Committee for decision. i.e. housing developments or other infrastructure project loan applications.
- 3.3 Any proposal which does not receive unanimous approval from the Shetland Investment Board will be discussed with the applicant. The applicant will have the right to ask the Director of Development Services to prepare a report on the case for the Development Committee.



Shetland Islands Council

Shetland Investment Fund

Deed of Conditions for Loans

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1 Availability of the Loan

The obligation of the Council shall be to advance the Loan in such sum or sums, on such dates and upon such terms and conditions as the Council shall think fit.

2 Ascertainment of Sums Due

The amount of outstanding indebtedness due by the Borrower to the Council under or by virtue of the Agreement (whether in respect of principal, interest, expenses or otherwise) shall be sufficiently ascertained by a certificate under the hand of the Council and such certificate shall, except in the case of manifest error, be conclusive and final and binding on the Borrower for every purpose.

3 Sums to be Paid in Full, Without Deductions etc

All payments by the Borrower to the Council under or by virtue of the Agreement shall be made without compensation or set-off and, without prejudice to the generality of the foregoing, shall be made free and clear of and without deduction for or on account of any present or future taxes (including, but not limited to, Value Added Tax) or other charges of whatever nature or any other matter or thing whatsoever, unless the Borrower is required by law to make such deduction, in which event, payment under or by virtue of the Agreement shall be increased by such amount as may be necessary so that the net amount after such deduction shall equal the amount to which the Council would have been entitled under or by virtue of the Agreement had no such deduction been required by law (except to the extent that the Council are otherwise able directly to recover the same).

4 Early Repayment

The Borrower shall be entitled to make early repayment of the Loan (or any part thereof) without additional payment or charge. In the event of such early repayment of part only, the Borrower shall continue to repay the Loan in accordance with the provisions of the Agreement except that the number of repayments and/or the amount of the last repayment (whichever shall be appropriate in the sole discretion of the Council) shall be adjusted accordingly. Any amount repaid may not be redrawn by the Borrower.

5 Application of Sums Received by the Council

The Council shall be entitled, at their option, to apply in whole or in part sums received from the Borrower towards satisfaction of any outstanding indebtedness of the Borrower to the Council whether under or by virtue of the Agreement or otherwise.

6 Undertakings by the Borrower

The Borrower undertakes that, so long as the Council are under any obligation to advance the Loan and/or any monies remain owing to the Council by the Borrower, the Borrower shall not without the prior approval in writing of the Council:-

- 6.1 allow any debt owing to remain unpaid (except in the ordinary course of business); or
- 6.2 grant or create or permit to be created any mortgage, charge, security, lien, hypothec or the like, whether fixed or floating, or allow the same to arise by operation of law or otherwise; or
- 6.3 incur or contract to incur any indebtedness, including further advances under any existing mortgage, charge, security or the like, whether fixed or floating, save for:-
 - 6.3.1 the Agreement; and
 - 6.3.2 indebtedness in respect of a trade creditors on normal credit terms; or
- 6.4 alter the character of or sell or otherwise discontinue the whole or any part of the Borrower's business; or
- 6.5 allow any tax, assessment and other governmental charges on or against the Borrower to remain unpaid to the extent that the same are being contested in good faith by appropriate proceedings and adequate reserves have been set aside for payment.

7 Further Conditions of the Loan

So long as the Council are under any obligation to advance the Loan and/or any monies remain owing to the Council by the Borrower:-

- 7.1 the Council shall be entitled to receive such information as they may require in regard to or in connection with any matter relating to the Borrower's business, including employees of the Borrower, and the Borrower shall, if requested, supply the Council with such information and, without prejudice to the generality of the foregoing, with a copy of every balance sheet, trading and profit and loss accounts and other accounts of or relating to the Borrower's business;
- 7.2 the Borrower's business shall be carried on in a proper, efficient and economical manner and full, true and otherwise proper financial records and books of account shall be kept to the satisfaction of the Council and in accordance with generally accepted accounting principles in Scotland and such records and books of account and all records in respect of the Borrower's business shall at all reasonable times be open to the inspection of the Council through such other person or persons as they may from time to time appoint for such purpose;
- 7.3 the Borrower will submit to the Council within nine months of the end of each financial year either:-

- 7.3.1 a copy of the professionally audited annual accounts of the business for that financial year; or
- 7.3.2 in the event of the Borrower being exempt from audit in terms of the Companies Act 2006 (Amendment) (Accounts and Reports) Regulations 2008, the unaudited annual accounts which the Borrower submitted to Companies House in respect of that financial year;
- 7.4 the Borrower shall effect and maintain full insurances to the satisfaction of the Council and shall ensure that the Council's interest shall be noted on all policies of insurances, which policies shall contain a requirement for the Council to be notified of any payment thereunder and to exhibit to the Council, as and when requested by the Council, such evidence as the Council may require that such insurances are in full force and effect;
- 7.5 the Borrower will operate his business within Shetland;
- 7.6 where appropriate, the Borrower will operate the loan assisted equipment;
- 7.7 the Borrower will maintain and operate his premises and/or machinery and equipment in such a way as to conform, to the satisfaction of the Council, with relevant legislation such as Department of Transport legislation, Health and Safety legislation and Food and Trading Legislation;
- 7.8 the Borrower will make his premises and/or machinery and equipment available for inspection by representatives of the Council at all reasonable times;
- 7.9 where appropriate, the Borrower will provide evidence of his right to occupy the site of the loan assisted development for a period of the loan;
- 7.10 the Borrower shall provide evidence of and maintain at all times in full force and effect all governmental and other consents (if any) required by law for the operation of his business and/or machinery and equipment or the validity, enforceability or legality of the Security Documents;
- 7.11 in the event that the Borrower is an employer, the Borrower shall pay no less than the 'Living Wage' as set by the Living Wage Foundation to all employees throughout the term of the loan agreement;
- 7.12 the Borrower shall immediately advise the Council in writing of the occurrence or the likely occurrence of any of the events of default referred to in sub-clause (b) of Condition 16 hereof;
- 7.13 the Borrower shall immediately advise the Council of the execution of any diligence against him;
- 7.14 the Borrower will provide a signed undertaking, in terms satisfactory to the Council confirming that in the event of the Total Project Cost exceeding the figure specified in the Agreement, no further monies will be sought from the Council or Shetland Islands Council or any funding body over which Shetland Islands Council or Shetland Islands Council Charitable Trust has a controlling interest;

- 7.15 (for tourism accommodation) the Borrower will ensure that accommodation and other facilities are made available to *bona fide* tourists at least during the tourist season May to September in any given year during the period of the loan;

8 Fishing Vessels

Where the Loan is to be advanced in connection with the use and operations of a fishing vessel then so long as the Council are under any obligation to advance the Loan and/or any monies remain owing to the Council by the Borrower:-

- 8.1 the Borrower will provide a copy of any commercial loan agreement for the purchase/construction of the vessel;
- 8.2 (for second hand vessels) the Borrower will provide an independent valuation and survey of the vessel which is satisfactory to the Council;
- 8.3 (for second hand vessels) the Borrower will provide a copy of the Bill of Sale (or equivalent) naming the Borrower as owner of the vessel;
- 8.4 (for new vessels) the Borrower will provide a copy of the executed building contract for the vessel;
- 8.5 the Borrower will provide an undertaking to provide a copy of the Certificate of Registry within 30 days of the registration of the vessel and procure that the vessel is registered under the British flag at the Port of Lerwick as a Scottish sea fishing boat, or such other Port as the Council approve, and not to do or suffer to be done anything whereby such registration may be forfeited or imperilled, and not without the previous written consent of the Council, to change the name of the vessel;
- 8.6 the Borrower will provide evidence satisfactory to the Council that the vessel has sufficient historic fishing performance (quota) with which to ensure the viable operation of the vessel;
- 8.7 the Borrower will provide evidence satisfactory to the Council that the vessel is suitable for commercial fishing in the Shetland area;
- 8.8 the Borrower will provide evidence satisfactory to the Council that he holds appropriate Certificates of Competency;
- 8.9 the Borrower will provide evidence satisfactory to the Council that he holds a full pressure stock licence;
- 8.10 the Borrower must be a fully subscribed member of the Shetland Fish Producers Organisation where the vessel is equal to or over 10m in length;
- 8.11 the Borrower must hold Category A Licences in respect of the vessel where the vessel is under 10m in length;

- 8.12 the Borrower must hold Shetland Permits in respect of the vessel as issued by The Shetland Shellfish Management Organisation Limited where the vessel is used for shellfish catching;
- 8.13 the Borrower will fish full time with the vessel from Shetland and will retain ownership of the vessel;
- 8.14 the Borrower will make the vessel available for inspection by representatives of the Council at all reasonable times and afford all proper facilities for such inspection;
- 8.15 the Borrower will ensure that the vessel and all her equipment meet the required standards specified by Shetland Seafood Quality Control to enable him to use the SSQC mark;
- 8.16 the Borrower will keep the vessel in a good and seaworthy state of repair to the satisfaction of the Council, so as to maintain her UK Fishing Vessel Safety Certificate issued by the UK Department of Transport (or equivalent) and so as to comply with the provisions of the Sea Fishing Boats (Scotland) Act 1886; the Merchant Shipping Acts 1894 to 1988 inclusive and all other regulations and requirements (statutory or otherwise) from time to time applicable to vessels registered in such manner at the Port of Lerwick or such other Port as the Council may approve and to procure that all repairs to or replacement of any damaged, worn or lost parts of equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the vessel at the time when the repair is made.
- 8.17 the Borrower will at his own expense effect and maintain or procure to be effected and maintained a policy or policies of insurance (including hull and machinery) or, if applicable, certificate or certificates of entry in a protection and indemnity defence and war risks association or associations to the satisfaction of the Council in the name of the Borrower cover the vessel against:-

(Firstly) marine risks (including excess risks);

(Secondly) war risks;

(Thirdly) protection and indemnity risks;

(Fourthly) mortgagees' interest insurance in favour of the Council;

(Fifthly) any other thing which the Council shall reasonably determine, (hereinafter together referred to as "the Policy").

The Policy shall:

- 8.17.1 insure the vessel on an agreed value basis which shall (unless the Council agrees to the contrary) at all times be whichever is the greater of:

- 8.17.1.1 120% of the outstanding indebtedness of the Borrower to the Council; or

- 8.17.1.2 The full market value of the vessel;

- 8.17.2 carry a Loss Payable and Notice of Cancellation Clause in favour of the Council in such form as the Council may require, and on the assignation of the Policy to the Council a Notice of Assignment in such terms as the Council may require;
 - 8.17.3 be with such insurance companies, underwriters or war risks or protection and indemnity associations or the like and be effected through such brokers as the Council may from time to time approve;
 - 8.17.4 be in a form approved by the Council;
 - 8.17.5 provide that it may not be permitted to lapse or be materially modified without the prior written consent of the Council or be cancelled without fourteen (14) days prior written notice to the Borrower and the Council.
- 8.18 the Borrower shall:
- 8.18.1 produce the Policy (or evidence of its existence) to the Council, shall pay the initial and other premiums as required by the terms of the Policy and shall, if so requested, promptly produce to the Council the receipts (or other evidence of payment) for such initial and other premiums. In the case of renewals of the Policy the Borrower shall produce to the Council evidence of each renewal at least fourteen (14) days before the expiry of the Policy, shall pay the renewal and other premiums as required by the terms of the Policy and shall promptly produce to the Council, if so requested, the receipts (or other evidence of payment) for such renewal and other premiums;
 - 8.18.2 procure that the Council and their insurance advisers are given such information as to the Policy as the Council may reasonably require;
- 8.19 in the event of:
- 8.19.1 a Total Loss of the vessel the proceeds of the Policy shall be payable without deduction or deductions to the Council;
 - 8.19.2 the occurrence of any loss other than the Total Loss, monies in respect of such loss receivable by the Borrower shall be paid to the Council (except insofar as any Loss Payable Clause shall permit the payment of any claim of less than Fifty Thousand Pounds or the equivalent thereof to the Borrower or to its order) and the Council:-
 - 8.19.2.1 if the Borrower is not in default hereunder:
 - 8.19.2.1.1 shall themselves pay monies received from the insurers (or consent that the insurers pay directly) for repairs, salvage or other charges or liabilities; or
 - 8.19.2.1.2 shall reimburse the Borrower for any damage which the Borrower shall first have fully repaired or for any

expenditure actually incurred with the Council's approval in order to secure complete discharge of the liability insured against, up to the full extent of the amount which the Council shall have received from the insurers; or

- 8.19.2.2 if the Borrower is in default hereunder, shall be entitled to retain such insurance monies from the insurers and shall apply the same in accordance with the provisions of Condition 8.40 hereof;
- 8.19.3 the Borrower (notwithstanding the foregoing) receiving any insurance monies before having made good the loss or restoring the damage and discharging the liability in respect of which the monies are paid the Borrower shall immediately pay such monies to the Council or as the Council shall in writing direct;
- 8.20 the Borrower shall do all things and provide all documents, evidence and information necessary to enable the Council to collect or recover any monies to become due in respect of the Policy and for such purpose the Borrower shall permit the Council if necessary to sue in the name of the Borrower;
- 8.21 the Borrower shall arrange to supply such guarantees as may from time to time be required by any protection and indemnity or war risk association;
- 8.22 at any time from time to time, the Council shall be entitled at the Borrower's expense to obtain from insurance brokers or other consultants appointed by the Council a written opinion as to the quality and/or adequacy of the Policy. Without prejudice to any other remedy available to them under the Security Documents, if the Council are not satisfied that the Policy provides the Council with good and adequate security, the Council may require the Borrower to amend the Policy, and/or to place further and additional insurances and entries. Such amendments and/or additions shall be effected within fifteen (15 days) of receipt by the Borrower of written notice from the Council.
- 8.23 the Borrower will submit the vessel regularly to such periodical or other surveys as may be required for classification or UK Department of Transport (or equivalent) purposes and, if so required, supply the Council with copies of all survey reports and class or other certificates issued in this respect.
- 8.24 the Borrower will not employ the vessel, or suffer her employment:
- 8.24.1 otherwise than in conformity with the terms of the Policy (including any warranties expressed or implied therein) without first obtaining the consent to such employment of the insurers and complying with such requirements as to the extra premium or otherwise as the insurers may prescribe;

- 8.24.2 in any trade or business or in any fishing ground which is forbidden by Scottish or English Law, or the law of any country to which the vessel may sail, or which is in any manner otherwise illicit;
- 8.24.3 in carrying illicit or prohibited goods, or in any manner whatsoever which may render her liable to condemnation in a Prize Court or to destruction, seizure or confiscation;
- 8.24.4 (in the event of hostilities in any part of the world, whether war be declared or not) in carrying any contraband goods, nor to enter or trade in any zone which is declared a war zone by the vessel's war risks insurers unless the Borrower has effected, at his own expense, such special insurance cover as the Council may require;
- 8.24.5 on demise charter for any period;
- 8.25 the Borrower will perform fully any and all charterparties which are or may be entered into with respect to the vessel;
- 8.26 the Borrower will promptly furnish the Council, when so required by them in writing, with all such information regarding the vessel, her employment, position and engagement, particulars of all catches and of all towages and salvages and copies of her accounts and of all charters and other contracts for her employment or otherwise howsoever concerning her and all such material information as shall be or ought to be supplied to the insurers of the vessel;
- 8.27 the Borrower will notify the Council forthwith, of:-
 - 8.27.1 any accident to the vessel involving repairs, the cost of which will, or is likely to, exceed Fifty Thousand Pounds;
 - 8.27.2 all charters and other contracts for the employment of the vessel which may be entered into by the Borrower;
 - 8.27.3 any requirement or recommendation made by the insurer, the UK Department of Transport (or equivalent) or classification society, or by any competent authority, which is not complied with within any time limit imposed by such insurer, government body or classification society or authority;
- 8.28 the Borrower will promptly pay all tolls, dues and other outgoings whatsoever in respect of the vessel, and if requested by the Council to furnish satisfactory evidence that the wages and allotments, and the insurance and pension contributions in respect of the Master and crew, are being regularly paid and that the Master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress;
- 8.29 the Borrower will not put the vessel into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed Two Hundred Thousand Pounds unless either the cost of such work is fully recoverable under the insurances or such person has

first given to the Council in terms satisfactory to them a written undertaking not to exercise any lien on the vessel, the insurances, the fishing licences or the earnings for the cost of such work or otherwise;

- 8.30 the Borrower will at the request and cost of the Council from time to time, have the vessel valued (with or without inspection and on the basis of an arms' length sale for prompt delivery, between a willing seller and a willing buyer, charter-free) by a shipbroker practising in the United Kingdom and customarily dealing with fishing vessels of a type and trade similar to the vessel nominated or approved by the Council and promptly to deliver the valuation certificate to the Council.
- 8.31 the Borrower will use his best endeavours to maintain at all times in full force and effect the fishing licences and to comply with all conditions attaching thereto an on or prior to their expiry, will procure their renewal;
- 8.32 the Borrower will not transfer or otherwise alienate the benefits of the fishing licences without the prior written consent of the Council;
- 8.33 the Borrower will promptly notify the Council of any supplement, replacement or variation of the fishing licences;
- 8.34 the following events shall constitute specified events of default for the purposes of Condition 14 hereof:-
 - 8.34.1 the vessel becomes or is likely to become a total loss; or
 - 8.34.2 any earnings of the vessel are paid otherwise than as agreed from time to time with the Council; or
 - 8.34.3 the Borrower ceases to be in lawful possession of all valid and subsisting fishing licences in respect of the vessel; or
 - 8.34.4 it becomes impossible or unlawful for the Borrower to own or operate the vessel.
- 8.35 Upon the Council becoming entitled to enforce the Security Documents in terms of Condition 16 hereof then the Council shall be entitled, as and when they see fit and without prejudice to the generality of Condition 16:-
 - 8.35.1 to take possession of the vessel;
 - 8.35.2 to require that all policies, contracts and other records relating to the insurances and entries (including details of and correspondence concerning outstanding claims) be forthwith delivered to such brokers as the Council may nominate;
 - 8.35.3 to collect, recover, compromise and give a good discharge for all claims then outstanding or thereafter arising under the insurances or entries or any of them, and to take over or institute (if necessary using the name of the Borrower) all such

proceedings in connection with such claims as the Council in their absolute discretion think fit and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage;

- 8.36 to discharge, compound, release or compromise claims against the Borrower in respect of the vessel which have given rise to any charge or lien on the vessel or which are or may be enforceable by proceedings against the vessel;
- 8.37 to sell the vessel and with or without benefit of any charterparty, by public auction or private contract, at home or abroad, and upon such terms as the Council in their absolute discretion may determine, with power to postpone any such sale and without being answerable for any loss occasioned by such sale or resulting from its postponement;
- 8.38 to manage, insure, maintain and repair the vessel and to employ or lay up the vessel in such manner and for such period as the Council in their absolute discretion deem expedient, the Council being entitled to do all acts and things incidental or conducive to this end and, in particular, to enter into such arrangements respecting the vessel, her insurance, management, maintenance, repair, classification and employment in all respects as if the Council were the owners of the vessel, and without being responsible for any loss thereby incurred;
- 8.39 to recover from the Borrower on demand all expenses, payments and disbursements incurred by the Council in or about or incidental to the exercise by them of any of the powers aforesaid, together with interest (as well after as before any judgement) at the Default Rate as specified in the Agreement.

Provided always that upon any sale of the vessel or any share therein by the Council pursuant to Condition 8.38 above, (a) the purchaser shall not be bound to see or enquire whether the power of sale of the Council has arisen in the manner provided by these Conditions, the sale being deemed within the power of the Council and the receipt of the Council for the purchase money shall effectively discharge the purchaser who shall not be otherwise concerned or in any way answerable for the sale; and (b) the Borrower shall be required to transfer the fishing licences and the benefit of the same to the purchaser of the vessel and any monies received by the Borrower in respect of such transfer shall be paid to the Council and dealt with by them in accordance with the provisions of Condition 8.41 hereof;

- 8.40 All monies received by the Council in respect of:-

- 8.40.1 sale of the vessel or any share in the vessel;
- 8.40.2 recovery under the insurances;
- 8.40.3 Requisition Compensation;
- 8.40.4 Earnings; and

8.40.5 transfer of the fishing licences;

shall be held by them upon trust:

FIRSTLY: to pay or make good all costs, expenses and liabilities whatsoever incurred by them in or about or incidental to the said sale, or the recovery of such insurance or compensation money;

SECONDLY: in or towards discharge of the outstanding indebtedness of the Borrower to the Council;

THIRDLY: in payment of the balance to or to the order of the Borrower or other person entitled.

9 Aquaculture Industry

Where the Loan is to be advanced in connection with the trading of the Borrower in the aquaculture industry then so long as the Council are under any obligation to advance the Loan and/or any monies remain owing to the Council by the Borrower:-

- 9.1 the Borrower must provide the Council with certified true copies of all works licences (the "Works Licences") or planning permission granted in terms of the Town and Country Planning (Scotland) Act 1997, as amended, ("the Planning Permission"), whichever is appropriate, issued in respect of its trading in the aquaculture industry;
- 9.2 the Borrower undertakes to maintain the Works Licences or planning permission and comply fully with their terms throughout the term of the Loan;
- 9.3 the Borrower must provide the Council with a signed undertaking that it shall not transfer the Works Licences to any party without the consent in writing of the Council during the term of the Loan;
- 9.4 the Borrower authorises the Council to use the information held by it as the body empowered to issue Works Licences and planning permission for any reasonable purpose in connection with this loan agreement;
- 9.5 the Borrower will comply in full with the terms of The Code of Good Practice for Scottish Finfish Aquaculture.

10 Companies

Where a company is included in the expression "the Borrower":-

- 10.1 the Borrower shall deliver to the Council prior to the date of advance of the Loan certified true copies of:-
 - 10.1.1 the resolution of the Board of Directors of the Borrower, approving the acceptance of the Loan and the granting of the Security Documents;

- 10.1.2 the certificate of incorporation of the Borrower and any certificate of incorporation on change of name of the Borrower; and
- 10.1.3 the current Memorandum and Articles of Association of the Borrower being true, complete and accurate in all respects, which Memorandum and Articles of Association shall require to be in terms acceptable to the Council and the resolution of the members of the Borrower adopting such Memorandum of Articles;
- 10.2 the Borrower shall not without the prior approval in writing of the Council, which approval shall not be unreasonably withheld:
 - 10.2.1 alter the Memorandum and/or Articles of Association of the Company;
 - 10.2.2 form or acquire any subsidiary;
 - 10.2.3 redeem any share or loan capital of the Company; or
 - 10.2.4 create or issue any share or loan capital of the Company;
- 10.3 on the transfer of shares in the Company, save for a transfer which alters the controlling interest in the company in which case Condition 6.4 shall apply, the Borrower shall notify the Council of such transfer within thirty days of the date of execution thereof;
- 10.4 the Borrower warrants and represents that the Company has complied in all respects with the provisions of the Companies Acts 1985, 1989 and 2006;
- 10.5 notwithstanding that the Council may register the Security Documents in the Company's Register of Charges the Borrower shall so register the Security Documents and in all respects comply with the provisions of the Companies Act 1985 to 1989 in respect of the registration of charges; and
- 10.6 the following events shall constitute specified events of default for the purposes of Condition 16 hereof:
 - 10.6.1 the Company shall fail to register the Security Documents in the Company's Register of Charges.
 - 10.6.2 the Company is unable or admits inability to pay its debts generally as they fall due, in terms of section 122 of the Insolvency Act 1986, suspends making payments on any of its debts (or announces an intention to do so) or a moratorium is declared in respect of any of its indebtedness;
 - 10.6.3 the Company, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

- 10.6.4 any corporate action, legal proceedings or other procedure or step (other than vexatious or frivolous steps) is taken in relation to:
- 10.6.4.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company other than for the purpose of reconstruction on terms previously agreed by the Council;
 - 10.6.4.2 a composition, assignment or arrangement with any creditor of the Company;
 - 10.6.4.3 the appointment of a liquidator, receiver, administrator (including, without limitation, the issuing of a notice to appoint an administrator or a notice of intention to appoint an administrator by any third party), administrative receiver, compulsory manager or other similar officer in respect of the Company or any of its respective assets;
 - 10.6.4.4 enforcement of any Security over any asset of the Company; or
 - 10.6.4.5 or any analogous procedure or step is taken in any jurisdiction.
- 10.6.5 any liquidator, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (including, without limitation, an administrator appointed out of court) or the like is appointed in respect of the Company or any of its respective assets;
- 10.6.6 the directors of the Company request the appointment of a liquidator, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (including, without limitation, an administrator appointed out of court) or the like; or
- 10.6.7 any other steps are taken to enforce any Security over any asset of the Company;

11 Limited Liability Partnerships

Where a Limited Liability Partnership (hereinafter referred to as an “LLP”) is included in the expression “the Borrower”:-

- 11.1 the Borrower shall deliver to the Council prior to the date of advance of the Loan certified true copies of:-
- 11.1.1 the Certificate of Incorporation of the LLP together with any Certificates of Incorporation on Change of Name;
 - 11.1.2 the Limited Liability Partnership Agreement (as amended where applicable) in respect of the LLP which agreement shall require to be in terms acceptable to the Council;

- 11.1.3 the minutes of the meeting of the Designated Members of the LLP approving the acceptance of the Loan and the granting of the Security Documents.
- 11.2 the Borrower shall not without the prior approval in writing of the Council, which approval shall not be unreasonably withheld:-
 - 11.2.1 alter the Limited Liability Partnership Agreement;
 - 11.2.2 form or acquire any subsidiary;
 - 11.2.3 redeem any Capital of the Limited Liability Partnership; or
 - 11.2.4 appoint any new members.
- 11.3 on the transfer of a Member's Shares in the Capital of the LLP, save for a transfer which alters the controlling interest in the LLP in which case Condition 6.4 shall apply. The Borrower shall notify the Council of such transfer within thirty days of the date of execution of the instrument of transfer;
- 11.4 the Borrower warrants that the LLP has complied in all respects with the Limited Liability Partnerships Act 2000 (the "LLPA 2000");
- 11.5 notwithstanding that the Council may register the Security Documents with Companies House, the Borrower shall so register the Security Documents and in all respects comply with the provisions of the LLPA 2000 in respect of the registration of charges; and
- 11.6 the Terms of Condition 10.6 shall apply.

12 Partnerships

Where partners are included in the expression "the Borrower":-

- 12.1 the Borrower shall deliver to the Council a copy of the Partnership Agreement, which Partnership Agreement shall require to be in terms acceptable to the Council;
- 12.2 the Borrower shall not without the prior approval in writing of the Council, which approval shall not be unreasonably withheld, alter the Partnership Agreement;
- 12.3 such partners shall continue to be the sole partners of and participants in the partnership business and no other person shall, without the prior approval in writing of the Council, be assumed as a partner and in the event that the Council grant such approval the parties shall enter into addenda to the Security documents at the expense of the Borrower;
- 12.4 all obligations and liabilities incumbent on the Borrower as partners, as trustees and as individuals under and by virtue of the Agreement shall be joint and several and shall be binding on their respective successors, heirs, executors and personal representatives whomsoever and the Council shall not be bound to discuss them in their order; and

- 12.5 the conditions, warranties, indemnities, obligations and the like to be performed or observed by the Borrower shall not in any way be affected or impaired by a change in the constitution or composition of the partnership.

13 Warranties and Representations

The Borrower warrants and represents to the Council that, as at the date of his execution of the Agreement:-

- 13.1 all provisions of the Agreement relating to the Borrower are true and accurate in all respects and all information given by or on behalf of the Borrower to the Council in the course of negotiations or discussions in respect of the Loan was and remains true and accurate and there is no fact, matter or circumstances known to the Borrower which has not been disclosed to the Council which makes any such information untrue or inaccurate or misleading or the disclosure of which might affect or have affected the willingness of the Council to authorise the making of an offer of loan and/or to advance the loan;
- 13.2 the Borrower is not involved or engaged in any litigation, arbitration, proceeding or the like before any court, tribunal or person or the like nor is any such litigation, arbitration, proceeding or the like likely or threatened against the Borrower;
- 13.3 the Borrower is not in default under any agreement or arrangement to which the Borrower is a party or by which the Borrower is bound, being a default which has had or might have an adverse effect on the business or assets of the Borrower (other than as may have been disclosed in writing to the Council);
- 13.4 the Borrower is not insolvent, bankrupt nor has a judicial factor, receiver, administrators, administrative receiver or Liquidator or other similar officer been appointed to any of the property or assets of the Borrower nor has the Borrower made any arrangement or composition with or for the benefit of creditors or granted a trust deed on behalf of his creditors;
- 13.5 no event has occurred or is continuing which would constitute an event or default referred to in Condition 16 hereof (whether or not subject to notice, effluxion of time or other conditions);
- 13.6 all accounts of the Borrower, if any, produced to the Council have been prepared in accordance with all applicable statutes, regulations, requirements and the like and in accordance with good accounting practice and all financial projections, forecasts or the like relating to the Borrower's business which have been produced to the Council have been prepared in accordance with good accounting practice and, to the best of the knowledge and belief of the Borrower are full, proper and professionally audited;
- 13.7 the Borrower has duly and correctly in all respects made all returns which ought to have been made by or in respect of the Borrower for any taxation, national insurance, customs and/or excise duty or social security purposes and all such returns are up to date, correct and on a proper basis and none of such returns is the subject to any dispute with the appropriate authority;

- 13.8 except as disclosed, the making and performance of any of the Security Documents by the Borrower is within the powers of the Borrower and have been duly authorised by all necessary actions and approvals, do not and will not conflict with any provisions of or contravene any law, regulation or contractual restriction which binds or may bind the Borrower;
- 13.9 any and all licences and consents which may be necessary for the validity, legality or enforceability of the Security documents have, insofar as they are within the Borrower's control, been obtained by the Borrower and are in every respect in full force and effect, and true copies of all such licences and consents have been delivered to the Council;
- 13.10 there are no agreements or arrangements nor any applicable law or regulation binding on the Borrower which may adversely affect or conflict with the Security Documents or the security they create or are intended to create;
- 13.11 the Security Documents will (subject to registration or the giving of notice where appropriate) create in favour of the Council valid and enforceable security interests, with the required priority, in the assets and revenues intended to be covered;
- 13.12 where appropriate, the vessel is tight, staunch, strong and well and sufficiently tackled, apparelled, furnished and equipped and seaworthy and fit for service.

14 Continuing Warranty and Representation

The Borrower warrants and represents to the Council that for so long as the Council are obliged to advance the Loan or any monies remain owing to the Council the facts and matters referred to in Condition 13 hereof shall at all times and in all respects remain true and accurate and every provision of Condition 13 hereof shall continue so to apply and to remain in full force and effect.

15 Indemnity

The Borrower agrees forthwith on demand to indemnify and keep indemnified the Council from and against any losses, costs, expenses, liabilities, claims, demands, proceedings or damages whatsoever that the Council may suffer or incur as a result of a breach of the warranties and representations contained in Condition 13 or Condition 14 hereof and the foregoing indemnity shall continue in full force and effect notwithstanding any time or other indulgence which may be given by the Council to the Borrower or any other obligant and shall continue in full force and effect notwithstanding any judgement in favour of the Council.

16 Events of Default

- 16.1 Notwithstanding any agreement to the contrary whether contained in the Agreement or otherwise, upon the occurrence of any of the events specified in Condition 16.2 hereof, which events shall be promptly notified to the Council by the Borrower, the Council shall, at their sole discretion and without prior notice or warning to the Borrower, be entitled to treat the Borrower as being in breach of the Agreement (and the Borrower shall then be held so to be in breach) and thereupon the Loan

and any other monies for which the Borrower may be indebted to the Council shall immediately become due and payable in full together with interest thereon until the date of full and final discharge of the outstanding indebtedness and the Security Documents shall immediately become enforceable and the Council shall be entitled as and when they see fit to put into force and to exercise all the rights and remedies available to the Council in respect of such breach.

16.2 The specified events referred to in Condition 16.1 are as follows:-

- 16.2.1 the Borrower shall have failed to make payment, under the Agreement or otherwise, of any sum (whether in respect of principal, interest or otherwise) on the due date for payment; or
- 16.2.2 the Borrower shall stop or threaten to stop payment of his debts or shall cease or threaten to cease to carry on his business or any substantial part thereof; or
- 16.2.3 the Borrower shall be in breach of any warranty or representation referred to in Condition 13 or Condition 14 hereof; or
- 16.2.4 the Borrower shall have breached in any way any provision of the Agreement or the Security Documents and in the case of a breach capable of remedy (which the Council in their absolute discretion shall determine) such breach is not remedied within ten (10) days of a written demand by the Council; or
- 16.2.5 any loan whether by the Council or any other person to the Borrower shall have become repayable or enforceable prior to its due date of repayment or enforceability; or
- 16.2.6 any grant whether by the Council or any other person to the Borrower shall have become repayable for any reason whatsoever; or
- 16.2.7 the Borrower shall be charged for payment of any sum and shall not make payment thereof within seven days or before the expiry of the *induciae* (whichever is the earlier); or
- 16.2.8 any inhibition, adjudication, arrestment, lien, charge, distress, diligence, execution, sequestration or other process shall be used or levied, placed or enforced upon or against the Borrower or any property or assets (including any vessel or her Earnings) of the Borrower and shall not have been withdrawn, removed or discharged within seven days from the date of being so levied, placed or enforced; or
- 16.2.9 the Borrower shall commit an act of bankruptcy or become insolvent or shall make an arrangement or composition with or for the benefit of his creditors or grant a trust deed on behalf of his creditors; or

- 16.2.10 any encumbrancer shall take possession or a judicial factor shall be appointed or an appointment of similar effect shall be made in respect of the whole or any part of the property or assets of the Borrower; or
 - 16.2.11 the Borrower shall die or become insane or incapable of handling his affairs; or
 - 16.2.12 it becomes impossible or unlawful:
 - 16.2.12.1 for the Borrower to fulfil any of the obligations on his part contained in the Agreement or the Security Documents; or
 - 16.2.12.2 for the Council to exercise the rights or any of them vested in them under the Agreement or the Security Documents or otherwise.
 - 16.2.13 Any other event occurs which gives reasonable grounds in the opinion of the Council for the belief that the Borrower may not (or may be unable to) perform his obligations under the Agreement or the Security Documents or which would have and adverse effect upon the Agreement or the Security Documents.
- 16.3 In the event of the Council exercising any right to demand repayment or early repayment of the Loan or any part thereof, the Council shall, without prejudice to any claim, right of action or remedy available to the Council in that respect, be entitled to require the Borrower from time to time on demand to perform or perform further (as the case may be) all or any of the obligations and others incumbent on the Borrower hereunder or by virtue hereof which, as at the date of the exercise of such right to demand repayment, shall not have been fully performed to the satisfaction of the Council.
- 16.4 A certificate under the hand of the Council certifying that an event of default has occurred shall be conclusive evidence to that effect.
- 16.5 The Borrower shall at the request of the Council from time to time promptly furnish the Council with a certificate signed by the Borrower confirming that the Borrower is at the date of such certificate in compliance with his obligations under the Agreement and the Security Documents and that no event of default nor any event which, with the giving of notice and/or lapse of time, would constitute an event of default has occurred, or if any has occurred, none is continuing.
- 17 The Council's Powers
- 17.1 The Council shall without prejudice to their other rights and powers in terms of these Conditions, be entitled (but not bound) at any time and as often as may be necessary to take any such action as they may in their discretion think fit for the purpose of protecting and preserving the security created by the Security Documents and each and every expense or liability so incurred by the Council shall be repayable to them by the Borrower on demand together with interest (as well after as before any judgement) at the Default Rate as specified in the Agreement.

17.2 Without prejudice to the foregoing:

- 17.2.1 if the Borrower fails to comply with the provisions of Condition 7.4 the Council shall at the cost of the Borrower, be at liberty to effect, and thereafter maintain, all such insurances as in their discretion they may think fit and/or to treat such failure as an event of default in terms of Condition 16;
 - 17.2.2 if the Borrower fails to comply with the provisions of Condition 8.17 the Council shall, at the cost of the Borrower, be at liberty to effect, and thereafter maintain, all such insurances and entries upon or relating to the vessel as in their discretion they may think fit and at any time whilst such failure is continuing to require the vessel to remain in port (or as the case may be to proceed to and remain in a reasonably convenient port designated by the Council) until such provisions are fully complied with and/or to treat such failure as an event of default in terms of Condition 16;
 - 17.2.3 if the Borrower fails to comply with the provisions of Condition 8.23 the Council shall at the cost of the Borrower be at liberty to arrange for the carrying out of such surveys as they deem expedient or necessary and/or to treat such failure as an event of default in terms of Condition 16;
 - 17.2.4 the Borrower hereby agrees to indemnify and hold harmless the Council against each and every expense, cost or liability incurred by the Council in connection with this Condition 17 and to pay the same to the Council on demand together with interest (as well after as before any judgement) at the Default Rate as specified in the Agreement.
- 17.3 The Council shall be entitled at any time, and as often as may be expedient, to delegate all or any of the powers and discretions vested in them by these Conditions or the Security Documents or any of them in such manner, upon such terms, and to such persons, as the Council in their absolute discretion may think fit.
- 17.4 The Council shall be entitled to hold the Security Documents as continuing security for the payment of all outstanding indebtedness which may at any time and from time to time be or become due and payable by the Borrower to the Council whether under or by virtue of the Agreement or otherwise.

18 Waivers

- 18.1 No failure or delay by the Council to exercise any right, power or privilege shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, powers or privileges expressly provided in the Agreement and the Security Documents are cumulative and not exclusive of any of the rights and remedies which the Council would otherwise have.
- 18.2 Any obligation or liability to the Council under the Agreement may in whole or in part be released, compounded or compromised or time or indulgence may be given by the Council in their absolute

discretion as regards the Borrowers under such obligation or liability without in any way prejudicing or affecting any right, power or privilege of the Council.

19 Costs and Expenses

The Borrower shall be responsible for the whole costs of the Council, all investigation, negotiation and legal expenses of any kind whatsoever, stamp duties, registration dues and any other charges, in connection with the Borrower's application for financial assistance, in connection with the preparation, completion and registration of the Security Documents and the subsequent implementation or enforcement or intended or attempted implementation or enforcement of the terms of the Agreement or of the Security Documents or any discharge or assignation thereof or of any other document relative or incidental thereto. If the Council and the Borrower so agree in writing, the whole or any part of such costs shall comprise part of the Loan. The Borrower shall pay interest to the Council (after as well as before any judgement) at the Default Rate as specified in the Agreement upon any amount due to the Council under this Condition from the date on which the relevant expenditure, loss, liability, expense or tax is incurred or is due until the date of payment by the Borrower.

20 Notices

Any notice, request, demand or other communication to be served under or in connection with the Agreement or the Security documents shall be sufficiently served, notwithstanding that the same may be returned, if it is sent by recorded delivery letter in the English language and addressed (a) in the case of the Council, to any person and to such address as may be nominated by the Council, and failing such nomination, to the Council's Legal Adviser and (b) in the case of the Borrower, to the Borrower at his address shown in the Agreement or to such other address as may have been notified at least seven days in advance in writing to the Council. Any such notice, request, demand or other communication posted as aforesaid shall be deemed to be received 48 hours after the time of posting. In proving service it shall be sufficient to show that the envelope containing such notice, request, demand or other communication was properly addressed, stamped and posted.

21 Further Assurance

The Borrower hereby further undertakes at his own expense upon demand and at no cost to the Council to execute, sign, perfect, do and (if required) register every such further assurance, document, act or thing as in the opinion of the Council may be necessary or desirable for the purpose of more effectively securing the outstanding indebtedness of the Borrower to the Council.

22 Acceptance of Provisions as Fair and Reasonable

The Borrower accepts the provisions of the Agreement as fair and reasonable for inclusion in a financial contract of that kind.

23 Agreement Personal to the Borrower

The Borrower shall not be entitled to assign or transfer either absolutely or in security or otherwise part with or deal in any way whatever with his rights, liabilities, obligations or others conferred and/or imposed under or by virtue of the Agreement but the rights, liabilities, obligations or others conferred and/or imposed under or by virtue of the Agreement on the Council shall be freely transferable by the Council to any central bank or monetary or regulatory authority having jurisdiction over the Council or to any other bank or financial institution whatsoever.

24 Proper Law and Jurisdiction

The construction, validity and performance of the Agreement and the Security Documents shall be governed by Scots Law and the Council and the Borrower agree to submit to the non-exclusive jurisdiction of the Scottish Courts and/or the courts of any place where any asset of the Borrower is situated. The Borrower and the Council agree that any writ or legal process issued in Scotland may be served in the case of the Council on their Legal Adviser and in the case of the Borrower on the Borrower at the address shown in the Agreement.

If the Council decide that any legal proceedings should be undertaken in any jurisdiction other than in Scotland where there are assets of the Borrower then the Borrower covenants and undertakes to instruct lawyers in that jurisdiction to accept service of legal process and copies of such process shall be sent to the address shown in the Agreement.

Final judgement against the Borrower in any action or proceedings brought by the Council in any jurisdiction in relation to any such dispute may be enforced in that or any other jurisdiction by any means lawfully available as if (where such is not the case) it were a judgement given in that jurisdiction.

If for the purposes of obtaining judgement in any court in any country it becomes necessary to convert into any other currency ("the judgement currency") an amount due in Pounds Sterling under the Security Documents, then the conversion shall be made at the rate of exchange prevailing on the business day before the day on which the judgement is given, following which, if there is a change in the rate of exchange prevailing between the business day before the day on which judgement is given and the date of payment of the amount due, then the Borrower will pay on demand such additional amounts (if any) as are necessary to ensure that the amount paid in the judgement currency will be sufficient to satisfy, when converted at the rate of exchange prevailing on the date of payment, any outstanding indebtedness and the Borrower shall pay the amount converted as described in this Condition.

25 Headings

The Headings are for convenience of reference only and do not form part of the Agreement and shall not affect its validity or construction.

26 Continuing Validity

If any one or more of the provisions of this Deed or of the Security Documents should at any time for any reason be declared invalid, void or otherwise inoperative by a court of competent jurisdiction, such declaration or decisions shall not affect the validity or any other provision or provisions in this Deed or the Security Documents or the validity of this Deed or the Security Documents as a whole. In particular, but without prejudice to the generality of the foregoing, the Default Rate shall, where necessary, be deemed to be limited to rate not exceeding the legal rate of interest on loans, advances and credits of a similar class and nature to the credit for the time being enforceable in Scotland.

27 Interpretation

27.1 In these Conditions, unless the context otherwise requires:-

- 27.1.1 a reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and to any order, regulation or instrument or other subordinate legislation made under the statute in question;
- 27.1.2 a reference to any tax shall include a reference to any tax amending, extending or replacing the same;
- 27.1.3 a reference to any gender shall include a reference to all other genders;
- 27.1.4 a reference to the singular shall include a reference to the plural and vice versa; and
- 27.1.5 where there are two or more persons included in the expression "the Borrower" every obligation, liability and undertaking shall be joint and several;
- 27.1.6 all documents referred to include the same as varied from time to time;
- 27.1.7 reference to the Council in Conditions 7 to 12 (inclusive) shall be deemed to include a reference to the Council's Legal Adviser.
- 27.1.8 reference to the Council in Conditions 7 to 16 (inclusive) shall be deemed to include a reference to the Council's Legal Adviser and
- 27.1.9 reference to the Council in Conditions 2 and 4 shall be deemed to include a reference to the Council's Financial Adviser.

27.2 In these Conditions, unless the context otherwise requires, all terms shall have the meanings given to them in the Agreement provided however that:-

- 27.2.1 “Security Documents” means every document from time to time executed by the Borrower to secure his obligations to the Council under the Agreement;
- 27.2.2 “excess risks” means the proportion of claims not recoverable in respect of general average and salvage, or under the ordinary running down clause, as a result of the value at which a vessel is assessed for the purpose of such claims exceeding her insured value;
- 27.2.3 “protection and indemnity risks” means the usual risks covered by a protection and indemnity association approved by the Council, including the proportion not otherwise recoverable in case of collision under the ordinary running-down clause;
- 27.2.4 “war risks” includes the risk of mines and all risks excluded from the standard form of United Kingdom marine policy by the free of capture and seizure clause;
- 27.2.5 “total loss” means (a) actual, constructive, comprised or arranged total loss of the vessel; (b) requisition for title or other compulsory acquisition of the vessel, otherwise than by requisition for hire; (c) capture, seizure, detention or confiscation of the vessel, by any government, or by any persons acting or purporting to act on behalf of any government, unless the vessel is released within one (1) month thereafter;
- 27.3 In the event of any inconsistency between these Conditions and (a) the Agreement, the Agreement shall prevail and (b) the Security Documents, the Security Documents shall prevail.

28 Registration

And we consent to registration hereof for preservation and execution.

THIS DOCUMENT IS TO BE READ IN CONJUNCTION WITH THE SPECIAL CONDITIONS AND ANY OTHER CONDITIONS CONTAINED IN THE AGREEMENT. THESE CONDITIONS SHALL APPLY TO ALL LOANS MADE BY THE COUNCIL EXCEPT AS SPECIFICALLY AMENDED BY THE SPECIAL CONDITIONS OR OTHERWISE VARIED IN WRITING BY THE COUNCIL.



Shetland Islands Council

Shetland Investment Fund

Equipment Hire Agreement with Option to Purchase

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1 Definitions and Interpretation

1.1 These terms and conditions (these “Conditions”) shall apply to the hire of the Equipment by the Hirer from the Owner (all as hereinafter defined). In these Conditions and in the Agreement (as hereinafter defined) the following words and expressions shall, unless the context otherwise requires, have the following meanings:

1.1.1 “Accelerated Payment Rebate” shall mean a sum of money equal to:

$$\frac{a(a+1)}{b(b+1)} \times c$$

where a = the total number of Hire Payments not yet due at the date of termination of the hiring of the Equipment and the Agreement under Clauses 16 or 17;

where b = the total number of Hire Payments payable under the Agreement; and

where c = the total charge for credit specified in the Agreement;

1.1.2 “Agreement” shall mean any equipment hire-purchase agreement in which these Conditions are incorporated in whole or in part and whether with or without variation or modification, and of which they form part;

1.1.3 “Certificate of Hireworthiness” shall mean a certificate addressed to the Owner under the hand of an independent and suitably qualified person, appointed by the Hirer and having the prior written approval of the Owner, certifying, in terms satisfactory to the Owner, that the Equipment is according to specification, properly installed, in good working order and condition, capable of being safely operated for, and fit for, the purpose for which the Equipment is being hired;

1.1.4 “Equipment” shall mean the equipment specified in the Agreement together with all replacements and renewals thereof or of the component parts thereof and all extras, additions, spare parts and accessories forming part thereof or used in connection therewith;

- 1.1.5 “Event of Default” shall mean any of the events specified in Clause 17 or an event which, with the giving of notice or lapse of time, could become an Event of Default;
- 1.1.6 “Hire Payments” shall mean the hire payments specified in the Agreement;
- 1.1.7 “Hire Period” shall mean the hire period specified in the Agreement;
- 1.1.8 “Hirer” shall mean the hirer described in the Agreement, together with legal representatives and permitted successors and assignees, and if two or more persons constitute the Hirer obligations and conditions expressed to be performed or observed by the Hirer shall be held to bind such persons jointly and severally;
- 1.1.9 “Month” shall mean calendar month;
- 1.1.10 “Owner” shall mean Shetland Islands Council, established under the Local Government etc. (Scotland) Act 1994, and having their principal offices at the Town Hall, Lerwick, Shetland and their successors and assignees whomsoever; and
- 1.1.11 “Premises” shall mean the premises specified in the Agreement as the address where the Equipment is to be installed and used.
- 1.2 In these Conditions and in the Agreement, unless the context otherwise requires:
 - 1.2.1 a reference to the singular shall include a reference to the plural and vice versa;
 - 1.2.2 a reference to any gender shall include a reference to all other genders;
 - 1.2.3 a reference to any clause are to clauses of these Conditions;
 - 1.2.4 a reference to any tax shall include a reference to any tax amending, extending or replacing the same;
 - 1.2.5 a reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and to any order, regulation or instrument or other subordinate legislation made under the statute in question;

1.2.6 a reference to the Agreement shall include a reference to these Conditions; and

1.2.7 a reference to any person or words importing a person shall include a reference to any person, individual, firm, company, corporation, government, state, agency of a state or local authority, or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

2 Equipment Hire

2.1 The Hirer shall hire the Equipment from the Owner for the Hire Period.

2.2 The Owner shall not, other than in exercise of its rights under the Agreement, these Conditions or applicable law, interfere with the Hirer's quiet possession of the Equipment.

3 Hire Payments

3.1 The Hirer shall pay to the Owner the Hire Payments in respect of the Equipment on the dates specified in the Agreement.

3.2 All of the Hire Payments or other payments payable to the Owner under the Agreement shall be made by the Hirer without any compensation, deduction, counterclaim or set-off and without prejudice to the generality of the foregoing, shall be made free and clear of, and without deduction for or on account of, any present or future taxes (including, but not limited to, Value Added Tax) or other charges of whatever nature or any other matter or thing whatsoever.

3.3 Notwithstanding Clause 3.2, where the Hirer is required by law to make any deduction, payment hereunder or by virtue hereof shall be increased by such amount as may be necessary so that the net amount after such deduction shall equal the amount to which the Owner would have been entitled hereunder or by virtue hereof had no such deduction been required by law.

3.4 The Hirer shall not be entitled to withhold any Hire Payments or other payments payable to the Owner under the Agreement for any reason whatever. Payments made by post shall be at risk of the Hirer.

3.5 If the Hirer fails to make payment due to the Owner under the Agreement by the due date then, without limiting the Owner's remedies under these Conditions, the Hirer

shall pay interest on the overdue amount in accordance with the terms of Clause 18.
The Hirer shall pay the interest together with the overdue amount.

4 Delivery and acceptance of Equipment

4.1 The Hirer shall take delivery of the Equipment on behalf of the Owner and shall be responsible for the cost, if any, of collecting the Equipment, wherever the Equipment may be, and of transporting it to the Premises.

4.2 In the event that the Owner has acquired the Equipment from the Hirer and the Equipment is in the possession of the Hirer at the commencement of the Hire Period the date of delivery of the Equipment shall be deemed to be the date of execution of the Agreement by the Hirer.

4.3 The Hirer shall ensure that the Equipment is transported and properly installed by suitably qualified persons.

4.4 If prior delivery of a Certificate of Hireworthiness by the Hirer to the Owner is not required under the conditions precedent set out in the Agreement the Hirer shall, within twenty-one days of the Equipment being delivered to the Premises and (where relevant) installed therein, deliver to the Owner a Certificate of Hireworthiness.

4.5 The Certificate of Hireworthiness shall be final and binding on the Hirer for every purpose and the Hirer shall be deemed to have satisfied himself that the Equipment is according to specification, properly installed, in good working order and condition and is capable of being safely operated for, and is fit for, the purpose for which the Equipment is being hired.

4.6 The Hirer shall:

4.6.1 inspect the Equipment on delivery to the Hirer or on the Hirer taking possession;

4.6.2 notify the Owner in writing as soon as reasonably practicable, and in any event within forty-eight hours of delivery to the Hirer or of the Hirer taking possession of the Equipment, of any defect in the Equipment; and

4.6.3 allow the Owner (on reasonable notice) at any time access to inspect the Equipment.

4.7 If the Hirer does not give notification under Clause 4.6.2 then the Hirer will be conclusively deemed to accept that the Equipment is:

- 4.7.1 complete;
- 4.7.2 in good order and condition;
- 4.7.3 fit for purpose for which the Hirer requires it; and
- 4.7.4 in every way satisfactory to the Hirer.

5 Equipment to remain Owner's property

- 5.1 Unless and until the Hirer's option, under Clause 15, to become owner of the Equipment is exercised, the Equipment shall remain the property of the Owner and nothing in the Agreement or these Conditions shall confer or be deemed to confer on the Hirer during the Hire Period any right, title or interest in the Equipment apart from the right to use the same upon the terms, and subject to the conditions, contained in the Agreement and these Conditions.
- 5.2 The Hirer shall not sell, lend, let, sub-let, assign, deliver, charge or otherwise deal with, part with possession or control of, or dispose of the Equipment or any part thereof, or any interest therein nor create, nor allow to be created, nor allow to remain in force, any fixed or floating charge, pledge, trust, lien, hypothec, right of compensation, or other security or encumbrance whatsoever on, over or affecting the Equipment or any part thereof, or any interest therein, and in the event of any breach of this Clause 5.2 the Hirer shall immediately remedy same, failing which the Owner may remedy such breach and in that event the Hirer shall repay forthwith to the Owner all costs and expenses incurred by the Owner in remedying the said breach.
- 5.3 The Hirer shall not do anything that leads any person to attempt to seize, arrest, poind, take possession of, or to attempt to execute any diligence, execution, civil recovery or judgment on the Equipment.
- 5.4 The Hirer shall affix to the Equipment in a conspicuous position a plate made of metal or some similar substance and of a design, size and nature having the Owner's prior approval stating clearly the following:

"This equipment is owned by Shetland Islands Council. No charges, liens, hypothecs or others can be created over it."

and the Hirer shall not cause or permit the same to be removed, obscured or defaced.

5.5 To the extent that the Hirer may at any time be held to be the owner of the Equipment prior to the exercise by the Hirer of its option under Clause 15 hereof, the Hirer shall hold and be deemed to hold the Equipment as trustee for the Owner.

6 Affixing of Equipment to land or buildings

6.1 The Hirer shall not, without the previous consent in writing of the Owner, affix the Equipment to any land or buildings so as to cause it to become a fixture thereon.

6.2 As between the Owner and the Hirer and their respective successors in the title the Equipment shall, during the Hire Period, remain moveable property and shall continue in the ownership of the Owner notwithstanding that the same may at any time have been affixed to land or buildings.

6.3 The Hirer shall ensure that, in so far as the Equipment is affixed to any land or buildings, such Equipment shall be capable of being removed without material injury to the said land or buildings and that all such steps shall be taken as are necessary to prevent title to the Equipment passing to the owner of the said land or buildings during the Hire Period. The Hirer shall be responsible for any damage caused to any land or buildings by the affixing of the Equipment thereto or the removal of the Equipment therefrom (whether such affixing or removal be effected by the Owner, Hirer or otherwise) and shall indemnify the Owner against any claim made in respect of all such damage (including damage caused by the negligence of the Owner, its servants or agents).

6.4 The Hirer shall not sell, feu, excamb, mortgage, charge, let, sub-let, or otherwise dispose of, deal with or part with possession of, any land or buildings, or any part thereof, on or in which the Equipment is kept without giving the Owner at least six weeks' prior notice in writing and in any event the Hirer shall procure that any third party with whom or in whose favour such feu, excambion, mortgage, charge, lease, sub-lease or other disposition, dealing or parting with possession, as the case may be, is made or granted gives, in such form as the Owner may require, including but not limited to:

6.4.1 a formal renunciation of any claim, right, title or interest, present or future, which they might have in or to the Equipment under such feu, excambion, mortgage or otherwise as the case may be; and

6.4.2 a right of the Owner to repossess the Equipment at any time (whether or not the same or any part thereof shall have become affixed to the said

land or buildings) and to enter such land or buildings and severing any Equipment affixed thereto for that purpose.

- 6.5 The Hirer shall supply to the Owner on request a copy of any deed, draft deed, instrument or other writing relating to any proposed or completed sale, feu, excambion, mortgage, charge, lease, sub-lease or other disposal of, dealing with or parting with possession of, the said land or buildings, or any part thereof, by the Hirer in terms of Clause 6.4. If the Hirer becomes aware of any conveyance, transfer, assignation or burdening, or any proposed conveyance, transfer, assignation or burdening of any third party's right, title or interest in or to the said land or buildings, or any part thereof, the Hirer shall immediately notify the Owner of the same.

7 Maintenance and use of Equipment

- 7.1 The Hirer shall, at its own cost and expense, maintain the Equipment in good and substantial repair, condition and working order (ordinary wear and tear resulting from proper use thereof alone excepted), properly serviced and maintained, and shall promptly replace all missing, damaged or broken parts with parts of at least equal quality and value.
- 7.2 The Hirer shall employ qualified experts to repair or make good any damage to the Equipment whether or not caused by the Hirer's own act or default and shall punctually pay for all servicing and repairs and other work done to the Equipment and for replacement parts and accessories thereof. In the event of default by the Hirer under this Clause 7, the Owner shall be entitled to take possession of the Equipment for the purpose of having repairs carried out and to make any payments on which the Hirer has defaulted and to recover the cost thereof from the Hirer on demand.
- 7.3 The Hirer shall use the Equipment in a proper and skilful manner and shall not permit it to be used or handled other than by persons properly trained, or to be overloaded, or to be used for any purpose other than for which the Equipment is designed or suitable.
- 7.4 The Hirer shall obtain, or procure the obtaining of, all the necessary licences, certificates, permits, authorisations and others required for the operation of, or in connection with, the Equipment and shall maintain the same in full force throughout the Hire Period, and the Hirer shall furnish the Owner with copies if so required, and shall not do, neglect to do or permit to be done, any act whereby the Equipment or its use would contravene any statute, rule, regulation or bye-law or any such

licence, certificate, permit, authorisation and others for the time being in force pertaining to the possession, use, maintenance or safety of the Equipment.

- 7.5 The Hirer shall not, without the prior written consent of the Owner (which consent may be given conditionally), make any alteration or modification to the Equipment.
- 7.6 The Hirer shall take all necessary steps to ensure that the Equipment is safe and without risk to health when properly used, and, in particular (but without prejudice to the generality of the foregoing), shall (subject to Clause 7.5) at its own expense add to or instal with the Equipment any safety or other equipment required by any applicable law or regulation to be so added or installed, shall check with the manufacturer or supplier of the Equipment that it has been thoroughly tested and shall ensure that there is available in connection with the use of the Equipment adequate information to ensure that when used the Equipment is safe and without risk to health.
- 7.7 The Hirer shall give the Owner all information concerning the condition, use and operation of the Equipment which the Owner may require from time to time and shall permit, or procure permission for, the Owner, the Owner's agents, employees or other persons designated by the Owner, at all reasonable times to inspect and to observe its use and operation and for this purpose to enter the Premises or any land or buildings where the Equipment may be located.
- 7.8 The Hirer shall maintain operating and maintenance records of the Equipment and make copies of such records readily available to the Owner, together with such additional information as the Owner may reasonably require.

8 The Premises

- 8.1 The Hirer shall not, without the prior written consent of the Owner, remove the Equipment from the Premises. The Hirer shall be responsible for all the costs of any such removal and subsequent installation.
- 8.2 The Hirer warrants that the Premises are suitable for the use and/or storage of the Equipment.

9 Licence duties, fees, etc.

The Hirer shall be liable for and shall punctually pay all licence duties, fees, registration charges, expenses, outgoings, levies, rates and taxes in respect of the Equipment, including its use and possession, or in respect of the Premises (including mortgage payments) and whether exigible from the Owner or the Hirer of the

Equipment. If required by the Owner, the Hirer shall forthwith produce to the Owner receipts for any such payments. In the event of the Hirer failing to make any of the payments referred to in this Clause 9 on the due date the Owner may make such payments and shall be entitled to recover the same from the Hirer on demand together with the amount of any expenses, losses or other charges incurred by the Owner in connection with such payments.

10 Warranties by Hirer

10.1 The Hirer warrants to the Owner that as at the date of execution of the Agreement:

- 10.1.1** all information given by or on behalf of the Hirer to the Owner in the course of negotiations or discussions in respect of the hiring of the Equipment was and remains true and accurate and there is no fact, matter or circumstance known to the Hirer which has not been disclosed in writing to the Owner which makes any such information untrue or inaccurate or misleading or the disclosure of which might affect or have affected the willingness of the Owner to enter into the Agreement;
- 10.1.2** except as disclosed in writing to the Owner, the Hirer is not involved in any litigation, arbitration or proceeding before any court, tribunal or person nor is any such litigation, arbitration or proceeding threatened against the Hirer;
- 10.1.3** the Hirer is not in default under any agreement to which the Hirer is a party or by which the Hirer is bound, being a default which has had or might have a materially adverse effect on the undertaking, property or assets of the Hirer;
- 10.1.4** no event has occurred or is continuing which would constitute an Event of Default (whether or not subject to notice, effluxion of time or other condition);
- 10.1.5** the Hirer has disclosed to the Owner true and accurate details of all monies borrowed by the Hirer, details of the Hirer's indebtedness to third parties arising other than in the normal course of business, details of all securities, fixed or floating, over the whole or any part of the undertaking, property and assets of the Hirer and details of all guarantees given by the Hirer;

- 10.1.6 the Hirer has disclosed to the Owner true and accurate details regarding the ownership and occupation of the Premises and all leases, sub-leases, licences, standard securities, mortgages, charges, options and other burdens affecting the same;
 - 10.1.7 the Hirer is taking the Equipment on hire in the course of a business; and
 - 10.1.8 the Agreement is not a regulated agreement under the Consumer Credit Act 1974 or an agreement to which the Hire-Purchase (Scotland) Act 1965, or any legislation of intent or effect similar thereto applies and any sale of the Equipment by the Hirer to the Owner prior to the hiring of the Equipment under the Agreement was not a transaction outwith the Sale of Goods Act 1979 by virtue of Section 62(4) thereof.
- 10.2 The Hirer shall on demand indemnify and keep indemnified the Owner from and against any loss or damage whatsoever that the Owner may suffer or incur as a result of a breach of any of the foregoing warranties and this indemnity shall continue in full force and effect notwithstanding any time or other indulgence which may be given by the Owner to the Hirer or any other obligant and shall continue in full force and effect notwithstanding any judgment in favour of the Owner.

11 Insurance

- 11.1 The risk of loss, theft, damage or destruction of the Equipment shall pass to the Hirer on execution of the Agreement and the Hirer shall, unless otherwise required by the Owner, restore the same or replace the same with equipment of a type and quality, and in a state of repair and condition, similar to that of the Equipment immediately prior to such loss, destruction or damage. The Equipment shall remain at the sole risk of the Hirer during the Hire Period and any further term during which the Equipment is in the possession, custody or control of the Hirer (the "Risk Period") until such time as the Equipment is returned to the Owner. During the Hire Period and the Risk Period, the Hirer shall, at its own expense, obtain and maintain the following insurance:
- 11.1.1 insurance of the Equipment of a value not less than its full replacement value comprehensively against all usual risks of loss, damage or destruction by fire, theft or accident, and such other risks as the Owner may from time to time reasonably require;
 - 11.1.2 insurance for such amounts as a prudent owner or operator of the Equipment would insure for, or such amount as the Owner may from time

to time reasonably require, to cover any third party of public liability risks of whatever nature and however arising in connection with the Equipment; and

- 11.1.3 insurance against such other or further risks relating to the Equipment as may be required by law, together with such other insurance as the Owner may from time to time consider reasonably necessary and advise to the Hirer.
- 11.2 The insurance referred to in Clause 11.1 shall be under a comprehensive policy or policies of insurance, free from restriction or excess. The policy or policies shall be in the joint names of the Owner and Hirer unless the Owner shall otherwise require, shall bear an endorsement recording that the Equipment is the property of the Owner and shall state that no payment is to be made to the Hirer under the policy or policies until the Owner's interest has been discharged in full. The Hirer shall deliver or produce on demand the said policy or policies and shall duly and punctually pay all premiums and other monies necessary for effecting and keeping in force such insurance and when so required shall forthwith produce to the Owner receipts for all such payments.
- 11.3 The Hirer shall not use or allow the Equipment to be used for any purpose not permitted by the terms and conditions of any policy or policies of insurance for the Equipment or whereby the same may be avoided.
- 11.4 The Hirer shall immediately notify the Owner in writing of any loss, theft or destruction of, or damage to, the Equipment or any part thereof.
- 11.5 All monies payable under the said policy or policies of insurance in respect of loss or destruction of, or damage to, the Equipment shall be paid by any insurers to the Owner and the Hirer hereby irrevocably appoints the Owner the agent of the Hirer for the purpose of receiving all monies payable under the said policy or policies and giving a discharge therefor, but if nevertheless such monies shall be paid to the Hirer the same shall be held by the Hirer in trust for the Owner under Clause 11.9.
- 11.6 Subject to there being no Event of Default, all monies payable under the said policy or policies of insurance in respect of loss or destruction or, damage to, the Equipment shall, at the option of the Owner, be applied:
- 11.6.1 towards reimbursement of the Hirer for the cost of repair of the Equipment, in which event the Hirer shall complete the repairs to the satisfaction of the Owner; or

11.6.2 so far as possible, in replacing the Equipment with equipment of a type and quality, and in a state of repair and a condition, similar to that of the Equipment immediately prior to the said loss, destruction or damage, in which event the replacement equipment shall be held by the Hirer under the terms and conditions of the Agreement and these Conditions; or

11.6.3 towards the payment of the remaining Hire Payments (including any in arrears) in the inverse order of their respective due dates, together with any interest due thereon under Clause 18 hereof, each such Hire Payment being discounted by such amount as the Owner may, in its absolute discretion, permit.

Any surplus remaining after the application of the said monies as aforesaid shall be retainable by the Owner for its own benefit.

11.7 The provisions of this Clause 11 shall not prejudice any liability of the Hirer to the Owner under any other provisions of the Agreement or these Conditions and in particular (but without prejudice to the generality of the foregoing), if the amount received by the Owner under the said policy or policies of insurance shall be less than the sum which would have been payable to the Owner had the damage or loss giving rise to the payment constituted an Event of Default the Hirer shall on demand pay to the Owner the amount of the deficiency.

11.8 In the event of failure by the Hirer to effect or maintain any insurance required under the Agreement or these Conditions, the Owner shall be entitled to effect and maintain the same, pay such premiums as may be necessary for that purpose and recover the same as a debt due from the Hirer.

11.9 The Hirer hereby declares that it holds and will hold the sum of one pound (£1.00) and all monies received by the Hirer under the said policy or policies of insurance and the right to receive such monies in trust for the Owner as the absolute property of the Owner and the Owner shall be entitled to appoint a new trustee or new trustees of the trust fund along with the Hirer as trustee aforesaid or in place of the Hirer as if the Hirer desired to be discharged or in place of any trustee or trustees appointed under this power as if he/she or they were dead.

11.10 In the event of the insurance monies recovered in respect of any loss, destruction of or damage to the Equipment being applied under Clause 11.6.3 in full satisfaction of the remaining Hire Payments and any interest due thereon the hiring hereunder shall be terminated (but without prejudice to any claim, right of action or remedy available to the Owner in respect of such termination) but save as aforesaid notwithstanding

any loss, destruction or damage, the Agreement shall continue in full force and effect.

- 11.11 The Owner shall use its reasonable endeavours to extend to the Hirer the benefit of any condition, warranty, statement or representation which may have been given or made to the Owner by the manufacturer or vendor of the Equipment or otherwise implied in favour of the Owner, but such benefit shall only be so extended if and so long as the Hirer is not in default under the Agreement or these Conditions and on terms that the Hirer indemnifies the Owner against all costs, claims, damages and expenses incurred in connection with the enforcement thereof, or the making of any claim thereunder.

12 Exclusion of conditions, warranties, etc.

- 12.1 It is expressly agreed that no condition, warranty or representation of any kind (other than a condition implied under Section 8 of the Supply of Goods (Implied Terms) Act 1973) has been, or is given or made by the Owner, or the Owner's servants or agents with respect to, or in respect of, the Equipment and all conditions, warranties or representations, express or implied, statutory or otherwise, as to the state, quality, description, fitness for any purpose or otherwise, of the Equipment are expressly excluded. The Hirer shall not be entitled to any rebate of Hire Payments in respect of any period during which the Equipment is unserviceable, lost, destroyed, out of order, unusable or not in the possession of the Hirer and the Owner shall not be liable to provide the Hirer with any replacement equipment or parts.

- 12.2 No dealer, supplier, manufacturer or insurance agent, nor any person in the employment of a dealer, supplier, manufacturer or insurance agent, is or shall be deemed to be the agent of the Owner for any purpose or authorised to bind the Owner in any way, and the Owner has and shall have no liability for, and shall not be bound by, any statement, representation, undertaking or promise made by any such person, or any employee of such person, to the Hirer.

13 Owner not liable for defects

- 13.1 Subject to Clause 13.2, the Owner shall not be liable to the Hirer, whether in contract, quasi-contract, delict, quasi-delict, by statute or in any other way whatsoever, for any liability, claim, loss (including loss of business or other consequential loss), damage, injury or expense of any kind or nature and howsoever caused (including any liability, claim, loss, damage or expense caused by the negligence of the Owner, its servants or agents) arising out of or in connection with

the Equipment or any part thereof, its manufacture, selection, delivery or possession, any delay in the delivery thereof, any inadequacy thereof for any purpose, any deficiency or defect therein, whether such defect be latent or apparent on examination, the use or performance thereof, any repairs, servicing or otherwise thereto or any delay in providing or failure to provide the same or any interruption or loss of service or use thereof.

13.2 The Owner does not exclude liability to the Hirer for:

13.2.1 death or personal injury cause by the negligence of the Owner, its servants or agents while acting in the course of their employment by the Owner; and

13.2.2 breach by the Owner of any condition implied by Section 8 of the Supply of Goods (Implied Terms) Act 1973).

14 Indemnity

14.1 The Hirer shall indemnify and keep indemnified the Owner against:

14.1.1 all losses, actions, claims, demands, proceedings (whether criminal or civil), costs, legal expenses (on a full indemnity basis), insurance premiums and calls, liabilities, judgments, damages or other sanctions whenever and howsoever arising, directly or indirectly from the Hirer's failure or alleged failure to perform its obligations under the Agreement or these Conditions;

14.1.2 any loss, injury or damage suffered by any person (including without limitation the Owner) because of the presence of the Equipment;

14.1.3 the delivery, possession, hiring, transportation, condition, use, operation, removal or return of the Equipment;

14.1.4 the sale or disposal by the Owner of the Equipment;

14.1.5 any defect in the Equipment or its design, manufacture, testing, maintenance or overhaul; and

14.1.6 the Owner exercising any right in respect of the Equipment, its ownership, or its hiring.

15 Option to purchase

15.1 If the Hirer has paid punctually all Hire Payments and other sums payable by the Hirer under the Agreement and shall have duly performed and observed all the terms and conditions of the Agreement, including these Conditions, whether express or implied, to the satisfaction of the Owner, the Hirer shall have the option (which the Hirer is not obliged to exercise) at any time on or after payment of the final Hire Payment but not later than expiry of the Hire Period to purchase the Equipment for one pound (£1.00).

15.2 Unless and until the Hirer exercises the option to purchase under Clause 15.1, the Hirer shall have no right of ownership in the Equipment. Provided that the Hirer shall be at liberty to accelerate payments under the Agreement and in the event of the Hirer paying before the due date such sum or sums as may be necessary to vest the ownership of the Equipment in the Hirer pursuant to this Clause 15, the Hirer shall be granted such rebate for early payment as the Owner may, in its absolute discretion, allow.

15.3 If the Hirer does not exercise the option to purchase under Clause 15.1, upon the expiration of the Hire Period the Hirer shall become a mere custodian of the Equipment. As custodian aforesaid the Hirer shall (i) take all proper care of the Equipment; (ii) comply with all requirements of law relating to the Equipment and its possession; (iii) be responsible for all outgoings payable in respect of the Equipment; and (iv) hold the same available for delivery or re-possession as aftermentioned. At any time within forty days after expiration of the Hire Period without the said option having been exercised the Owner shall be entitled:

15.3.1 to require the Hirer to deliver up, at the Hirer's own risk and expense, the Equipment to the Owner, together with all certificates, licences and other documents relating to the Equipment, in a condition consistent with the due performance of the Hirer's obligations hereunder and at such place in the United Kingdom as the Owner shall direct; or

15.3.2 without notice to retake possession of the Equipment, and for that purpose the Owner or the Owner's employees or agents may enter upon any land or buildings on or in which the Equipment is or is believed by the Owner or the Owner's employees or agents to be situated and if the Equipment or any part thereof is affixed to such land or buildings the Owner shall be entitled to sever the same therefrom and to remove the

Equipment or part thereof so severed and the Hirer shall be responsible for all damage caused to the land or buildings by such removal.

15.4 If the Owner does not, during the period of forty days referred to in Clause 15.3 above, specify an address for delivering up the Equipment or retake possession in terms of the said Clause 15.3:

15.4.1 the Hirer shall be entitled at any time thereafter to dispose of the Equipment, at the Hirer's own risk and expense, in such lawful manner (other than re-delivery to the Owner) as the Hirer may think fit provided that the Owner shall be entitled, on giving not less than fourteen days' notice to the Hirer at any time prior to disposal of the Equipment by the Hirer, to retake possession of the Equipment and for that purpose the Owner or the Owner's employees or agents may enter upon any land or buildings on or in which the Equipment is or is believed by the Owner or the Owner's employees or agents to be situated and remove the Equipment from such land or buildings, notwithstanding that the Equipment may be or become affixed thereto. In disposing of the Equipment the Hirer shall not be, or be deemed to be, the agent of the Owner for any purpose (other than conferring a good title to the Equipment on any third party) or authorised to bind the Owner in any way and the Owner shall have no liability for, and shall not be bound by, any statement, representation, undertaking or promise made by the Hirer or any employee of the Hirer. If the Hirer disposes of the Equipment to any third party, such disposal shall be on terms that all warranties and conditions on the part of the Owner as to quality, condition, performance or fitness which might otherwise arise in respect of the Equipment by implication of law, statutory or otherwise, and which may lawfully be excluded, are excluded. For the avoidance of doubt, the expiration of the Hire Period shall not remove or restrict the effect of, or prevent reliance upon, Clauses 13 or 14, which shall remain in full force and effect; and

15.4.2 the Hirer shall be responsible for all outgoings payable in respect of the Equipment and if any such outgoings are paid by the Owner the Hirer shall repay the same to the Owner on demand.

16 Termination of Agreement by Hirer

16.1 The Hirer may, on giving not less than three Months' prior notice to the Owner, terminate the hiring of the Equipment and the Agreement at any time after the

penultimate Hire Payment falls due but before the final Hire Payment becomes payable by delivering up, at the Hirer's own risk and expense (including the cost of insurance), the Equipment in good order, repair and mechanical condition to the Owner, together with all certificates, licences and other documents relating to the Equipment, to such address as the Owner may specify free of advertising and all insignia other than the Owner's or manufacturer's.

16.2 If the hiring of the Equipment and the Agreement is terminated under Clause 16.1, without prejudice to any other liability of the Hirer to the Owner, the Hirer shall pay immediately to the Owner, (i) all Hire Payments then due, with interest calculated in accordance with the terms of Clause 18; (ii) the final Hire Payment; (iii) if need be, a sum sufficient to put the Equipment into good repair and working condition (whether or not such repairs shall be carried out); and (iv) all other sums which the Hirer may have become liable to pay at the time of such termination.

16.3 If the Owner does not, during the three-Month period specified in Clause 16.1 specify an address to which the Equipment is to be delivered, (i) Clause 15.3 shall apply as if the reference therein to a period of twenty-eight days was a reference to the said three-Month period and the reference to expiration of the Hire Period was a reference to termination of the hiring of the Equipment and the Agreement under Clause 16.1; and (iii) the Hirer shall be reimbursed for any payment made to the Owner under Clause 16.2(iii).

17 Termination of Agreement by Owner or automatically on stated events

17.1 Upon the occurrence of any of the events hereinafter specified the Owner may forthwith by written notice terminate the hiring of the Equipment and the Agreement:

17.1.1 the Hirer fails for whatever reason to pay any Hire Payments or other sum due hereunder in full on its due date and such Hire Payment or other sum remains unpaid for more than seven days;

17.1.2 the Hirer fails to observe or to perform any of the terms or conditions of the Agreement or these Conditions, whether express or implied, or of any other agreement between the parties or between the Owner and any subsidiary company of the Hirer;

17.1.3 any person who, either before or during the Hire Period, gave any such undertaking as is mentioned in Clause 6.4, fails to observe or to perform any such undertaking;

- 17.1.4 any of the warranties given by the Hirer in the Agreement, whether express or implied, prove to be incorrect;
 - 17.1.5 the Hirer suspends or threatens to suspend payment of the Hirer's debts, or suspends, or threatens to suspend a substantial part of the present business operations the Hirer is conducting directly or indirectly;
 - 17.1.6 the Agreement becomes or is, in the opinion of the Owner, likely to become, a regulated consumer credit agreement within Section 8 of the Consumer Credit Act 1974 or becomes or is, in the opinion of the Owner, likely to become regulated by any legislation of intent or effect similar to the Consumer Credit Act 1974;
 - 17.1.7 a security-holder or encumbrancer takes, or threatens to take, possession of the Equipment or any property of the Hirer;
 - 17.1.8 any form of diligence, execution or other legal process is threatened, commenced or levied by anyone whomsoever which affects the Equipment or any property of the Hirer;
 - 17.1.9 the Hirer abandons the Equipment;
 - 17.1.10 the Hirer (being an incorporated body including an industrial and provident society) is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
 - 17.1.11 any judgment against the Hirer remains unsatisfied for more than fourteen days;
 - 17.1.12 the Hirer (being an individual) dies;
 - 17.1.13 the Hirer does or causes or permits or suffers to be done any act or thing which, in the opinion of the Owner, prejudices or may or tends to prejudice the Owner's rights, title or interest in the Equipment or any remedy which under the general law or statute or the Agreement the Owner may have against the Equipment.
- 17.2 If the Hirer (being an individual) becomes notour bankrupt or is sequestrated or signs a trust deed on behalf of, or calls any meeting of, or makes any arrangement or composition with, his creditors or if (being a partnership) the partnership is dissolved or if (being an incorporated body including an industrial and provident society) an order is made or an effective resolution passed for the winding up of the Hirer or any

guarantor of the Agreement (otherwise than for the purposes of reconstruction or amalgamation the terms of which have been previously approved in writing by the Owner) or a receiver, administrative receiver, judicial factor or similar office is appointed of all or part of the assets of the Hirer then the hiring of the Equipment and the Agreement shall automatically, immediately and without notice, terminate.

17.3 If the hiring of the Equipment and the Agreement are terminated under Clauses 17.1 or 17.2:

17.3.1 the Equipment shall no longer be in the Hirer's possession with the Owner's consent;

17.3.2 the Owner may, without notice, retake possession of the Equipment, together with all certificates, licences, registration or other documents relating to the Equipment, and for that purpose shall be entitled to enter the Premises or any land or buildings where the Equipment may be situated or believed to be situated and take such steps (including the use of lawful force) as it may consider prudent or necessary for that purpose. If the Equipment or any part thereof is affixed to any land or buildings the Owner shall be entitled to sever the same therefrom and to remove the Equipment or part thereof so severed and the Hirer shall be responsible for all damage caused to the land or buildings by such removal;

17.3.3 without prejudice to any other liability of the Hirer to the Owner, the Hirer shall pay immediately to the Owner (in addition to any Hire Payments actually in arrear), by way of agreed compensation for the Owner's loss of profit, an amount equal to (i) the total of all Hire Payments which are not yet due less the Accelerated Payment Rebate; and (ii) all other monies which may at that time be payable to the Owner under the Agreement and all charges and expenses whatsoever which the Owner may have incurred or may incur or for which the Owner is or may become liable in exercise of its powers whether under the general law or under this or any other clause of the Agreement or these Conditions in regaining or attempting to regain possession of the Equipment. The Hirer's liability for such amount shall be deemed to have arisen immediately before and not after termination of the hiring and the Agreement. After, but not before, payment in full of such amount the Owner shall account to the Hirer for:

17.3.3.1 the net proceeds (if any) after deducting all costs, commission, expenses, taxes and other charges incurred by

the Owner, arising from the sale of the Equipment (including any sums reasonably expended by the Owner in putting the Equipment in good order and repair for the purpose of such sale);

17.3.3.2 the present rental value (if any) as determined by the Owner, after deducting all costs, commission, expenses, taxes and other charges incurred by the Owner, arising from the re-letting of the Equipment (including any sums reasonably expended by the Owner in putting the Equipment into good order and repair for the purpose of such re-letting); or

17.3.3.3 if the Equipment is not sold or re-let as aforesaid within six Months after termination of the hiring and the Agreement, its value, after deducting all costs, expenses, taxes and other charges incurred by the Owner, as determined by a dealer in such Equipment appointed by the Owner, on the basis of a sale to dealers in such Equipment.

17.3.4 without prejudice to the Owner's power to re-possess the Equipment under Clause 17.3.2 the Hirer shall, if so required by the Owner and at the Hirer's expense (including the cost of insurance), deliver up the Equipment serviced and maintained and in good order, repair and mechanical condition to the Owner to such address as the Owner may direct, free of advertising and all insignia other than the Owner's or manufacturer's or, if not so required, shall hold the Equipment available for collection by the Owner or the Owner's agents;

17.3.5 any unexpired portion of any licence or other duty or insurance or other premium paid in respect of the Equipment shall, no matter by whom paid, be or become the absolute property of the Owner with full power to the Owner to collect and ingather such unexpired portions;

17.3.6 the Owner shall be entitled (without prejudice to its rights under the Agreement) on giving twenty-four hours notice to the Hirer to terminate any other hire-purchase or hiring agreement entered into between the Owner and the Hirer and may exercise its powers under such other agreement, irrespective of the date when entered into, as if the Owner had the right to terminate such agreement by reason of a breach by the Hirer of the terms thereof;

- 17.3.7 in the event of the hiring of the Equipment and the Agreement being terminated under Clause 17.1.6 the Owner may require the Hirer to enter into a new hire-purchase agreement in respect of the Equipment expiring on the date on which the Agreement would have expired if it had not been terminated as aforesaid, with such variations in the terms and conditions of the Agreement as are necessary to ensure that the new hire-purchase agreement is not a regulated consumer credit agreement within Section 8 of the Consumer Credit Act 1974 or regulated by any legislation of similar intent or effect, but, save as aforesaid, upon the same terms and conditions as contained in the Agreement.
- 17.4 The Owner's rights under this Clause 17 are without prejudice always to any other claim, right of action or remedy available to the Owner in respect of the termination of the hiring of the Equipment and the Agreement.
- 18 Interest
- Any money due or payable to the Owner under the Agreement shall bear interest (as well before as after any judgment) at the rate of 4% per annum above Shetland Island Council's standard interest rate from the date occurring fourteen days after the date when such money is due, expended or incurred until payment in full.
- 19 Waivers; Remedies cumulative
- 19.1 No failure to exercise and no delay in exercising by the Owner of any right, remedy, power or privilege arising under or by virtue of the Agreement shall operate as a waiver thereof, nor shall any single, defective or partial exercise thereof preclude any other or further exercise of that or any other right, remedy, power or privilege. The rights and remedies herein expressly conferred on the Owner are cumulative and not exclusive of any rights or remedies provided by law.
- 19.2 No releasing, compounding or compromising of any obligation or liability to the Owner under the Agreement and no relaxation, forbearance, delay or granting of time or other indulgence by the Owner to the Hirer shall affect, restrict or prejudice the rights, powers and privileges of the Owner or the obligations of the Hirer under the Agreement, nor shall any waiver of any breach of the Agreement by the Owner operate as a waiver of any subsequent or any continuing breach thereof.

20 Protection of Interests

The Owner, shall, without prejudice to any right, power or privilege which it may have under the general law or statute or the Agreement, be entitled at all times to take such steps as it may think fit for the purpose of establishing, maintaining and protecting its rights, title or interest in the Equipment. The Hirer irrevocably appoints the Owner as the Hirer's attorney and agent to take such steps as aforesaid in the Hirer's name or on the Hirer's behalf. The Hirer shall indemnify and keep indemnified the Owner against all or any costs, claims, damages and expenses incurred by the Owner in connection with the taking of such steps.

21 Costs and expenses

The Hirer shall be responsible for the whole costs and expenses of the Owner in connection with, or incidental to any implementation or enforcement or intended or attempted implementation or enforcement of the provisions of the Agreement, including all legal and other professional expenses, or of any certificate, statement or the like referred to herein and for the whole costs and expenses in connection with or incidental to the Certificate of Hireworthiness.

22 Statement or Certificate by Owner

A statement or certificate by any officer of the Owner as to the amount of any money (including interest) or other liabilities due or payable to the Owner under the Agreement shall be final, conclusive and binding on the Hirer.

23 Appropriation of Payments

If at any time during the Hire Period there shall be any hire-purchase agreements or other agreements in existence between the Owner and Hirer, whether in similar terms to the Agreement or otherwise, which are not regulated agreements (as defined in Section 189 of the Consumer Credit Act 1974) then provided always that the provisions of legislation from time to time in force do not apply thereto and invalidate this Clause 23, all such agreements shall be construed as forming one transaction so that any sums paid to the Owner under the Agreement or any other such agreements may be appropriated by the Owner in full or part satisfaction of any sums due to the Owner by the Hirer under any such other agreements or under the Agreement, and notwithstanding that the Hirer may have purported to appropriate such sums in some other way.

24 Time

Time shall be of the essence in the performance of the Hirer's obligations under the Agreement.

25 Further documentation

The Hirer agrees to do or execute any such further undertakings and documents, and to obtain any such indemnity or guarantee in respect of the Hirer's obligations under the Agreement, as may be required by law or as the Owner may consider necessary or desirable to establish, maintain and protect the Owner's rights or interests under the Agreement and generally to carry out the intent of the Agreement.

26 Assignment of Agreement

The Hirer shall not assign, transfer or grant a security over or purport to assign, transfer or grant a security over the Agreement or the Hirer's rights thereunder without the prior written consent of the Owner.

27 Notices

27.1 Any notice, request, demand or other communication to be given, made or delivered under the Agreement shall be in writing and shall be sufficiently given if sent by recorded delivery post, addressed (i) in the case of the Owner, to such person and to such address as may be nominated by the Owner, and failing such nomination, to Shetland Islands Council, 6 North Ness Business Park, Lerwick, Shetland, ZE1 0LZ and (ii) in the case of the Hirer, at the address of the Hirer stated in the Agreement or at the Hirer's existing or last-known business or private address.

27.2 Any such notice, request, demand or other communication posted to the Hirer under Clause 27.1 shall be conclusively deemed to have been received by the Hirer within forty-eight hours after the time of posting. If two or more persons constitute the Hirer any notice, agreement or otherwise given to or by any one or more shall bind all of them. In proving service it shall be sufficient to show that such notice, request, demand or other communication was sent by recorded delivery post, properly addressed and stamped.

28 Confidential information

28.1 Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party, except as permitted by Clause 28.2.

28.2 Each party may disclose the other party's confidential information:

28.2.1 to its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the party's obligations under the Agreement. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this Clause 28; and

28.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

28.3 No party shall use any other party's confidential information for any purpose other than to perform its obligations under the Agreement.

29 Variation

No variation of the Agreement or these Conditions shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

30 No partnership or agency

Save as may be expressly provided in these Conditions, nothing in the Agreement or these Conditions is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

31 Headings

The headings do not form part of these Conditions and shall not affect the validity or performance of the Agreement.

32 Invalidity of any provision

If any of the provisions of the Agreement become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way effected or impaired.

33 Force Majeure

Neither party shall be in breach of the Agreement nor liable for delay in performing, or failure to perform, any of its obligations under the Agreement or these Conditions if such delay or failure result from events, circumstances or causes beyond its

reasonable control. In such circumstances, the time for performance shall be extended by a period equivalent to the period during which performance of the obligation has been delayed or failed to be performed. If the period of delay or non-performance continues for 90 days, the party not affected may terminate the Agreement by giving 30 days' written notice to the affected party.

34 Proper Law, etc.

The construction, validity and performance of the Agreement shall be governed in all respects by the laws of Scotland, and the parties to the Agreement submit to the exclusive jurisdiction of the Scottish Courts.

35 Registration

The Hirer consents to registration of the Agreement, these Conditions and of any certificate, statement or the like given or made thereunder or in connection therewith (including any statement or certificate referred to in Clause 22) for preservation and execution.



Meeting(s):	Policy & Resources Committee	13 February 2017
Report Title:	Shetland Investment Fund Policies	
Reference No:	DV-17-17-F	
Author / Job Title:	Douglas Irvine / Executive Manager – Economic Development	

1.0 Decisions / Action Required:

1.1 That the Policy and Resources Committee RESOLVE to:

- a) Approve the Shetland Investment Fund Interest Rate Policy attached as Appendix 1.
- b) Approve the Shetland Investment Fund Lending Policy & Guidelines attached as Appendix 2.

2.0 High Level Summary

- 2.1 This report concerns the Council's Shetland Investment Fund which operates as part of the Economic Development Service. Following the Council decision in April 2016 to establish a Shetland Investment Fund, work has continued to review the policies and procedures in place to manage the lending activity.
- 2.2 A report was presented to Development Committee on 4 October 2016, which sought and gained approval of the Shetland Investment Fund Lending Policy & Guidelines and Interest Rate Policy. The recommendation to approve both guidelines required a decision of Policy and Resources Committee.
- 2.3 Policy & Resources Committee on 24 October 2016, during consideration of a Chair's report from Development Committee on 4 October 2016, resolved to defer approval of these Policies; subject to a further report on the possibility of making the payment of the living wage and sick pay a loan condition, and the possibility of exceptions thereto in specific instances, Min Ref: 74/16.
- 2.4 A proposed amendment to the Shetland Investment Fund Lending Policy & Guidelines was considered by Development Committee on 13 December 2016, and a recommendation to add a condition regarding the 'Living Wage' is proposed in the Development Committee Chair's Report entitled 'Shetland Investment Fund - Decision Making and Conditions', which is also on the agenda today.
- 2.5 This report seeks approval of the Shetland Investment Fund Interest Rate Policy and updated Shetland Investment Fund Lending Policy and Guidelines, which did not form part of the reporting to Development Committee in December, but also requires final approval by Policy and Resources Committee.

3.0 Corporate Priorities and Joint Working:

3.1 Shetland Islands Council's Our Plan 2016 - 2020 recognises that Shetland's future prosperity is dependent on maintaining a sustainable economy. The Shetland Investment Fund assists in the delivery of the following Economy & Housing objectives detailed in the Corporate Plan:

- "The long term community plan aim is for Shetland to have good places to live as well as sustainable economic growth with good employment opportunities, and for our residents to have the skills they need to benefit from those opportunities."
- "We 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."
- "We will be investing development funds wisely to produce the maximum benefit for Shetland's economy."

3.2 The Shetland Partnership recognises the link between economic success and strong communities and the Shetland Partnership's Local Outcomes Improvement Plan 2016-20 sets out the activity and priorities to achieve the Shetland Community Plan. The following outcomes are relevant to the lending service:

"D2: Make the best use of existing assets, infrastructure and human capital for sustainable socio-economic development."

"D3: Supporting the development of digital, diverse and innovative business base."

4.0 Key Issues:

4.1 The Shetland Investment Fund Interest Rate Policy and Lending Policy & Guidelines, attached as Appendix 1 and Appendix 2 respectively, are proposed for approval.

4.2 The Shetland Investment Fund Interest Rate Policy is intended for internal use within the Council to calculate interest rates to be applied to each investment. The key points are that the guidelines are in line with the Council's Medium Term Financial Plan (MTFP) and Investment Strategy; take account of investment risk; and are compliant with State Aid regulation.

4.3 The Shetland Investment Fund Lending Policy & Guidelines will act as a guide to staff and will also be used to advise applicants of the types of funding, eligibility criteria, target sectors, and lending terms applicable. The decision making section will be updated once a decision has been taken on current proposals to establish a Shetland Investment Board and delegate authority to the Executive Manager – Economic Development.

5.0 Exempt and/or Confidential Information:

None.

6.0 Implications:

6.1 Service Users, Patients and Communities:

Implementation of the guidelines to calculate interest rates on investments made from the Council's Shetland Investment Fund will help officers provide clarity to both lender and borrower on the conditions which apply to Council lending prior to fund release and for the duration of the loan/HP agreements. The Lending Policy will provide clear guidance to loan applicants.

6.2 Human Resources and Organisational Development:	None.
6.3 Equality, Diversity and Human Rights:	The approval of these policies will ensure all commercial investment applications are dealt with in the same manner and are subject to the same process.
6.4 Legal:	None.
6.5 Finance:	The adoption of the Shetland Investment Fund Interest Rate Policy will ensure that the rate of return to the Council from commercial investments made through the Shetland Investment Fund will be in line with the MTFP and Investment Strategy, and will be State Aid compliant.
6.6 Assets and Property:	None.
6.7 ICT and New Technologies:	None.
6.8 Environmental:	None.
6.9 Risk Management:	Risks associated with the Shetland Investment Fund are mitigated through having robust lending policies and systems in place. Due diligence is carried out on all new investments and each investment is actively monitored and managed to completion.
6.10 Policy and Delegated Authority:	<p>This report has been prepared with regard to the pledges contained in the Council's Economic Development Policy Statement 2013-2017. The Policy Statement was approved by the Development Committee on 14 January 2015 [Min Ref: 01/15].</p> <p>The Lending Service supports the following objective:</p> <p>Section 2.1 "Encourage sustainable growth in the local economy through support for business development and social enterprises".</p> <p>The Development Committee has functional responsibility for economic development matters, including decisions on business investments.</p> <p>The Policy and Resources Committee must however make a decision as this Committee has functional responsibility for Council processes and procedures and delegated authority for the co-ordination, control and proper management of the financial affairs of the Council.</p>

6.11 Previously Considered by:	Development Committee Policy & Resources Committee	4 October 2016 24 October 2016
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Contact Details:

Douglas Irvine, Executive Manager – Economic Development,
douglas.irvine@shetland.gov.uk Date: 6 February 2017

Appendices:

Appendix 1 – Shetland Investment Fund Interest Rate Policy

Appendix 2 – Shetland Investment Fund Lending Policy & Guidelines

Background Documents:

Report to Development Committee – 4 October 2016 and Policy & Resources Committee
 24 October 2016 – Economic Development Lending Service, including proposed Lending
 Policy & Guidelines and Interest Rate Calculation Guidelines.



Shetland Islands Council

Shetland Investment Fund

Interest Rate Policy

1.0 Introduction

- 1.1 The Council provides a commercial lending service to new and growing businesses in the Shetland Islands. Secured loans are the main form in which assistance is provided although equity and hire purchase finance can also be considered where there are specific advantages to these forms of finance.
- 1.2 The following guidelines have been prepared to assist staff to calculate interest rates for investments. These guidelines are in line with the Medium Term Financial Plan (MTFP) and Investment Strategy of the Council which states that for each investment the Director of Development Services and the Executive Manager – Finance must agree that:
 - loans will generate to the Council a rate of return at least equal to fund manager average returns (net of fees) in which the Council currently invests
 - Due diligence work has been undertaken to ensure that any loan granted is at an acceptable risk level to the Council
 - Economic Development Service will ensure compliance with State Aid Regulations
- 1.3 Any approved changes to the MTFP or Investment Strategy concerning local lending will take precedence to these guidelines and will be incorporated into this document in due course.

2.0 General Principles

- 2.1 By following these guidelines interest rates will be calculated in line with the European Commission State aid guidelines and will also reflect the risk associated with investing in the business.
- 2.2 These guidelines are to be followed once the initial assessment has been completed to establish that a loan application meets the eligibility criteria for Council lending. The interest rate proposed for each investment will be confirmed on completion of the due diligence.
- 2.3 If during assessment, an applicant business is deemed to be in difficulty, or failing, the business will not be eligible to proceed with a loan application.

- 2.4 The guidelines refer to loans but also apply to hire purchase facilities and can be used as a guide for considering equity dividend conditions.
- 2.5 Once an interest rate has been set it is fixed for the loan period although longer term loans may incorporate an interest rate review after a set time e.g. 5 years.
- 2.6 The Council can consider applications for short interest only periods but it is stressed that the project must demonstrate clear need for such conditions if they are to be applied.
- 2.7 Sub commercial or soft loans i.e. loans with low interest rates or other terms not commercially available are not offered by the Council to businesses.
- 2.8 It is imperative that each loan investment has documented evidence showing the process followed to calculate interest rates and other loan terms. The evidence must be robust enough to justify the Council's position should there be a challenge by the Commission that the funding is not on commercial terms.

3.0 Calculation Process

The process for the calculation of interest rates can be broken down into a series of steps.

3.1 Step 1 - Identify the current average fund managers returns (net of fees)

- 3.1.1 This rate is detailed in the MTFP and Investment Strategy and for 2016/17 this rate is 5.2%.
- 3.1.2 This is the **minimum** interest rate which can be proposed for approval regardless of the outcome of the next steps.

3.2 Step 2 – Apply State aid guidelines - the Market Economy Operator principle

- 3.2.1 If the Council is providing a loan under terms (including interest rate) which would be acceptable to a private investor who is motivated by return, and not policy objectives, then the Council is not providing a State aid. This is referred to the Market Economy Operator (MEO) principle.
- 3.2.2 There are several approaches which can be taken to evidence the MEO principle, depending on the circumstances of the lending proposal:
 - a) Pari Passu: The most robust way of demonstrating that a Council investment is on MEO terms is by ensuring that the terms of the loan, including interest rate, are matching to another commercial entity such as a Bank. The risk should also be at the same level for both lenders.

Council lending must be **equal to** or **higher** than the rate offered by the other lender.

- b) Benchmarking: To avoid state aid in a Council loan agreement a comparable market rate can be established.

To test the market, research must be undertaken to establish if there are comparable loans for similar debt transactions available on the private finance market. An independent report can be commissioned to establish if the terms are on a par with a private investor, although it is unlikely that the Council would wish to do this.

Evidence may be available from the applicant business by submission of other recent loan agreements entered into by the business.

If a comparable market transaction can be identified then this is the **minimum** rate at which the Council can lend without providing a state aid.

In the situation where other loans have recently been or are about to be made to the business, but with a stronger security position, the Council interest rate will need to be **higher** to reflect the lower secured position.

- c) Proxy for the Market Rate: Recognising that comparable market transactions are not always available, the European Commission provides another methodology for calculating a benchmark for the market rate. This is referred to the 'Reference Rate' and involves establishing a base rate and calculating a margin to be added. In the absence of comparable market transactions the calculated rate will be the **minimum** interest rate to be applied.

3.2.3 Of the three processes identified above for evidencing the MEO principle, it is most likely that methods b) and c), or a combination of both, will be the most widely used. This is because the Council generally lends as gap funder where another primary lender is involved and so evidence relating to method b) is usually available. Also, the Council provides relatively low levels of funding (in Commission terms) and lend to small and medium-sized enterprises (SMEs) rather than large corporations. Method c) is designed to apply to that category of lending. If however comparable market rates do exist, and they are higher than the reference rate calculation, then the higher rate should be considered the **minimum**.

3.2.4 The additional benefit from calculating the reference rate is that the method is based on risk assessment and takes into account assessment of the creditworthiness and collateral available for security. The interest rate proposed for a Council loan therefore takes lending risk into account.

3.3 Reference Rate Calculation - Method c) for Market Rate Proxy

3.3.1 Base Reference Rate

The base rate can be found on the Commission website:

http://ec.europa.eu/comm/competition/state_aid/legislation/reference_rates.html

The rate is calculated using 1-year inter bank offered rate (IBOR). This rate can change monthly and must be checked immediately prior to loan approval.

Example: The current base rate is 0.84% (as of 1 October 2016).

3.3.2 Additional Margin Calculation

To calculate the margin to be added to the base rate, the collateral offered as security by the borrower and their credit rating should be taken into account.

The following table illustrates the additional percentage to be added to the base rate. Please note that this is measured in basis points where 100 basis points equal 1%. The basic principle is that the higher the risk, the higher the interest rate.

Loan Margins in Basis Points			
Rating Category	Collateralisation		
	High	Normal	Low
Strong (AAA-A)	60	75	100
Good (BBB)	75	100	220
Satisfactory (BB)	100	220	400
Weak (B)	220	400	650
Bad/ Financial difficulties (CCC and Below)	400	650	1000

All interest rate margins proposed will be between 0.6% and 10% above the base rate.

Example: The minimum interest rate which can be applied for a company with normal collateral and a satisfactory rating would therefore be 0.84% plus 220 basis points (2.2%) equalling 3.04%.

3.3.3 Collateral

Normal collateral is what financial institutions, such as Banks, would require as security for a loan. As a basic guide, security ranking equal to a Bank will also merit a 'normal' ranking and a less favourable ranking position will be likely to have 'low' or 'normal/low ranking'. If assessment indicates more than adequate security is available a 'high' or 'normal/high' rating can be applied.

Commission regulation indicates that the level of collateral can be measured as the Loss Given Default (LGD). This is the expected loss (in percentage) of the debt outstanding, taking into account recoverable

amounts from collateral and the bankruptcy assets. High collateralisation implies a LGD below or equal to 30%, Normal collateralisation an LGD between 31% and 59% and low collateralisation an LGD above or equal to 60%. In practical terms a loan of £100,000 with an expected recovery of £80,000 would have a 'high' collateral rating of 20% LGD. This calculation may however result in higher ratings than a private investor would offer and so results should be used with caution.

The following factors can be used to assess collateralisation based on the asset value under an insolvency situation (being the worst case outcome for a business):

- The type of assets and future saleability.
- The type of security e.g. floating charge, standard security, marine mortgage, personal guarantee etc.
- The value of assets on which security is held should be compared against the borrowed amount. A prudent view of asset value should be taken. It may be necessary to seek specialist advice on asset values if this information is not accessible elsewhere.
- Depreciation of the assets over the period of the loan.
- Ranking arrangements with other creditors.
- Any contractual arrangement the borrower has entered into or legal reason which would prevent the sale of assets. i.e. animal welfare legislation, ownership dispute.
- Future national and local policy which may influence the value of assets.
- Cost of realising the debt i.e. cost of administration/receivership, payments to preferential creditors, prescribed part etc. The cost of realising debt should be deducted from the asset value.

Where a Council loan is subordinated to other higher ranked debt, i.e. when repayment would be prioritised to another lender over the Council in an insolvency situation, then particular care should be given to ensuring that the Council loan has adequate security to justify the collateralisation rating. If in doubt the collateralisation rating should be reduced accordingly.

3.3.4 Credit Rating

The majority of Council borrowers are unlikely to have a formal credit rating and in recognition of this the Commission has indicated that alternative ratings, such as those used by banks, are acceptable.

The following risk assessment factors can be used for evaluation:

Financial Analysis:

- To facilitate analysis of risk, 3 years annual accounts and 3 years forward projections along with a business plan will be analysed.
- For "new start" entities with no historical accounting information, 3 years projections will be required.

- For all applications, details of the assumptions underpinning the financial projections are required.
- Ability to meet repayments of loan capital and interest will be checked.
- Proof of ability to trade within the borrowing levels in place or proposed.

Non-Financial Analysis:

- Assessment of the market the business is trading in.
- Assessment of competitors/benchmarking.
- Review of key contracts.
- Technical aspects will be considered (i.e. factory capacities, access to appropriate facilities to carry out business, valid consents, compliance with legislation).
- Liabilities to other secured creditors will be considered.
- Management abilities and track record.
- Appropriate insurances in place.
- Support from shareholders and external funders.
- Assessment of political and legal factors which may affect the ability of the company to trade.
- Identification of subsidiary or parent companies and understanding their relationships to the applicant business.
- When the applicant is an individual or partner in a business, Experian checks can be made to assess creditworthiness.

The table in section 3.3.2 can now be used as a matrix to calculate the additional margin, taking into account the following:

- New start businesses will automatically require at least 400 basis points to be applied to the base rate.
- If an applicant business is owned by another organisation the margin to be applied must never be lower than that applying to the parent company.

3.3.5 The base rate plus the additional margin can then be used to calculate the proxy for the market rate. This rate is the **minimum** rate which can be applied.

3.4 Step 3 – Review the outcome of the previous steps and ensure that the rate proposed is not below the minimum level in each case. Interest rate proposed for each loan should be rounded up to the nearest 0.5%.

4. Interest Rates in the Case of Default

In addition to the standard interest rate, each investment carries a default interest rate applied to payments not received on their due date. The default rate is calculated at 4% above the standard interest rate and will be stated in each loan agreement. This is in line with UK Banking practice.

Shetland Islands Council Economic Development Service



Shetland Investment Fund Lending Policy and Guidelines

Contact:

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Economic Development Service
3 North Ness Business Park
Lerwick
Shetland ZE1 0LZ

tel: 01595 744 940

e-mail: development@shetland.gov.uk

web: www.shetland.gov.uk

Business Gateway

tel: 01595 745 945

e-mail: businessgateway@shetland.gov.uk

web: www.bgateway.com

V 1.3 Jan 17

Loans from Shetland Islands Council

1.0 Introduction

Shetland Islands Council (the Council) can provide commercial finance to new and growing businesses in the Shetland Islands. The purpose of this Council service is to ensure that good, commercially viable proposals do not fail from a lack of access to finance.

The Council aims to encourage and support the creation, development and growth of businesses within the local authority area. Loan applications will be assessed against key eligibility criteria and proposals must demonstrate that they will contribute to, and strengthen, the local economy in terms of jobs, growth and other benefits.

2.0 Who can Apply?

- 2.1 Sole traders, partnerships, limited liability partnerships and limited companies can apply for loan finance to start up or grow businesses in the Shetland Islands.
- 2.2 The Council can invest in micro, small and medium sized businesses (up to 250 employees and turnover not exceeding €50m).
- 2.3 UK Financial Services Regulation places restrictions on lending £25,000 or less to sole traders and partnerships/limited liability partnerships with 3 or fewer members. The Council is therefore unable to provide direct loans to sole traders/small partnerships of £25,000 or less but can assist with signposting to other loan providers who offer approved lending services.
- 2.4 Whilst there is no lower application limit for larger partnerships or limited companies, a loan below £25,000 may not be a cost effective way of financing a project.

3.0 Types of Funding Available

- 3.1 Secured loans are the main form in which assistance is provided although equity and hire purchase finance can also be considered where there are specific advantages to these forms of finance. It is advised that applicants discuss the type of finance sought with Economic Development Service (EDS) staff prior to submitting an application.
- 3.2 The Council provides gap funding or co-investment with Banks and other finance providers rather than being the primary lender to businesses. All applicants are required to maximise other private and public sector forms of funding before approaching the Council. EDS can assist applicants to identify other funding sources.

- 3.3 Loans are repayable over a fixed term and interest and capital repayments collected by Direct Debit each month.
- 3.4 Legal fees are recharged to the borrower at cost. No arrangement fees are charged and no early repayment fees apply to Council loans.

4.0 Eligibility Criteria

- 4.1 The Economic Development Service will prioritise the development of projects within certain key areas of economic activity, and will require that projects seeking assistance will realistically achieve a number of outcomes relating to improving the local economy.
- 4.2 Applications must comply with policy objectives of the Corporate Plan and Economic Development Policy Statement 2013-17, which specifies target areas for assistance and key outcomes for all economic development activity. The Policy Statement can be viewed at:
http://www.shetland.gov.uk/economic_development/documents/EconomicDevelopmentPolicyStatement201317FINAL.pdf

4.3 Priority Outcomes

Projects applying for loan assistance will be expected to demonstrate that at least one of the following primary outcomes can realistically be achieved:

- Introduce new business activity
- Improved product quality
- New market development
- Improved productivity
- Improved service delivery
- Introduce new or improved manufacturing/production processes
- Import substitution

Projects which cannot demonstrate that they will achieve one or more of the above primary outcomes will not be considered for assistance.

4.4 Secondary Outcomes

Applications must also demonstrate which of the following secondary outcomes will be achieved by their project:

- New job creation
- Encourage inward investment from the private sector
- Encourage receipt of external grant funding
- Improve access to employment and economic opportunities in rural areas
- Improve local control of resources
- Improve the local skills base

(Secondary Outcomes continued)

- Improve local employment conditions
- Increase local wage rates
- Infrastructure and/or service development in remote and rural areas
- Promote more sustainable use of resources
- Reduce costs and/or improve efficiency
- Result in environmental improvements

Projects which cannot demonstrate achievement of secondary outcomes may still be considered for assistance, but will not be regarded as a priority for funding.

- 4.5 Loans to acquire established businesses will only be considered if combined with plans to develop the business. Assistance towards a management or employee buy-out will require a robust succession plan.
- 4.6 Projects which will lead to the duplication of existing local service provision will only be considered for assistance if it can be demonstrated that there is market demand for additional supply.
- 4.7 Target Economic Areas

The following is a list of the target areas of economic activity which the Economic Development Service regard as priorities for development, where there is a particular focus on innovation, diversity and growth:

- Creative Industries
- Food and Drink (inc. fisheries and agriculture)
- Manufacturing
- New Technology
- Renewable Energy
- Tourism

Projects generating activity within the above areas will be considered priorities for assistance. Projects outside of these areas may also be considered for support if strong links to the above primary and secondary outcomes can be demonstrated.

4.8 Ineligible Projects

The following paragraphs detail the areas where projects will be considered ineligible for loan assistance. Decisions on whether projects are deemed ineligible will be made by the Executive Manager – Economic Development.

- 4.8.1 Projects which are not financially viable will not be eligible.

- 4.8.2 Funding will not be available for specific cost items where this will have the potential to distort local market activity, such as the purchase of property on the open market.
- 4.8.3 Debt repayment, i.e. direct replacement of existing loan facilities, will not be eligible.
- 4.8.4 Businesses which are deemed to be failing will not be eligible for assistance. Projects which have no intrinsic value other than as rescue packages are also ineligible.

5.0 Lending Terms

- 5.1 All loans will have appropriate terms and conditions applied. The loan offer will detail conditions to be met prior to any loan release and those conditions which apply for the period of the loan.
- 5.2 Applicants for commercial funding will be required to provide security for lending.
- 5.3 The interest rate applied to borrowed finance will reflect the risk associated with investing in the business. Once an interest rate has been set it is fixed for the loan period although longer term loans may incorporate an interest rate review after a set time e.g. 5 years. Rates will be no lower than bank borrowing rates and must also meet a minimum rate set annually by the Council (5.2% for the financial year 2016-2017). The Council can consider applications for short interest only periods but it is stressed that the project must demonstrate clear need for such conditions if they are to be applied.
- 5.4 The loan period will be set following an assessment of the project and financial ability to repay. As a guideline loan periods beyond 10 years are unlikely to be approved.
- 5.5 Applicants are expected to fund a proportion of project costs from sources other than the Council. The Council will fund no more than 75% of capital costs within a project.
- 5.6 Applicants who are employers will be required to pay no less than the 'Living Wage' as set by the Living Wage Foundation to all employees.

6.0 How to Apply

- 6.1 In the first instance, potential applicants should make contact with the Economic Development Service to discuss the development project and the eligibility of the project for a loan application. At this point, the EDS will identify if an applicant requires any other business support including the services offered by Business Gateway.

Business Gateway

This is a government initiative which aims to provide a range of support measures to those who wish to start up a new business or to grow an existing business. This service is supported by local and national resources and includes:

- Access to training courses
- Business planning advice from an accredited adviser
- Advice on funding opportunities
- Access to national information services

The Business Gateway is operated in Shetland by the Economic Development Service and is regarded as the first point-of-contact for all business enquiries.

- 6.2 Once the Economic Development Service is satisfied that the project will meet the eligibility criteria for a loan, the applicant will be required to submit a completed loan application form and business plan.

6.3 Application Form

- 6.3.1 The application form details all information and documentation which is required to apply. The form is available from the Economic Development Service in paper or electronic form. Contact details are listed on the front page and a direct link to the form is below:

http://www.shetland.gov.uk/economic_development/documents/LoanandCommercialFinanceApplicationForm2013-2017.pdf

- 6.3.2 Within the form applicants are requested to detail the measurable and non-measurable benefits/impacts the development will bring to the local economy.

- 6.3.3 The application form includes a declaration and undertaking which must be printed and signed before the form is returned. The main body of the application can be emailed or submitted in paper form.

6.4 Business Plan

6.4.1 Support with business planning can be provided through the Business Gateway Service, if required. Contact details for Business Gateway are included on the front page.

6.4.2 A business plan should include the following information:

- Business background
- Overview of the business sector
- Company structure
- Management structure
- Description of the development project
- Benefits of the project to the business
- Details of current and proposed employment
- Analysis of the market in which the business operates
- Details of current/potential competition
- Project costs – include both capital and revenue expenditure
- Funding sources identified – state whether or not applications have been submitted, any feedback received and/or any approvals
- Justification for seeking funding from the Council
- Impact on the business if the project does not proceed
- Timescales

6.4.3 The business plan must be supported by financial projections for a minimum of 3 years. This will include profit & loss accounts, cashflows and balance sheet forecasts. The cashflow requires to be prepared on a monthly basis and projections should be accompanied by detailed assumptions in relation to statements made in the application.

6.4.4 Note that existing businesses will be asked to supply year end accounts for the previous 3 years. Management accounts may also be requested along with other information required in the assessment process, for example, asset lists, details of key contracts, licences held.

7.0 Decision Making Process *[This section will be updated following any future decisions to delegate authority for loan approval]*

7.1 On receipt of an application, EDS staff will look carefully at your application and provide advice and feedback on the potential success of an application before progressing further. Investment proposals which meet the Council's lending policies will be presented to the Council's Development Committee for a decision.

- 7.2 Once an application has been received an indication of the timescale for a decision will be given by EDS staff. Development Committee meetings are held approximately every 6-8 weeks and on average it takes 2 months from the time that all required information is submitted to receive a decision. EDS staff will contact applicants immediately following the Development Committee meeting to discuss the outcome.

8.0 Monitoring of Investments

- 8.1 EDS staff monitor loans to ensure that the loan beneficiaries meet the requirements and conditions of the Council. As part of the monitoring of all investments EDS staff will carry out annual business reviews on each borrower. Part of this process will involve following up on the achievement of estimated benefits to the local economy as detailed at the time of application.
- 8.2 Finance Staff monitor all interest and capital repayments as well as the issue of new capital using the financial management system.

9.0 Applicable Legislation

- 9.1 Applicants must be aware that the following UK and Scottish legislation applies to any and all information provided to the EDS within the application form or accompanying documents:

9.1.1 Data Protection 1998

The Shetland Islands Council is registered under the Data Protection Act 1998. Any personal information provided by you in this form will be used solely by the Council in connection with your application for loan assistance.

9.1.2 Local Government (Scotland) Act 1973

It is normal practice for reports on applications for loan assistance to be considered in private due to the exempt content including personal and financial detail. However, some information provided in the application form and in the supporting submissions may be made public in reports to the Council or any of its relevant Committees if the Council Members decide, without your approval. The Council may also make details of any approval public through local press releases.

9.1.3 Freedom of Information (Scotland) Act 2002

Any information you provide with your application may be provided to the public under the Act. If there is any information contained in the application form or supporting documentation which you do not wish to be publicised, you must disclose this at the time of application. Any requests for disclosure of such information may be discussed with you, however, it cannot be guaranteed that your information will be kept confidential.

DRAFT



Meeting:	Development Committee Policy and Resources Committee	08 February 2017 13 February 2017
Report Title:	Fibre Optic Asset Development Project 2017	
Reference No:	DV-06-17-F	
Author/Job Title:	Douglas Irvine/Executive Manager – Economic Development	

1.0 Decisions/Action required:

- 1.1 That the Development Committee RECOMMENDS that the Policy and Resources Committee RESOLVES to:
- Agree the terms of the Project Initiation Document (PID), attached as Appendix 1.
 - Approve the Critical Success Factors for the project listed in paragraph 2.
 - Note that the PID may require further development under the direction of the Director of Development and such changes will be signed off by the Chief Executive.

2.0 High Level Summary:

- 2.1 On 13 December 2016, the Development Committee called for the terms of a project for investigating the future role of Shetland Telecom's assets and staff to be placed on the agenda of the next meeting [Min Ref: 51/16].
- 2.2 The outcome sought from this exercise is to identify how the progress made to date and the current work of the former Shetland Telecom project can be assimilated into the Council's operations in the most cost effective way. The project will therefore examine the future operation of the Shetland Telecom developed infrastructure and the fibre optic network developed by ICT. This is part of the wider ICT communications network used by the Council and its partners.
- 2.3 The objectives for the new project, defined as Critical Success Factors (CSFs) are as follows:
- CSF 1 – Establish the processes, budgets and skills to maintain the asset. (Provide a resilient network with low risk of failure.)
 - CSF 2 – Institute mechanisms which maximise future income from the asset. (An affordable service in terms of cost to customers, opportunity cost to the Council and income generated.)
 - CSF 3 – Establish ways to expand use of the asset to improve public services to

the Shetland community and, where practical, enable business and social use of high speed media.

- CSF 4 – Use the asset to support high speed broadband development initiatives. (Where possible avoid activities that duplicate other investments.)

3.0 Corporate Priorities and Joint Working:

- 3.1 “Improve high-speed broadband and mobile connections throughout Shetland” is one of the top priorities in the Council’s Plan 2016-20.”
- 3.2 “Ensuring that Next Generation Broadband is available to 75% of Shetland’s population by 2016 – helping to boost social connectivity and economic activity throughout Shetland and helping Economic Development and service delivery in some of Shetland’s remoter areas” is a key outcome in the Community Plan.
- 3.3 It is important that the project ties in with Digital Strategies being developed at national and local levels. For example, the Scottish Government is preparing a second phase of the Digital Scotland Superfast Broadband projects (DSSB). The next phase, termed R100, is designed to meet the Scottish Government’s target of achieving superfast broadband to all Scottish households by 2021. Part of the work involves a £45m investment in the Highlands and Islands and the Scottish Government is applying for £20m of EU funding as part of the overall package. The timetable is for the funding package to be secured in 2017 with implementation in 2018. There is still no information on how the next phase will be tendered.
- 3.4 In terms of wider partnership working within Shetland the project needs to link with the following:
- ICT Wide Area Network Project
 - The Broadband and Connectivity and Digital Service Delivery strands of the Council’s Business Transformation Project
 - Computing services provided to third parties including the third sector through the Council’s ICT network
 - Broadband services provided to customers using the Council’s Shetland Telecom project

The Project Executive will consider inviting suppliers and customers from these services onto the Project Board, as explained in the PID in appendix 1.

4.0 Key Issues:

- 4.1 The main issues associated with the report are:
- To protect against the Council’s and Shetland’s high speed broadband communication systems becoming ineffective and lagging behind other areas.
 - Making sure that existing fibre optic assets are properly maintained to avoid breakdown of services and customer dissatisfaction.
 - To reach firm conclusions and a course of action that avoids the loss of key staff and skills.

<ul style="list-style-type: none"> • Ensuring that loss of earnings is avoided which could place additional strain on Council budgets. • Identify and avoid duplicated effort involving other public and private sector services. • Making sure that the Shetland public is properly informed of the conclusions of the exercise, particularly in relation to how any future services are to be provided. 	
5.0 Exempt and/or Confidential Information:	
5.1 None.	
6.0 Implications:	
6.1 Service Users, Patients and Communities:	Establishing the local provision of the Shetland Telecom fibre optic network within the Council's overall fibre optic network, or externally if that can work better, will provide a stable service for public bodies, social and commercial clients.
6.2 Human Resources and Organisational Development:	There are likely to be implications for staff working in ICT, Infrastructure Services and Shetland Telecom. The Council's HR policies and procedures on staff consultation and Organisational Development will be followed when proposals with implications for staff are considered.
6.3 Equality, Diversity and Human Rights:	The provision of high speed broadband in remote places such as Shetland is an enabler that allows people to access better digital services and to have better employment opportunities.
6.4 Legal:	<p>The following is relevant:</p> <ul style="list-style-type: none"> • Abiding by the terms of the EU grant awarded for the project. • Meeting the terms of contractual obligations with suppliers, customers and staff.
6.5 Finance:	There are no direct financial implications arising from this report. In 2016/17 the Shetland Telecom project was budgeted to produce a surplus on controllable items of £174,000. However, reviewing the position for Quarter 2, a surplus of £194,000 is now projected. It is important at a time of budgetary constraints to maximise income wherever possible.
6.6 Assets and Property:	The new project will define how all the Council's assets involved, including the customer base, need to be looked after.
6.7 ICT and New Technologies:	The project has helped the introduction of superfast broadband into Shetland, which is already bringing significant benefits to the ICT sector.
6.8 Environmental:	Having good access to superfast broadband promotes working at distance and therefore cuts down on carbon emissions. A

	Strategic Environmental Impact Assessment is not required.	
6.9 Risk Management:	The “Uncertain Direction of the Shetland Telecom Project” is listed as a risk on JCAD with a medium score of 9.	
6.10 Policy and Delegated Authority:	<p>This report has been prepared under policy 3.1 of the Economic Development Policy Statement 2013-17 (Development Committee Min Ref 37/13), which states “Provide High Speed Broadband in Shetland by the following outcomes/targets:-</p> <ul style="list-style-type: none"> • 85% of Shetland households able to access Super Fast broadband (20 MB/s). • Develop technical and service needs cases for extensions of the Council broadband network to Unst and Fetlar. • Achieve net income of £140,000. • Develop campaign to promote benefits of high-speed broadband to communities, businesses and households.” <p>The Development Committee does not have delegated authority for all the matters likely to be affected by this project such as capital programme, capital and revenue implications and Human Resources/Organisational Development. A recommendation has to be made to the Policy and Resources Committee.</p> <p>Policy and Resources Committee has delegated authority to take decisions on matters relating to Asset Management and wider implications, supported by a recommendation from the Development Committee.</p>	
6.11 Previously Considered by:	Development Committee	13 December 2016

Contact Details:

Douglas Irvine, Executive Manager – Economic Development,
douglas.irvine@shetland.gov.uk

Appendices:

Appendix 1: Project Initiation Document – Fibre Optic Asset Development Project 2017

Background Documents: None



PROJECT DOCUMENTATION

PROJECT INITIATION DOCUMENT (PID)

Project:	Fibre Optic Asset Development Project 2017 Future development of the Council fibre optic network including; <ul style="list-style-type: none"> • Shetland Telecom project derived assets and processes, including existing and potential customer base • The fibre optic network developed by the Council's ICT service
Release:	Initial (pending decision of Policy and Resources Committee on 13 February 2017).
Date:	04.01.17
PRINCE2	
Author:	Project Manager – Executive Manager – Economic Development (responsible for assembling the Project Initiation documentation and for products) Project Assurance – Reviewer – Executive Manager – Community Planning and Development
Owner:	Chief Executive
Client:	Shetland Islands Council
Document Ref:	DI/

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

Version No:	V1.1
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Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

1. Project Initiation Document History

1.1 Document Location

This document is only valid on the day it was printed.

The source of the document will be found at this location – DI/

1.2 Revision History

Date of this revision:

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
		First issue	
10.01.17		Changes to project objectives and desired outcomes, project scope and exclusions and project management team structure.	Not considered necessary as the PID was still at formative stage.
30.01.17		Changes required through agenda management.	Not necessary as PID was still at draft stage.

1.3 Approvals

This document requires the following approvals.

Signed approval forms should be filed appropriately in the project filing system.

Name	Signature	Title	Date of Issue	Version

1.4 Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

2. Project Definition

This project has been instructed by the Council's Development Committee following approval of the "Shetland Telecom – End of Project Report" on 13 December 2016 (See DV-59-16F)

2.1 Background

With the completion of the Shetland Telecom development phases, it is acknowledged that the Council needs to understand what further role it has in promoting the delivery of high speed broadband to all Shetland communities. It is also necessary to undertake this project involving consideration of the fibre optic network developed by the Council ICT service.

2.2 Project objectives and desired outcomes

The desired outcome is to identify how the progress made to date and the current work of the Shetland Telecom project can be assimilated into the Council's operations in the most cost effective way.

The objectives of the project are to:

- Consolidate all existing Council fibre optic infrastructure into a single asset comprising the fibre optic cables, ducts, chambers, cabinets and Points of Presence.
- Identify the value of this asset.
- Identify how much it costs to maintain the asset.
- Identify how much benefit the Council and its public sector partners gain from use of the asset.
- Identify how much income the Council can reasonably expect to derive from exploitation of the assets for business, community and social benefits.

The desired outcomes, expressed as Critical Success Factors (CSF's) are:

- CSF 1 – Establish the processes, budgets and skills to maintain the asset. (Provide a resilient network with low risk of failure)
- CSF 2 – Institute mechanisms which maximise future income from the asset. (An affordable service in terms of cost to customers, opportunity cost to the Council and income generated)
- CSF 3 – Establish ways to expand use of the asset to improve public services to the Shetland community and, where practical, enable business and social use of high speed media.
- CSF 4 – Use the asset to support high speed broadband development initiatives. (Where possible avoid activities that duplicate other investments)

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

2.3 Project scope and exclusions

The project scope includes:

- All existing Council fibre optic infrastructure (the Shetland Telecom developed infrastructure and the fibre optic network developed by ICT).
- Active equipment used to support existing business customers.
- Operational procedures across Council Departments if required to support delivery of the project's critical success factors.
- Existing and new contracts with business partners and customers to support delivery of the project's critical success factors.
- Understanding the links to national and local projects which aim to improve digital connectivity.

The project scope excludes:

- Active equipment used by the Council and its partners to support public services.
- SICGuest and other public access Wi-Fi infrastructure.
- Wireless point to point and point to multipoint equipment.
- Any extension to the Council's fibre optic network (such proposals need to be dealt with as projects in their own right).

2.4 Constraints and assumptions

The project will not deliver any new infrastructure but will:

- Use existing assets and staff skills.
- Fully engage with development projects promoted by Government agencies.
- Examine both internal to Council and external to Council solutions.

Measurement of benefits will include qualitative improvement of public and private sector services as well as quantitative benefits such as income earned.

2.5 The user(s) and any other known interested parties

- Shetland Islands Council
- Community Planning Partners
- Existing and future business customers
- Community Enterprises
- Government Agencies
- Communications Providers
- Shetland Industry

Fibre Optic Asset Development Project 2017

Project Initiation Document

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2.6 Interfaces

- Development Committee
- Scottish Government
- HIE
- Community Planning

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

3. Project Approach

The project will adopt the Council's Better Business Case method defining an initial long list of options being refined down to a single preferred option.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

4. Business Case

See DV 59-16 F. The current Shetland Telecom projects generate c. £150,000+ annually in net sales while operating in a difficult environment with unclear objectives. In order to manage customer relations in the medium to long term it is necessary to clarify how the Council wishes to operate and promote high speed broadband services in future while maximising service improvements and income from its existing investment.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

5. Project Board Team Structure

Executive Officer	Director of Development Services
Members	Executive Manager – ICT
	Executive Manager – Estate Operations
	Executive Manager – Finance
	Customers such as internal to the Council, external public sector and business customers are to be appointed at the discretion of the Executive Officer.
Project Manager	Executive Manager – Economic Development
Project Reviewer	Executive Manager – Community Planning and Development

5.1 Role Descriptions

- Director of Development Services – is in charge of the project and will chair the board meetings and is responsible for defining the work required to complete the project. The role also requires obtaining the Chief Executive's approval for the preferred option and any changes to the PID.
- Executive Manager – ICT, is present to maintain corporate ICT policy integrity.
- Executive Manager – Estate Operations, is present to ensure practical asset management.
- Executive Manager – Finance, is present to ensure that the preferred option is cost-effective and makes a net contribution to revenue, either in service improvement or in income.
- Executive Manager – Community Planning and Development, will check that Prince2 and Business Case process is followed properly.
- Executive Manager – Economic Development – is responsible for resourcing and carrying out the actions required by the Project Board and for preparing reports.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

6. **Quality Management Strategy**

The project board and the reviewer will ensure that the terms of Prince2 and the Business Case methodology are followed.

Fibre Optic Asset Development Project 2017

Project Initiation Document

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7. Configuration Management Strategy

Not applicable.

8. Risk Management Strategy

This will be prepared taking consideration of the following risks:

- Poor project management means that the Council's and Shetland's high speed broadband communication systems becomes ineffective and lags behind other areas.
- Poor maintenance of existing assets leads to breakdown of services and customer dissatisfaction.
- Project drift leads to loss of key staff and skills.
- Loss of earnings places additional strain on the Council's budget.
- Duplication of effort leads to waste of public resources.
- Poor communication leads to a lack of understanding among the Shetland public about the objectives of the project.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

9. Communication Management Strategy

Updates will be reported to Development Committee, to relevant Council staff, CMT, Community Planning Board. Public Press statements will be issued when objectives have been achieved.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

10. Project Plan

Project milestones include:

- PID agreed by Policy and Resources Committee on 13.02.17
- Long list of options identified by 17.03.17
- Short list of options identified by 30.04.17
- Preferred Option identified by the end of May 2017
- Reports prepared for Development Committee, Employees Joint Consultative Committee, Policy and Resources Committee and Full Council, as required, early in the new Council.

Fibre Optic Asset Development Project 2017

Project Initiation Document

Date: 04.01.17

11. Project Controls

- Committee decisions are required to agree this project initiation document and associated critical success factors.
- Future changes to the PID will be signed off by the Chief Executive.
- Long listing and short listing will be agreed by the project board.
- The preferred option will be signed off by the Chief Executive prior to the necessary Council approval.

12. Tailoring of PRINCE2

Not applicable.

Shetland Islands Health and Social Care Partnership

Agenda Item

11



Meeting(s):	Integration Joint Board Policy and Resources Committee	25 January 2017 13 February 2017
Report Title:	Community Alarm Response Service	
Reference Number:	CC-03-17 F	
Author / Job Title:	Jo Robinson Executive Manager Allied Health Professions	

1.0 Decisions / Action required:

1.1 NOTE the information presented in this report and its appendices.

1.2 NOTE the extension of the current Community Alarm Response Service contract with Hanover Housing Ltd, 31 August 2017

1.3 NOTE the intention to tender the Community Alarm Response Service in accordance with EU procurement regulations.

2.0 High Level Summary:

2.1 This report presents the current situation regarding the contract for provision of a Community Alarm Response Service and informs Members of the extension to the current contract, in line with the Contract Standing Orders.

2.2 The report informs members of the intention to tender for a new response service, now more commonly called an "Alarm Receiving Centre" and highlights the changing technical environment with regard to this service.

3.0 Corporate Priorities and Joint Working:

3.1 The extension to the contract for the Community Alarm Response Service supports the following Integration and Council outcomes:

National Health and Wellbeing Outcomes

- People, including those with disabilities or with long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own

health and wellbeing.

- People using health and social care services are safe from harm
- Resources are used effectively and efficiently in the provision of health and social care services

Shetland Islands Council Corporate Plan

- Increased use of technology will be helping us provide care for the most vulnerable and elderly in our community.
- Older people and people who are living with disabilities (including learning disabilities) or long-term conditions will be getting the services they need to help them live as independently as possible.
- Our Integrated Health and Social Care services will be providing the services people need in a more efficient way, improving standards of care and keeping people healthier for longer.

4.0 Key Issues:

4.1 The Community Health and Social Care Service deploys around 530 Community Alarm units across Shetland. The Community Alarm unit is the most basic and traditional form of Technology Enabled Care, enabling people who are cognitively aware to call for assistance in case of need. The units are reactive, rather than proactive and rely on an "Alarm Receiving Centre" to answer the alarm, as well as a number of respondents, who are frequently family and friends. Newer developments in this area are less reliant on having a responder service, however there is still a significant requirement for this facility and will be for the foreseeable future.

4.2 The current contract for the Alarm Receiving Centre is held by Hanover Housing Ltd. This contract was awarded following a full tender process in line with Members instructions (Social Services Committee CC-01-11-F Exempt report). The contract was to subsist until 31 August 2016. Hanover Housing Ltd provide a high standard of service and are responsive to the needs of residents in Shetland. The contract could, however, be extended where it meets the exception criteria that are detailed in Part 1 of the Contract Standing Orders, section 2 (ii). The extension of the contract to 31 August 2017 was, therefore, considered and applied.

4.3 A Commissioning and Procurement Framework was approved by Council in April 2016 (CRP-08-16-F). A decision was made to extend the contract with Hanover Housing for a period of 12 months in order to allow a review of the service requirement in line with the Framework, and to allow for the proper conduct of a competitive process in line with Contract Standing Orders.

4.4 The external environment in which to tender at this time is complex. Current Telecare provision across Scotland is largely on an analogue basis. The Scottish Government, via the Scottish Centre for Telehealth and Telecare has commissioned an independent study with regard to the feasibility of shifting existing telecare provision onto digital infrastructure.

4.5 Having reviewed the service need in line with the Commissioning and Procurement Framework and Procurement advice/ documentation (see Appendix 1 for details), and in light of potential transfer to a digital platform, the Community Health and Social Care Directorate proposes that it should undertake a full retender of the service by mid-2017, ensuring that the tender documents take account of likely future changes in platform.

4.6 A further consideration was whether this procurement exercise could be undertaken

with a light touch in accordance with Guidance on the Procurement of Care and Support Services 2016 (Best-Practice), Scottish Government, 2016, however the list of services covered by this guidance is very specific (Annex 7) and does not cover this type of Alarm Receiving Centre.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:	The renewing of the current tender will ensure continuity of service for the people who depend on the community alarm to assist them to stay safe at home.								
6.2 Human Resources and Organisational Development:	The procurement exercise can be undertaken within existing resources. A large scale replacement of alarm units may require additional resources on a short term basis. This is difficult to quantify at this time as it would depend on what the current alarms were replaced with and in what time scale they needed to be replaced.								
6.3 Equality, Diversity and Human Rights:	Failure to ensure the continuation of an appropriate alarm response centre service may affect the health of vulnerable service users in that they will be unable to use this method of requesting help when required. Having an alarm does not in itself prevent ill-health, but can mitigate the impact of ill-health.								
6.4 Legal:	Failure to undertake a procurement exercise in accordance with EU regulations leaves the Council open to legal challenge. Any procurement exercise will be subject to advice from the Council's legal service, in order to reduce this risk.								
6.5 Finance:	<p>Failure to reduce 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 from reserves which is not sustainable. The undertaking of a competitive tendering process assists in assuring the council has best value for money.</p> <p>The cost of the contract with Hanover Housing Ltd over the last three financial years are as follows:</p> <table border="1"> <thead> <tr> <th>Year</th><th>Cost</th></tr> </thead> <tbody> <tr> <td>2013/14</td><td>£16,471.95</td></tr> <tr> <td>2014/15</td><td>£15,179.82</td></tr> <tr> <td>2015/16</td><td>£14,443.00</td></tr> </tbody> </table>	Year	Cost	2013/14	£16,471.95	2014/15	£15,179.82	2015/16	£14,443.00
Year	Cost								
2013/14	£16,471.95								
2014/15	£15,179.82								
2015/16	£14,443.00								
6.6 Assets and Property:	The potential need for replacement of community alarm units as a result of the change from an analogue platform to a digital one will be assessed as part of the procurement exercise.								
6.7 ICT and new technologies:	There is no direct concern for ICT or new technologies arising from this report, as it concerns the extension of the current tender. However, the procurement process will need to take full								

	account of emerging technologies and the prospect of a move to a digital platform.	
6.8 Environmental:	There are no environmental issues associated with this report.	
6.9 Risk Management:	The service is monitoring the situation with regard to the change to a digital platform and liaising closely with relevant government bodies (Joint Improvement Team and Scottish Centre for Telehealth and Telecare). A relevant risk assessment will be completed as part of the procurement exercise.	
6.10 Policy and Delegated Authority:	This contract extension is an exception that can be considered and applied under the current Contract Standing Orders - Part 1 section 2 (ii). Where the exception is applied, it must be reported to the relevant Council service Committee within 6 months of the exception taking place. The relevant service committee, in this instance, is the Integrated Joint Board. Integrated Joint Boards “are not able to contract or hold contracts with third parties as contractual arrangements remain with either the local authority or NHS Board” (Guidance on the Procurement of Care and Support Services 2016 (Best-Practice), Scottish Government, 2016), therefore the report is presented to the Policy and Resources Committee which has functional responsibility for Council assets, and is responsible for receiving reports on any matters relating to functions delegated to the IJB that require to be reported to the Council.	
6.11 Previously considered by:	None	

Contact Details:

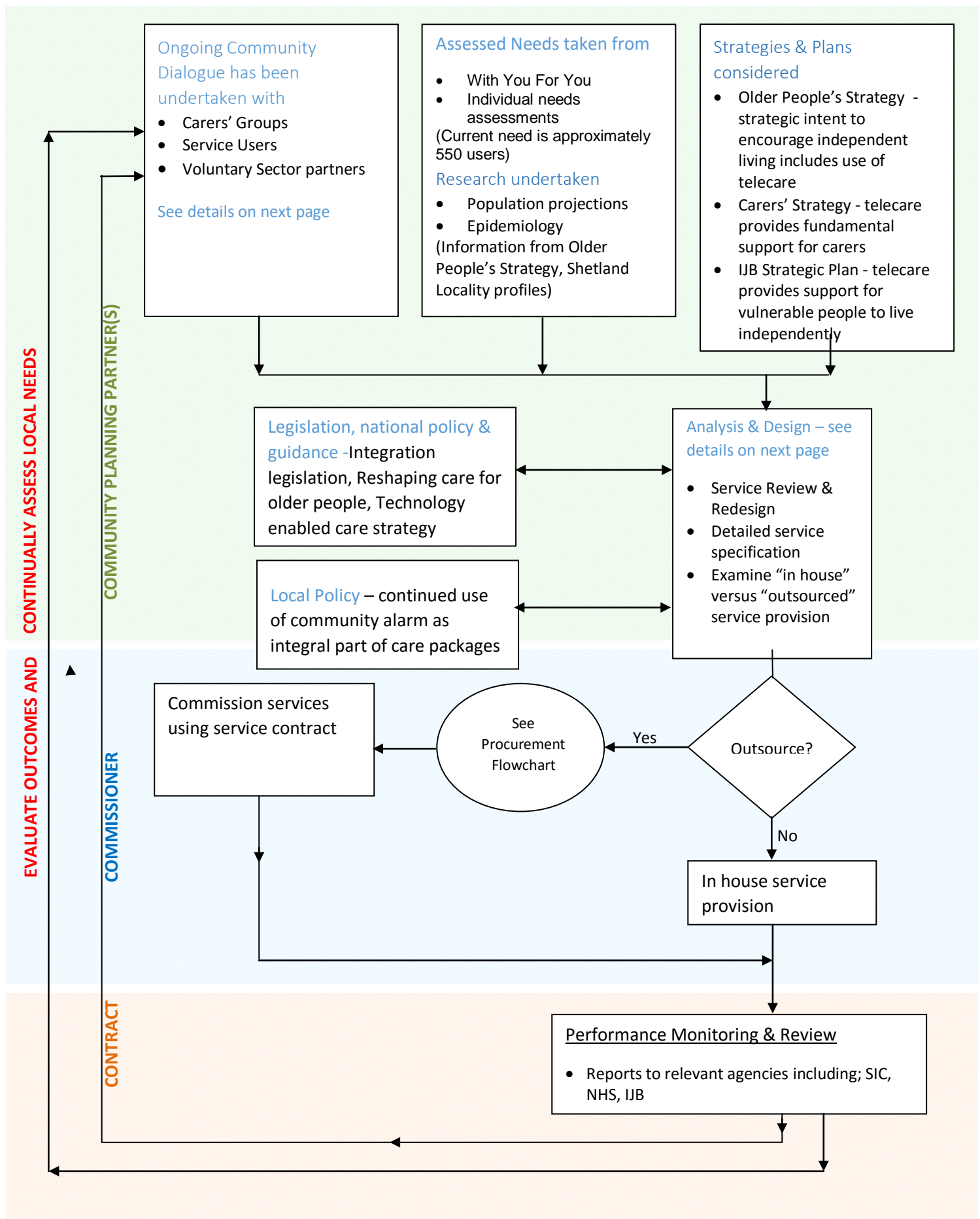
Jo Robinson, Executive Manager Allied Health Professions, jo.robinson@shetland.gov.uk
16 December 2016

Background Documents:

- 1) Shetland Islands Council Constitution Part E Contract Standing Orders July 2015 (version 0.17)
<http://intranet2.shetland.gov.uk/Policy/Shared%20Documents/Part%20E%20Contract%20Standing%20Orders%20July%202015%202014%20Version%200%2017.pdf>
- 2) Commissioning and Procurement Framework 2016 – 2020
<http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9Dd%93nz%8B>
- 3) Guidance on the Procurement of Care and Support Services 2016 (Best-Practice), Scottish Government, 2016 <http://www.gov.scot/Resource/0049/00498297.pdf>
- 4) Feasibility Study: Telecare in Scotland Analogue to Digital Transition Product 2 and 3 Report April 2016 NHS 24, Scottish Centre for Telehealth and Telecare, Joint Improvement Team <https://sctt.org.uk/wp-content/uploads/2016/09/Product-2-and-3-Final-Report-Issued.pdf>

Commissioning Process for Health and Social Care Services

The following diagram relates to the above process and shows the relevant considerations undertaken in planning to further commission a Community Alarm Response Service



Ongoing Community Dialogue

The telecare project manager undertakes frequent community dialogue as part of his role. Consultation/ discussion over the last year has been undertaken with:

- Westside Carer's Group
- Alzheimer's Scotland Sons and Daughter's group
- Voluntary Action Shetland Carer's Forum
- Alzheimer's Scotland Dementia Cafe
- Voluntary Action Shetland Stepping Out Group (North Isles)
- Health and Social Care Locality meetings in Scalloway and Yell
- Remoage events in Yell and Unst

These discussions have been around the use of telecare generally but have included the use of the community alarm. The feedback is that the service is very much valued and seen as a fundamental part of enabling people to stay living independently at home, and assists in alleviating carer's anxieties.

Individual conversations are undertaken with service users when undertaking assessments.

Analysis & Design

- Service Review & Redesign

The service is regularly reviewed to ensure it continues to meet need and is value for money. The service costs £14,443 in 15/16, providing support as required to over 500 service users. The development of newer types of technology enabled care devices have both enhanced the use of community alarms in some settings and reduced the use in others, but overall they remain a valuable resource in order to provide a vital level of support. An example of this is where the service user is able to press their pendant and ask for an ambulance to be called if they are unable to phone for help, or where the community alarm is connected to a smoke alarm which allows the fire brigade to be called if the service user is unable.

- Detailed service specification

The specification was examined in detail in 2010, and little has changed since then. The technological developments as outlined above have not altered the nature of the basic community alarm response required. Care will be taken to ensure the specification takes account of the proposed developments in digital technology.

- Examine "in house" versus "outsourced"

This was examined in detail in 2010 when an exempt report was taken to committee with the findings. The cost of bringing the service in house was calculated to be 6 times more expensive than the expected cost of contract at that time. In fact, the successful tender was significantly cheaper than that expected. With the technical environment being so complicated at present with the expected move to digital responses, setting up an in house service is likely to be even more complex.



Meeting(s):	Policy and Resources Committee Shetland Islands Council	13 February 2017 22 February 2017
Report Title:	Community Asset Transfer Policy	
Reference Number:	DV-14-17-F	
Author / Job Title:	Brendan Hall/ Partnership Officer, Community Planning and Development	

1.0 Decisions / Action Required:

- 1.1 That the Policy and Resources Committee RECOMMENDS that the Council adopts the Community Asset Transfer Policy, in the terms proposed.

2.0 High Level Summary:

- 2.1 A Community Asset Transfer policy has been developed in line with the Council's obligations under Part 5 of the Community Empowerment (Scotland) Act 2015 (the Act) – Asset Transfer. This Part of the Act is now in force, as of 23 January 2017.

Development of the policy has been overseen by a Project Board, chaired by the Director Corporate Services and involving Executive Managers from relevant Council Services. There have been a number of opportunities for stakeholders across the Shetland Partnership to learn about the requirements under the Act including presentations in Shetland by Scottish Government officials (27 May 2016).

The proposed Community Asset Transfer Policy was also discussed by the Council's Policy Forum on 17 January 2017. Members at the Policy Forum were of the view that there should be no delegated authority to officers of the Council regarding asset transfers. This issue has been discussed by the Project Board and further information is presented in this regard in the Key Issues section of this report. At this stage, the recommendation from the Project Board is that the initial decision is delegated to officers via the Chief executive in line with the Council's other policies on asset / property management with Members involved at the review stage.

- 2.2 The Policy sets out the steps that the Council will take when a community body makes an enquiry about Council-held land or buildings. The Policy is underpinned by procedures setting out in detail what officers, managers and services will do at each stage of the process.
- 2.3 "Asset Transfer" is a process to allow a community organisation to acquire publicly owned land or buildings, in a way that recognises the public benefits that the community use will bring. That may be a discounted price, a grant or other support, or simply the agreement to transfer something the public authority did not plan to sell. The Community Empowerment (Scotland) Act 2015 confers rights on eligible community bodies to request to transfer the lease or ownership of land and buildings to them to deliver improved outcomes for their community.

- 2.4 The Policy acknowledges the rights afforded to community bodies under the Community Empowerment (Scotland) Act 2015 and commits to support and uphold these rights in the spirit of the legislation. However, the Council has a duty to protect the public interest and maximise community benefit and, therefore, there must also be an acknowledgement of the responsibilities that go along with stewardship of public assets. Asset transfer is about a different kind of public ownership, designed to empower communities, but it cannot be at the expense of the wider public good. When terms and conditions for asset transfer are developed, these responsibilities will form a key part of the agreement to transfer ownership.
- 2.5 The Policy process is summarised below:
- When a community body makes an enquiry regarding Asset Transfer, they will be directed to the Community Planning and Development Service who will begin a process of informal dialogue and information sharing to establish the group's eligibility, readiness and ability to deliver their proposal in conjunction with staff from other key services (such as Assets and Properties, Legal and Planning Services).
 - When all parties are happy to proceed, a formal asset transfer request will be submitted, once the validity of the application is confirmed a time limited process is initiated for a decision to be taken (six months from the validation date).
 - Decisions on whether to approve or reject proposed asset transfer will be taken in the first instance by the Chief Executive or their nominee. Decisions will be based on a robust, two-stage appraisal framework that will assess the ability of the community body to deliver their proposal and the level of community benefit that will result. This framework is set out in procedures and will be publically available once the Policy is approved to ensure transparency over the requirements for asset transfer.
 - Should the request be turned down, the community body can then request a review by the Council's review panel (the Policy and Resources Committee) with an appeal to the Scottish Ministers also being available to them beyond this.
 - The concluding of contracts is also subject to fixed timescales and it is at this stage that the formal arrangements for the asset transfer will be negotiated and agreed.
- 2.6 The full Policy is attached at Appendix A. A comprehensive procedural handbook is being produced which detail the roles and functions to be carried out by Managers and employees of the Council in order to fulfil the obligations set out in the legislation and the Policy.

3.0 Corporate Priorities and Joint Working:

- 3.1 The Policy directly supports several of the priorities identified under the 'Community Strength' section of the Council's Corporate Plan; namely:
- Communities will be supported to find local solutions to issues they face.
 - People in Shetland will be feeling more empowered, listened to and supported to take decisions on things that affect them, and to make positive changes in their lives and their communities.

	<ul style="list-style-type: none"> Communities will be taking ownership of community assets and putting them to best use, as set out in the Community Empowerment (Scotland) Act.
3.2	<p>The Policy also supports priority D2 from the Local Outcomes Improvement Plan:</p> <ul style="list-style-type: none"> Make the best use of existing assets, infrastructure and human capital for sustainable socio-economic development.
3.3	<p>Several local partners are covered by Part 5 of the Community Empowerment (Scotland) Act 2015. In 2015, the Shetland Partnership Board agreed an approach whereby the Council would lead on local policy development (Minute Reference 30/15). The Shetland Partnership Board have received regular updates on progress and discussion with partner agency representatives has also taken place while the Policy has been developed. The Council's Community Planning and Development Service will act as a single point of contact for community bodies in Shetland, co-ordinating initial dialogue with all partner agencies. This simplifies the process for community bodies and ensures that the benefits of joint working can be maximised from the earliest opportunity.</p>
4.0	Key Issues:
4.1	<p>The Policy and Resources Committee are asked to discuss the Policy and recommend to the Council that the Policy be agreed and adopted by Shetland Islands Council. Key issues for Policy and Resources Committee to consider include:</p> <ul style="list-style-type: none"> The Council's obligations under the legislation and the Policy's role in ensuring that these are upheld The potential for all parties to benefit from community asset transfer where there is balance between rights and responsibilities The decision making and review processes and the role of officers and Elected Members in these
4.2	<p>In relation to decision-making, it is recommended that the Council delegate authority in the first instance to the Chief Executive or their nominee as described above. This is in line with the current scheme of delegation for the disposal of assets and allows for a review by a panel of Elected Members in line with legislation. It is recommended that the Policy and Resources Committee becomes the Council's review panel, as this is the committee with delegated authority for the management of the Council's assets and property.</p>
4.3	<p>At a recent Policy Forum, some Elected Members were of the view that they should be involved in both the initial decision and any review; however, if Elected Members were involved in decisions both in the first instance and in relation to reviews, significant further work would be required to establish the correct governance and scheme of delegation around this – this would not be possible within the remaining lifetime of this Council. Given that the legislation is now in force, it is advisable for the Council to have policy arrangements in place. However, under the Act, there is a six month window for decision making after a formal asset transfer request is received and this window would allow for a review of arrangements under the new Council should this be necessary.</p>

5.0 Exempt and/or Confidential Information:	
5.1	None
6.0 Implications	
6.1 Service Users, Patients and Communities:	The Policy sets out how communities in Shetland can exercise their rights under Part 5 of the Community Empowerment (Scotland) Act 2015 and how the Council will fulfil its duties in this regard. The focus of the Act and the Policy is the improvement of outcomes and, as such, communities will benefit from asset transfer where the conditions of the Policy are met and an asset is transferred to their control or ownership. The Policy and associated procedures set out clearly what is expected of community bodies and what Council Services will do to support them pre- and post-applying for an asset transfer.
6.2 Human Resources and Organisational Development:	Asset transfer requests will be handled on a case-by-case basis. The procedures set out what teams are likely to be involved and the form that their involvement will take, these will be available to staff and will include explicit guidance on how staff will participate in the process. No capacity or competency issues have been raised to date. The implementation of the Policy will be monitored to address any issues as they arise. Training will be provided to officers and Members as relevant to ensure that all are familiar with the legislation, the Policy and their roles in delivering the Council's duties.
6.3 Equality, Diversity and Human Rights:	An integrated impact assessment has been completed for the policy. The policy itself has no implications for any particular groups or outcomes as the rules for eligibility are set out in legislation and designed to be inclusive and the purpose of the policy is that outcomes will be improved as a result of asset transfer. Community bodies pursuing an asset transfer will be required to give consideration to any negative impacts that may arise from their proposal. Support will be offered to community bodies through the Community Planning and Development Service to assist them in considering impacts and taking steps to mitigate any that may arise. Furthermore, when the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. This offers a further safeguard that differential impacts will not be experienced as this would preclude the transfer going ahead. The implementation of the Policy will be monitored to address any issues as they arise. The integrated impact assessment is attached at Appendix B.
6.4 Legal:	The Policy sets out the Council's approach to meeting its legislative duties under Part 5 of the Community Empowerment (Scotland) Act 2015. The policy draws on Part 5 of the Act and the regulations below:- <ul style="list-style-type: none"> • The Asset Transfer Request (Procedure) (Scotland) Regulations 2016 • The Asset Transfer Request (Appeals) (Scotland)

	<p>Regulations 2016</p> <ul style="list-style-type: none"> • The Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016 • The Asset Transfer Request (Appeal Where No Contract Concluded) (Scotland) Regulations 2016 • The Community Empowerment (Registers of Land) (Scotland) Regulations 2016 <p>The full legislation is linked under Background Documents, below.</p>
6.5 Finance:	<p>There are no direct financial implications arising from this report.</p> <p>There are clear financial implications associated with the transfer of ownership or control of Council assets to community bodies via asset transfer; however, the decision on whether to transfer an asset or not will be subject to consideration of Best Value to ensure that the Council and the Shetland community as a whole do not lose out. Community bodies seeking transfer below the Market Value must demonstrate that their proposal provides a community benefit or outcomes improvement commensurate with the reduction.</p>
6.6 Assets and Property:	<p>The legislation and, therefore, the Policy have implications for all Council Assets and Property – technically any buildings or land owned or leased by the Council could be transferred to community ownership or control by asset transfer. The Assets and Properties Service have been involved in the development of the Policy and will participate in dialogue with community bodies at the earliest opportunity when an enquiry about asset transfer is made.</p> <p>Under the Community Empowerment (Registers of Land) (Scotland) Regulations 2016, the Council has a duty to prepare a publically available register of assets. This is currently underway and will be completed by 2019, in accordance with the Scottish Government's ambition to have all public sector land included on the Land Register by this date.</p>
6.7 ICT and New Technologies:	<p>The Policy and additional information will be hosted on the Community Planning and Development Service's website. This will include contact details and signposting to support available for community bodies. Notices regarding asset transfer will also be posted on the website.</p>
6.8 Environmental:	<p>The Policy has no direct environmental implications and no Strategic Environmental Impact Assessment is required. Community bodies may have to have regard to environmental impact when considering an asset transfer depending on the condition of the asset, the local environment and the intended use. See Appendix B.</p>
6.9 Risk Management:	<p>As per paragraph 3, above, the Policy supports the Council's priorities identified under the 'Community Strength' section of the Corporate Plan. The Community Planning and Development</p>

	<p>Service's risk register includes risks under this heading, the most pertinent of which concerns deadlines – this is currently rated as 6 (Medium). Part 5 of the Community Empowerment (Scotland) Act 2015 comes into force on the 23rd of January 2017; having a policy in place as early as possible after this date will help prepare the Council to receive any asset transfer requests and will make it clear to community bodies what is required for them to submit a valid request. Including the pre-application stage also ensures that dialogue can take place to keep all parties informed of any issues that may arise with the asset transfer process, the readiness of the community body concerned or with the asset itself – this will help to improve the chances of a positive outcome for all parties being delivered by the process.</p> <p>Compliance with the legislation is another clear risk and, to this end, the policy has been prepared with professional input from staff in Governance and Law and Capital Programmes to ensure that the Council policy delivers both the requirements and the intended benefits of the legislation. The Project Board has also overseen the development of the Policy to ensure that it meets the needs of both the Council and the wider Shetland community.</p> <p>Implementation of the Policy will be monitored to identify any issues that may arise and to ensure that policy and procedures are fit for purpose when used in real situations.</p>	
6.10 Policy and Delegated Authority:	Issues relating to the Council's assets and property are delegated to the Policy and Resources Committee. However, determination of new Policy requires a decision of Council.	
6.11 Previously Considered by:	Shetland Partnership Board	17/09/2015 02/06/2016 25/10/2016 25/01/2017
	Shetland Partnership Seminar with Scottish Government	27/05/2016
	Members Seminar/Policy Forum	24/05/2016 17/01/2017

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Appendices:

- Appendix A: Shetland Islands Council: Community Asset Transfer under the Community Empowerment (Scotland) Act 2015 – POLICY
- Appendix B: Shetland Islands Council: Community Asset Transfer Policy Integrated Impact Assessment

Background Documents:

Part 5 of the Community Empowerment (Scotland) Act 2015 can be accessed here:
<http://www.legislation.gov.uk/asp/2015/6/part/5>

Shetland Islands Council: Community Asset Transfer under the Community Empowerment (Scotland) Act 2015 – POLICY

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Document Version Control

Policy Date	Version	Review Date
22 nd February 2017	1.0	February 2018
Complete for every review and update to the policy		

1. Introduction

- 1.1 Shetland Islands Council (the Council) holds assets as resources to be used in the delivery of services and support in the delivery of objectives and outcomes.
- 1.2 The Council recognise that the best use of assets may involve certain assets being transferred to community transfer bodies as a means of empowering communities to help achieve improved outcomes. The development of a Community Asset Transfer Policy is an acknowledgement of the role assets can play in enhancing community empowerment and sustainability, where appropriate measures are put in place from the outset.
- 1.3 This Policy sets out the Council's approach to meeting its legislative duties under Part 5 of the Community Empowerment (Scotland) Act 2015 (the Act). This policy draws on Part 5 of the Act and the regulations below:
 - The Asset Transfer Request (Procedure) (Scotland) Regulations 2016
 - The Asset Transfer Request (Appeals) (Scotland) Regulations 2016
 - The Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016
 - The Asset Transfer Request (Appeal Where No Contract Concluded) (Scotland) Regulations 2016
 - The Community Empowerment (Registers of Land) (Scotland) Regulations 2016
- 1.4 The full legislation can be viewed at <http://www.legislation.gov.uk/asp/2015/6/part/5>

2. Procedures

- 2.1 The accompanying procedures to this Policy detail the roles and functions to be carried out by Managers and employees of the Council in order to fulfil the obligations set out in the legislation and this Policy.

3. Definition of Asset Transfer Request

- 3.1 An 'asset' refers to land or buildings owned or leased by a public body. This Policy relates to assets owned or leased by the Council. An 'Asset Transfer Request' can be made by a community transfer body to the Council asking to have:
 - land owned by the authority to be transferred to them;
 - land owned or leased by the authority to be leased or assigned to them; or,
 - the authority to confer rights of management or occupancy for a specific purpose.

4. Rights and Responsibilities

- 4.1 This Policy acknowledges the rights afforded to community transfer bodies under the Community Empowerment (Scotland) Act 2015 and commits to support and uphold these rights in the spirit of the legislation. However, the Council has a duty to protect the public interest and maximise community benefit and, therefore, there must also be an acknowledgement of the responsibilities that go along with stewardship of public assets.

5. Principles

- 5.1 The Policy is based on the following principles:
- Informal dialogue to establish shared understanding of needs, circumstances and ways forward is the foundation upon which successful asset transfer is built;
 - Proposed asset transfer should support Local Outcomes Improvement Plan outcomes, and should not be to the detriment of other strategies and policies;
 - The Council and has an important role in supporting community bodies, but also acknowledge their stewardship of publicly owned assets;
 - Arrangements for asset transfer strike a balance between rights and responsibilities to ensure the best possible outcome for Shetland;
 - The transfer of assets will be carried out in a transparent, equitable and accountable way;
 - A strategic approach will be adopted for all assets, in accordance with the Council's Asset Strategy and associated Implementation Plan;
 - All Council services will support the Council's Policy on the community transfer of assets and assist in delivering the aims and objectives contained in this Policy, and;
 - All assets being transferred for less than market value will be subject to satisfying the terms and conditions of the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

6. Eligibility

- 6.1 To make an asset transfer request, an organisation needs to be a 'community transfer body' as defined in section 77 of The Community Empowerment (Scotland) Act 2015. Community transfer bodies can be either a 'community controlled body' or a body 'designated by the Scottish Ministers'.
- 6.2 A community transfer body must fulfil certain criteria when it wants to make an asset transfer request for lease or other rights in respect of land and additional criteria when it wants to make an asset transfer request for ownership – see paragraph 7 on page 4.
- 6.3 A community controlled body means a body that has a written constitution which includes:
- (a) **A definition of the community to which the body relates** (whether geographic or a community of interest¹),
 - (b) **Provision that membership of the body is open to any member of that community** (the body must be open to anyone who is a member of the community defined above; there must be no additional requirements. Where membership is based on a fee, this should be affordable to anyone from the defined community),
 - (c) **Provision that the majority of the members of the body is to consist of members of that community** (people (and organisations) who are not members of the defined community may be allowed to join the body, but the governing documents must require that those who are members of the community must always be in the majority. This can be accomplished by providing for Ordinary Members and Associate Members or Junior Members – the number of Ordinary Members should always exceed the number of other members),
 - (d) **Provision that the members of the body who consist of members of that community have control of the body** (having "control of the body" means that the members of the community are in charge of the decisions made by the body).

¹ Communities of interest could include faith groups, ethnic or cultural groups, people affected by a particular illness or disability, sports clubs, conservation groups, clan and heritage associations, etc.

This may be arranged by providing that only Ordinary Members can vote at General Meetings, a majority of the Board must be made up of Ordinary Members and the Chair and Vice-Chair must be Ordinary Members, where they have a casting vote),

- (e) **A statement of the body's aims and purposes, including the promotion of a benefit for that community** (the aims and purposes may include activity that goes wider than the defined community, such as raising money for charity, promoting their interest to other people or sharing experience with communities in other areas; however, at least one of the purposes of the body must clearly be for the benefit of the community they represent), and
- (f) **Provision that any surplus funds or assets of the body are to be applied for the benefit of that community** (any money or property the body has, after covering its running costs, must be used to benefit the community as a whole. Bodies incorporated as co-operatives, which distribute their profits or dividends to members of the body, are not eligible to make requests for ownership).

- 6.4 The Scottish Ministers can also designate a body to be a community transfer body. They will do this by making an order.

7. Eligibility for Ownership

- 7.1 If a community transfer body wants to acquire ownership of a property, it must meet additional requirements. It must be a community controlled body (as above), and it must also be a company, a Scottish Charitable Incorporated Organisation (SCIO) or a Community Benefit Company, and its constitution must require that it has at least 20 members. If the request is for ownership, and the community transfer body is a company, the Articles of Association must include arrangements for what happens to the body's assets if it is wound up. This must require that the property is transferred:
- to another community transfer body;
 - to a charity;
 - to such community body (within the meaning of section 34 of the Land Reform (Scotland) Act 2003) as may be approved by the Scottish Ministers;
 - to such crofting community body (within the meaning of section 71 of that Act) as may be so approved, or;
 - if no such community body or crofting community body is so approved, to the Scottish Ministers or to such charity as the Scottish Ministers may direct.
- 7.2 If the organisation is a SCIO or Community Benefit Society, there will be similar provisions to ensure that remaining property is transferred to another body with similar structure and aims.
- 7.3 Should the Council deem it appropriate, community transfer bodies will have to constitute themselves in one of the ways outlined above. This could be because the terms or the responsibilities (maintenance, energy etc.) entailed by the type of asset transfer involved would be difficult for an unincorporated body to administer. If a community transfer body wishes to use the asset to deliver a service, they must be incorporated.

8. Pre-application stage

- 8.1 In accordance with Scottish Government guidance and order to maximise the benefits afforded by this Policy, the Council has designed a pre-application stage for prospective community transfer bodies wishing to consider the possibility of making an

asset transfer request. This process will be administered by the Council's Community Planning and Development Service, acting as a single point of contact for community transfer bodies to discuss their proposals at an early stage.

- 8.2 The pre-application stage is designed to help community transfer bodies understand the requirements of the legislation and to assess their readiness to submit a competent application. This stage will also involve dialogue with key officers from relevant Council Services (such as Governance and Law, Planning and Capital Programme) to enable all parties to share information and knowledge.
- 8.3 Community transfer bodies are strongly advised to contact the Council's Community Planning and Development Service and discuss their proposals before any formal request is submitted.

9. Valuation – prior to submission

- 9.1 The Act does not say how much should be paid to purchase an asset or in rent, whether it should be at market value² or at a discount. The community transfer body has to state in the asset transfer request how much they are prepared to pay, alongside the benefits the project will deliver, and the Council has to decide whether to accept that price. Valuation of an asset is a key consideration that can be discussed during the pre-application stage.

10. Joint Valuation

- 10.1 Where market value can be determined, both the Council and the community transfer body are likely to need to understand the market value of the asset, for accounting, borrowing or funding purposes, and to ensure transparency about the amount of any reduction from market value. A market value may also be required for Best Value and State Aid assessments.
- 10.2 This Policy recommends that, where possible, a joint valuation is obtained in order to reduce overall costs and provide an agreed asset valuation. The Council and community transfer body should share the cost of a joint valuation equally.
- 10.3 Where a joint valuation is not possible parties will require to seek their own valuations at their own expense.
- 10.4 The Council reserves the right to instruct its own independent valuation in addition to any joint valuation which has been obtained, should this be necessary.

11. Submitting a formal asset transfer request

- 11.1 Requests for a transfer of ownership can be made if the Council owns or leases the asset in question and the community transfer body is eligible.
- 11.2 Requests should be made in writing to the Council and must:

² Market Value: the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

- (a) state that it is an asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015;
 - (b) contain the name and contact address of the community transfer body;
 - (c) be accompanied by a copy of the constitution of the community transfer body;
 - (d) if the request is made by a body which is not a community controlled body, explain the basis on which the body is a community transfer body;
 - (e) specify the land or building to which the request relates;
 - (f) specify whether the request is a request for ownership, lease or other rights on the land or building;
 - (g) if the request is for ownership, specify the price that the community transfer body would be prepared to pay for the transfer of ownership of the land or building (with reference to the valuation – whether jointly or singly obtained);
 - (h) if the request is for lease, specify:
 - the amount of rent that the community transfer body would be prepared to pay,
 - the duration of the lease, and
 - any other terms and conditions that the community transfer body considers should be included in any lease;
 - (i) if the request is for other rights, specify the nature and extent of the rights sought;
 - (j) specify any other terms or conditions applicable to the request;
 - (k) specify the reasons for making the request;
 - (l) describe how the community transfer body proposes that the land or building is to be used;
 - (m) specify the benefits which the community transfer body considers will arise if the authority were to agree to the request;
 - (n) outline how it is proposed that—
 - the transfer of ownership of the land or building, the lease of the land or building or the conferral of other rights in respect of the land or building on the community transfer body (as the case may be); and
 - the proposed use of the land, are to be funded, and;
 - (o) describe the level and nature of support for the request from the community to which the community transfer body relates.
- 11.3 The request requires two signatures from officers of the community transfer body, with their full names and addresses. Requests should be accompanied by supporting information relating to the community transfer body itself and further details of how the asset is going to be used to provide positive outcomes in a sustainable manner.
- 11.4 Information, guidance and asset transfer forms are available from the Council's Community Planning and Development Service and are included in the procedures.

12. Receiving asset transfer requests

- 12.1 Requests received by the Council will be checked to ensure they are valid, and contain the correct information. In the event that a request is not valid, or required information is missing, the Council will write to the community transfer body to inform them what is missing and how to complete their request. This will happen only once. If a valid, completed request is not received after this or a completed request is found to be ineligible, then it is not an asset transfer request and no further action need be taken.
- 12.2 Once a completed request is submitted, the Council will issue an acknowledgment to the community transfer body. The acknowledgement will include:
- the validation date – the date the request was received in its complete form. This is the date from which other time limits will be calculated

- an explanation of the time period for the Council to make its decision (within 6 months of the validation date)
- information about the right to appeal to the Scottish Ministers or request a review, as appropriate.
- whether another asset transfer request has already been made to the Council in respect of the same asset
- whether the Council considers that it is prohibited from disposing of the land to any other person (see 'Prohibition on disposal of land' below)

13. Notification and publication

- 13.1 The Council is obliged by the legislation to make certain parties aware that an asset transfer request has been made and to give them the opportunity to comment on it. As soon as practicable after the validation date the Council must notify any tenant or occupier of the land the request relates to, and the owner if the Council leases the land that an asset transfer request has been received. It is recommended that this take place no later than 7 days after the validation date.
- 13.2 Notices sent to tenants, occupiers and owners and those published online (on the Council's website) and near the land all require to contain the same information. They must:
- state that an asset transfer request has been made
 - identify the community transfer body making the request and the land to which the request relates
 - give a brief description of the nature of the rights requested and how the community transfer body propose to use the land or building
 - say how the asset transfer request and associated documents can be inspected
 - say how representations about the request may be made, and by what date. This must be at least 20 working days after the notice is given or published
- 13.3 If any representations are received in response to these notices, the Council must send copies to the community transfer body and give the body at least 20 days to comment on them.

14. Repeat requests

- 14.1 The Act allows the Council the right to choose not to consider a request which is the same or very similar to a previous request which was refused. This applies if the new request relates to the same land or building, and seeks the same type of transfer, as a request made in the previous two years. It does not matter if the new request is made by the same body or a different one.
- 14.2 The Council can still choose to consider a repeated request if they wish.
- 14.3 The Council will write to the community transfer body to advise them of the situation and the reason for declining the request.

15. Prohibition on disposal of land

- 15.1 Once an asset transfer request has been made, the Council is not allowed to sell, lease or otherwise dispose of the land or building the request relates to, to anyone

other than the community transfer body that made the request, until the whole process is completed.

- 15.2 The prohibition on disposal does not apply if, before the asset transfer request is made, the land or building has already been advertised for sale or lease, or the relevant authority has entered into negotiations or begun proceedings to transfer or lease the land or building to another person.

16. Publication of request documents

- 16.1 The Council is required to make available copies of the asset transfer request, any supporting documentation and any representations or comments made in relation to the request. These will be displayed on the Council website until such time as the asset transfer process is completed.

17. Decision Making

- 17.1 Where a valid asset transfer request has been made by a community transfer body to the Council, the Council must decide whether to agree to or refuse the request. The Council must agree to the request unless there are reasonable grounds for refusing it.
- 17.2 This policy is based on delegated authority for decisions to be taken in the first instance by the Chief Executive or their nominee. Decisions will be informed by an appraisal of the completed asset transfer application conducted by a core team of senior officers drawn from relevant areas of business across Shetland Islands Council. Using a standardised decision making framework, these senior officers will assess whether the asset transfer request should proceed or not and, if the recommendation is to proceed, the terms and conditions that the Council should put forward. The appraisal framework and membership of the core team is outlined in procedures.
- 17.3 A decision notice will be issued by the Council to the community transfer body no later than 6 months after the validation date.

18. Decision notice

- 18.1 The decision note will set out the decision reached and the reasoning for that decision.
- 18.2 If the decision is to accept the asset transfer request, the decision notice will:
- Specify the terms and conditions on which the authority is prepared to transfer ownership, lease the land or building or confer the rights requested
 - State that, to proceed with the process, the community transfer body must submit an offer
 - Specify the period within which the offer must be submitted. This must be at least 6 months from the date of the decision notice

19. Reviews and Appeals

- 19.1 A community transfer body can ask for their asset transfer request to be re-examined in certain circumstances. This can either be in the form of a review (where the asset transfer request is considered by Members) or an appeal (where the asset transfer request is considered by the Scottish Ministers).

- 19.2 A community transfer body can seek a review or appeal if:
- their request is refused;
 - the terms and conditions in the decision notice are significantly different from those in the request;
 - no decision notice is issued within the required period.
- 19.3 A community transfer body cannot seek a review or appeal in relation to the terms and conditions in the decision notice if it has already made an offer, unless it first withdraws that offer. If the community transfer body makes an offer after submitting an appeal or application for review, the appeal or review is treated as having been withdrawn.

20. Review by Elected Members

- 20.1 A community transfer body can ask for an internal review if their asset transfer request to the Council is declined. This review will be carried out by the Policy and Resources Committee. Applying for a review must take place within 28 days of the decision notice being issued.
- 20.2 The review can proceed either via written submission or a hearing panel. The Policy and Resources Committee will constitute the hearing panel. In carrying out a review, the Council must consider the request in the same way as the original process, taking account of the same factors and benefits of the request as well as any additional or alternative proposals.
- 20.3 Having carried out the review, the Council may confirm the original decision, modify it or any part of it (including the terms and conditions set out in the decision notice) or substitute a different decision. They must issue a new decision notice, which replaces the previous decision notice. The time period for issuing the decision notice is 6 months from the date that the application for review was received.

21. Appeal to the Scottish Ministers

- 21.1 If they are still not satisfied with the result following the review by the Council, the community transfer body can appeal to the Scottish Ministers. This request should be submitted within 28 days of the original or revised (following review) decision notice. Procedures for the appeals process are set out in regulations (Asset Transfer Request (Appeals) (Scotland) Regulations 2016).

22. After agreement

- 22.1 The Act sets out the next steps after the Council has issued a decision notice agreeing to an asset transfer request. The same process applies whether the request was agreed to initially or following a review or appeal.
- 22.2 In response to the decision notice, the community transfer body must submit an offer to take ownership of the land, lease it or take up the rights covered by the request. That offer must reflect the terms and conditions set out in the decision notice.
- 22.3 The offer must be submitted to the Council within the period stated in the decision notice, which must be at least 6 months. If no offer is made within that time (and the community transfer body does not appeal or request a review) the process comes to

an end. The agreement to transfer the property to the community transfer body has no further effect, and the relevant authority is free to keep it or dispose of it as it wishes.

- 22.4 The contract must normally be concluded within 6 months of the community transfer body's offer. This does not mean the transfer has to take place within that time, but the date for the transfer, the price or rent and any other terms and conditions must be agreed. The contract may be conditional on other factors that are needed to allow the community proposals to go ahead, such as receipt of funding or planning permission. The process for concluding a contract is set out in procedures.
- 22.5 If a contract for the transfer has not been concluded within 6 months of the community transfer body making an offer, the asset transfer request comes to an end and the agreement to transfer has no further effect. If the community transfer body wants to extend the period but the Council does not agree, the community transfer body can apply to the Scottish Ministers for a direction to extend it.
- 22.6 If a contract is not agreed within the required period, the community transfer body can appeal to the Scottish Ministers. An appeal should be made within 14 days of the end of the period to conclude a contract.

Integrated Impact Assessments

What is Integrated Impact Assessment?

Everything that the Council does affects people in Shetland. Some decisions can have different effects on different groups in the community. This can make it harder for some people to use a service or to be part of their community.

An Integrated Impact Assessment (IIA) is a way to look at how a proposal could affect communities and if different groups within the community will be affected differently.

If an IIA is done while the proposal is being developed, we can look at the needs of different groups and think about how the proposal will affect them. Some of these impacts will be positive and some negative. We can then think about ways to reduce the negative impacts so that everyone will be able to benefit from the proposal. This guidance will help you to complete an IIA.

An IIA should be part of the development of any new policy or practice. It should also be done when a policy or strategy is being reviewed.

Shetland's Integrated Impact Assessment focuses on the following areas:

- **Social –**
 - Equality & Diversity
 - Social Inequalities
 - Health
- **Environmental**
- **Rural proofing**
- **Economic**

By reviewing social, economic and environmental assessments together we can make sure what we do is sustainable in the widest sense.

Legal Requirements

There are also statutory duties for local authorities that need to be met:

- We have to give due regard to the need to eliminate discrimination, advance equality and foster good relations between people. We need to do this before we make final decisions concerning policy or practice. If we fail to do this, and operate policies and practices that adversely affect a section of the community disproportionately, we could be subject to legal challenges and financial penalties (Equality Act 2010).
- We have to ensure that development projects, plans and strategies with a spatial dimension are screened for their requirement for an Environmental Impact Assessment. If you're unsure of the requirement for one of these assessments, contact Planning.

Who Carries Out an Impact Assessment?

Carrying out an IIA is a group exercise. The IIA group should include those involved in developing the proposal and bring together different perspectives on the topic being discussed. A good understanding of what is being proposed is essential to allow the IIA to be completed successfully.

Gathering Evidence

Gather existing evidence on the proposal and how it may affect different groups. You can use the table on the following page to help you. The completed table can then be circulated to all participants in the group exercise before the IIA meeting, so that it can inform the discussion and be reviewed.

During the meeting, the group should consider whether further evidence is needed to understand impacts and inform recommendations. In this case you should identify how this evidence can be collected.

Evidence Table

Evidence	Available?	Comments: what does the evidence tell you?
Population data	N/A	The policy does not depend on an evidence base in itself as it represents the local arrangements for enacting national legislation. However; when the policy is applied, community bodies will have to demonstrate – through evidence such as that listed here – that they have a sound understanding of the needs they have identified, the outcomes they want to improve and the impacts that will result. This is reflected in the forms and appraisal framework contained in the procedures accompanying the policy.
Data on service uptake/ access	N/A	As above
Data on equality outcomes	N/A	As above
Research/ literature evidence	N/A	As above
Public/ patient/ client experience information	N/A	As above
Evidence of inclusive engagement of service users & involvement findings	N/A	As above
Evidence of unmet need	N/A	As above
Good practice guidelines	N/A	As above
Environmental data	N/A	As above
Risk from cumulative impacts	N/A	As above

Other (please specify)	N/A	As above
Additional evidence required	N/A	As above

Identifying Impacts – the IIA Meeting

Once the evidence has been collected the group should get together to go through it and identify possible impacts. The group needs to critically consider the possible impacts on different groups in the community. Your comments should focus on how the proposal will meet the needs of and impact on different groups and circumstances. There is a checklist on the following page to help you.

Before going through the checklist, consider:

What do you think will change as a result of this proposal?

Now consider impacts on different groups of people:

Which groups will be affected?

Now, go through the checklist to identify how different people could be affected differentially, and possible areas of impact.

Think about:

Who is likely to be directly affected by the proposal?

Who is likely to be indirectly affected by the proposal?

Is it likely that some people might be excluded from the proposal?

Impacts Checklist

Group	Differential Impacts
Diversity	
Age (consider across age ranges. This can include safeguarding, consent & child welfare)	<p>The policy itself has no implications for any particular groups as the rules for eligibility are set out in legislation and designed to be inclusive – this is reflected in the policy. Community bodies pursuing an asset transfer will be required to give consideration to any negative impacts that may arise from their proposal. Support will be offered to community bodies through the Community Planning and Development Service to assist them in considering impacts and taking steps to mitigate any that may arise.</p> <p>Furthermore, when the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. This offers a further safeguard that differential impacts will not be experienced as this would preclude the transfer going ahead.</p>
Disability (consider attitudinal, physical & social barriers)	See above
Ethnic Minority (consider different ethnic groups, nationalities, language barriers)	See above
Gender	See above
Gender Reassignment (consider transgender & transsexual people. This can include issues such as privacy of data & harassment)	See above
Lesbian, Gay & Bisexual	See above
Marriage & Civil Partnership	See above
Pregnancy & Maternity (consider working arrangements, part-time working, infant caring)	See above

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responsibilities)	
Religion & Belief (consider people with different religions, beliefs or no belief)	See above
Economic	
Education, Skills & Lifelong Learning	There are potentially many significant benefits to community bodies and their members to develop skills and gain valuable knowledge by exploring asset transfer. The pre-application stage includes support for this through Community Learning and Development and community bodies are encouraged to think about their skills development needs from the outset.
Employment	Community owned and operated assets can be valuable resources for local employment, particularly in rural areas. Examples from across Scotland demonstrate that employment opportunities can be developed as a part of improving socio-economic outcomes through community ownership.
Business Development	Community owned and operated assets can form the basis for social enterprise and other business activities. Maximising revenue from an asset can be an important element in ensuring the sustainability of the venture.
Encouraging Investment	As noted above, community assets can be used to improve socio-economic outcomes and this could play a positive part in stimulating further economic activity in a community
Financial Inclusion	Inequalities are one of key the factors community bodies should take consideration of when thinking about asset transfer – financial inclusion in terms of how the asset is used will be considered through this
Environment	
Transportation	<p>Community ownership of assets could have positive implications for community transport and other areas and are therefore more likely to benefit transport arrangements.</p> <p>When the policy is applied, assets will only be</p>

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	transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. Community bodies are also encouraged to align their proposals with Local Outcome Improvement Plan outcomes to ensure a good fit with existing service delivery.
Waste Minimisation	<p>Community bodies can use community ownership as a means of improving their local environment and explore solutions to issues such as waste.</p> <p>When the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. Community bodies are also encouraged to align their proposals with Local Outcome Improvement Plan outcomes to ensure a good fit with existing service delivery.</p>
Energy & Climate Change	<p>Community bodies can use community ownership as a means of improving their local environment and explore solutions to issues such as climate change and community energy solutions.</p> <p>When the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. Community bodies are also encouraged to align their proposals with Local Outcome Improvement Plan outcomes to ensure a good fit with existing service delivery.</p>
Health	
Mental Health & Wellbeing	When the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. Community bodies are also encouraged to align their proposals with Local Outcome Improvement Plan outcomes to ensure a good fit with existing service delivery.
Physical Activity	As above
Substance use (tobacco, alcohol or drugs)	As above

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Affordable food & a healthy diet	As above
Sexual Health	As above
Those vulnerable to falling into Poverty	
Young people whose parents are not able to ensure they can access opportunities	<p>Inequalities are one of key the factors community bodies should take consideration of when thinking about asset transfer. Reducing inequalities would therefore be supportive of a successful application. Support will be offered to community bodies through the Community Planning and Development Service to assist them in considering impacts and taking steps to mitigate any that may arise.</p> <p>Furthermore, when the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. This offers a further safeguard that negative impacts on vulnerable groups will not be experienced as this would preclude the transfer going ahead.</p>
Adults with low self-esteem and/or poor mental health	As above
Physically disabled or with a long-term illness & their carers	As above
Young families without access to their own transport (particularly in remote areas)	As above
Older people who are unable to access opportunities	As above
People of no fixed address, homeless or in temporary accommodation	As above
Ethnic minorities (consider cultural, employer barriers, degrees of social exclusion for white incomers to Shetland)	As above

Rurality	
Is the policy likely to have a different impact in different areas / communities?	The policy will be applied consistently across communities both geographic and of interest. Implementation of the policy will be monitored to ensure that communities are not disadvantaged by any characteristic.
Will the impacts be significant in rural areas?	In national terms, community ownership has been most prevalent in rural areas. It remains to be seen whether the implications of this policy will be different in urban and rural settings. Implementation of the policy will be monitored to ensure that communities are not disadvantaged by any characteristic.
Staff	
Full-time	Asset transfer requests will be handled on a case-by-case basis. The procedures set out what teams are likely to be involved and the form that their involvement will take. No capacity or competency issues have been raised to date. The implementation of the policy will be monitored to address any issues as they arise.
Part-time	As above
Shift workers	As above
Staff with protected characteristics	As above
Staff vulnerable to falling into poverty	As above

Summary of Impacts

Having considered the evidence and critically considered the potential impacts, the group should decide whether it needs further evidence to determine likely impacts or make recommendations –

- If further evidence is to be gathered, this could be marked as an interim IIA and be finalised when this evidence has been gathered.
- If the evidence is considered to be sufficient the group should discuss and agree a summary of the positive and negative impacts identified and recommendations.

Look again at any negative impacts and think about:

What actions are required to improve the proposal as a result of the IIA?

How will the proposal be monitored after full implementation and how will you ensure that the recommendations made in the IIA are effective?

Have you planned reviews of the proposal? If so, how often and who will be responsible?

Remember - If the proposal shows actual or potential unlawful discrimination you will only be able to meet your legal obligations under the duties by stopping, removing or changing the policy.

Then complete the IIA report form on the following page. This report must be included as an appendix to any Council report.

Please note that all IIAs are required to be published on the Council's website and so once completed, the report should be sent to Anna Sutherland.

IIA Outcomes Report

Name of Proposal	Community Asset Transfer Policy
Description of Proposal	A Community Asset Transfer policy has been developed in line with the Council's obligations under Part 5 of the Community Empowerment (Scotland) Act 2015 – Asset Transfer.
Lead Organisation / Partnership	Shetland Islands Council
IIA Lead Person	Brendan Hall
Date of IIA	January 2017

Recommendations from IIA
<p>Positive Impacts</p> <p>The policy itself has no implications for any particular groups or outcomes as the rules for eligibility are set out in legislation and designed to be inclusive and the purpose of the policy is that outcomes will be improved as a result of asset transfer. A number of positive impacts are identified in a range of areas where communities and service providers can benefit from the improvement in outcomes that can result from community ownership.</p>
<p>Negative Impacts</p> <p>No direct negative impacts are identified for the policy itself. Community bodies pursuing an asset transfer will be required to give consideration to any negative impacts that may arise from their proposal. Support will be offered to community bodies through the Community Planning and Development Service to assist them in considering impacts and taking steps to mitigate any that may arise.</p> <p>Furthermore, when the policy is applied, assets will only be transferred when a clear community benefit is demonstrated and outcomes will be improved as a result. This offers a further safeguard that differential impacts will not be experienced as this would preclude the transfer going ahead. The implementation of the policy will be monitored to address any issues as they arise.</p>
<p>No Impacts</p> <p>The policy itself has no implications for any particular groups or outcomes as the rules for eligibility are set out in legislation and designed to be inclusive and the purpose of the policy is that outcomes will be improved as a result of asset transfer.</p>

Issues arising from IIA
<p>There is a clear need to monitor the implementation of the policy and to provide support to community bodies to ensure that no unintended negative consequences arrive. This will be set out in procedures and community bodies will also be invited to use the IIA to assess the impact of their proposals and design mitigating action as best practice.</p>



Shetland Islands Council

Agenda Item

13

Meeting(s):	Special Local Negotiating Committee for Teachers	24 January 2017
	Employees Joint Consultative Committee	26 January 2017
	College Lecturers Joint Consultative Committee	9 February 2017
	Policy & Resources Committee	13 February 2017
Report Title:	Review of Substance Misuse Policy	
Reference Number:	HR-03-17-F	
Author / Job Title:	Executive Manager - Human Resources	

1.0 Decisions / Action required:

- 1.1 That the Policy & Resources Committee RESOLVES to approve the Policy, attached as Appendix 1, having taken account of any views or comments expressed during formal staff consultation, particularly regarding the extension of pre-employment screening and random testing within safety critical areas.

2.0 High Level Summary:

- 2.1 This report seeks agreement on an updated Substance Misuse Policy and Procedure (Appendix 1). It sets out clear expectations of employees while providing mechanisms that encourage managers to support employees affected by substance misuse.
- 2.2 The Policy has been updated to take account of the redesign of the local Substance Misuse Service as well as changes in drug classification.
- 2.3 There are provisions within the Policy that allow for pre-employment screening and random testing for substance misuse in safety critical areas (paragraphs 1.3 and 7.1). These provisions have been in place in the Council's marine workforce since the Policy was agreed in 2010. It is proposed to establish these testing processes across safety critical areas as set out in the Policy. Those work areas and posts will be identified through a risk assessment approach.
- 2.4 There is legislation that applies to the Council in relation to its motor fleet because it has vehicles over the relevant weight threshold. This means that the Council needs to have an Operator's Licence and to have safe systems in place for managing the fleet and its drivers. Including relevant drivers within the definition of

safety critical will support this.	
3.0 Corporate Priorities and Joint Working:	
3.1	<p><u>Delivery On Corporate Priorities</u> – This Policy and procedure will help in the achievement of the following objectives in Our 20 by 20 in the Corporate Plan 2016-2020: “our staff will have the highest possible standards of leadership and management” (1) and “high standards being applied to the performance of staff...poor performance will be dealt with” (12).</p> <p>Outcome C2 of Shetland’s Local Outcome Improvement Plan is to “reduce the harm caused by alcohol” and by setting clear performance expectations and supporting employees to deal with a substance misuse the Council as an employer will support delivery of this priority objective.</p>
4.0 Key Issues:	
4.1	The Substance Misuse Policy has been updated to reflect the redesign that has taken place locally in the Substance Misuse Service. It also reflects changing drug classification and restates a testing process for safety critical posts.
4.2	Pre-employment screening and random testing for substance misuse in safety critical areas has been a feature of the existing policy, and has been in place in the Council’s marine services for a number of years. Paragraph 3.1.6 defines safety critical as those posts where the employee is responsible for driving a council owned vehicle, working as a seafarer aboard a council owned or operated vessel, operating machinery or working with explosives.
4.3	The action plan put in place through the Motor Fleet Risk review following the outcome of the Glasgow bin lorry Fatal Accident Inquiry has identified scope for improvements in the pre-employment screening and management of drivers, including where there are health conditions that arise during employment . Improved screening for substance misuse in driving posts identified through a risk assessment process will assist in delivering against that action plan.
4.4	As set out at paragraph 3.1.6 each service area will identify, through a risk assessment process, which posts fall into the category of safety critical. It is envisaged that in regard to driving this is likely to identify posts where an employee’s principal duty is driving and where the weight of the vehicle exceeds 3.5 tons; or where the driver routinely carries multiple passengers or passengers with special needs who require adapted and/or accessible vehicles; or where the size of the vehicle and the working environment is in close confine to pedestrian and other traffic. The factors in relation to operating machinery are likely to vary across services and using a risk assessment framework will identify posts where pre-employment screening and random testing for substance misuse is proportionate to the risk.
4.5	The testing procedures set out at page 19 of the Substance Misuse policy (Appendix 1) are well established and comply with best practice. Nominated testers take part in approved training and consent is sought before any testing takes place.
Exempt and/or confidential information:	
None	

Implications :	
Service Users, Patients and Communities:	None
Human Resources and Organisational Development:	<p>The Health, Safety and Welfare policy requires that “Shetland Islands Council takes all reasonably practicable steps to protect and promote the health, safety and welfare at work of all its employees”. Substance Misuse by employees is a risk that can lead to accidents, and having improved frameworks to identify and support employees impacted by substance issues will assist in the achievement of this objective.</p> <p>The increase of posts being defined as safety critical thus coming in to pre-employment and random testing will benefit from a good level of engagement with staff and trades union representatives, through Health and Safety forums and/or Directorate Consultation forums. Clear communication with affected postholders once posts have been identified is also key to a successful implementation.</p>
Equality, Diversity and Human Rights:	The aims of the Policy are to ensure the health, safety and welfare of employees and provide a framework to support affected employees who come forward with a substance misuse problem. Testing will take place with the consent of the individual and complies with the Information Commissioner’s code.
Legal:	The revised Policy complies with the provisions of the Data Protection Act and associated guidance from the Information Commissioner.
Finance:	There are costs associated with the purchase of drug screening kits and calibration of breathalysers (on a 6 monthly basis), as well as tester time whilst undertaking testing. These costs can be met within current budgets.
Assets and Property:	None
ICT and new technologies:	None
Environmental:	None
Risk Management:	By setting out clearly the expectations of Shetland Islands Council as an employer, and putting in place a programme of pre-employment screening and random testing, in safety critical areas, the Council seeks to reduce the potential risk of accidents resulting from employees undertaking the duties of their role whilst under the influence of drugs or alcohol.
Policy and Delegated Authority:	All matters which relate to staffing are referred to the Employee's Joint Consultative Committee, College Lecturer's Joint Consultative Committee and Local Negotiating Committee for Teachers, prior to a final decision by Policy and Resources Committee.

	The Policy & Resources Committee has delegated authority for the development and operation of the Council as an organisation and all matters relating to organisational development and staffing	
Previously considered by:	none	

Contact Details:

Kim Rendall, HR Adviser, Tel: 01595 744972

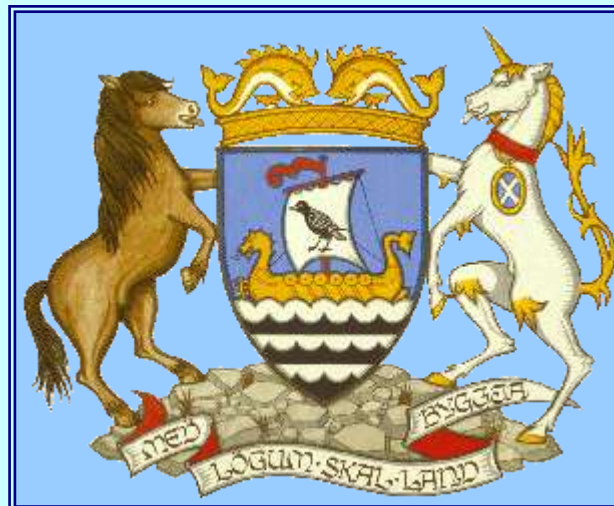
Appendices:

Substance Misuse Policy and Procedures

Background Documents: None

SHETLAND ISLANDS COUNCIL

SUBSTANCE MISUSE POLICY



Operational Date: February 2017
Applies to: All Staff

SUBSTANCE MISUSE POLICY

Operational Date: 14 February 2017

Review Date: February 2020

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LIST OF APPENDICES

A	IDENTIFICATION/SIGNS OF SUBSTANCE MISUSE
B	SUBSTANCE MISUSE FACTS AND FIGURES
C	CONTACTS
D	TESTING POLICY
E	MANAGEMENT PROCEDURAL FLOWCHART

1 POLICY AIMS

- 1.1 Shetland Islands Council is committed to ensuring the health, safety and welfare of its employees and those affected by its activities. The Council will take all reasonable steps to reduce the risk of injuries or incidents occurring due to individuals misusing substances. The Council recognises the impact substance misuse can have on employees and those using its services and has developed this policy to protect those who work for, or are served by, the Council. It is important that the services delivered by the Council are carried out in a safe and efficient manner, and not affected by inappropriate conduct of employees due to substance misuse.
- 1.2 The Council recognises the importance of its employees' health and well-being and of a supportive working environment. It also acknowledges substance misuse as a health problem affecting an employee's performance, behaviour and attendance, as well as impacting on relationships at work and home. It is therefore committed to ensuring appropriate support mechanisms are available to employees who disclose a substance misuse issue and that advice and support is available to managers in these circumstances.
- 1.3 Alongside these support mechanisms, the Council has put in place a framework for drug and alcohol testing. Testing can take place where an employee is suspected of being under the influence of a substance and/or has been involved in an accident or incident or near accident or incident, and/or as part of an agreed substance misuse recovery commitment/contract. For work defined as 'safety critical' testing will take place at pre-employment stage for preferred candidates and through a random testing programme.
- 1.4 Shetland Islands Council will, where appropriate, apply the Disciplinary Procedure to deal with conduct and/or poor performance at work related to substance misuse.

2 SCOPE OF POLICY

- 2.1 This policy applies to all employees of Shetland Islands Council. The standards contained within this policy also apply to contractors.

3 DEFINITIONS

- 3.1 For the purpose of this policy, the following definitions apply:
 - 3.1.1 **Alcohol misuse:** Any drinking of alcohol, either intermittent or continual, which interferes with a person's health, welfare and social functioning and/or work capacity or conduct.
 - 3.1.2 **Drug:** A drug is a substance which alters the way in which the body or mind works. The term drug applies to alcohol, drugs controlled under the Misuse of Drugs Act 1971 (see Appendix A), prescribed drugs, over-the-counter medication, psychoactive substances (formerly known as "legal highs") and solvents.

- 3.1.3 **Drug misuse:** Use of illegal drugs and the misuse, whether deliberate or unintentional of prescribed drugs, over-the-counter medication and solvents.
- 3.1.4 **Substance Misuse:** Drug and/or alcohol misuse as defined above.
- 3.1.5 **For cause:** Drug and alcohol testing of an employee suspected of being under influence of a substance.
- 3.1.6 **Safety Critical Posts:** Posts where the employee is responsible for driving a council owned vehicle*, working as a seafarer aboard a council owned or operated vessel, operating machinery* or working with explosives. Employees must be informed that they are working in what the Council defines as a Safety Critical area. For new employees this information will be included at induction.
 - * Within each service the Executive Manager or designate will ensure that a risk assessment is carried out and identify posts which are safety critical. The will be highlighted the Person Specification and a list will be maintained in each Service area with a copy in Human Resources.
- 3.1.7 **Preferred Candidate:** A job applicant who has been identified, as the preferred candidate for the post, during a recruitment process.
- 3.1.8 **Reportable Incident:** Any incident, which warrants or necessitates the incident being reported to a professional body, such as the Maritime and Coastguard Agency (MCA) or the Marine Accident Investigation Branch (MAIB).

4 POLICY STATEMENT

- 4.1 The Council has a Common Law Duty of Care to take reasonable care of an employee's health. Furthermore, the Council recognises the benefits that will result from increased awareness of the dangers from substance misuse. It therefore has a commitment to raise awareness of substance misuse and to implement the policy through training, which is an integral part of its wider health awareness campaign.
- 4.2 The Council acknowledges substance misuse as a health problem that affects an employee's performance, behaviour and attendance as well as impacting on relationships at work and home. The Council encourages employees, with a dependency on alcohol or drugs, to seek help through the provisions of this policy.
- 4.3 It is important to realise that the performance and image of the Council should not be undermined as a result of an employee's behaviour, or related lifestyle, induced by alcohol and/or drugs.

Therefore employees:

- 4.3.1 Must not consume alcohol and/or misuse substances during working hours (including breaks) whether within or outside the work place (for example when driving as part of work), or prior to arrival at work, where any intoxicating effect endures, or might reasonably be expected to endure, into working hours.

- 4.3.2 Must ensure that they are not unfit due to alcohol and / or substance misuse when on standby duty, in case they are required to go to work.
- 4.3.3 Must not take alcohol and / or substances into their workplace with an intention of misusing these.
- 4.3.4 Must be mindful that misuse of prescribed, and over the counter medicines can affect performance at work and is prohibited. When an employee is aware that the legitimate use of a medicine is impairing their performance, the onus is on him/her to declare this to his/her line manager.
- 4.3.5 Must comply, where applicable, with the requirements of the professional body for their occupation (such as the Scottish Social Services Council (SSSC), General Teaching Council for Scotland (GTCS), or Standards of Training, Certification and Watchkeeping (STCW) for seafarers), as these regulations include standards of behaviour expected, with regard to public trust and confidence in their profession.
- 4.4 Shetland Islands Council prohibits employees distributing, manufacturing, possessing, selling or buying illegal and/or controlled substances.
- 4.5 In certain circumstances (see Section 7); substance misuse testing may be required. Testing will take place with the employee's or preferred candidate's (see 3.1.7) consent, to assist Management in assessing whether they are fit for the duties of the post.
- 4.6 **All employees are reminded that, in accordance with 11.2 of Council's Disciplinary Procedure, 'incapacity to carry out the duties of the post due to the intake of alcohol or the use of illegal drugs' may be deemed as gross misconduct, which could result in summary dismissal.**
- 4.7 While employees should be in no doubt that the Council will take action where it is required, in relation to an employee's substance misuse, it is important to emphasise its ongoing commitment to creating an environment where employees are able to acknowledge and address any issue and seek advice and treatment.
- 4.8 On occasion alcohol may be consumed on Council premises outwith working time for special events or functions. However, in advance of the event taking place permission should be sought from the Chief Executive, appropriate Director or Executive Manager. Such approval will only be given when the staff drinking alcohol are not expected to return to work duties. Where premises are shared with another agency it is important to remember that the partner organisation may have a different policy in this regard, and any request must be made to both organisations.

5 LEGISLATION

5.1 The main legislation impacting on this policy and appendices include:

5.1.1 The Road Traffic Act 1988 states that any person who, when driving or attempting to drive a motor vehicle on a road or other public place, is unfit to drive through drink or drugs shall be guilty of an offence. An offence is also

committed if a person unfit through drink or drugs is in charge of a motor vehicle in the same circumstances.

5.1.2 The Misuse of Drugs Act 1971 forms the principal legislation in the UK for controlling the misuse of drugs. The Act makes the production, supply, offer to supply and possession of controlled drugs unlawful. The Act also stipulates that it is an offence for the occupier of premises to knowingly permit the production, supply or use of drugs on those premises.

5.1.3 The Psychoactive Substances Bill 2016 prohibits the production, distribution, sale and supply of new psychoactive substances (NPS) (formerly known as 'legal highs') in the UK. That is, any substance intended for human consumption that is capable of producing a psychoactive effect. Substances, such as alcohol, tobacco, caffeine, food and medical products, are excluded from the scope of the Bill, as are controlled drugs, which continue to be regulated by the Misuse of Drugs Act 1971.

5.1.4 The Merchant Shipping Act 1995 makes it a criminal offence for masters or seamen who are under the influence of drink or drugs at the time of an act or omission, which causes or is likely to cause danger to a ship, structure or individual.

5.1.5 The Railways and Transport Safety Act 2003 makes it an offence:

- To be over a prescribed limit of alcohol while on duty or when a crew member might be required to take action to protect passengers;
- If ability to carry out duties is impaired because of drink or drugs.

5.1.6 Management of Health and Safety at Work Regulations 1999, made under the Health and Safety at Work Act 1974, requires that employers assess all the risks to their staff and others caused by their work activities. There are therefore obligations on both the employer and any affected employee where use of substances while at work could affect the health and safety or welfare of themselves or others.

5.1.7 Shetland Islands Council cannot condone illegal activity and managers are expected to report any incident to the Police where it is believed that the law is being broken.

6 CONFIDENTIALITY

6.1 Respect will be paid to protecting personal sensitive information. All personal and sensitive information will be processed in accordance with Data Protection Act 1998.

6.2 Access to health information related to testing for substance misuse will be strictly limited to those who need to know.

7 TESTING REQUIREMENT

- 7.1 Shetland Islands Council may test any employee, or preferred candidate for substance misuse. Please refer to Appendix C for full Testing Procedure. Testing may take place in the following circumstances:
 - 7.1.1 For preferred candidates at pre-employment screening stage (for Safety Critical Posts only) whether internal or externally appointed, any offer of appointment, including promotions, is dependent upon negative test results. Failure to comply with testing without reasonable cause will result in preferred candidate status being withdrawn.
 - 7.1.2 As a result of concerns highlighted during regular medical screenings, for example ENG1.
 - 7.1.3 As part of an agreed Substance Misuse Recovery Commitment/Contract or Substance Misuse Service (SMS) Care Plan.
 - 7.1.4 'For cause' – where an employee is suspected to be under influence of a substance, or there has been an accident or incident or near accident or incident involving the employee.
 - 7.1.5 As part of a Random Testing Programme for Safety Critical Posts.
- 7.2 Where testing is taking place, the employee will always be tested for both alcohol and drugs, regardless of a suspicion that they are under the influence of one substance in particular. This will confirm or eliminate the presence of one or both substances in the employee's system at the time of testing.
- 7.3 Employees are encouraged to participate in providing a sample and testing will not take place without the employee's specific consent. Where an employee declines to give consent that decision and the lack of available information from testing, will be considered by the manager along with other factors, in deciding whether to proceed with, or as part of, an investigation in accordance with the Council's Disciplinary Procedure.

8 EMPLOYEES UNDER THE INFLUENCE OF SUBSTANCE AT WORK

- 8.1 This section applies to circumstances where an employee is suspected of being under the influence of drugs or alcohol while at work. This suspicion may be based on typical signs of substance misuse, such as slurred speech, dilated/constricted pupils and/or smell of alcohol, or other observation of the employee's behaviour/conduct. Where there are more general concerns, about an employee's behaviour or performance, or admission of a substance misuse problem, please refer to section 9.

Appendix E outlines Management Flowchart of procedures.

- 8.2 If an employee is suspected of being under the influence of drugs or alcohol while at work (see Appendix A for further guidance), the manager or supervisor should meet with the employee as soon as possible.
- 8.3 If the employee admits to being intoxicated, it is unnecessary to resort to the substance misuse testing (unless 8.3 applies). In these circumstances it is recommended that the employee be asked to sign a statement confirming their admission.
- 8.4 If the employee denies that they are under the influence then 'for cause' drug and alcohol testing can be arranged (see 8.5). The purpose of testing 'for cause' is to corroborate or eliminate the manager's concern that the employee is intoxicated by alcohol or drugs. For alcohol this will be a sample of breath and for drugs this will be a sample of oral fluid taken by mouth swab.
- 8.5 Following an incident or accident, or near incident or accident (reportable or otherwise, see 3.1.8), all parties involved may require to be drugs and alcohol tested as part of the overall investigation. This is likely to be the case where there are safety management systems in place. A procedure will be in place and will be communicated within each relevant work area so it will be clear if this applies and how this will be managed.

8.6 Testing Arrangements

Appendix D sets out the Testing Procedure.

- 8.6.1 If a testing requirement arises **within** office hours of 9 am – 5 pm, Monday to Friday, Human Resources should be contacted on 01595 744032. An HR Adviser/Officer or Assistant will arrange for a nominated tester to attend. There are arrangements in place, within some service areas, to provide nominated testers on a reciprocal basis and this record is maintained in HR and those services.
- 8.6.2 If a testing requirement arises **outwith** office hours, the VTSO Centre on 01806 744280 / 01806 744281 or 01806 744282 has contact details of nominated testers at the nearest location which will be provided to the manager who is requesting these. The relevant manager is then responsible for contacting testers, giving due consideration to all circumstances. If the incident occurs

outwith normal office hours, then HR should be informed of it at the earliest time within office hours.

- 8.6.3 The employee's manager (or a colleague if the manager is unavailable) should remain with the employee during testing, to act as a witness to the proceedings and will be required to sign the consent or refusal form (as appropriate). It is acceptable for one witness only to be present, so long as that witness is a line/senior manager of the employee. The employee can request that a witness of their choice is also present, provided that this does not unnecessarily delay the testing. Any witnesses present will be required to sign the necessary forms.

8.7 Test Results

- 8.7.1 Test results will assist the manager in deciding how best to proceed. If negative, the manager will explore reasons for the employee's behaviour, taking account of advice from HR and Occupational Health, if appropriate.
- 8.7.2 The provision of a positive sample will be considered by the manager taking account of:
- the seriousness of any incident/near incident,
 - whether the post is Safety Critical (see 3.1.6 for definition),
 - the laboratory test results (independent medical review),
 - any ongoing substance dependency and/or
 - personal circumstances/mitigation.
- 8.7.3 This information will assist the manager in determining the next steps which can include commissioning an investigation, in line with Section 4 of the Council's Disciplinary Procedure.
- 8.8 If an employee tests positive for either drugs or alcohol, or is suspected of/has admitted to being under the influence, arrangements must be made for the employee to be sent home safely. If the employee makes any attempt to drive every effort must be made to persuade them not to. Should the employee ignore this advice then Police Scotland must be informed immediately (please see Appendix A for contact details).
- 8.9 There may be occasions where an employee appears to be/has been under the influence of a substance at work, but testing is unavailable or no longer an option. In these circumstances a manager must seek advice from Human Resources and an investigation in line with the Council's Disciplinary Procedure will be carried out, as appropriate.

9 GENERAL CONCERNS/PATTERN OF BEHAVIOUR

- 9.1 This section applies to circumstances where there are general concerns, based on observations of the employee, or an admission of substance misuse. If an employee is suspected of being under the influence of drugs or alcohol while at work, please refer to Section 8.

Appendix E outlines Management Flowchart of procedures.

9.2 Management Referral

- 9.2.1 If a Manager has concerns in regard to an employee's behaviour, work performance, attendance, or if they come across a situation where they think substance misuse may exist (see Appendix A for further guidance), they should arrange to meet with the employee to discuss these concerns. This initial meeting will require sensitive handling and all managers will have access to training and/or information to assist them with this process. General advice also is available via expert agencies, such as the Substance Misuse Service (see Appendix C for contact details), and managers are encouraged to contact them. The initial meeting with the employee should include the following:
- Circumstances observed;
 - Offer of help;
 - Consequence of continuing present pattern.
- 9.2.2 If the employee admits a problem with substance misuse, then a meeting should be arranged between the employee and the Substance Misuse Service as soon as possible, this must be discussed with the employee prior to making any arrangements. Furthermore, the Manager should consider a referral to Occupational Health; this must be discussed with the employee before a referral is made.
- 9.2.3 If the employee denies the existence of a Substance Misuse problem, or acknowledges this but does not wish to be supported through support routes available in this policy, the Manager will need to explore whether there are other issues that need to be addressed. In these circumstances, a referral to Occupational Health may be beneficial to further explore whether the employee's pattern of behaviour is due to misuse of substances, or some other medical reason. If Occupational Health confirms that a substance misuse problem exists, another meeting should be held with the employee to offer support through the Substance Misuse Service.
- 9.2.4 If the employee continues to deny the existence of a problem, the matter will be referred to a more senior manager in the employing service, who will consider further action. This may include disciplinary action in terms of the employee's conduct, or behaviour or consideration of the Capability Policy with regard to any impaired work performance. Attendance issues will be taken forward through the Council's Maximising Attendance procedures.
- 9.2.5 Where the employee has denied the existence of a substance misuse problem, or does not wish to use the support routes available through this policy, the manager should use section 8 to deal with any specific suspicion that the employee is under the influence of drugs or alcohol at work.

9.3 Self-Referral

- 9.3.1 An employee with a dependency, or concern regarding their own substance misuse, can seek help and support from the Council in overcoming this. The

employee should discuss the problem with a senior member of staff (line manager/supervisor), Staff Welfare Officer (see Appendix C for contact details) or Trade Union Representative, who can assist with the matter. Advice can be sought from Human Resources who may recommend the involvement of Occupational Health and the Substance Misuse Service.

9.4 Referral of a Colleague

- 9.4.1 If an employee has concerns about a colleague's performance, conduct or behaviour at work and believes these may be caused by substance misuse, they should contact their manager who will raise the issue with the employee concerned. Employees are urged not to collude with colleagues where substance misuse is causing problems at work. Such misplaced loyalty may compound and aggravate the problem and may lead to disciplinary action being taken against those colluding to subvert this policy (see Appendix C for contacts and support groups).

9.5 Supporting a Referral

9.5.1 The Substance Misuse Service

Once the employee has established contact with the Substance Misuse Service, a Recovery Care Plan will be put in place. This care plan will form part of the Council's Recovery Commitment or Contract with the employee (see 9.5.1 and 9.5.2 for further details).

The employee will be asked to complete a 'permission to liaise' so that the organisation can share information regarding the employee's progress with a named contact at the Council and with Occupational Health.

The Plan will be agreed with specified targets and progress will be monitored by SMS. Regular drugs and alcohol testing will take place during this time to ensure the employee has not relapsed.

Treatment and/or counselling may alternatively be supported through the employee's GP, where both the GP and the employee are happy with this arrangement. Where GP support is as an alternative to SMS support, the employee will be asked to complete a "permission to liaise" with their GP so that progress is shared with a named employee at the Council and Occupational Health.

9.4.2 Occupational Health

Occupational Health advice should be considered from an early stage as this can support the recovery process through regular review of the employee.

9.5 Action Following a Referral

9.5.1 Substance Misuse Recovery Commitment

Where a substance misuse dependency or concern is raised and acknowledged, and support is sought through this policy then a Substance

Misuse Recovery Commitment (available from HR) must be signed and returned by the employee. The basis of this commitment is a pledge by the employee to participate and engage in the Recovery Care Plan recommended by SMS, keeping appointments, providing drug and alcohol test samples and giving their permission to liaise, while being honest about any relapse into substance misuse. In return the Council commits to providing and facilitating support mechanisms, such as access to Occupational Health, as appropriate, and paid time off for SMS appointments.

- 9.5.2 Where the employee does not agree to a recovery commitment, normal disciplinary/capability/maximising attendance processes will apply, as appropriate.

9.5.3 Substance Misuse Recovery Contract

Where an employee fails to make progress while subject to a Recovery Commitment (as discussed at 9.5.1), escalation to a Substance Misuse Recovery Contract (available from HR), as part of an agreed SMS Care Plan, should be considered, provided that the service recommends it.

- 9.5.4 Where the employee no longer wishes to participate through the support routes available in this policy their decision will be respected, however they will be reminded of the expectations of Shetland Islands council in relation to substance misuse and acceptable standards of performance, behaviour and attendance at work. The Capability, Disciplinary and/or Maximising Attendance Policy, may be applied, as appropriate.
- 9.5.5 A Recovery Contract will also be appropriate where a positive drug and/or alcohol test result is found as a consequence of 'for cause' drug and alcohol testing, or the employee has admitted behaviour/s specified at 4.3.
- 9.5.6 A Recovery Commitment or Contract may be arranged in tandem with appropriate application of the Council's Disciplinary Procedure (see Section 4.6 for further details).
- 9.5.7 The Recovery Contract sets out terms and conditions that the employee is expected to comply with during the recovery period. The employee must agree and adhere to these conditions, including full participation with the Recovery Care Plan (as specified by SMS), providing their permission to liaise and keeping all appointments associated with their recovery. In return the Council commits to providing and facilitating support mechanisms, such as access to Occupational Health, as appropriate, and paid time off for SMS appointments. The consequences of failing to meet the terms set out in the Recovery Contract including making progress are made clear to the employee, and may result in disciplinary action being taken.
- 9.5.8 The Manager must assess, with advice from HR, SMS and/or OH, whether the employee can remain at work while the Recovery Commitment/Contract is being undertaken and whether they can remain in their current post during that time. These considerations are essential for Safety Critical posts and posts that involve caring for others. Where an employee is unfit to carry out

their job while on a recovery programme or residential rehabilitation programme, then the time off will require to be supported by medical certification, or authorisation should be sought for paid or unpaid leave. There will be a case by case decision on whether a paid/unpaid leave of absence can be granted, taking account of post specific demands, the availability of cover, attendance considerations including what stage of Maximising Attendance procedures the employee has reached.

- 9.5.9 Where an employee on a Recovery Commitment/Contract requires time off to attend locally available treatment or counselling sessions during working time, paid time off will be granted.
- 9.5.10 It is recognised that an employee who has been supported through this policy may relapse into substance misuse. The Council will consider each case on its merits.

10 TRAINING AND AWARENESS

- 10.1 The Council recognises the benefits that will result from increased awareness of the dangers from substance misuse. It therefore has a commitment to raise awareness of substance misuse and to implement the policy through training, which is an integral part of its wider health awareness campaign.

IDENTIFICATION/SIGNS OF SUBSTANCE MISUSE

Suspecting an employee may have a substance misuse problem / general observations:

The earlier substance misuse is identified, the more likely it will be that the employee will overcome such problems. Listed below are signs that may indicate a substance problem.

- Increased absenteeism – frequent Monday and/or Friday absences, or following days off (for shift workers), increased sick leave, arriving late or leaving early from work;
- Low performance standards – abnormal fluctuations in concentration and energy, poor judgement, sporadic work patterns, increased errors, periods of high and low productivity, lower quantity/quality of work, reduced productivity, lack of discipline;
- Personality changes – sudden mood changes, overconfidence, unusual irritability or aggression, tendency to become confused, deteriorations in relationships with colleagues;
- Repeated patterns of depression, or fatigue from sleeplessness;
- Change of appearance – lack of personal hygiene, hand tremors;
- financial irregularities.

It should be noted that these possible signs of misuse may be caused by other factors such as stress or other medical conditions. In accordance with this policy a manager should explore this with the employee and, if appropriate assistance/support mechanisms can be offered. It is advisable to discuss these signs at an early stage with Human Resources, and an occupational health appointment and/or staff welfare officer can be arranged where agreed with the employee.

FACTS AND FIGURES

Drugs and The Law

The Misuse of Drugs Act 1971 governs the class and penalties for drugs offences in Scotland. Drugs are graded into three classes – A, B and C. The drugs which cause the most harm are class A, however all drugs have the potential to cause harm, even drugs in the lower classes (Scottish Crime and Drug Enforcement Agency, 2010). The Psychoactive Substances Bill, which came into force on 26 May 2016, prohibits the production, distribution, sale and supply of new psychoactive substances (NPS), (formerly known as 'legal highs'), in the UK. That is, any substance intended for human consumption that is capable of producing a psychoactive effect. Penalties for possession and dealing in the various classes of drugs are as follows:

CLASS	DRUG	POSSESSION	SUPPLY AND PRODUCTION
A	Crack cocaine, cocaine, ecstasy (MDMA), heroin, LSD, magic mushrooms, methadone and methamphetamine (crystal meth)	Up to 7 years in prison, an unlimited fine or both	Up to life in prison, an unlimited fine or both
B	Amphetamines, barbiturates, cannabis, codeine, ketamine, methylphenidate (Ritalin), synthetic cannabinoids and synthetic cathinones (eg mephedrone, methoxetamine)	Up to 5 years in prison, or an unlimited fine, or both.	Up to 14 years in prison, or an unlimited fine, or both.
C	Anabolic steroids, benzodiazepines (diazepam), gamma hydroxybutyrate (GHB), gamma-butyrolactone (GBL), piperazines (BZP) and khat	Up to 2 years in prison, an unlimited fine or both (except anabolic steroids - it's not an offence to possess them for personal use).	Up to 14 years in prison, or an unlimited fine, or both.
Psycho-active substances (NPS)	NPS may cause hallucinations, drowsiness or changes in alertness, perception of time and space, mood or empathy with others.	None, but police can take away a suspected psychoactive substance	Up to 7 years in prison, an unlimited fine or both
Temporary class drugs The government can ban new drugs for 1 year under a 'temporary banning order' while they decide how the drugs should be classified.	Some methylphenidate substances (ethylphenidate, 3,4-dichloromethylphenidate (3,4-DCMP), methylphenidate (HDMP-28), isopropylphenidate (IPP or IPPD), 4-methylmethylphenidate, ethylphenidate, propylphenidate) and their simple derivatives	None, but police can take away a suspected temporary class drug	Up to 14 years in prison, an unlimited fine or both

ALCOHOL UNIT GUIDE

The Department of Health defines sensible drinking limits as no more than 14 units a week. To reduce health risks from drinking, it is recommended that these units should be spread over three or more days and to have several drink-free days each week. A unit of alcohol is 10ml of pure alcohol. Counting units of alcohol can help keep track of the amount being drunk. The list below shows the number of units of alcohol in common drinks:

Beverage Type	Alcohol by volume (%)	Alcohol content (units)
Wine		
125 ml glass	12%	1.5
175 ml glass	12%	2
250 ml glass	12%	3
1 bottle (75cl)	12%	9
125 ml	15%	2
175 ml	15%	2.5
250 ml	15%	4
1 bottle (75cl)	15%	11.25
Beer/lager/cider		
330ml can or bottle	3%	1
440 ml can or bottle	3%	1.5
1 pint (568ml)	3%	2
330ml can or bottle	4-5%	1.5
440 ml can or bottle	4-5%	2
1 pint	4-5%	3
330ml can or bottle	6%	2
440 ml can or bottle	6%	2.5
1 pint	6%	3.5
330ml can or bottle	8% or 9%	3
440 ml can or bottle	8% or 9%	4
1 pint	8% or 9%	5
Alcopops/spirit based with mixer		
275 ml bottle	5.5%	1.5
330 ml bottle	5.5%	2
Spirits (whisky/gin/vodka/rum/brandy/shooters)		
25ml (small) measure	40%	1
35ml (large) measure	40%	1.4
50ml (small double)	40%	1.9-2.0
70ml (large double)	40%	2.7-2.8
1 bottle (70 ml)	40%	28
1 bottle (1 litre)	40%	40

CONTACTS

Human Resources

Independent Living Centre
Gremista
Lerwick
Shetland ZE1 0XY

Tel: 01595 744032

Email: humanresources@shetland.gov.uk

Occupational Health Service

Dr Mark Hilditch (OH Physician) and / or
Ms Bernadette Dunne (Senior OH Nurse)
Occupational Health Department
Upper Floor
Montfield
Burgh Road
Lerwick
Shetland
ZE1 0LA

(Appointments must be made through Human Resources).

Staff Welfare Service

Wendy Borrill

c/o Janet Courtney Halls of Residence,
Gressy Loan
Lerwick
Shetland ZE1 0YB

Tel: 01595 744580

Email: staff.welfare.officer@shetland.gov.uk

Health & Safety Manager

Fiona Johnson

c/o Roads Depot
Gremista
Lerwick
Shetland ZE1 0PX

Tel: 01595 744567

Email: fiona.johnson@shetland.gov.uk

SUPPORT AND COUNSELLING SERVICES

The Substance Misuse Service

Mental Health Department
South Road
Lerwick
Shetland ZE1 0RB
Tel: 01595 743006
Email: shet-hb.smrs@nhs.net

Alcoholics Anonymous

Parish rooms (opposite St Margaret's Church)
87 St Olaf Street
Lerwick
Shetland ZE1 0ES
National Helpline: 0345 697555
www.alcoholics-anonymous.org.uk
Meet every Friday at 7.00pm opposite the St Margaret's Church in the Parish Rooms in Lerwick.

Samaritans

Linda Rose House
13 Charlotte Street
Lerwick
Shetland ZE1 0JL
Tel: 01595 694449
Free Helpline: 116 123
Email: jo@samaritans.org
www.samaritans.org.uk

Usual hours open to receive callers at the door:

Phone: Mon-Wed 7.30 to 11.30 pm, Thurs & Fri 9pm to 2.00 am

Face to Face: Mon-Wed 7.30 to 10.30 pm, Thurs & Fri 9pm to 10.30 pm

Facilities for visitors with disabilities, Wheelchair access

CRIME PREVENTION

Police Scotland

Market Street
Lerwick, ZE1 0JN
Tel (Emergency): 999
Tel (Non-Emergency): 101

Safer Shetland Action Line

Duty Social Worker (Children): 01595 744421
Duty Social Worker (Adults): 01595 744400
Out Of Hours: 01595 695611
www.safershetland.com

Dogs Against Drugs

PO Box 11676
Shetland
ZE2 9YN

Email: dogsagainstdrugs@btinternet.com

Crimestoppers

Tel: 0800 555 111

NATIONAL HELPLINES

Alcoholics Anonymous

Tel: 0345 697555

www.alcoholics-anonymous.org.uk

Talk to Frank

Tel: 0300 123 6600

Email: frank@talktofrank.com

Website: www.talktofrank.com

Narcotics Anonymous

Aberdeen Helpline: 07071 223441

Tel: 0300 999 1212

Website: <http://www.ukna.org>

Drinkline

Tel: 0800 314 314

Alcohol Focus Scotland

Tel: 0141 572 6700

www.alcohol-focus-scotland.org.uk

Know the Score

Tel: 0800 587 5879

www.knowthescore.info

Drinktime

Tel: 0800 7314314

Testing Procedures

1 INTRODUCTION

- 1.1 The council has a responsibility to make sure that drugs or alcohol do not affect safety and efficiency at work and to ensure that employees are not at risk of harm. This procedure seeks to provide guidance on the testing process. Testers will also have access to consent forms and comprehensive testing checklists provided by HR. Shetland Islands Council may test any employee, or preferred candidate for substance Misuse (see section 3 for further details).
- 1.2 Substance misuse testing will provide the Council with sensitive data about those tested and all staff involved must bear in mind their obligations under the Data Protection Act 1998.
- 1.3 These testing procedures support the Council's Substance Misuse Policy and must be used alongside the policy. The procedures will apply when drug and alcohol screening is carried out either by one of the Council's trained Nominated Testers or the Council's Occupational Health provider.
- 1.4 This procedure differs to the one for testing employees as part of an agreed Substance Misuse Recovery Programme where, with the agreement of the individual, testing by the Substance Misuse Service may form an integral part of the employee's Care Plan and associated Recovery Agreement. In these circumstance the Substance Misuse Service's Policy and Procedure on Drugs and Alcohol Testing will apply.
- 1.5 A copy of the Substance Misuse Policy is available to all staff on the Council's Intranet site and in paper form from Administration staff in your Service area or from Human Resources.

2 DEFINITIONS

- 2.1 The term "Chain of Custody" refers to a set of procedures to ensure the privacy of an individual and the security of a collected specimen.
- 2.2 The term "OH" refers to the Council's Occupational Health providers; a contracted, externally supplied service.
- 2.3 The term "For Cause" is where testing is arranged due to an employee being suspected to be under influence of a substance, or after an accident or incident / near accident or incident, or where there is a 'Reportable Incident' or in the following circumstances: -
 - The individual is suspected to be over the legal and/or industry limit stipulated for driving a vehicle or vessel.

- The individual's performance appears impaired and is suspected of being due to alcohol consumption or substance misuse.
 - The individual's behaviour is causing distress/offence to others and is suspected of being due to alcohol consumption or substance misuse. In line with the Code of Conduct for Employees, the performance and image of the Council should not be undermined as a result of an employee's behaviour or related lifestyle induced by alcohol and/or drugs.
 - If the individual is considered unfit/unsafe to undertake work as a result of alcohol consumption or substance misuse.
- 2.4 The term "Testing/Screening Process" refers to the manufacturer's guidelines and the training process as applied to all trained nominated testers.
- 2.5 The term "Suspected to be under influence of a substance" is where an employee appears to be under the influence of a substance at work (see Section 8 of the Substance Misuse Policy).
- 2.6 The term "Frustrated" refers to the prevention, under normal circumstances of testing an individual at his/HER place of work.
- 2.7 The term "Reportable Incident" refers to any incident, which warrants or necessitates the incident being reported to a professional body, such as the Maritime and Coastguard Agency (MCA) or the Marine Accident Investigation Branch (MAIB).

3 TESTING REQUIREMENT

3.1 Testing may take place in the following circumstances:

- For preferred candidates at pre-employment screening stage (for Safety Critical Posts only) whether internal or externally appointed, any offer of appointment is dependent upon negative test results. Failure to comply with testing without reasonable cause will result in preferred candidate status being withdrawn.
- As a result of concerns highlighted during regular medical screenings, for example ENG1.
- As part of an agreed Substance Misuse Recovery Commitment/Contract or Substance Misuse Service (SMS) Care Plan.
- 'For cause' – where an employee is suspected to be under influence of a substance, or there has been an accident or incident or near accident or incident (reportable or otherwise) involving the employee.
- As part of a Random Testing Programme for Safety Critical Posts.

In any of the above circumstances, **the employee should always be tested for both alcohol and drugs**, regardless of a suspicion that they are under the influence of one substance in particular. This will confirm or eliminate the presence of one or both substances in the employee's system at the time of testing.

- 3.2 Employees are encouraged to participate in providing a sample and testing will not take place without the employee's specific consent. Where an employee declines to give consent that decision and the lack of available information from testing, will be considered by the manager along with other factors, in deciding whether to proceed with, or as part of, an investigation in accordance with the Council's Disciplinary Procedure.
- 3.3 If the employee admits to being intoxicated, it is unnecessary to resort to the substance misuse testing (unless 3.5 applies). In these circumstances the employee should be asked to sign a statement confirming their admission.
- 3.4 If the employee denies that they are under the influence then 'for cause' drug and alcohol testing can be arranged. The purpose of testing 'for cause' is to provide evidence that corroborates or eliminates the employer's concern that the employee is intoxicated by alcohol or drugs. For alcohol this will be a sample of breath and for drugs this will be a sample of oral fluid taken by mouth swab.
- 3.5 Following an incident or accident, or near incident or accident (reportable or otherwise), all parties involved may require to be drugs and alcohol tested as part of the overall investigation. This is likely to be the case where there are safety management systems in place. A procedure will be in place and will be communicated within each relevant work area so that it will be clear if this applies and how this will be managed.

4 NOMINATED TESTERS

- 4.1 Random testing and testing 'for cause' will be performed by nominated testers.
- 4.2 Testers will be nominated and trained by the Council to carry out testing. A list of suitably trained and appointed testers will be held by Human Resources (during office hours) or by telephoning the 24-hour facility (out with office hours) (please see Section 8.5 of the policy for further details). These officers will only be authorised to test after they have received appropriate training.
- 4.3 Alcohol and Drug testing equipment will be maintained by HR and held at various locations throughout Shetland. The breathalyser will be tested/calibrated as per manufacturer's instructions and a record of tests will be maintained.

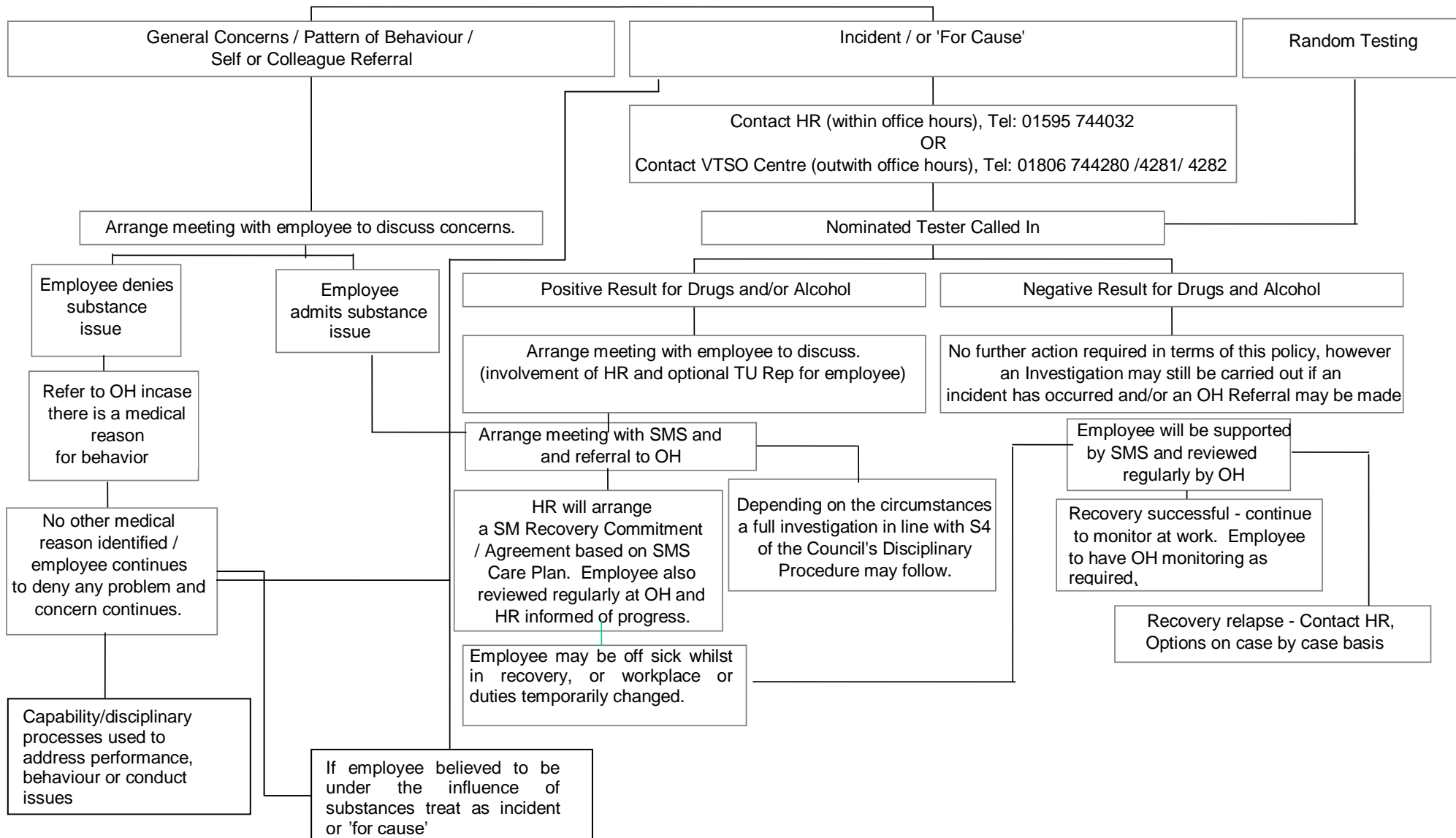
5 COLLECTING SAMPLES

- 5.1 All drug and alcohol screening must follow strict chain of custody procedures that are legally defensible. Proper chain of custody means that the sample is collected in the right way and the sample is not compromised in any way from collection all the way through to the result being issued, whether this is in an instant result for alcohol, or a laboratory result for drugs.
- 5.2 Nominated testers will follow a comprehensive checklist, to ensure strict chain of custody procedures are followed, while undertaking testing. This checklist is available from HR.
- 5.3 The employee should not drink fluids, nor eat anything (including chewing gum), or smoke for at least 20 minutes prior to testing.
- 5.4 The employee's manager (or a colleague if the manager is unavailable) should remain with the employee during testing, to act as a witness to the proceedings and will be required to sign the consent or refusal form (as appropriate). It is acceptable for one witness only to be present, so long as that witness is a line/senior manager of the employee. The employee can request that a witness of their choice is also present, provided that this does not unnecessarily delay the testing. Any witnesses present will be required to sign the necessary forms.
- 5.5 The results of the alcohol breath test will be available immediately following the test. The results of the initial drug screening, during which the employee will be asked to provide an oral fluid sample, will also be available almost immediately. Furthermore, should an inconclusive or positive result show then a further test will be performed which will be sent to a laboratory for analysis. The results of this analysis will be communicated to HR, this will usually be within 5 working days of receipt. If the initial breath and oral fluid tests are negative, then no further action may be required in terms of this policy. If a positive result shows for either the alcohol or drug test then, following the full testing procedure, the employee should be sent home safely and await further investigation and/or test results.
- 5.6 Proof of identity will be required from the employee, a council identity card or driving licence will suffice for this purpose. Details of any medication being taken, or has been taken in the last 7 days will also be required. This will help the laboratory when analysing the sample for drugs.

6 CIRCUMSTANCES WHERE TESTING IS FRUSTRATED

In certain circumstances it may be necessary to test an employee who has left the work place either on his/her own accord or because he/she has been sent home by their line manager. In these circumstances HR must be consulted before the employee is contacted and offered the opportunity to provide a test for substance or alcohol misuse.

Management Flowchart





Meeting(s):	Employees Joint Consultative Committee College Lecturers Consultative Committee Policy & Resources Committee	26 th January 2017 9 th February 2017 13 th February 2017
Report Title:	No Smoking Policy (incorporating Tobacco Free Premises)	
Reference Number:	HR-04-17F	
Author / Job Title:	Denise Bell, Executive Manager, Human Resources	

1.0 Decisions / Action required:

- 1.1 That the EJCC and CLJCC consider and support this revised Policy
- 1.2 That the Policy & Resources Committee RESOLVES to adopt the revised No Smoking Policy (incorporating Tobacco Free Premises).

2.0 High Level Summary:

- 2.1 Scottish Governments Tobacco Control Strategy published in 2013 sets out the policies that will support Scotland to become a tobacco-free country by 2034. As part of the “Creating a Tobacco Free Generation” strategy the Scottish Government wished Local Authorities to consider banning smoking in outdoor areas, particularly those frequented by children. COSLA Leaders signed up to this Strategy and the actions set out within it.
- 2.2 This revised Policy recognises the Council’s role in supporting the ambitions set out in that Strategy in addition to the existing statutory requirements. The main change to the Council’s existing Policy is that it introduces the prohibition of smoking in areas adjacent to entrances to all Council buildings, and to all external areas of premises providing services to children and young people.

3.0 Corporate Priorities and Joint Working:

- 3.1 By approving this revised Policy, the Council will make a positive contribution to the Shetland Partnership ‘Healthy and Caring’ priority. It will also contribute to one of the Council’s Corporate 20 by 20 aims of creating a safer, healthier environment.
- 3.2 This Policy mirrors many aspects of the existing NHS Shetland No Smoking Policy and were consulted in this review. The Scottish Government Strategy required all NHS Boards to implement and enforce smoke free grounds by March 2015.
- 3.3 The Single Outcome Agreement sets out Shetland’s aim to be the “best place for

children and young people to grow up and that we live longer and healthier lives”.

4.0 Key Issues:

- 4.1 Shetland Islands Council has a No Smoking at Work Policy to ensure we comply with the Smoking, Health and Social Care (Scotland) Act 2005 and the Prohibition of Smoking in Certain Premises (Scotland) Regulations 2006.
- 4.2 Feedback from Central Safety Consultative Committee (CSCC) and Safety Forums was supportive of a ban on smoking within areas adjacent to Council buildings, particularly where children and young people were likely to be affected. As a result it was agreed to introduce a prohibition on smoking around building entrances and in all areas where smoking could affect children and young people (Policy Appendix 1).
- 4.3 Feedback also highlighted some apprehension about staff challenging people smoking in prohibited areas and it is proposed that we take a similar approach to NHS Shetland and other local authorities in undertaking ‘softly, softly’ enforcement initially. Guidance for staff on dealing with non-compliance can be found in Appendix 3 of the Policy.
- 4.4 There will be a need to review the use of No-Smoking signs to ensure they are displayed prominently in all Council premises and outside areas where smoking restrictions apply so that they can be seen by people in the premises on and approaching the premises.

5.0 Exempt and/or confidential information:

- 5.1 NONE

6.0 Implications :

6.1 Service Users, Patients and Communities:	<p>Effectively implementing this Policy shows good leadership and demonstrates an exemplar role in supporting the public health of our community in relation to preventable diseases and ill health caused by smoking.</p> <p>Anyone found smoking will be informed that they are committing an offence and will be asked to extinguish their smoking material immediately or leave the premises.</p>
6.2 Human Resources and Organisational Development:	<p>(a) This Policy will apply to all Council employees and does not make any provision for smoking rooms or areas for use by employees. There is no entitlement to smoke breaks.</p> <p>(b) The Council holds the Healthy Working Lives bronze Award which demonstrates we meet the criteria that includes <i>“Implement a smoking policy for employees over and above the legislative requirements, i.e. participating in campaigns that encourage employees to quit as well as providing information on smoking cessation advice and services”</i>.</p> <p>The Council provides support for employees to quit smoking and works closely with NHS Shetland Health Improvement to ensure appropriate and effective support is provided.</p>

6.3 Equality, Diversity and Human Rights:	<p>Employees are protected by law to be safe and healthy at work. This Policy ensures we will provide a working environment free from tobaccos smoke in all enclosed Council workplaces, including Council owned vehicles.</p> <p>Evidence from across Scotland shows that smoking has a hugely disproportionate impact on Scotland's most deprived communities and contributes to health inequality.</p>	
6.4 Legal:	<p>By law, Local Authorities are responsible for ensuring that all its enclosed or substantially enclosed public places are smoke free, maintaining a safe, healthy working environment, and making sure that staff understand their responsibilities to take reasonable care of the health and safety of themselves and others.</p> <p>It is an offence to smoke in no-smoking premises or to knowingly permit smoking in no-smoking premises. Adult care homes are exempt from this legislation.</p> <p>This law is enforced by Environmental Health Officers.</p>	
6.5 Finance:	<p>Failure to comply with the law is a criminal offence and individuals may be fined a fixed penalty of up to £50 for smoking in no smoking premises. The manager or person in control of any no smoking premises could be fined a fixed penalty of £200 for either: - allowing others to smoke in no smoking premises or for failing to display warning notices in no-smoking premises.</p>	
6.6 Assets and Property:	<p>Additional signage may need to be produced and erected on and around Council owned premises.</p>	
6.7 ICT and new technologies:	<p>NONE</p>	
6.8 Environmental:	<p>Evidence shows that the younger an individual starts to smoke the more likely they are to be an adult smoker. As 2/3 of smokers in the UK started smoking under the age of 18, this Strategy aims to create an environment that supports young people to choose not to smoke.</p>	
6.9 Risk Management:	<p>Local Authorities have been asked by the Scottish Government to introduce a Smoke Free policy in open areas, focusing on where children frequent. Employers are also required to provide a safe and healthy working environment. This Policy contributes to the health and safety management systems to minimise the risks of harm to our workforce.</p>	
6.10 Policy and Delegated Authority:	<p>Policy and Resources Committee has delegated authority for the development and operation of the Council as an organisation and all matters relating to organisational development and staffing.</p>	
6.11 Previously considered	Central Safety Consultative Committee (HR-11-16, October 2016) and service	Throughout 2016

by:	and departmental Safety Forums have been consulted through the review of this Policy and developed in line with feedback.	
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Contact Details:

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12th January 2017

Appendices: No Smoking Policy (incorporating Tobacco Free Premises)

Background Documents: *NONE*

Shetland Islands Council



No Smoking Policy (incorporating Tobacco Free Premises)

Applies to: All Staff
Operational Date:
Review Date:

Shetland Islands Council

Tobacco Free Premises Policy

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1 Introduction

- 1.1 The Health and Social Care (Scotland) Act 2005, introduced a ban in all “wholly or substantially enclosed” workplaces. The Scottish Government’s 2013 tobacco Strategy included the target for Local Authorities to “implement smoke free policies across their properties and surrounding grounds by 2015, including setting out appropriate enforcement measures. The opportunity to extend smoke-free policies to other outdoor areas should be included in local tobacco control plans....”
- 1.2 In order to support this target, this policy extends Smoke Free workplaces to include the areas around entrances to council buildings, and to those buildings where services are provided for children and young persons.
- 1.3 The Council recognises the benefits to the health of both its staff and service users where they are not exposed to smoking in the workplace, such as:
- An improved working environment
 - A healthier workforce
 - Reduced absence through smoking related diseases
 - Positive public image
 - A demonstrable regard for the health, safety and welfare of the Council’s Members, staff, visitors and service users.
- 1.4 The policy will form part of the supplementary documents to the Council’s Health and Safety Policy, as it ensures the provision and maintenance of a working environment that is, so far as is reasonably practicable, safe, without risks to health and provides adequate facilities and arrangements for their welfare at work.

2 Scope of Policy

- 2.1 This policy applies to all employees, elected members, visitors, contactors, service users and members of the public using Council premises.

3 Policy Statement

- 3.1 There is a complete prohibition on smoking in all wholly or substantially enclosed Council premises which are public places or workplaces, including, but not restricted to, buildings, structures, vehicles and ferries. Smoking will also be prohibited externally around the entrances to all Council buildings and within those outside areas where smoking could expose children and young persons to second hand tobacco smoke.

- 3.2 For the purposes of this policy, 'Council premises' means any premises or parts of premises under the management or control of Shetland Islands Council.
- 3.3 Work vehicles are also regarded as premises for the purposes of smoking legislation, and therefore smoking is prohibited in all council vehicles including buses.
- 3.4 Private vehicles are not covered by non-smoking legislation, but staff are requested not to smoke in their vehicles whilst at work if carrying any passengers.
- 3.5 Areas where children and young persons may be exposed to second hand tobacco smoke and that are subject to the prohibition of smoking are listed at Appendix A.
- 3.6 The entrance to a building will be deemed to be any point on a path and within 5m as measured from the central point of a main door.
- 3.7 Employees are not permitted to leave their workplace during working time for the sole purpose of smoking, and there will be no designated smoking breaks.
- 3.8 The only exemption to this policy will be to allow smoking by residents of adult residential care homes and their visitors in designated smoking rooms **where these have been provided**. Employees may not smoke in these areas. Where such facilities are not available there shall not be any smoking allowed within the building. Residents are able to use e-cigarettes within their own rooms.
- 3.9 The Council will put in place control measures and support services to reduce the risks to staff who may be required to work in those areas where they may be exposed to smoking, such as designated smoking rooms in adult residential care homes or within service users own homes.

4 Aims of Policy

- 4.1 To ensure, so far as is reasonably practicable, that a smoke free environment exists for all employees and users of Council premises, in particular children and young persons
- 4.2 To ensure that in those areas where staff may be exposed to smoke whilst working, risks are minimized as far as reasonably practicable.
- 4.3 To emphasise the positive health benefits of not smoking, and to encourage and support staff to stop smoking if they wish to do so and prevent smoking around children and young persons. . In delivering this objective the Council, as part of its Healthy Working Lives actions, will promote local services available to support smoking cessation.

5 Legislation

- 5.1 No smoking is permitted in any wholly or substantially enclosed public premises or workplace (including certain work vehicles) under the Smoking, Health and Social Care (Scotland) Act 2005 and The Prohibition of Smoking in Certain Premises (Scotland) Regulations 2006.
- 5.2 Designated Smoking Rooms may be provided in certain premises, including Adult Residential Care Homes (see section 7).
- 5.3 Shetland Islands Council, as an employer, has a variety of duties under The Health and Safety at Work etc Act 1974, the Management of Health and Safety at Work Regulations 1999 and the Workplace (Health, Safety and Welfare) Regulations 1992. These include the provision of a safe working environment and ensuring that risks to health and safety of staff and others is assessed and reduced as far as is reasonably practicable.

6 Display of No Smoking Notice

- 6.1 Each Building Manager is responsible for ensuring that appropriate signage is provided in each premise for which they are responsible.
- 6.2 Signs shall be provided in all council vehicles. Signs will be provided by Fleet Management Unit and shall be checked as part of routine vehicle maintenance.
- 6.3 No smoking signs will be displayed within children's play areas and within the grounds to premises used by children and young persons. These will not need to comply with the relevant legislation as there is no requirement to prohibit smoking within these areas.
- 6.3 Information on the notices that must be used by services in order to comply with the Council's legal requirements are set out in Appendix 2 of this policy.

7 Adult Residential Care Homes

- 7.1 Adult residential care homes may have a 'designated smoking room' in which smoking is permitted. This room must:
 - Have been designated by the person having control or management of the premises as a room in which smoking is permitted;
 - Have a ceiling, and other than doors and windows is completely enclosed on all sides by solid floor to ceiling walls;

- Have a ventilation system that does not ventilate into any other part of the no smoking premises; and
 - Is clearly marked as a room in which smoking is permitted.
- 7.2 Designated smoking rooms are intended for the use of residents only. However, the Council has agreed that it is acceptable for resident's visitors and Day Care attendees who smoke to use this facility. Use of the designated smoking room by employees is absolutely prohibited.
- 7.3 Employees should not normally be required to work in a designated smoking room whilst tobacco smoke is in the air. As some residents may need supervision whilst smoking, arrangements must be made to allow such supervision to be carried out remotely, such as through a vision panel in a door.
- 7.5 Employees who suffer from any medical condition which may be exacerbated by tobacco smoke, such as asthma, Chronic Obstructive Pulmonary Disease (COPD) and cardiovascular disease, or who face additional risks such as pregnancy, should not be asked to enter the designated smoking room at all. Any employee who falls into this category must inform their Line Manager of this fact. Staff are only required to inform their manager of their inability to enter the designated smoking room, not the precise condition that they have.
- 7.6 Suitable and sufficient risk assessments must be undertaken and appropriate control measures devised and implemented to reduce the risk to staff, as far as is reasonably practicable, from the hazards caused by exposure to tobacco smoke. This must include actions to be taken in the event of an emergency occurring in the designated smoking room whilst smoking is taking place.
- 7.7 Residents are allowed to use e-cigarettes within their own rooms. There is no need for additional ventilation to be provided in these circumstances, although safe means of charging these devices must be used.

8 Home Care Visits

- 8.1 Smoking in private houses is not subject to any legislation, and occupants are entitled to smoke in their own homes. However, staff visiting these premises are still at risk from exposure to tobacco smoke and steps must be taken to reduce any risk to them.
- 8.2 Whether the client or any other occupants of the premises are smokers shall be determined at the time of the Shared Single Assessment. If there are smokers this policy and the objective of preventing exposure to tobacco smoke should be explained with a polite request to the smoker to refrain from smoking during the visits.

If the smoker is amenable a request should be made to them to refrain from smoking for an hour before the visit is scheduled.

- 8.3 If there is a smoker present in the property no member of staff with any medical condition which may be exacerbated by tobacco smoke, or who face additional risks such as pregnancy should normally be required to work within these premises.
- 8.4 Working patterns should be organised where practicable to ensure that staff are not required to make consecutive visits or a sequence of visits to premises where they may be exposed to tobacco smoke.
- 8.5 Staff are entitled to leave any premises where occupants do not refrain from smoking during the visit. They should advise their Line Manager as soon as reasonably practicable if any tasks are outstanding.

9 Other Home Visits

- 9.1 Any Council service that has employees who regularly visit people in their own homes should establish which employees regularly visit people during the course of their work and determine whether they have concerns regarding their exposure to tobacco smoke.
- 9.2 Any member of staff who expresses concern should be given the opportunity to suggest ways of reducing their exposure. Line Managers must always provide appropriate support and guidance to staff.
- 9.3 When a member of staff undertakes a home visit where smoking is taking place a polite request to refrain may be sufficient, but it is recognised that there may be circumstances where this is not appropriate. Suitable and sufficient risk assessments should be undertaken to determine appropriate means of reducing the risk of exposure to tobacco smoke. This may include holding conversations outside or limiting the amount of time spent in the house.

10 E-cigarettes

- 10.1 The Council will not allow the use of e-cigarettes within their premises or vehicles by staff in the same way that tobacco products may not be used.
- 10.2 Residents of Adult Residential Care Homes may use e-cigarettes within their own rooms.

11 Enforcement

- 11.1 No smoking requirements in enclosed premises and work vehicles are enforced by the Environmental Health Service. The Building Manager or their nominated deputy will deal with breaches of this policy where a complaint is made to them.
- 11.2 All members of Council staff have a responsibility to ensure this policy is adhered to and are expected to challenge people that are smoking in prohibited areas by the production of their identity badge and a polite request to refrain from smoking. Further details can be found in Appendix 3 of this Policy.
- 11.3 Failure to comply with this policy may be addressed through the Council's Disciplinary Policy. Further information and guidance is available from Human Resources.

Shetland Islands Council premises where smoking is prohibited in all external areas

1. All school premises including hostel buildings
2. All nursery premises
3. The Bruce Family Centre
4. All Children's residential premises
5. All children's play areas

Display of No Smoking Notices

Each Building Manager shall be responsible for ensuring that appropriate signage is provided in each premises for which they are responsible. There shall be at least one notice which complies with the requirements of Regulation 2(1) of the Prohibition of Smoking in Certain Premises (Scotland) Regulations 2006. (As below)



Each notice shall have the details of a post holder that has been nominated to deal with complaints entered onto the sign. These are not details of Environmental Health Service, who carry out enforcement of the smoking legislation, but a person within, or with control of the building, who will deal with infringements at the material time. Each Service must make adequate arrangements for complaints to be made at all council premises, including ensuring that nominated deputies are available at any time that the main nominated person is absent from the building.

The person in control of each council building shall ensure that additional No Smoking signs are provided in premises if required. These signs shall comply with Section 3(1)(b) of the Smoking, Health and Social Care (Scotland) Act 2005 and Regulation 2(2) of the Prohibition of Smoking in Certain Premises (Scotland) Regulations 2006 (see below).



Signs shall be provided in all council vehicles. Signs will be provided by Fleet Management Unit and shall be checked as part of routine vehicle maintenance. Signs in vehicles shall be double sided, and, as no size is specified in the legislation, shall be of an appropriate size for each vehicle.



Dealing with non-compliance with the Policy

Smoking in breach of legislation (in enclosed or semi-enclosed spaces)

Any person smoking in an enclosed space as defined by the Smoking, Health and Social Care (Scotland) Act 2005 and its associated regulations is breaking the law and may be liable to a fixed penalty of £50 imposed by the external agencies legally responsible for its implementation.

The 2005 Act allows the agencies charged with enforcing it to impose fines on the manager, or any other person in control of any no smoking premises, for allowing others to smoke within them. This applies whether or not the person is aware that smoking has occurred. It should be noted that senior management staff could face prosecution by the courts because of the actions of others.

Any person smoking within a building should be made aware that they are committing an offence, and be politely asked to stop smoking. All incidents should be recorded on LACHS as a PIN. If a member of staff feels unable to approach the smoker they must report the matter to their line manager.

What to do if someone ignores the policy

We hope that the majority of people will respect the policy requirement not to smoke. However, it is important that we know what to do if someone does continue to smoke:

If smoking within a building – Draw the person's attention to the "No Smoking" signs and remind them about the Smoking Policy and that they are committing an offence. Politely ask them to stop smoking.

Advise the person that it is also an offence for the Council to let anyone smoke on their premises. Explain to them that the Council has a no smoking policy in buildings and grounds to ensure a safe working environment for all staff, customers and visitors.

If the person is an employee:

If your warning has been ignored and the individual is going to carry on smoking, if appropriate ask them to immediately leave the premises and grounds or inform their line manager.

The line manager of the staff member committing the offence should be informed and the event reviewed. Staff should note that repeated non-compliance with the Smoking Policy may be grounds for disciplinary action.

If the person is a customer:

They should be advised they are breaking the law and reminded of the Council's No Smoking Policy.

In extreme and dangerous circumstances e.g. if a customer is on oxygen , smoking materials may have to be removed for safe keeping and returned only under supervision.

If the person is a visitor/relative:

They should be advised of the Council's No Smoking Policy.

If the person carries on smoking, ask them to leave the premises and grounds.

If a member of staff feels unable to approach the smoker they must report the matter to their line manager.

Contractors

If a contractor breaches the smoking policy they should be reported to their managing organisation, which should deal with the breach.



Meeting(s):	Local Negotiating Committee for Teachers Employees Joint Consultative Committee College Lecturers' Joint Consultative Committee Policy & Resources Committee	24 January 2017 26 January 2017 9 February 2017 13 February 2017
Report Title:	Lone Worker Policy	
Reference Number:	HR-05-16 F	
Author / Job Title:	Denise Bell Executive Manager, Human Resources	

1.0 Decisions / Action required:

- 1.1 That the EJCC and LNCT consider and support the revised Lone Working Policy.
- 1.2 That Policy & Resources Committee RESOLVE to approve the revised Lone Working Policy (Appendix 1).

2.0 High Level Summary:

- 2.1 Under the Health and Safety at Work etc Act 1974 and the Management of Health and Safety at Work Regulations 1999, employers have a legal duty to consider carefully, and then deal with, any health and safety risks for people working alone. Where an employee is required to work alone, specific measures may need to be put in place to ensure their health, safety and welfare while they carry out their work.
- 2.2 This revised Policy aims to provide guidance for managers and staff so that the hazards posed by lone working are appropriately managed so that the likelihood of them occurring is reduced.

3.0 Corporate Priorities and Joint Working:

- 3.1 The Policy supports the Shetland Islands Council's '20 by 20' aims within the Corporate Plan by ensuring that staff have the highest possible standards of leadership and management by making sure staff feel that their safety is valued by the organisation.
- 3.2 Supporting older people is one of the Council's top priorities and putting in place a policy that ensures the safe provision of lone working across Shetland enables services to deliver support to older people to live as independently as possible.
- 3.3 The Policy supports the 'Right Culture' theme of the Council's Workforce Strategy by providing appropriate guidance on lone worker management that ensures that staff will have "a positive attitude towards their health, safety and well-being and are able to carry out their work safely and effectively."

3.4	Lone working occurs across all partner organisations and as this Policy is based on a set of core principles and best practise it is hoped that this Policy will be considered for use across our partnerships including the IJB. NHS Shetland have been consulted on the development of this revised Policy and will take the opportunity to harmonise their existing Policy which is due for review.	
4.0	Key Issues:	
4.1	There are a significant number of roles within Shetland Islands Council where staff may find themselves taking part in some form of lone working during the course of their work whether this is based in a location or through mobile working such as social care workers.	
4.2	For the purposes of this Policy, lone working is described as: - <i>“Any member of staff who is separated by significant physical distance from his or her colleagues, all, or part of the time.”</i>	
4.3	Employers are required by law to implement safe systems of work by identifying significant hazards in the workplace and subjecting each of these to sufficient and suitable risk assessment. All lone working, whether full time or part time, must be assessed and managed suitably and sufficiently so as to reduce risk to staff members.	
4.4	This Policy review has also been informed by the sheriff judgement on a health worker in the Western Isles that a contributing factor was that there was no system whereby lone workers in rural or isolated areas were contacted regarding deterioration in weather and travelling conditions.	
4.5	This revised Policy provides more detailed information on the roles and responsibilities of everyone affected by it and in particular describes a range of control measures that can be used to reduce the risks. This will allow each service to develop Lone Working Procedures to meet their specific needs which will operate alongside the Policy.	
4.6	This revised Policy also includes An Emergency Procedures Flowchart for easy reference, and an Escalation Contact Form has been designed to ensure that relevant information is shared confidentially so that staff and their line manager can communicate in the event of an emergency.	
5.0	Exempt and/or confidential information:	
5.1	None	
6.0	Implications :	
6.1 Service Users, Patients and Communities:	Protecting the health and well-being of staff members through effective and safe systems of work has a positive impact on delivering Council services.	
6.2 Human Resources and Organisational Development:	Staff will feel safer and better supported to carry out their role, particularly where lone working is required. This will have a positive impact on employee engagement and employee relations.	

	HR policies ensure that there is a consistent and clear approach in managing our workforce.	
6.3 Equality, Diversity and Human Rights:	This Policy puts in place a system to ensure employees are safe at work.	
6.4 Legal:	<p>Under section 2 of the Health and Safety at Work Etc Act 1974; 'It shall be the duty of every employer to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all his employees.'</p> <p>Under section 5 of the Management of Health and Safety at Work Regulations 1999;</p> <p>'Every employer shall make and give effect to such arrangements as are appropriate, having regard to the nature of his activities and the size of his undertaking, for the effective planning, organisation, control, monitoring and review of the preventive and protective measures'.</p>	
6.5 Finance:	There are no financial implications arising directly from approving this Policy. However, services may wish to consider introducing personal alarm systems for some lone working staff which may have financial implications. The cost of installing these systems will most likely be far less than any costs attributed to an incident or injury at work resulting from lone working.	
6.6 Assets and Property:	Services may consider the installation of personal alarm systems for lone workers.	
6.7 ICT and new technologies:	There may be the potential for services to request smart phones for their lone working staff so that a free 'lone worker management' app. can be installed and used by managers and staff as part of the service's Lone Working Procedure.	
6.8 Environmental:	This Policy will have no environmental implications.	
6.9 Risk Management:	By approving this Policy, the Council will ensure that measures are put in place to meet the duty of employers to staff lone working and that risks are reduced by putting in place appropriate control measures.	
6.10 Policy and Delegated Authority:	Policy and Resources Committee has delegated authority for the development and operation of the Council as an organisation and all matters relating to organisational development and staffing.	
6.11 Previously considered by:	Informal consultation with Trade Union Reps Various service and departmental safety forums	05.09.2016 September/October 2016

Contact Details:

Jane Evans, Health & Safety Officer; jane.evans@shetland.gov.uk. 09 January 2017

Appendices: Appendix 1 – Lone Working Policy

Background Documents: Sources of further information are provided in the Policy.

Shetland Islands Council

Lone Worker Policy



Applies to: All staff groups

Effective from:

Review Date:

Lone Worker Policy

Operational Date:

Review Date:

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Appendices

- 1 Emergency Procedures Flow Chart**
- 2 Lone Worker Escalation Contact Form**

1 Introduction

- 1.1 This Policy deals with the provision of a safe environment and safe systems of work for lone workers, working for or on behalf of the Shetland Islands Council.

2 Scope of Policy

- 2.1 This policy applies to all employees of Shetland Islands Council.
- 2.2 Shetland Islands Council has responsibility for the health and safety of contractors working on its behalf.

3 Policy Statement

- 3.1 Shetland Islands Council is committed to protecting its employees and others from any hazards associated with its activities. Whilst the council will do its best to mitigate against the need for lone working it recognises that there may be times when lone working is required. As such this policy has been put in place to ensure that the safety of lone workers receives the same level of consideration as is given to those who work alongside others.
- 3.2 Shetland Islands Council will put in place measures to ensure that all lone working situations are, as far as reasonably practicable, controlled and planned for through appropriate risk assessments, safe systems of work and training.

4 Policy Aims

- 4.1 To ensure that, so far as is reasonably practicable, a safe working environment exists for all employees, including those who through the course of their work are required to work in lone working situations.
- 4.2 To ensure that Line Managers and staff are aware of their responsibilities where lone working occurs.
- 4.3 To ensure that risks associated with lone working are recognised and mitigated against through suitable and sufficient risk assessment.

5 Definition and Legislation

- 5.1 Lone working may be defined as 'any work activity which is, or is intended to be carried out in isolation from other workers by an individual or small team of people'. For the purposes of this Policy a lone worker is described as;

'Any member of staff who is separated by significant physical distance from his or her colleagues all, or part, of the time'

This can include, but is not limited to;

- a staff member working alone in a small workshop
- a staff member working from home other than in low risk office type work,
- people working alone for long periods of time,
- people working on their own outside normal working hours (e.g. cleaners),
- workers involved in construction, maintenance or repair works
- Staff such as social care workers and housing officers visiting domestic premises.

5.2 There is no overall legal prohibition on lone working, but under Section 2 of the Health and Safety at Work Act 1974 employers have a duty to ensure that safe systems of work are in place and maintained.

5.3 Under the Management of Health and Safety at Work Regulations 1999 a suitable and sufficient risk assessment must be undertaken.

6 Organisation

6.1 The Chief Executive has overall responsibility for this corporate policy.

6.2 Directors will be responsible for ensuring compliance with the requirements of this policy within their areas of responsibility and in particular for ensuring Executive Managers have put in place measures set out in section 6.3 below.

6.3 Executive Managers will, within their areas of control:

- Ensure that appropriate risk assessments have been carried out with regards to lone working have been carried out by supervisors in conjunction with the staff members undertaking the work
- Ensure that adequate information, instruction and training on the hazards associated with lone working has been provided.
- Ensure that suitable communication methods are in place to ensure contact between supervisors and staff members is regular and recorded.
- Ensure that in the event of service closure there are suitable means of communicating with all supervisors and staff, especially those with no fixed base.
- Ensure that Emergency Contact details are available for all staff members within their section. An Escalation Contact Form is provided in Appendix 2 of this Policy.

6.3 Supervisors and Line Managers;

- Ensure all operational aspects of the Policy and associated procedures are implemented within their areas of responsibility.
- Ensure that staff members who will be undertaking lone work are aware of the risks involved and that a suitable and sufficient risk assessment is carried out in consultation with the individual staff member

- Ensure that risk assessments are reviewed on a regular basis, and altered should any changes in circumstances arise, whether they are related to the staff member or the task(s) to be carried out.
- Ensure that any staff member who will be working alone is fit enough to carry out the task(s) they are being asked to carry out. In some cases there may be the need for an occupational health referral.
- Ensure that lone workers are regularly communicated with and are aware of their responsibilities for their own safety.
- Ensure that lone workers receive suitable training to aide them in dealing with all reasonably foreseeable scenarios that they may come into contact with during the course of their work
- Ensure they are fully prepared to carry out their role within the emergency procedures and whom it is they should report to.
- Report any incidents via PIN form, and any major incidents via telephone to Health and Safety Section
- Be supportive of staff who have been involved in an incident and where necessary make a referral to the Staff Welfare Officer.

6.4 All staff will;

- Contribute to risk assessments and the development of safe systems of work as is appropriate to their own lone working
- Report any changes in circumstances, either personal (i.e. injury or illness) or associated with the task, which would require a review of the risk assessment and/or safe system of work.
- Ensure they take all precautions to keep themselves safe when lone working
- Maintain regular contact with their supervisor or buddy so as to advise of their wellbeing
- Request and/or take part in any training advised by their supervisor in relation to lone working
- Know their own limits, and not put themselves into a situation where they feel uncomfortable or could sustain injury
- Report all incidents to their supervisor
- Make sure their supervisor has emergency contact details and that these are kept up to date.

7 Planning and Risk Assessment

7.1 Employers have a duty to assess risks to lone workers and must take steps to avoid or control risks where necessary. This process must include;

- Involving staff when considering potential risks and measures to control them
- Taking action to ensure hazards are removed where possible or putting in place control measures to reduce risk

- Reviewing risk assessments periodically or when there has been a significant change in working practice.
- 7.2 Should the risk assessment process show it is not possible for the work to be conducted safely by a lone worker the employer must address that risk by making arrangements to provide support and back up.
- 7.3 The risk assessment process should allow employers to decide on the level of supervision required.
- 7.4 Where ever possible high risk scenarios should be avoided by lone workers. These include, but at not limited to;
 - Working at height
 - Working in confined spaces
 - Working with plant or machinery
 - Working in the education, health or social care sector where there is a risk of assumptions being made with regards to client behaviour
- 7.5 Some of the questions the employer should ask when assessing lone working scenario are:
 - Does the workplace present a specific risk to the lone worker?
 - Is there safe access and egress to and from the workplace?
 - Is there any machinery involved in the work? Can one person operate it safely? Is the individual in question trained and competent in its use?
 - Are COSHH regulated substances in use?
 - Does the work involve lifting or manual handling?
 - Is there a risk of violence or aggression?
 - Are there any reasons why the individual would be more vulnerable? (young, pregnant, trainee, disabled)
 - Do they have a medical condition that may prevent them from working alone?
 - Are adverse weather conditions likely to affect their ability to complete their work?
- 7.6 Above all lone I workers should not be put at more risk than other employees. Establishing a healthy and safe working environment for lone workers can be different to organising the health and safety of other workers, so it is vital that the above policy advice is followed.
- 7.7 Situations may arise where lone workers will be required to carry out a dynamic risk assessment (e.g. at the start of a specific job), these assessments cover elements that could not have been reasonably foreseen when carrying out the initial service risk assessment and will require staff to make operational decisions based on the circumstances they face when carrying out their work.

8 Possible Control Measures

8.1 Buddy System

- A buddy is someone who is willing and able to be in contact with a lone worker. For staff working from home, their buddy will be their line manager or supervisor. Staff with a fixed place of work should select a responsible individual from within their work team to 'buddy up' with. For mobile workers, it would be advisable to have a buddy who is office based where possible so that information can be easily communicated and escalated if necessary.
- When staff begin work they should provide their buddy with information such as:-
 - Where they are going to and what visits they are going to carry out.
 - Expected times of arrival and/or departure.
- Staff with a fixed place of work should complete an actual or virtual in/out board detailing where they will be during the course of the day.
- Staff members must let their buddy know of any changes or delays to their schedule (this could be a change in client mood or demeanour that means it is in the safety of the staff member to return at a later time)
- On visits where a potential risk has been identified during assessment, such as within social work community health or housing support, staff should communicate with their buddy on arrival and on departure.
- Staff should agree a schedule of regular checks with each other throughout the working day even if high risk visits are not scheduled.
- Once tasks have been completed and the staff member has either returned home or to their fixed place of work they must let their buddy know that they are safe.

8.2 Accompanied Visits

- Visits that are assessed as higher risk should only be undertaken if considered essential. More stringent control measures need to be detailed in the risk assessment.
- It may be that during the course of the assessment it becomes apparent that a lone person cannot undertake the work required and therefore a second person should meet them before beginning work. While the second staff member may have the same buddy (such as in

the case of Social Care Workers with no fixed place of work) the two staff members should not be each other's buddy.

- At any point a staff member should be able to request assistance during the course of their lone working.

8.3 Trainee Supervision

- New members of staff, young workers and trainees should not be expected to work in lone working scenarios as soon as they begin in a role they are unfamiliar with.
- A programme of induction, familiarisation and training should be in place to ensure that all new and trainee staff members are comfortable with their work and, where applicable, familiar with the clients they visit.
- Supervisors and Line Managers should make the decision as to when new, young and/or trainee members of staff have reached the level of competency required to work on their own. This should be done in consultation with the staff member and those with whom they have been working alongside.

8.4 Severe Weather

- In the event of severe weather upsetting the delivery of service, be that a delay or a cancellation, staff members working alone must contact their supervisor or line manager.
- Where the decision is made to close council services by the Chief Executive, Directors and Executive Managers must ensure that this information is passed on to all supervisors and lone workers operating within their service. Text messages cannot be relied upon, a conversation must be had and staff must confirm with their supervisor once they have reached home or an alternative place of safety where they will stay until it is safe for them to travel home.
- Where a staff member cannot be contacted emergency procedures will be instigated to ensure the safety and wellbeing of the staff member.

8.5 Vehicle Safety

- By keeping your vehicle in good working order, reporting any faults and carrying out regular servicing you will limit the risk of breakdown. The Council's Drivers Handbook provides more information on this.
- Before the start of any journey simple pre driving checks will help keep you safe. These checks include;
 - Fuel in the tank
 - Extra fuel in a safety-approved can

- Oil levels
- Water in the radiator
- Spare tyre is inflated
- Horn and lights working
- Water in the washer bottle and washers working
- Wipers working and clearing windscreen
- Tyre pressure
- Breakdown/rescue service contact details

8.6 Vehicle Telematics

- Vehicle telematics are available for fleet vehicles which can help safeguard employees, particularly lone workers, who must travel to remote locations in all weather conditions. Real Time location means that we can monitor where our employees are. It can also monitor where employees are and can provide automatic alerts if the vehicle hasn't moved for an extended period or beyond certain timeframes.

8.7 Personal Safety

- Staff must be aware of and work within their own abilities. Whilst it is acknowledged that situations will arise that may be challenging, at no time should staff feel that they have to continue to work in an environment where they feel uneasy or threatened.
- All staff working in lone working situations should be able to call for assistance at any time during the course of their work.
- Staff should not, under any circumstances, place themselves in a situation where they may leave themselves open to allegations from members of the public or their clients.
- Training and supervision should provide staff with the skills to deal with all reasonably foreseeable situations they may find themselves in when working alone.

9 Guidance for Staff with No Fixed Place of Work

- 9.1 For the purposes of this Policy this does not include those members of staff who choose to work from home to complete tasks that could normally be completed in their office or usual fixed place of work.
- 9.2 Staff who begin work as soon as they leave home must maintain regular contact with their buddy, supervisor or line manager either via telephone call or text. Where reasonably practicable these contact times should be pre-arranged so that when a call is missed the supervisor or line manager can

instigate emergency procedures and attempt to make contact with the staff member.

- 9.3 Where reasonably practicable contact should be made at least 3 times through the day, but must be made once the staff member has completed their work for the day and returned home safely.
- 9.4 Failure to comply with section 9.3 above should instigate the emergency procedures as detailed in section 10 of this document.
- 9.5 In the event of adverse weather, where staff with no fixed place of work feel it would be unsafe for to travel, staff must inform their supervisor or line manager so that they are aware of where they are and also so that alternative arrangements can be made to accommodate their more vulnerable clients.

10 Emergency Procedures

- 10.1 Where a member of staff finds themselves in a situation where they feel they are being put at risk, they should remove themselves from the situation and report the incident to their supervisor or line manager as soon as possible after the incident, so that a Personal Incident Notification (PIN) Form can be completed.
- 10.2 Where a member of staff fails to contact their supervisor or line manager at the pre-arranged time, the Emergency Procedures shown in Appendix 1 should be instigated.
- 10.3 Should a member of staff suffer a vehicle break down or be involved in a road traffic accident during the course of their work they must make contact with their supervisor or line manager.
- 10.4 In the event of an emergency at a client's property or in any other work environment, the emergency services should be contacted. At no point should a member of staff attempt to deal with an emergency on their own.

11 Training

- 11.1 The law requires employers to provide suitable information, instruction and training to staff members who during the course of their work are required to work in a lone working scenario. This training should provide staff with the necessary skills to keep themselves safe and free from allegations which may affect their career or employment status.
- 11.3 Examples of training which may apply to lone working staff include dealing with unusual or unexpected situations and also how to deal with violence or aggression either from customers or members of the general public.
- 11.4 Supervisors need to keep in mind that lone workers don't have the benefit or working with others or with more experienced staff members so additional

training may be required, and this discussion should be in conjunction with the individual.

12 Incident Reporting

- 12.1 All incidents, however minor, must be reported via the PIN form which can be completed online as soon after the incident has occurred as possible. *(Link to be inserted once approved and published)*
- 12.2 Any major incident (one in which an individual has been severely assaulted and or injured) should be reported immediately to the Health and Safety Section.
- 12.3 All incidents must be investigated in order to ascertain the root cause(s) of the incident and to ensure that the incident is not repeated. Where necessary the Health and Safety Section will report incidents to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

13 Links to Other Policies

Below is a list of other policies and guidance notes that offer further advice on some aspects of this policy. *(Links to be inserted once Policy is approved and published).*

- Shetland Islands Council Health and Safety Policy
- Drivers Handbook
- PIN Form Guidance Notes
- Adverse Weather Policy

14 Additional Sources of Further Information

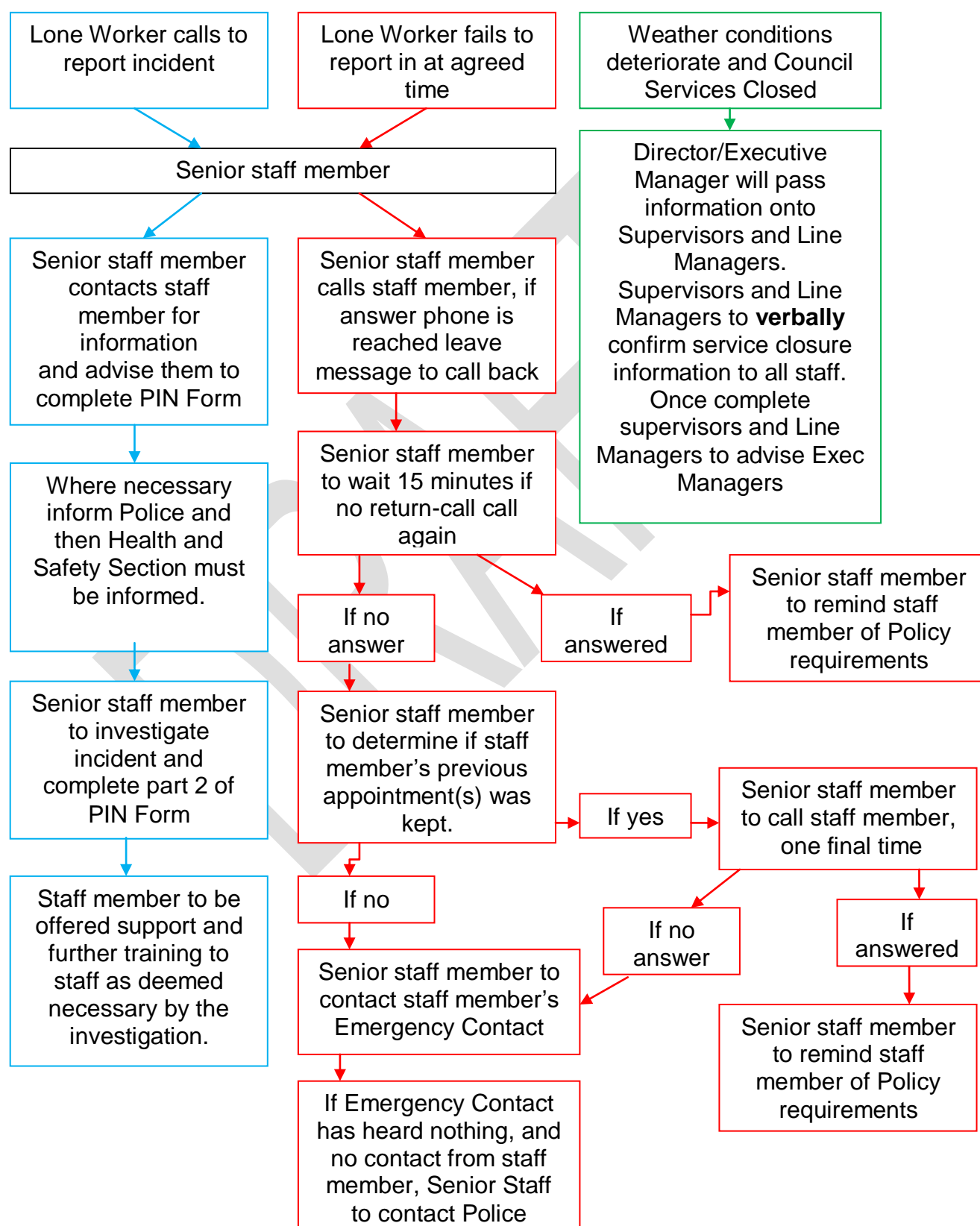
- *Working Alone: Health and Safety Guidance on the Risks of Working Alone*
Leaflet INDG73 (rev3) HSE Books 2013
<http://www.hse.gov.uk/pubns/indg73.pdf>
- *Homeworkers: Guidance for employers on health and safety* Leaflet INDG226(rev1) HSE Books 2011 www.hse.gov.uk/pubns/indg226.pdf
- *Manual handling. Manual Handling Operations Regulations 1992 (as amended). Guidance on Regulations L23* (Third edition)
HSE Books 2004 ISBN 978 0 7176 2823 0
www.hse.gov.uk/pubns/books/l23.htm
- *Violence at work: A guide for employers* Leaflet INDG69(rev) HSE Books 1996 www.hse.gov.uk/pubns/indg69.pdf

- *Managing work-related violence in licensed and retail premises* Leaflet INDG423 HSE Books 2008 www.hse.gov.uk/pubns/indg423.pdf
- *Working with substances hazardous to health: A brief guide to COSHH* Leaflet INDG136(rev5) HSE Books 2012 www.hse.gov.uk/pubns/indg136.htm
- Working at height: www.hse.gov.uk/toolbox/height.htm
- Other sources of advice: You may be able to get additional information from your trade association or employers' organisation, or from trade unions and some charities, e.g. the Suzy Lamplugh Trust.

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Emergency Procedures Flow Chart

Process to be followed in the event that Emergency Procedures need to be instigated



C O N F I D E N T I A L

Lone Worker Escalation Contact Form

The following information is strictly confidential and will not be shared unless for the purposes of protecting your health and wellbeing in the event of an emergency.

Any changes to these details must be notified immediately and reviewed at least once a year.

Lone Worker Details

Full Name: _____

Date of Birth: _____

Tel No: (W) _____ Mobile Phone Number: _____

Line Manager Name: _____ Tel No: _____

Lone Worker Description

Height: _____ Age: _____ Hair colour: _____

Any other distinguishing features: _____

Description of Vehicle Used for Work

Make/Model: _____ Colour: _____ Reg No: _____

Escalation Contact Details

Full Name: _____

Relationship: _____

Contact Numbers:

Work: _____

Mobile: _____

Home: _____