

Shetland Islands Council

'Our Ambition, 2021-26'

Working together for a positive and sustainable future

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SECTION 1 - ABOUT OUR PLAN

This plan provides strategic political direction to help us (Shetland Islands Council) focus on the things that can help most to create opportunities and achieve long-term sustainability for Shetland.

In preparing this document, we have used local and national data sources to identify the assumptions, drivers for change and uncertainties felt about our community and the organisation's sustainability, asking ourselves the crucial question, 'What will happen if we don't do something?' This process has highlighted some of the key challenges facing us as a community, but has also helped to highlight potential opportunities and many good things about living in Shetland.

Our future may feel uncertain and unpredictable at the moment, but that does not mean we should sit back and let negative change happen to us. Rather, through this plan, we are using the long-term trends to take a proactive approach, reimagining what is to come and prioritising our resources on the things we believe will have the greatest impact on those drivers for change.

Shetland's sustainability as a community and a place where everyone can thrive is our council's ultimate measure of success. The actions outlined in this plan show ***Our Ambition*** to achieve just that.

Councillor Steven Coutts
Political Leader

SECTION 2 - WHAT WE WILL DO AND WHY

Our vision statement:

'Our Ambition 2021-26' is based on a vision of working together to create a **POSITIVE, CONFIDENT** and **SUSTAINABLE** future for Shetland. A Shetland where the community's **OPPORTUNITIES** attract people of all ages to live, work, study and invest in our islands.

2.1 Shetland's population balance

Drivers for change:

- Shetland's working age demographic is under pressure, with the proportion of working age residents reducing from 64.3% in 2009 to 61.2% in 2019 and [net migration](#) having been negative for the last few years (-3.93 per 1,000 residents in 2019). [Latest population figures](#) estimate that 20.4% of people living in Shetland are aged 65 or over, which is 4.3% more than a decade ago.
- Shetland has a lower proportion of young people than other areas, with the percentage of the population aged 16-29 falling from 15.9% in 2009 to 14.7% in 2019 (17.5% in Scotland).
- However, Shetland is an attractive place to live and work, offering the sort of community experience, facilities and social values that increasingly influence people's decisions on where they want to stay.
- Shetlanders who took part in '[Enabling Our Next Generation](#)', Highlands and Islands Enterprise's study of young people across the region, were very positive about their future in the islands, with 62% stating that they were committed to staying in Shetland – the highest response in the region. A similar proportion saw themselves living locally in 10 years' time – almost double the regional average. Access to housing was highlighted as an important issue with cost of living, affordable transport links, access to further/higher education, availability of high quality jobs and opportunities for career progression also ranked highly.

What we will do:

Our shared aim is for more young people to remain in, or relocate to, Shetland to live, work, study and raise families, while our older people live active, independent and healthy lives for as long as possible.

- We will support and promote the [Shetland Partnership](#)'s 10 Year Development Plan to attract people to live, work, study and invest in Shetland and regularly refresh the actions to match what the evidence tells us.
- We will refresh the Promote Shetland place branding and deliver campaigns to attract working age people to relocate to Shetland.
- We will work with our partners to develop a clearer understanding of issues relating to recruitment and retention in Shetland and deliver a strategy that focuses our work on overcoming barriers to recruiting and retaining working age people.
- We will continue to deliver on the key themes of the Local Housing Strategy, aiming to increase future affordable housing supply across all tenures by making maximum use of funding streams and working with partner agencies to design and deliver energy efficient, modern homes. We will also meet the needs of people who are facing homelessness and those who need support to maintain their tenancies.

2.2 COVID-19 - recovery and renewal

Drivers for change:

- The COVID-19 pandemic has added to the [vulnerability of our economy](#), with increasing unemployment in Shetland and large numbers of people in receipt of payments through the Government's Job Retention Scheme.
- Given the severity of the economic and social harms of COVID-19, it is crucial that a co-ordinated strategic approach is taken to managing Shetland's recovery and renewal. The global scale of the impacts of the virus and the response means that it is not simply about returning to how things were before February 2020. It is instead an opportunity to address weaknesses that existed in our economic and social system prior to the pandemic, including tackling inequalities, delivering inclusive growth and achieving a low carbon future.

What we will do:

- Our [Recovery and Renewal Framework](#) provides a structure around which the council's COVID-19 activities will be delivered. This will be implemented in full, to ensure that the council is resilient and taking a lead role in building a more sustainable and fairer Shetland.

2.3 UK withdrawal from the European Union

Drivers for change:

- [Scottish Government](#) has recognised Shetland as the second most vulnerable area in Scotland to impacts from the UK's withdrawal from the EU.
- The extent of impacts will become clearer as future trading arrangements with the EU are agreed. However, tariffs and/or restrictions on how goods can pass through key trading routes would affect key sectors of Shetland's economy.
- Shetland has benefited significantly over the years from EU funding, designed to improve competitiveness of vulnerable areas, support community regeneration or promote regional development. It is not yet known the exact form any replacement programmes will take, but, without this funding, our ability to deliver on our community priorities will be affected.
- Shetland's economy and community has also benefited from working age EU citizens providing labour for local businesses and settling in Shetland to raise families and start their own businesses. The end of free movement of goods and people will impact on inward migration and is likely to contribute to Shetland's demographic and labour supply challenges.

What we will do:

- Responsibility for EU withdrawal lies with the UK Government, so the council is limited in how far it can influence matters. However, we will closely monitor negotiations and engage proactively with Shetland's MP, MSPs, COSLA and Government to seek to mitigate negative impacts and maximise any opportunities for Shetland.
- We will engage with Shetland's Business and Community Resilience Forums, to help sectors plan for changes arising from post-EU withdrawal trading arrangements, as well as manage post-pandemic recovery and renewal.
- We will prioritise securing funding for economic and social development stimulus projects, such as the Employability Plan, to help strengthen Shetland's economy and social infrastructures.

2.4 Climate Change

Drivers for change:

- The [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#) requires Scottish Ministers to ensure that the net Scottish emissions account for the year:
 - 2030 is at least 75% lower than the 1990 baseline
 - 2040 is at least 90% lower than the baseline
 - 2045 is net-zero
- Our biggest energy user in the council remains our internal ferries, which use about [half the energy](#) we consume as an organisation. Diesel for vehicles, heating oil for buildings and gas oil for tugs account for about another quarter.
- Our council's carbon emissions and those of the wider Shetland community can only be controlled when affordable green electricity and clean alternatives to fossil fuels are generally available locally. As green energy becomes available, the council's vessels, plant and heating will be converted to use that electricity, and other net-zero carbon fuels, but real change will only come when clean energy is also affordable to individuals and businesses.
- Job numbers in the oil and gas sectors are already reducing, and will inevitably fall further over the coming years. There are opportunities for a [just transition](#) to new jobs in the renewable energy sector as our reliance on fossil fuel declines and new energy forms develop.
- UK and Scottish Governments are prioritising climate change and focusing resources to stimulate the drive to a net-zero economy and society. We must ensure that our local projects are able to benefit from national funding that becomes available. We must also make the case to Government for regulations and arrangements to allow affordable Shetland-generated green energy to be made available to Shetland consumers and industries. The current high cost energy gap between Shetland and mainland communities is a key barrier to economic and social wellbeing.

What we will do:

Our [Climate Change Strategic Outline Programme](#) commits to a proactive approach to tackling climate change in Shetland and proposes a range of immediate actions and priority areas. It emphasises that it is essential to act in partnership with agencies, industries and communities to be successful. Over the next five years, we will:

- Prepare and implement a council net-zero plan and lead the preparation of a Shetland net-zero strategy involving community planning partners and a range of energy-focused businesses and organisations.

- Continue and, where possible, accelerate current energy efficiency, energy conversion, waste reduction and reuse initiatives, within the council and across the community.
- Make progress on alternative fuel sources for vessels by progressing, with Scottish Government, the internal ferries renewal project with a focus on reducing carbon emissions.
- Support the identification and delivery of a robust, green Shetland electricity distribution grid, which reaches across all of Shetland, and enables further public, community and commercial 'greening'.
- Support the creation of community energy networks across Shetland that link in with a green and strengthened Shetland Electricity Grid and complement / enable local energy efficiency, recycling and carbon capture initiatives.
- Support partners to plan and deliver energy reduction / transition in key commercial sectors, focusing on renewable energy generation, fishing, aquaculture, agriculture, transport, aviation and oil and gas in particular.
- Campaign at all levels to ensure future developments recognise that energy affordability is already a key issue in Shetland, and ensure that progress on that issue is designed into all significant proposals and solutions.
- Work with our partners to achieve a more sustainable, ecologically diverse and resilient natural environment as it is Shetland's most valued and distinctive asset. We will connect people with the natural world, for their health and wellbeing as we work to improve, manage and promote accessible open space to deliver health, social and economic benefits to our community.

2.5 Sustaining current jobs and creating new ones

Drivers for change:

Shetland has a higher than average rate of employment in public services. Addressing vulnerabilities within our economy and labour market, as well as attracting talent, will require a diversified local economy with varied opportunities across sectors. Existing industries are adjusting to changes within and outwith Shetland. Changes such as contraction and transition in the energy sector are already happening; however, new and traditional industries offer significant economic opportunities.

Factors that require to be taken into account in our planning include:

- It is estimated that around 1,000 people are directly or indirectly employed in the energy sector and ancillary services in Shetland (oil, gas, renewables, power generation and supply).
- The 'just transition' away from hydrocarbons to low carbon alternatives, with the resultant opportunities to retain our working age population, ensuring communities are resilient and that the price of electricity is affordable.
- Some of the possible impacts on jobs noted in assessments on Sullom Voe and associated oil and gas activity have already materialised (e.g. Scatsta airport closure) and others are approaching, such as the closure of the terminal's power station.
- It has been estimated that the seafood sector in Shetland (fishing, aquaculture and processing) has an [annual total value](#) of over £400 million.
- Our council makes a very significant contribution to the local Shetland economy through the goods and services it buys. A [study published in 2018](#) showed that, at that time, the council employed over a fifth of the local working age population, with over 99% of those staff Shetland residents. It also showed that, in 2016-17, the council procured £27 million of goods and services from local suppliers (44% of total procurement spend) – a significantly higher proportion in comparison with all Scottish councils (15% higher).
- Earlier this year, the [Royal Society for the Arts Heritage Index](#) ranked Shetland as the third best place in Scotland to experience heritage, improving from fourth in 2016. The index considers assets such as landscape, the natural and built environment but also the activities that people participate in such as music events, community traditions, accents, food, sport, industries, volunteering and how these support and build passion, pride and a unique place. These assets and activities, both separately and together, improve wellbeing of individuals and are part of what makes Shetland distinctive and a great place to live, work, study and invest.

What we will do:

- We will agree the Islands Deal with both UK and Scottish Governments, with Shetland's projects reaching full business case stage and significant investment flowing in from both Governments.
- We will progress the Shetland Energy Hub concept through the ORION – Clean Energy Project, helping to sustain employment at Sullom Voe Terminal and the Port of Sullom Voe, as well as ensuring Shetland is positioned to be able to benefit from the transition to alternative energy sources.

- We will provide support to businesses and entrepreneurs that will help sustain jobs in core sectors of Shetland's economy and create new ones.
- Our significant investments in new infrastructure at Scalloway Fish Market, Toft Pier and addressing the constraints affecting Cullivoe Harbour, will provide essential onshore facilities for fishing and aquaculture, meeting user needs and promoting further economic activity around our coastline.
- We will support the Shetland Space Innovation Campus project in order to help establish Unst as the site for new satellite launches and data tracking, as well as creating wider opportunities for supply chain services, education, research and innovation in Shetland.
- We will encourage development and diversification of the creative sector in Shetland, working with delivery partners to derive economic opportunities from creative practice, and supporting those looking to turn their creative ideas into sustainable businesses.
- We will build the principles of community wealth building into the way we support the local community.
- We will support the delivery of the Tall Ships 2023 bid and support the development of small-scale events and festivals to celebrate, increase participation and build pride in, Shetland's heritage.

2.6 Skills and learning

Drivers for change:

- This plan sets out many positives for Shetland over the next five years. In order to make the most of these, we must ensure we have the people with the required skills and experience to be able to take advantage of opportunities created through developments in the local economy. These could include the shift to a net-zero economy, expansion of high-tech activity such as space and decommissioning, ongoing developments of our traditional sectors including food and drink and the creative industries, as well as continuing to resource essential public services such as health and care.
- 20% of Shetland businesses who responded to the 2017 Shetland Employment Survey said they struggled to fill vacancies due to availability of local labour and 23% of respondents said that basic employability of candidates is a problem.
- [Skills Development Scotland](#) estimated in 2019 that, over the next ten years, there will be a requirement for 3,600 people to fill the job openings that will be

created in Shetland through labour market churn i.e. people retiring, leaving Shetland or changing jobs.

- The completion of the redesign of Shetland's tertiary education, research and training sector and its partnership with schools, businesses and communities will create a strong foundation for developing our local labour force and attracting talent to the isles.

What we will do:

- We will complete the redesign of Shetland's tertiary education, research and training sector, which will help sustain the number of young people accessing learning. This will also help businesses get access to the skilled local workforce they require, contributing to Shetland's Partnership Plan aim of helping people to reach their full potential.
- We will continue to provide opportunities for young people to access employment resulting in sustained high participation rates in Modern Apprenticeships, Foundation Apprenticeships and Employability Programmes.
- We will sustain the quality of learning and teaching in our schools to ensure all learners experience motivating and engaging learning opportunities that maximise attainment and achievement of positive destinations with a particular focus on closing the attainment gap.
- We will work to achieve an empowered school system, with participation at all levels including parents, pupils and teachers.

2.7 Digital connectivity

Drivers for change:

- The 2017 Shetland Employment Survey showed that the proportion of local employers using social media platforms for business purposes rose from 45% in 2014 to 60% in 2017 and use of applications for smartphones, tablets etc rose from 26% to 37%. It is expected that this technology will become ever more critical to business competitiveness in the future, and supporting infrastructure will be required to support this growth in usage in areas that are currently underserved.
- Despite local and Government efforts over the years to seek to make improvements, [it is estimated](#) that 25% of homes and businesses in Shetland are still not connected to a network capable of delivering 30mbps or more, well above the estimate of 6% in Scotland.

- Shetland’s COVID-19 pandemic response experience has further shown how critical digital connectivity is to these islands. It has enabled local business to continue to operate through online models, pupils and teachers to engage in online learning, local democracy to function with virtual meetings, council staff to continue to provide essential services like Government grant disbursement and families to stay connected.
- High-speed and resilient digital connectivity is a basic necessity of modern living and, increasingly, is a factor people consider before deciding to move to our islands on a permanent basis.
- The Scottish Government’s [National Islands Plan](#) recognises that “every member of society has a right to live with dignity and to enjoy high quality public services wherever they live”. High-speed and resilient mobile and broadband connectivity is therefore an issue that must be addressed if we are to avoid a widening digital divide becoming a serious fairness and equalities issue for islands as we continue to adjust in a COVID-19 world.

What we will do:

This is an issue that, as a council, we cannot fix on our own, so we will work with others with the strategic aim of achieving high-speed broadband and full mobile coverage to all settlements across Shetland.

- We will commission a piece of work to carry out network planning and engagement with both UK and Scottish Governments, industry and national programmes in order to assess the gaps in provision in local superfast connectivity and inform a strategic plan regarding the future of connectivity in Shetland.
- We will complete the North Isles Fibre project to Yell and Unst and investigate further opportunities to access funding and support to provide enhanced access to higher speed broadband to communities across Shetland.

2.8 Caring for our community

Drivers for change:

- The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) requires local authorities and health boards to integrate planning for, and delivery of, certain adult health and social care services. As a separate legal entity, the Integration Joint Board (IJB) has full autonomy and capacity to act on its own behalf. The IJB is responsible for the strategic planning of the functions delegated to it by the council and the health board and for the preparation of the Strategic Plan.

- The demand for care services in the community is changing as people live longer and there is a need to provide different types of support due to an increase in people living with complex conditions. Adult learning disability and autism services is an example, where, between 2009 and 2019, the number of people receiving council-funded services increased from 56 to 157.
- A [comprehensive review](#) of the way Scotland cares for its most vulnerable children was conducted between February 2017 and February 2020. The Care Review published seven reports with The Promise setting out Scotland's Ambition for children and young people; "We grow up loved, safe and respected so that we realise our full potential".

What we will do:

- We acknowledge the role of the IJB in setting the strategic agenda for the provision of health and care for our community and will support the delivery of the services commissioned from us.
- Working together with NHS Shetland, we will deliver the outcomes in the Integration Joint Board's [Strategic Plan](#).
- Community care services will continue to support people to be independent and able to live at home in the community.
- We will support as far as possible individual care pathways with a focus on prevention, self-care and early intervention.
- We will manage the change from service provision to self-directed support.
- We will deliver services to children and young people with additional support needs and to adults with learning disability and autism that meet eligible need and reduces inequality.
- We will support the mental health and emotional wellbeing of those in our community to provide better outcomes for individuals and less reliance on services.
- We will drive forward the work of The Promise in line with the national implementation plan.
- We aim to reduce the number of children that are accommodated in residential accommodation outwith Shetland, as part of our overall improved performance for looked after children.

2.9 Fairer Shetland

Drivers for change:

- Although Shetland is sometimes seen as a well-off community, the following data shows that there are significant issues to address if we are to achieve Shetland's Partnership Plan aim that individuals and families are able to thrive and reach their full potential:
 - The [cost of living](#) in Shetland is 20% to 60% higher than the UK average.
 - Average UK annual household energy bills are around £1,000 – in Shetland they are typically over £2,000 and, in numerous cases, over £3,000.
 - Almost a fifth of [Shetland households](#) are spending more than 20% of their net household income on heating their homes (extreme fuel poverty) – the current Scottish Government standard for defining fuel poverty does not take account of the Minimum Income Standard for Remote Rural communities, so is likely to be masking the true nature of the problem.
 - [46% of households](#) do not earn enough to live well.
 - Reliance on [emergency food](#) provision continues to increase.
 - Poverty rates in Scotland continue to improve while the [rates in Shetland](#) remain static or are worsening.
- As a council, we have prioritised what we can do to improve health within our communities, so that residents live longer, happier and healthier lives. [The Health of the Nation, A Strategy for Healthier Longer Lives](#), produced following work by an All Party Parliamentary Group on Longevity, stated; “We have been caught in a false view that our national health means the NHS.” Social determinants of health are the conditions in which people are born, grow up, live, work and age. These conditions influence a person's opportunity to be healthy, their risk of illness and life expectancy. Local government has great potential to influence health improvement by tackling these social determinants.
- The UK Government Office for Science [Mental Capital and Wellbeing](#) report in 2008 demonstrated the role national and local government has in creating an environment in which everyone has the opportunity to flourish. Encouraging and enabling everyone in Shetland to realise their potential throughout their lives will be crucial for our future prosperity and wellbeing as a community. The research was used to develop a set of evidence-based actions to improve personal wellbeing – Five Ways to Wellbeing: Connect, Be active, Take notice, Keep learning, Give.

What we will do:

- We will champion prevention and early intervention, taking the leadership for health improvement by tackling the social determinants of health: supporting local sustainable development, building the economy and developing jobs, tackling inequalities, developing the knowledge and skills of local people, ensuring affordable and appropriate housing, accessing leisure opportunities and helping people to feel safe and well.
- The factors that improve the health of a community are very similar to those that improve the health of an individual. As an employer and anchor organisation, we will promote the Five Ways to Wellbeing and work with the Shetland Partnership to make it easy for individuals across the community to find the opportunities to embed the Five Ways into their lifestyles.
- We will campaign to ensure that regulations and arrangements allow Shetland-generated green energy to be made available to Shetland consumers and industries at affordable prices to close the current energy affordability gap.
- We will progress the Fair Food Project with an aim of making Shetland an equitable food community.
- We will deliver the Fuel Poverty Action Plan to seek to reduce Shetland's fuel poverty rate.
- We will ensure children who are eligible for free school meals and other benefits receive them, helping to make a positive contribution to the wellbeing of those children.
- We will continue to invest in the [Anchor Early Action Project](#) to help to make positive changes to the lives of families in Shetland who are struggling.
- We will continue to develop early learning and childcare to provide more opportunities for parents, particularly mothers, to access employment opportunities.
- We will continue to invest in emotional wellbeing and resilience to help reduce poor outcomes for children and young people and families in Shetland.
- We will support children and young people to help them thrive and reach their full potential:
 - Developing the Young Workforce
 - Employability Pathway Programmes
 - Motivation, Commitment and Resilience Pathways
 - Schools Counselling Service

- We will demonstrate support for the Scottish Government's Fair Work Statement to meet the longer-term ambition for Scotland to become a Fair Work Nation.

2.10 Transport

Drivers for change:

- There are five significant drivers for change that are key to our thinking around transport at this point:
 - Climate change
 - COVID-19 recovery and renewal
 - Public health
 - Social and economic wellbeing
 - Affordability and sustainability within available council resources
- Almost all of Shetland's private, commercial and public transport runs on hydrocarbons (petrol, diesel or marine gas oil). Looking specifically at the council, transport services contribute over 50% of the council's carbon production. This has to change, but, as noted, unless we can access affordable green energy, reduce energy consumption and invest in alternative transport technologies we cannot meet our environmental targets.
- We need to learn from the positive behaviour changes that have arisen out of COVID-19 and plan how transport as a service is delivered differently in the future.
- A significant area to be addressed in terms social and economic wellbeing and the financial challenges we face as a council is our inter-island transport links, which are at the moment predominantly provided by ferry services (and air to our remote islands).
- Internal ferries are a key component of an integrated transport network that supports the economic and social wellbeing of Shetland as a whole. They underpin Shetland's significant contribution to the Scottish and UK economies, enabling people to commute to work, businesses to receive and export goods/services and access important supply chains. Our ferries also connect our communities, allowing islanders to attend health services, participate in education, training, sport and leisure activities and provide the vehicles for tourists to visit our islands.
- Vessels and infrastructure are ageing and becoming unreliable and the costs of sustaining services and replacing assets (be they ferries or fixed links) are

far beyond what is affordable to the council without a fundamental change in how Scottish Government provides support.

What we will do:

- We will engage in the development of a new Shetland Transport Strategy that sets a clear strategic and policy framework in response to the drivers for change.
- We will continue to work to secure support from Scottish Government to ensure financially and environmentally sustainable internal ferries services, so we can continue to provide links between the islands that are reliable and support economic and social wellbeing, and will continue to pursue fixed links, where they can be proven to be a viable alternative.
- We will continue to support air services to Foula and Fair Isle, including consideration of alternative fuels and technologies in the provision.
- We will continue to support delivery of an affordable and sustainable system of public transport services to meet the needs of Shetland. We will support the development of alternative solutions such as active travel and mobility as a service that encourage positive travel choices. These will evolve with the availability of alternative fuels and technologies and will complement other transport modes to form part of an integrated transport network. The network will support our community outcomes of achieving climate change targets, reducing inequality, improving public health and enabling access to essential goods and services, employment, education and health care, as well as other opportunities to ensure inclusive economic growth and healthy communities.
- We will invest in the maintenance of our roads network to ensure it continues to support our economy and communities. In addition, we will invest in road improvements and upgrades where they are necessary to support the sustainability of communities and businesses and/or support new economic opportunities in the islands.

SECTION 3 - DELIVERING OUR PLAN

This plan sets out an ambitious set of priorities for our council over the next five years. Delivering these priorities, which we consider to be key to Shetland and the council's future sustainability, will require political engagement and support, as well as the right organisational values and culture.

3.1 Political Engagement

Drivers for change:

- Shetland Islands Council is unlike most other Scottish councils in the broad scope of services we provide and the fact that our sole focus is on islands' issues – the decisions we take impact on everyone in our islands.
- We increasingly feel that local government has reached a critical point and is facing the real risk of becoming a tier in Scotland's governance structures that is neither recognised, empowered nor adequately resourced.
- Shetland's experience since the passing of the Local Government (Scotland) Act 1994 has been one of gradual removal of powers. The recent announcement of a [review of adult social care](#) that will look at "how adult social care can be most effectively reformed to deliver a national approach to care and support services – and will include consideration of a national care service" could become the latest example of government consolidating powers to the centre. In Shetland, our adult care services have justifiably been a source of pride and are an excellent example of local planning and delivery leading to positive outcomes.
- Like all councils in Scotland, our council currently receives the vast majority of its annual funding from Scottish Government. However, that amount continues to be reduced year on year. The [Accounts Commission](#) has shown that between 2013/14 and 2018/19, our council suffered a 14.1% reduction in funding from Scottish Government, the second highest cut of all Scottish local authorities. It is expected this trend will continue and may become more pronounced.
- Although our council has reduced staff numbers by over 400 FTE since 2010, there can be little doubt that, should the reduction in Scottish Government funding continue, the ability to achieve positive outcomes for our island communities will diminish considerably. This is very worrying as we seek to adjust to COVID-19, UK withdrawal from the EU and see energy transition affecting core industries in Shetland.
- Our discretion on how to spend funding has become ever-more tightly determined by Scottish Government. [COSLA recently showed](#) that 60% of

Scottish council budgets are now focused on delivery of national policy initiatives.

- Scottish Government recognised through '[Empowering Scotland's Island Communities](#)' that "the provision of transport services should not place a disproportionate financial burden on any council...with particular reference to the revenue and ferry replacement costs of the internal ferry services of Orkney and Shetland". It also committed to "meaningful negotiation" to conclude the issue. The level of financial burden has been jointly agreed. However, our council continues to bear a significant proportion of running costs for Shetland's internal ferry services.
- Shetland communities continue to reflect with a sense of frustration that Shetland's resources contribute significantly to the nation's prosperity, but when national programmes, like broadband, are being rolled out, Shetland is generally one of the last areas to be considered.
- The cost of energy continues to be a persistent millstone around Shetland's neck. Despite the fact that Shetland is positioned in the middle of the UK's oil and gas reserves and has one of the largest oil terminals in Europe, our communities and businesses have to pay some of the highest energy costs in the UK and a large proportion of Shetland households suffer from fuel poverty.
- As things stand, nothing will change on fuel prices despite the development of the renewable energy projects currently under construction. Although their output will significantly exceed Shetland demand and large volumes of electricity will be exported to the mainland, many islanders will still find themselves trapped in fuel poverty and business competitiveness will still be damaged by high energy costs.

What we will do:

We will continue to work proactively with Scottish and UK Governments to make Shetland's voice heard and deliver our ambitions in this plan.

- We will continue to engage both Governments to promote our Islands Deal projects and ensure they are funded and delivered with sufficient pace.
- In line with the [motion](#) passed at the Shetland Islands Council meeting on 9 September 2020, we will continue to explore options for achieving financial and political self-determination.
- We believe in the principle that decision-making should be as close as possible to the people who are affected, with the responsibility for making decisions held by representatives that are democratically accountable to

those people. We will continue to engage all stakeholders on this overarching principle.

- We will continue to engage with the Scottish Government to ensure they deliver the positive outcomes in the Islands (Scotland) Act 2018 and National Islands Plan.
- Securing full and fair funding for Shetland's internal ferries remains a high priority for this council and one which is becoming a test of the Scottish Government's commitment to positive transport outcomes set out in the Islands Act and the principle of fairness contained in the National Islands Plan. We will continue to pursue this until resolved.
- We will campaign to ensure that regulations and arrangements allow Shetland-generated green energy to be made available to Shetland consumers and industries at affordable prices to close the current energy affordability gap. Developing new and innovative arrangements where renewable energy generated in the islands, in particular electricity, could be consumed locally at affordable prices could transform the fuel poverty levels in the islands. We believe that could create a solution with significant economic, commercial and social benefits for communities, business and government and provide a much-needed growth stimulus for the islands at a very concerning transition point for the oil and gas industry.

3.2 Our organisational values and culture

Chief Executive, Maggie Sandison

As a council, we are ambitious for our community and are demanding of ourselves as an organisation. We have an unwavering focus on ensuring Shetland and its people thrive. The council's [Values and Behaviours Statement](#) underpins everything we do.

Excellent Service:

We are committed to doing our best for Shetland and are proud to deliver public services that make a real difference to our community. In a rapidly changing society (even before the COVID-19 pandemic) where we are facing demographic, technological, financial and social changes, we cannot stand still. We have to revisit what we do, try out new ideas and find new ways of approaching problems so that we remain excellent at meeting the changing needs of our community. Excellent stops being excellent if we stop improving – we have to innovate and change in order to stay relevant.

Five imperatives must now guide our work more than ever before:

1. A stronger focus on early intervention and prevention.

2. Demand management, including ensuring we deliver services right first time through [Customer First](#) and applying our learning from complaints and customer feedback.
3. Harnessing community strengths, collaboration and assets, particularly to tackle inequalities and enable more improvements in wellbeing to be delivered by the community.
4. Ensuring our services are targeted and make a difference to those people who need them most.
5. Growing our economy and improving people's ability to access opportunities through learning, skills and training.

Taking personal responsibility:

We are all creative, resourceful, imaginative people and we should all have the opportunity to use those skills and attributes at work to improve our services and the outcomes for our community. As Chief Executive, it is my job to create an environment that supports my staff to thrive at work so they have the confidence and resources to experiment and feel safe to suggest new solutions to the challenges we face.

Our council continues to face the significant challenge of setting a balanced budget with reducing funding, rising demand for services and increasing costs (e.g. inflation and pay awards), while continuing to invest in a positive future for Shetland and protect the most vulnerable in our community.

Our council's services are delivered through people, directly and indirectly, and by far the largest element of investment is connected with the cost of employing and developing staff. The satisfaction of our customers, our efficiency and overall performance depend on our workforce's skills, abilities, behaviour and motivation in modernising services and changing the way we work to meet customer needs.

We are the largest employer in Shetland and being an employer is one of the direct contributions we make to our economic and community wellbeing. We are proud of our staff, care about their wellbeing and recognise the importance of supporting their development. We know that we can only provide excellent services if we can recruit and retain excellent employees. We have a flexible working culture that we believe supports staff to deliver their best for Shetland. Giving them greater control over when and where they work provides them with the ability to carry out their role in the most productive way possible, while enabling them to also maintain a vital work-life balance and contribute to our community.

Working well together:

Without the gifts, talents, perspectives and efforts of everyone in our organisation and across our community planning partnership, sustainable change for Shetland is impossible to achieve. We all have a part to play but we need to work well together to achieve more collectively than we would alone. Our connectedness to others has a big impact on how happy we feel and, therefore, how well we perform.

Relationships matter, probably much more than we realise. It is central to helping us flourish, feel good at what we do and feel supported even in the most challenging situations.

What we will do:

- Our ambition is for the council to be a fabulous place to work, through exceptional employee experience, talented managers and leaders, and a culture underpinned by our values, kindness, fairness and equality.
- We will maintain a clear focus on delivering excellent services to the public.
- We will deliver strong leadership of place, enabling, facilitating and stimulating opportunities for Shetland.
- We will develop a modern, efficient and flexible workforce with the right values, behaviours and skills through delivering the actions in our Workforce Strategy.
- We will use technology to support modern, accessible customer interactions, to be a catalyst for cross-council service improvement and support flexible working practices.
- We will be a learning organisation with a culture that supports psychological safety, intellectual bravery, experimentation, innovation and a willingness to learn from our mistakes, our experiences, and from employee, customer and community feedback, without fear or defensiveness.
- Our communications will enable us to clearly explain the challenges and opportunities to our workforce, community, partners and other key stakeholders and to engage them in being a part of the solutions, further strengthening these vital relationships and collaborative working.
- We will work with our partners and our community to deliver our priorities through effective leadership, governance and democratic processes.
- We will develop a Medium Term Financial Plan to help us become more financially sustainable and resilient, safeguarding public funds while achieving value for money. This will ensure we are well placed to respond to the significant funding uncertainties and pressures we face and to target our money to where it can make the most difference. We will continue with disciplined financial monitoring, working towards a smaller base budget from 2022 onwards.
- We will promote and deliver social and economic value through effective procurement and contract management practices. Wherever possible, we will

continue to spend our money locally to support local businesses and organisations.

SECTION 4 - MONITORING AND REPORTING

We will monitor and report progress on this plan through our Change Programme and Performance Management Framework. This will help us to:

- be clear on what we will do to deliver on our priorities.
- identify lead officers responsible for ensuring delivery.
- understand timescales.
- ensure resources are being effectively prioritised.
- set out measurements of progress.

As part of this, directors will report progress on key areas of this plan through their quarterly reports to their respective committees. We will also produce an annual report to Policy and Resources Committee to highlight key areas of progress and any significant changes to the drivers for change. This will also be reported in our annual public performance report.