



REPORT

To: **Shetland Islands Council**

7 February 2008

From: **Head of Finance**

GENERAL FUND REVENUE ESTIMATES & COUNCIL TAX SETTING – 2008/09 **Report No: F-003-F**

1.0 Introduction

1.1 The Council, at its meeting on 31 October 2007 (min ref 144/07), adopted a Budget Strategy for the 2008/09 estimates process. Members resolved to pursue a policy for 2008/09, which:-

- a) reaffirms the existing £250 million Reserve Floor policy (i.e. that Council discretionary Reserves will be maintained at or above that level);
- b) establishes a single overall limit for drawings on Reserves in 2008/09 of £32 million (based on the current limits of £4 million of General Fund revenue support, £20 million General Fund Capital Programme support, £8 million Reserve Fund Programme support);
- c) that the Council should achieve at least 1% savings, after removing inflation provisions, and that a Finance Review Panel be formed including Members and Officers, involving all levels of staff, to consider the savings required and to provide ideas for service redesign for the future.

The long-term aim in respect of the General Fund is to steadily reduce demand thereafter on Reserves to support revenue spending on the General Fund such that the draw on Reserves will be zero in 2012/13.

1.2 The Council, in pursuing its policy over recent years, has had to address absorption of services previously provided by the Shetland Charitable Trust plus real growth in service areas due to increasing demands.

1.2.1 In 2005/06 anticipated budget requirement of £7.03m from reserves was controlled to a level of £4m. In 2006/07 original forecast requirements for 2006/07 was £11.6m from reserves, this was reduced after a series of costs cutting measures resulting in a draw of £4.92m. For 2007/08, the original draw on reserves was approved at £5m. Latest financial

information suggests that with continued emphasis on controlling costs this will be achieved and possibly bettered.

- 1.3 This report provides Members with the information required to set the various charges and make the necessary resolutions.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy and, in particular, to keep revenue budgets within sustainable limits.

3.0 Format of the Report

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4.0 2008/09 Estimates

4.1 Support Services

- 4.1.1 The Support Services ledger comprises the costs of all Departments of the Council, which are ultimately recharged out to particular services and funds, leaving a zero balance on the Support Services Ledger.
- 4.1.2 Table 1(a) below compares the 2008/09 Support Services budgets put forward by the Chief Executive, the Executive Directors and Heads of Service against the 2008/09 ceiling.

Table 1(a)	2008/09 Ceiling	2008/09 Budget	Variance (Adverse)/ Favourable
Support Services	£000	£000	£000
Employee Costs	17,268	18,418	(1,149)
Operating Costs	6,068	6,100	(32)
Transfer Payments	1	0	1
Income	(472)	(518)	46
Net Dept Expenditure	22,866	24,000	(1,135)
Net Recharges	(23,174)	(24,308)	1,135
Capital Financing Costs	308	308	0
Total Net Expenditure	(0)	0.000	(0)

4.1.3 The above table shows an increase in the overall Net Departmental controllable expenditure of £1.135m. Inflation plus 1%, in line with the budget strategy, was stripped from the ceiling which has caused the majority of the overspend as there are still national pay awards to be met in 2008/09, and staffing levels are largely fixed. The remaining costs are transfers from the General Fund to the Support Ledger, growth in staffing costs for new posts to alleviate staffing pressures already approved by the Council in previous reports or to provide cover for sickness and training.

4.1.4 Table 1(b) below compares the 2008/09 Recharged budgets put forward by the Executive Director Infrastructure and the General Manager Ports and Harbours against the 2008/09 ceiling. This covers internal services provided mainly to the Ferries and Ports.

Table 1 (b)	2008/09 Ceiling	2008/09 Budget	Variance (Adverse)/ Favourable
Recharged Services	£000	£000	£000
Employee Costs	1,328	1,390	(61)
Operating Costs	7,508	9,746	(2,238)
Transfer Payments	0	0	0
Income	(985)	(1,036)	51
Net Dept Expenditure	7,851	10,100	(2,249)
Net Recharges	(7,851)	(10,100)	2,249
Capital Financing Costs	0	0	0
Total Net Expenditure	(0)	(0)	0

4.1.5 The overall Net Departmental controllable expenditure is £2.249m higher than the ceiling for 2008/09. The majority of this (£1.9m) is due to an increase in the Council's jetty maintenance contract with BP, which is wholly funded by BP. The income for which is shown in the Harbour Account. The remaining increase is on the tugs boats electricity and other costs. These vessels now have shore power instead of using generators to power the vessel when lying alongside the tug jetty plus other costs held on the Harbour ledger are now incorporated here such as meal supplies (£0.348m). All costs in relation to the Harbour are charged to the Harbour Account.

4.2 General Fund

4.2.1 The table below compares the 2008/09 General Fund budgets put forward by the Chief Executive, Executive Directors and Heads of Service against the 2008/09 Ceiling.

Table 2	2008/09 Ceiling	2008/09 Budget	Variance (Adverse)/ Favourable
General Fund	£000	£000	£000
Employee Costs	51,395	56,958	(5,563)
Operating Costs	31,440	31,912	(472)
Transfer Payments	9,116	9,712	(596)
Income	(18,896)	(18,782)	(115)
Net Dept Expenditure	73,055	79,800	(6,745)
Net Recharges	20,499	22,008	(1,509)
Capital Financing Costs	274	393	(119)
Total Net Expenditure	93,828	102,201	(8,373)
Financed by:			0
General Revenue Funding (Block Grant)	(76,150)	(81,086)	4,936
Council Tax Freeze Support	0	(256)	256
Non Domestic Rates	(8,192)	(8,393)	201
Council Tax	(8,058)	(7,806)	(252)
Trading Contribution	(1,312)	(660)	(652)
Council Reserves	(4,000)	(4,000)	0
Total (Surplus)/Deficit	(3,884)	(0)	(3,884)

n.b. The 2008/09 budget does not contain provision for single status. The amount and timing of which remains to be debated and determined by the Council in due course.

4.2.2 It can be seen from Table 2 that the budget estimates put forward by Budget Responsible Officers result in a draw upon Council Reserves of £4m million, in line with what was approved in the budget strategy. Measures the Council agreed to reduce spending (1% reduction + no inflation) exceeded the reduction required (giving rise to a surplus of £3.884 million in the Ceiling column), so in the end it is not a problem that the ceiling was exceeded.. The main point is that Table 2 indicates that it is possible to set a General Fund revenue budget for 2008/09 which meets the key target set by Council financial policy, namely a draw upon Reserves limited to £4 million.

4.2.3 Table 3 below shows the Net Departmental Expenditure by Service Area.

Table 3 Net Departmental Expenditure by Service Area	2008/09 Ceiling £000	2008/09 Budget £000	Variance (Adverse)/ Favourable £000
Chief Executive	388	361	26
Organisational Development	162	15	147
Legal & Administration	219	159	60
Finance	383	409	(25)
Housing	606	726	(120)
Educ & Social Care Directorate	1,981	1,997	(16)
Community Care	12,823	15,713	(2,890)
Schools	31,132	32,608	(1,476)
Children's Services	4,876	5,457	(581)
Criminal Justice	(5)	16	(21)
Lifelong Learning	2,629	2,709	(80)
Infrastructure Directorate	14	0	14
Environment	7,142	7,323	(181)
Planning	(255)	(241)	(14)
Roads	5,292	5,292	(1)
Transport	8,388	8,573	(186)
Savings/Vacancy Factor	(2,718)	(1,316)	(1,402)
Total Net Dept Expenditure	73,055	79,800	(6,745)

- 4.2.4 It can be seen that Budget Responsible Officers had some success in getting their budgets down towards the ambitious ceiling level in many areas. That proved difficult, however, in the big spending areas of Community Care, Schools and Children's Services, where increasing demands and/or existing service design meant that the target was missed by almost £5 million. There is also real growth in the Fire Requisition of £0.231m, the Police requisition has a modest increase of £0.02m. Council Members represented on the Police and Fire Boards have been pursuing for more accountability and local influence on these Boards. It has been agreed that Heads of Finance will attend a budget meeting in August to pursue this.
- 4.2.5 The Finance Review Panel, approved as part of the budget strategy, has met twice since its inception in October. A paper was drawn together by the Chief Executive, which gave proposals for budget reductions on Discretionary grant which was approved by the Panel and has been included in the estimates. The approved reductions were discretionary grant budgets for Economic Development, Community Development, Community Councils and the transfer of part of the funding for the North Atlantic Fisheries College to be met from Shetland Development Trust surpluses. A further recommendation of the Panel has been to set up working groups to look at proposals, review services in order to remove inefficiencies and make savings across all services. The Finance Review Panel will consider the outcomes from these working groups. Table 3 and paragraph 4.2.3 suggest that Community Care, Schools and Children's services are high priority areas for attention. Following the Finance Seminar on the 22 January, it is proposed to budget fully for Community Councils but that a proportion of the grant will be retained until a review is carried out (starting in February) with Community Councils and the Association of Community Councils in respect of their funding levels.

- 4.2.6 A pattern of underspending of approved budgets has emerged in recent years (£3 million in 2005/06, and £4 million in 2006/07). There is evidence that this pattern is continuing in the current year and it is reasonable to conclude that it will continue into 2008/09, so an element of anticipated savings has been included in the budgets above of £1.3m (much lower than has been achieved, mainly through staff vacancies, in recent years). Executive Management Team will work with Budget Responsible Officers to ensure that this outcome is achieved, and will report to Council throughout the year on progress towards this objective.
- 4.2.7 The settlement from the Scottish Government for 2008/09 was nearly £5m more than anticipated. This has proved vital to the achievement of a budget in line with Council financial policy. However as part of this settlement the Scottish Government have proposed a Concordat with local government, part of which requires the Council Tax to remain at the same level as in 2007/08. If the Council does not wish to do this then there will be a sum deducted from the settlement amounting to £0.256m (equivalent to a 3% increase in Council Tax).

4.3 Reserve Fund

- 4.3.1 Table 4 below sets out the Reserve Fund budgets for 2008/09 by Service in comparison to the target.

Table 4 Reserve Fund Estimates	2008/09 Ceiling £000	2008/09 Budget £000	Variance (Adverse)/ Favourable £000
Housing Service	151	156	(5)
Economic Development Unit	5,695	3,752	1,943
Infrastructure	356	558	(202)
Lifelong Learning	139	323	(184)
Finance Services	293	240	54
Asset Services	1,017	1,024	(7)
Departmental Recharges	32	18	13
Total Reserve Fund	7,683	6,070	1,612

- 4.3.2 The table above shows that the Reserve Fund bids for 2008/09 are under the ceiling by £1.612m. This underspend relative to Council policy is valuable in circumstances where the contribution to the Reserve Fund from Harbour account surpluses is likely to be below target due to lower than expected traffic levels through the Port of Sullom Voe. Restoration of profitability at the Port of Sullom Voe is a crucial issue, which will need to be the focus of attention in the coming year. Future years spending levels are hugely dependent upon achieving that goal. It should be recognised that the substantial cuts in the Reserve Fund programme have been made late in the day. On the one hand there will be strong pressure to reverse these cuts next year and thereafter, but on the other hand the Council's ability to do so is heavily dependent on restoring profitability to the Port.
- 4.3.3 The underspend is due to a combination of reductions in discretionary grants on Economic Development including a reduction in grant to the North Atlantic Fisheries College (part now to be met instead by Shetland

Development Trust surpluses for 2008/09 only) and growth in grants for property grants and the modern apprentice scheme. Attached, as Appendix E is the list of reductions and the impact expressed by departments.

4.4 2008/09 Charges

4.4.1 The detailed review of charges is contained in Appendix B, and built into the estimates shown in Table 2.

4.4.2 Non Domestic Rates

4.4.2.1 The Scottish Government sets this charge and, although it is collected locally, the proceeds are nationally pooled and redistributed on a population basis using the Aggregate External Finance mechanism.

4.4.2.2 The Small Business Bonus Scheme being introduced by the Scottish Government from 1 April 2008 will replace the current Small Business Rate Relief Scheme. The new scheme reduces the rates burden for businesses with properties for which the combined rateable is £15,000 or less. Under the former scheme the combined rateable value was £11,500 or less, with all properties with rateable value of £11,500 or less receiving automatic relief of 5%, whatever the combined rateable value of the business's properties. This 5% automatic relief is no longer available, as the new scheme has been designed to target the smallest businesses. The terms for 2008/09 will be as follows, subject to Scottish Parliamentary approval of the necessary Regulations in March 2008.

4.4.2.3 The Small Business Bonus Scheme will be delivered in full by April 2010 or sooner if resources permit. Projected relief of rates for each of the next three years are set out below:

Table 5 Combined rateable value of all business properties occupied by applicant	Percentage relief available subject to eligibility		
	2008-09	2009-10	2010-11
Up to £8,000	50%	80%	100%
£8,001 to £10,000	25%	40%	50%
£10,001 to £15,000	12.5%	20.0%	25.0%

4.4.2.4 For subjects with a rateable value below £29,000 the rate will be 45.8p in the pound, up from 44.1p.

4.4.2.5 The Small Business Bonus Scheme is similar to the former Small Business Rate Relief Scheme in that larger businesses will continue to contribute to the cost of the scheme by paying a supplement on the rate poundage for all subjects with a rateable value above £29,000. In 2008/09 this supplement will be 0.4p (0.3p in 2007/08) on the rate poundage of all properties with a rateable value above £29,000, therefore the rate will be 46.2p in the pound

4.4.3 Council Tax

4.4.3.1 In 2007/08, the rise in Council Tax was 3.5%. For 2008/09, it is proposed that Council Tax will remain at the same level as 2007/08 in line with the conditions of the Revenue Support Grant from the Scottish Government. This will mean that Band D Council Tax for 2008/09 will be £1,053. This will produce a yield of £7,805,584 to the General Fund, assuming a 95.5% collection rate.

4.4.3.2 Table 6 below shows the 2008/09 Council Tax charges compared to 2007/08.

Property Band	Council Tax 2007/08 £	Council Tax 2008/09 £
A (0-£27,000) Disabled	585	585
A (0-£27,000)	702	702
B (£27,000-£35,000)	819	819
C (£35,000-£45,000)	936	936
D (£45,000-£58,000)	1,053	1,053
E (£58,000-£80,000)	1,287	1,287
F (£80,000-£106,000)	1,521	1,521
G (£106,000-£212,000)	1,755	1,755
H (£212,000 and over)	2,106	2,106

4.4.4 Residential Care – Pricing and Charging Arrangements

Pricing Arrangements – Independent Sector Providers

4.4.4.1 Crossreach

The prices for residential care places at Walter & Joan Gray Home rose in 2007/08 and is expected to rise again in 2008/09 to £719.

4.4.4.2 Other Independent Sector Providers

The price for residential care places with other independent sector providers will be negotiated on an individual basis in line with COSLA's benchmark figures, see Appendix Biii.

Charging Arrangements – Council & Independent Sector Providers

4.4.4.3 Under community care legislation the local authority must charge residents according to their means, as per the National Assistance (Assessment of Resources) Regulations 1992 (the Regulations). From 7 April 2008, those residents in permanent care with savings/assets of over £21,500 are responsible for meeting the full weekly cost of their care.

- 4.4.4.4 In accordance with Section 26 (2) of the National Assistance Act 1948, the Council must charge the client for permanent care purchased from private and voluntary organisations at the cost charged to the Council.
- 4.4.4.5 Local authorities are required by legislation to charge for their own provision of residential care at the full economic rate. Capital charges and depreciation are included in that charge.
- 4.4.4.6 Provision was made in 2000/01 for Shetland Islands Charitable Trust to assist self-funding residents by equalising charges (SC Min Ref 94/00, SICCT Min Ref 57/00). Members agreed to recommend that the benchmark price should be reviewed annually. In recent years, figures published annually by COSLA have been used to determine the Benchmark. The figures for 2008/09 are not available at the time of writing and the estimates have been prepared on the basis of £467.00 per week in the meantime. Provision for the equalisation of charges has been made in the SCT 2008/09 estimates.
- 4.4.4.7 Scottish Government guidance on financial assessment for temporary residential care makes provision for the local authority to 'disregard' an additional amount, which appears 'reasonable,' to meet the cost of continuing home commitments. It is proposed to increase the weekly amount for 2008/09 by 3% as follows:

£32.00	person living alone
£20.60	person sharing a home
£20.60	sheltered housing tenant living alone
£16.00	sheltered housing tenant sharing a home

Direct Payment Rates

- 4.4.4.8 In June 2003, it became a duty for local authorities to offer Direct Payments to disabled people assessed as needing care services. A Direct Payment for care is money paid by the local authority directly to a person whom it has assessed as needing care services. The payment is made in lieu of care services provided by or arranged by the local authority and must be used to purchase care to meet the assessment of needs agreed with the local authority.

In April 2005, Direct Payments were extended to include all people assessed as needing community care or housing support services.

Scottish Government guidance indicates that Direct Payments should be "equal to the local authority's estimate of the reasonable cost of [the service user] securing the provision of the preferred service."¹

¹ Direct Payments, Social Work (Scotland) Act 1968: Sections 12B and C, Policy and Practice Guidance, June 2003

Proposed Direct Payment rates for 2008/09 for services for which Direct Payments have been requested are included in Appendix B for approval. These rates compare favourably with those offered elsewhere across Scotland

5.0 3 Year Budgets: 2009/10 and 2010/11

- 5.1 Table 7 below summarises the overall position on the General Fund for 2009/10 and 2010/11. This is required by the Scottish Government's three-year budgeting regime.
- 5.2 This has been done by extrapolating figures from the 2008/09 budget exercise, and modifying them for inflation in 2009/10 and 2010/11.

Table 7 General Fund 2009/10 and 2010/11 Estimates	2009/10 Estimate £000	2010/11 Estimate £000
Employee Costs	59,499	60,689
Operating Costs	42,386	43,234
Savings to be found (including vacancy factor)	(1,883)	(2,466)
Income	(19,242)	(19,627)
Net Expenditure	80,759	81,830
Net Recharges	22,448	22,897
Net Capital Financing Costs	401	409
General Fund Financing Required	103,608	105,136
Funding Income:		
Revenue Support Grant	(83,224)	(85,481)
Non-Domestic Rates	(8,393)	(8,393)
Council Tax Freeze Support	(512)	(769)
Council Tax	(7,806)	(7,806)
Trading Contribution	(673)	(687)
General Fund Reserves	(3,000)	(2,000)
BALANCED BUDGET	0	0

- 5.3 Table 7 gives an early assessment of the level of spending required to continue to adhere to the Council's current long-term policy on Reserves. Inflation each year has been set at 2% for all expenditure and income budgets, with the exception of funding income, namely RSG/NNDR/Council Tax. This results in savings required in 2009/10 of £1.883m and £2.466m in 2010/11 to meet the policy on use of reserves. If the current service growth trends are not addressed then the ability to fund future capital programmes from our reserves and remain debt free will be jeopardised. This will be particularly the case if the current growth experienced from good investment returns from the markets suffers a setback as may well be in prospect. This is the first indication of the scale of the task facing the Finance Review Panel.

6.0 Virements and Contracts

- 6.1 An exemption to section 7.10 of the Council's Financial Regulations is being sought by the Executive Director of Infrastructure Services. As in previous years, the Executive Director of Infrastructure Services seeks the authority to undertake virements greater than the 'de minimis' level on three services. The first service involves the request to undertake virements between the Road Maintenance and Winter Maintenance cost centres on the basis that the work is

mutually exclusive. The second area is within the Winter Maintenance cost centre between 1102 Emergency Repairs (the labour costs recharged from the DLO) and 1222 consumables (for the purchase of salt) to provide operational flexibility to officers in the department and the third is between the bus contracts within the global figure as set out in Appendix D, in connection with the administration of the contracts by the Council on behalf of the Zetland Transport Partnership.

7.0 Policy and Delegated Authority

- 7.1 There are no delegated powers for the Chief Executive, the Executive Director Infrastructure, the Executive Director Education & Social Care or Heads of Service to determine the level of revenue resources required to provide Council's services. The ultimate decision on approving the revenue estimates lies with the Council.
- 7.2 The decision on setting the Council Tax lies with the Council.
- 7.3 The authority for setting pricing and charging arrangements lies with the Council. Proposals regarding benchmark figures for equalisation of charges must be referred to Shetland Charitable Trust.
- 7.4 The Council can approve that authority be delegated to the Executive Director of Infrastructure Services to carry out the virements detailed in paragraph 6.1.

8.0 Conclusions

- 8.1 In summary this report sets out the proposed Support Services, Recharged Services, General Fund and Reserve Fund budgets for the Council for the 2008/09 financial year.
- 8.2 A review of charges has also been undertaken and the proposals are detailed in Appendix B.
- 8.3 The Support Ledger budgets for 2008/09 are over the budget strategy ceiling by £1.135m due to increasing staff costs from the annual wage award and increased staffing budgets for new staff and sickness/training cover.
- 8.4 The Recharged Ledger budgets for 2008/09 are over the budget strategy ceiling by £2.249, however £1.9m of this will be met by BP (income shows up in the Harbour Accounts), the remainder is increased electricity costs from shore power to the tug boats which will be met from the Harbour Account and therefore there is no impact on the General Fund.
- 8.5 The Reserve Fund budgets for 2008/09 are under the budget strategy ceiling by £1.612m due to the reduction in discretionary grants and part of the running cost grant to the NAFC.
- 8.6 The central finding of this report is that the proposed General Fund revenue budget for 2008/09 requires use of the Council's Reserves to a level of £4m in line with the budget strategy. Following the trend for general under spending of budgets, there is a savings/vacancy element in the budget of £1.3m.

9.0 Recommendations

9.1 I recommend that Council:-

- a) consider the 2008/09 estimates as detailed in Tables 1a, 1b, 2 and 4, and agree the balancing of the General Fund budget by applying up to £4 million from Reserves to the General Fund;
- b) instruct Executive Management Team to monitor budgets versus actuals to ensure that the Council's key financial objectives are achieved;
- c) consider and agree the review of charges contained in Appendix B;
- d) note the Non-Domestic Rates as indicated by the Scottish Executive in paragraph 4.4.2;
- e) agree to freeze the Council Tax charges in line with the Concordat between the Council and the Scottish Government at the 2007/08 level as set out in Table 6;
- f) agree the pricing arrangements for residential care as detailed in 4.4.4 and Appendix Biii;
- g) agree the uprating of the sum to be disregarded for home commitments as detailed in 4.4.4;
- h) agree to the review of Community Councils as set out in paragraph 4.2.5.
- i) recommend that the Council recommend that the Charitable Trust use the figure of £467 as the benchmark figure for equalisation of charges in 2008/09;
- j) consider and agree the 2008/09 and 2009/10 summary financial projections set out in Table 7;
- k) confirm the continued delegation to the Executive Director of Infrastructure Services the authority to undertake virements greater than the "de minimis" level between the Road Maintenance and Winter Maintenance cost centres (details in Appendix C) and within the Winter Maintenance cost centre between 1102 Emergency Repairs and 1222 Consumables;
- l) consider and agree the bus contract estimates contained in Appendix D, and the letting of any of the individual contracts as shown, within that global figure, in connection with the administration of the contracts by the Council on behalf of the Zetland Transport Partnership;
- m) subject to consideration of the above recommendations the Formal Resolutions set out in Appendix A should be adopted and agreed;

Date: 31 January 2008

Our Ref:
F-003-F

HKT/C/1/2008

Report No:

Shetland Islands Council – Revenue Estimates 2008/09**The Formal Resolutions Required****Recommendation**

It is recommended that to provide for the expenses foreseen in the Revenue Estimates for 2008/09, the Council RESOLVE THAT:-

- 1 they IMPOSE and LEVY the following assessments for the period from 1 April 2008 to 31 March 2009.
 - (i) **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 Head of Finance, either by ten instalments, as near equal amounts as practicable, the first on or before 1 May 2008 and at monthly intervals thereafter, or in a single payment on or before 30 September 2008.
 - (ii) **COUNCIL TAXES**
 - (a) **Council Tax:** Council Tax of £1,053.00 – Band D equivalent, on all chargeable dwellings in Shetland and to be paid by the persons liable therefore 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 Head of Finance, either by 10 monthly instalments, as near equal in amount as practicable, the first on or before 1 April 2008 and at intervals thereafter, or in a single payment before 1 June 2008.
- 2
 - (a) The Council adopt the following regulations with regard to the lodging and hearing of appeals against rates, in terms of Section 283 of the Local Government (Scotland) Act 1947, viz:
 - (b) persons complaining that they have been improperly charged, must lodge their appeals with the Head of 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 2008 should be set equal to £10,000.
- 4 To provide the necessary financing supplementary income from taxes, charges and grants, the Head of Finance be authorised to ask the Bank of Scotland, Lerwick Branch to advance by way of overdraft, if and when necessary, a sum not exceeding £800,000.

REVIEW OF CHARGES - EXECUTIVE OFFICE

TOWN HALL CHARGES	2007/08 Charge £	2008/09 Charge £	Variance %
Sale of Work	39.50	40.50	2.53
Sale of Work (with evening jumble)	60.00	61.50	2.50
Weddings	32.25	33.00	2.33
Dances/Receptions	38.25	39.25	2.61
Miscellaneous Functions (to 5pm)	14.50	14.85	2.41
Miscellaneous Functions (after 5pm)	20.50	21.00	2.44
Public Meetings:			
1) Monday to Friday	20.50	21.00	2.44
2) Saturday	30.25	31.00	2.48
3) Sunday	39.50	40.50	2.53
Time after 1am	60.00	61.50	2.50
Preparation after 5pm	19.50	20.00	2.56

REVIEW OF CHARGES - LEGAL & ADMIN SERVICES

	2007/08 Charge £	2008/09 Charge £	Variance %
PROPERTY ENQUIRY CERTIFICATES	95.00	95.00	0.0
CIVIL MARRIAGES - LERWICK REGISTRATION OFFICE			
Approved Places – Licensing Scheme			
Application for 3 year licence	180.00	182.00	1.1
Application for 1 day licence	180.00	182.00	1.1
Marriage Room, County Buildings (Maximum no. 25) <i>4 to 25 guests - Monday to Friday – 10 a.m. to 4 p.m.</i>			
Accommodation and Booking Fee	26.00	27.00	3.8
<i>up to 25 guests - Outwith Normal Office Hours</i>			
Accommodation and Booking Fee	52.00	54.00	3.8
Registration Office – All Districts, except Lerwick - 4+ guests			
Accommodation and Booking Fee	26.00	27.00	3.8
Approved Places - All Districts			
Administration and Booking Fee	105.00	107.00	1.9
<i>All booking fees include a £10 non-refundable fee</i>			
LICENSING (Scotland) Act 2005 (New)			
(For noting only - Charges below are determined by Fees Regulations or the Licensing Board)			
Application Type			
Initial Premises Application Fee			
Category 1		200.00	
Category 2		800.00	
Category 3		1100.00	
Category 4		1300.00	
Category 5		1700.00	
Category 6		2000.00	
Annual Premises Licence Fee			
Category 1		180.00	
Category 2		220.00	
Category 3		280.00	
Category 4		500.00	
Category 5		700.00	
Category 6		900.00	
Vary Premises Licence 29(1) Substitution of manager		31.00	
Vary Premises Licence 29(1) minor		20.00	
Vary Premises Licence 29(1) other		50.00	
Xfr by Licence Holder 33(1) with variation		75.00	
Xfr by Licence Holder 33(1) with no variation		50.00	
Xfr by another person 34(1) with variation		75.00	
Xfr by another person 34(1) with no variation		50.00	
Temporary Premises Licence 47(2)		75.00	
Occasional Licence 56(1)		10.00	
Extended Hours 68(1)		10.00	
Personal Licence 72(1)		50.00	
Replacement Personal Licence 92(1)		10.00	

REVIEW OF CHARGES - COMMUNITY CARE SERVICES

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
Social Work Establishments			
Permanent residents -single room per week (i)			
- Edward Thomason House	1101.00	1253.00	13.8
- Fernlea	1008.00	1159.00	15.0
- Isleshavn	1054.00	1170.00	11.0
- Nordalea	1356.00	1714.00	26.4
- North Haven	878.00	1038.00	18.2
- Overtonlea	953.00	1042.00	9.3
- Taing House	837.00	1012.00	20.9
- Viewforth	967.00	1107.00	14.5
- Wastview	896.00	1028.00	14.7
SCT Equalisation benchmark figure (ii)	435.00	467.00	7.4
- Temporary residents all establishments :single room per week (iii)	171.00	187.00	9.4
Stocketgaet and Sea View Living Expenses (iv)	57.79	60.35	4.4
Independent Living Project			
Charges for Communal Facilities			
- Ruddy Park	15.00	15.00	0.0
Transition Experience Flat per night	11.00	11.00	0.0
Day Care per meal			
- Breakfast	1.40	1.45	3.6
- Main meal	2.30	2.40	4.3
- Tea	1.10	1.15	4.5
- Supper/Snack	1.10	1.15	4.5
Social Work Premises			
Hourly room hire rate	6.75	7.25	7.4
There will be an additional charge for tea/coffee/biscuits.			

(i) Residential Charges are subject to legislation and the method of calculation is based on the full economic cost including capital charges.

(ii) Shetland Charitable Trust equalisation scheme means that no-one pays more than the COSLA recommended rate for residential care.

(iii) The temporary residents' charge is based on the maximum income available from DWP benefits

(iv) Stocketgaet and Sea View living expenses are charged to the tenants. The Social Work Service then pays the bills in accordance with the principles outlined in Part 4 of the Adults with Incapacity (Scotland) Act 2000 due to the disabilities of the tenants. (Note that Part 4 does not, at present, apply to those in Supported Accommodation, but we are using it as a guide to best practice).

REVIEW OF CHARGES - COMMUNITY CARE SERVICES

2008/09 PRICING ARRANGEMENTS FOR INDEPENDENT SECTOR PROVIDERS

COSLA benchmark figures for 2008/09 are currently unavailable.

An estimated figure of £467 per person per week for residential care has been used meantime.

Crossreach	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
Negotiated price inclusive of enhancements for all client groups	684	719	5.1

Mainland Placements	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
Negotiated price will be on an individual basis in line with COSLA's benchmark figures.	Negotiable	Negotiable	n/a

DIRECT PAYMENT RATES - COMMUNITY CARE SERVICES

SERVICE	2007/08 Direct Payments Rate Payable	2008/09 Direct Payments Rate Payable	VARIANCE %
Personal Care per hour	£14.83	£15.24	2.8
Domestic Tasks per hour (including Laundry and Meal preparation)	£9.70	£9.96	2.7
Day Care per day – All age groups	£51.23	£53.03	3.5
Residential Short Breaks per week	£435.30	£467.00	7.3
Short Breaks at Home per hour (e.g. Crossroads)	£9.32	£9.64	3.5

Notes:

1. All figures are gross and amounts payable would be net of any charges that apply. If a service user opts for Direct Payments and subsequently purchases the service from the Local Authority the charge would be equal to the Direct Payment rate.
2. Calculation of Direct Payment rates for other services would be done as required to meet the agreed care plan following an individual assessment of need.
3. An additional payment would be agreed on an individual basis with service users to cover training needs e.g. moving and handling for Personal Care Assistants. Training would also be made available through Social Work.

REVIEW OF CHARGES - HOUSING SERVICES

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
<u>Homeless Persons</u>			
Per Week			
-St Olaf Street:			
- Room 1 - Occupancy Charge	38.10	38.85	1.97
- Room 2 - Occupancy Charge	38.10	38.85	1.97
- Room 3 - Occupancy Charge	38.10	38.85	1.97
- Furniture Charge	5.90	6.00	1.69
- Electricity Charge	13.00	13.25	1.92
Total Charge	57.00	58.10	1.93
-St Olaf Street:			
- Flat 1 (2 Apt) - Occupancy Charge	51.00	52.00	1.96
- Flat 2 (2 Apt) - Occupancy Charge	51.00	52.00	1.96
- Furniture Charge	9.50	9.70	2.11
- Electricity Charge	13.00	13.25	1.92
Total Charge	73.50	74.95	1.97
-St Olaf Street:			
- Flat 3 (4 Apt) - Occupancy Charge	76.10	77.60	1.97
- Furniture Charge	16.60	16.95	2.11
- Electricity Charge	16.60	16.95	2.11
Total Charge	109.30	111.50	2.01
-Burgh Road:			
- Rooms 1 to 6 - Occupancy Charge	38.10	38.85	1.97
- Furniture Charge	5.90	6.00	1.69
- Electricity Charge	13.00	13.25	1.92
- Service Charge	11.50	11.75	2.17
Total Charge	68.50	69.85	1.97

REVIEW OF CHARGES - HOUSING SERVICES

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
-General Needs Stock Used for Homeless Persons:			
- 1 Apt - Occupancy Charge	38.10	38.85	1.97
- 2 Apt - Occupancy Charge	51.00	52.00	1.96
- 3 Apt - Occupancy Charge	63.25	64.50	1.98
- 4 Apt - Occupancy Charge	76.15	77.60	1.90
-Lerwick Chalets - Homeless Lets:			
- 2 Apt - Occupancy Charge	24.75	25.25	2.02
- 3 Apt - Occupancy Charge	31.60	32.25	2.06
-Landward Chalets - Homeless Lets:			
- 2 Apt - Occupancy Charge	21.50	21.95	2.09
- 3 Apt - Occupancy Charge	27.60	28.15	1.99
- 4 Apt - Occupancy Charge	0.00	34.35	
- 5 Apt - Occupancy Charge	38.40	34.35	-10.55
-Homeless Persons - General Needs Stock & Chalets:			
- Carpets and curtains (per bedroom)	1.80	1.85	2.78
- Fully furnished - sole occupancy			
2 Apt	4.20	4.30	2.38
3 Apt	5.90	6.00	1.69
4 Apt	7.70	7.85	1.95
- Fully furnished - shared units/1 Apt	2.35	2.40	2.13
- Part furnished - 2 Apt	1.80	1.85	2.78
3 Apt	3.55	3.65	2.82
4 Apt	5.30	5.40	1.89
- White goods - sole occupancy	3.60	3.70	2.78
- White goods - shared units/1 Apt	1.80	1.85	2.78
- Additional Special Furnishings Charges	5.55	5.65	1.80
-B&B Accommodation			
- Adult aged 16 or over	76.00	77.50	1.97
- Child under 16	42.25	43.10	2.01

In the event that larger properties are utilised as temporary accommodation, then the same formula as that used to calculate the rent levels will be used to calculate the charge applicable.

REVIEW OF CHARGES - HOUSING SERVICES

TYPE OF CHARGE	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
<u>Caravan Site/Pitch Rents</u>			
Per Week			
-Hoofields (for private lets and homeless persons)	9.90	10.10	2.02
-Other (for private lets and homeless persons)	6.50	6.65	2.31
<u>12 North Road</u>			
Per Week			
-Flats 1 to 8 - Occupancy Charge	17.25	17.60	2.03
-Furniture Charge	5.90	6.00	1.69
-Service Charge	12.35	12.60	2.02
-Electricity in communal areas	3.60	3.65	1.39
Total Charge	39.10	39.85	1.92
<u>Sheltered Housing Heating</u>			
Per Week			
-1 Apt	9.70	9.90	2.06
-2 Apt	12.90	13.15	1.94
-3 Apt	15.50	15.80	1.94
-4 Apt	17.95	18.30	1.95
<u>Economic Rents</u>			
Such houses and shops are on leases with fixed rental subject to review by the District Valuer/ Estates Management section at regular intervals			
<u>Mainland Recruited SIC Staff Properties</u>			
Such houses are subject to normal HRA General Needs rents with a 25% addition			

REVIEW OF CHARGES - SPORTS & LEISURE SERVICES

			2007/08 CHARGE	2008/09 CHARGE	VARIANCE
			£	£	%
Parks and Playing Fields - Jubilee Park					
Tennis	Hire of Court (per hour per player)	Juveniles/OAP's	1.00	1.05	5.0
		Adults	1.80	1.85	2.8
	Hire of Tennis Racquets (per hour)	Juveniles/OAP's	1.00	1.05	5.0
		Adults	1.80	1.85	2.8
	Hire of Three Tennis Balls (per hour)	Juveniles/OAP's	0.85	0.90	5.9
		Adults	0.85	0.90	5.9
	Court Hire to Clubs per hour	Juveniles/OAP's	5.00	5.25	5.0
		Adults	10.50	11.00	4.8
Putting	Charge for 18 Holes	Juveniles/OAP's	0.95	1.00	5.3
		Adults	1.25	1.30	4.0
Draughts	Draughts per hour	Juveniles/OAP's	0.85	0.90	5.9
		Adults	1.15	1.20	4.3
Bowling	Charge per Rink per Player per hour	Juveniles/OAP's	1.15	1.20	4.3
		Adults	1.80	1.85	2.8
	Hire of Bowls per hour	Juveniles/OAP's	0.85	0.90	5.9
		Adults	1.15	1.20	4.3
	Hire of Shoes per hour	Juveniles/OAP's	0.85	0.90	5.9
		Adults	0.85	0.90	5.9
	Seasonal Hire of Green to Bowling Club (Excluding use of bowls and Shoes) Per Member	Under 16 Yrs	7.00	7.25	3.6
		Adults	13.00	13.50	3.8
	Hire of Kitchen and Viewing Area	Juveniles	3.00	3.15	5.0
Parks and Playing Fields - Gilbertson Park					
	Hire of Gilbertson Park	Juveniles/OAP's	6.00	6.25	4.2
	Games Hall per hour	Adults	12.00	12.50	4.2
	Hire of Kitchen Facilities (Per Hour)	Juveniles	2.00	2.10	5.0
		Adults	3.50	3.70	5.7
Note: All prices above exclude VAT. Bookings made for 10 weeks or more are exempt from VAT.					
Misc	Minibus Hire Charge per Mile		0.75	0.77	2.7
ISLESBURGH					
			2007/08 CHARGE	2008/09 CHARGE	VARIANCE
			£	£	%
Room Hire Charges for Islesburgh Complex					
Voluntary Organisations	Meetings and Activities - Session		11.40	11.70	2.6
	Meetings and Activities - Extra hours after 11pm		4.15	4.25	2.4
	Social Functions - Session		27.00	28.00	3.7
	Social Functions - Extra hours after 11pm		11.40	11.70	2.6
	Room 16 Meetings and Activities - Session		27.00	28.00	3.7
	Room 16 Meetings and Activities - Extra hours after 11pm		11.40	11.70	2.6
	Room 16 Social Functions - Session		57.00	59.00	3.5
	Room 16 Social Functions - Extra hours after 11pm		20.75	21.50	3.6
	Radio Room and Room 13 (2 hours) - Session		5.70	5.90	3.5
	Radio Room and Room 13 (2 hours) - Extra hours after 11pm		4.15	4.30	3.6
Family Use	Room Hire - Session		22.80	23.50	3.1
	Room Hire - Extra hours after 11pm		11.40	11.70	2.6
	Children Parties - Session		22.80	23.50	3.1
	Weddings - Session		22.80	23.50	3.1
	Weddings - Extra hours after 11pm		11.40	11.70	2.6
	Other Private Social Function - Session		33.00	34.00	3.0
	Other Private Social Function - Extra hours after 11pm		16.50	17.00	3.0
	Room 16 Children's Parties - Session		33.00	34.00	3.0
	Room 16 Weddings - Session		62.00	64.00	3.2
	Room 16 Weddings - Extra hours after 11pm		25.80	26.80	3.9
	Room 16 Other Private Social Functions - Session		62.00	64.00	3.2
	Room 16 Other Private Social Functions - Extra hours after 11pm		25.80	26.80	3.9
	Radion Room and Room 13 (2 hours)		11.40	11.80	3.5
Public Sector Organisations	Meetings and Activities - Session		28.50	29.50	3.5
	Meetings and Activities - Extra hours after 11pm		11.40	11.80	3.5
	Social Functions - Session		57.00	59.00	3.5
	Social Functions - Extra hours after 11pm		28.50	29.50	3.5
	Room 16 Meetings and Activities - Session		80.00	82.00	2.5
	Room 16 Meetings and Activiteis - Extra hours after 11pm		31.00	32.00	3.2
	Room 16 Social Functions - Session		103.50	107.00	3.4

Room 16 Social Functions - Extra hours after 11pm	36.20	37.50	3.6
Radio Room and Room 13 (2 hours) - Session	14.10	14.60	3.5
Radio Room and Room 13 (2 hours) - Extra hours after 11pm	11.40	11.70	2.6
Commercial Sector Bookings			
Meetings and Activities - Session	35.50	36.50	2.8
Meetings and Activities - Extra hours after 11pm	16.00	16.50	3.1
Social Functions - Session	65.50	67.50	3.1
Social Functions - Extra hours after 11pm	32.75	34.00	3.8
Room 16 Meetings and Activities - Session	77.75	85.00	9.3
Room 16 Meetings and Activities - Extra hours after 11pm	28.00	33.00	17.9
Room 16 Social Functions - Session	112.50	116.00	3.1
Room 16 Social Functions - Extra hours after 11pm	37.50	38.50	2.7
Radio Room and Room 13 (2 hours) - Session	17.75	18.30	3.1
Radio Room and Room 13 (2 hours) - Extra hours after 11pm	16.00	16.50	3.1

Comm. sector charges 2006/07 incl. VAT. Charges for 2007/08 are VAT Exempt

Room Hire Notes

- Sessions last for a period of up to 4 hours e.g.: Morning 9.00 a.m. – 1.00 p.m., Afternoon 2.00 p.m. – 6.00 p.m., Evening 6.30 p.m. – 10.30p.m.
- The Radio Room and Room 13 can be booked on a two hourly basis for meetings. These times are set as follows:- 9am—11am, 11am—1pm, 2-4pm, 4-6pm, 6.30-8.30pm, 8.30-10.30pm. If either of these rooms are required outside the hours printed above the charge will revert to a normal four hour session rate.
- A 10% discount is available for block bookings of 10 room hires or more.
- A 20% discount is available for large scale events which exclusively occupy the first floor or more of Islesburgh Community Centre.
- A 50% concession in charges is available to Senior Citizens Groups, Under 18 Groups, and Additional Support Needs Groups.
- Eligibility to receive 50% concession is based on an organisation's purpose and/or their target membership falling within one of the above categories.
- These reductions apply to voluntary sector room bookings only, not catering or equipment hire.
- Voluntary sector groups in receipt of the 50% reduction on room hires will not be eligible for an additional 10%/20% reduction.
- Organisations wishing to make block bookings for a specific room must submit their application by 30th June each year for bookings during the period 1st January – 31st December the following year.
- Block bookings will be confirmed by 31st July for booking during the period 1st January – 31st December the following year.
- Bookings for large scale events can be made at any time up to 2 years in advance of the start of the year.
- Room bookings for one-off meetings or activities can be made at any time up to one year in advance.
- Bookings requiring a set-up period will be charged the applicable room hire rate for this period.
- Cancellations** of room bookings must be confirmed at least five days in advance or the full charge is payable.
- Cancellation** of large scale events must be confirmed at least one month in advance or 25% of the full charge is payable.
- All late night functions ending at midnight or later will incur an additional hours charge for guest departure and clearing up.
- All room hire charges are VAT exempt.

Video Edit Facility

People using the video edit suites are required to have completed the training course, for which the fee is £16.00 *.

Individual - per session*	8.25	8.50	3.0
or for 3 sessions booked at one time*	21.75	22.50	3.4
Commercial Users - per session*	140.00	145.00	3.6
Other, Non -Commercial Users - per session*	72.50	75.00	3.4

Catering

Use of kitchen and associated facilities for activities/functions within the Centre/House will be charged according to the number catered

Under 50 people	16.50	17.00	3.0
51-100 people	21.75	22.50	3.4
over 100 people	33.00	34.00	3.0

(Please note that VAT is to be added unless kitchen hire is additional to a room booking, when it becomes exempt from VAT.)

*** Inclusive of VAT**

HOSTEL ACCOMMODATION

2007/09 CHARGE	2008/09 CHARGE	VARIANCE
£	£	%

Islesburgh House operates as **Lerwick Youth Hostel** from 1st April to 30th September each year as part of the Scottish Youth Hostel Association and the

Membership SYHA	Junior (5-17 yrs)	4.00	-	-100.0
	Senior (18 yrs & over)	8.00	-	-100.0

If you are not a member of the Scottish Youth Hostel Association, you may use the hostel through the Welcome Stamp scheme. Contact Islesburgh for information and/or application form for SYHA and Hostelling International membership.

Overnight Charges	Members - Junior (5-17 yrs)	Per Night	12.50	12.50	0.0
	Senior (18 yrs & over)	Per Night	15.50	15.50	0.0
	Non - Members - Junior (5-17 yrs)	Per Night	13.50	13.50	0.0
	Senior (18 yrs & over)	Per Night	16.50	16.50	0.0

Non - members pay an extra £1.00 per night (Welcome Stamp) for the first 7 nights of their stay.

Winter Use

Over the winter, Islesburgh House provides residential accommodation to Youth, Community and school groups. Minimum group size is 10 including the leader. The Hostel is not available between 20th December and 10 January each year.

Accommodation

Lerwick Youth Hostel provides self-catering dormitory accommodation. Dormitories vary in size from 4 to 12 beds. Family rooms may be available. The Hostel is non-smoking and open to Hostel residents from 0700-2345 daily.

Charges include VAT @ 17.5%.

REVIEW OF CHARGES - LIFE LONG LEARNING SERVICES
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	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
<u>Evening Classes</u>			
<u>Misc</u>			
Certificate - Under 18 (40 hours)	30.00	35.00	16.7
Certificate - Over 18 (40 hours)	60.00	70.00	16.7
Certificate - Over 60 (40 hours)	30.00	35.00	16.7
Non-Certificate - Under 18 (20 hours)	15.00	17.50	16.7
Non-Certificate - Under 18 (40 hours)	30.00	35.00	16.7
Non-Certificate - Over 60 (20 hours)	15.00	17.50	16.7
Non-Certificate - Over 60 (40 hours)	30.00	35.00	16.7
Non-Certificate - Over 18 (20 hours)	30.00	35.00	16.7
Non-Certificate - Over 18 (40 hours)	60.00	70.00	16.7

Notes

Charges being introduced for over 60's – 50% of adult rate

Fee waivers for those on benefits e.g. working tax credit. Disability living allowance

REVIEW OF CHARGES - SCHOOLS SERVICES

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
<u>School Meals (increase effective from 1 August 2007)</u>			
Per Meal			
- primary pupils	1.40	1.50	7.1
- secondary pupils	1.50	1.60	6.7
- staff	2.90	3.00	3.4
- visitors	2.90	3.00	3.4
<u>School Milk</u>			
Per Week			
- pupil	0.50	0.50	0.0
<u>School Lettings</u>			
Per Hour			
- classroom	9.25	9.50	2.7
- one-court gymnasium	9.25	9.50	2.7
- dramatic performance	30.00	30.00	0.0
Per Function			
- school hall	140.00	150.00	7.1
- large school kitchen	60.00	65.00	8.3
- small school kitchen	50.00	55.00	10.0
Anderson High School			
- Games Hall Over 18s	18.00	18.20	1.1
- Games Hall Under 18s	9.00	9.10	1.1
- Gym Hall Under 18s	2.25	2.50	11.1
- Gym Hall Over 18s	4.50	5.00	11.1
- Multipurpose Sports Area Under 18s	5.60	5.80	3.6
- Multipurpose Sports Area Over 18s	11.25	11.60	3.1
- Multicourt Area	9.25	10.00	8.1
SRT - Hourly let of School Games Halls (Annual Agreement)	12.20	12.30	0.8
Tea/Coffee Facilities			
- large school kitchen	50.00	50.00	0.0
- small school kitchen	18.75	20.00	6.7
<u>Hall of Residence Board & Accommodation Charges</u>			
<u>- Placing Request Pupils</u>			
Full board			
- per week	125.00	130.00	4.0
- per day	21.00	22.00	4.8
<u>- Adults (Holiday periods only)</u>			
Per Day			
- dinner, bed and breakfast	32.00 (+VAT)	34.00 (+VAT)	6.3
- bed and breakfast	18.00 (+VAT)	20.00 (+VAT)	11.1
Hire of Conference Room - 1/2 Day	18.00	19.00	5.6
Hire of Conference Room - Full Day	25.00	26.00	4.0
Tea, Coffee and Biscuits (per head)	1.75	1.80	2.9
Soup and Sandwiches (per head)	2.50	2.75	10.0

REVIEW OF CHARGES - INFRASTRUCTURE SERVICES - ENVIRONMENT & BUILDING

	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
Health Certificates				
<5000Kg (5 Tonnes)	25.00	25.50	2.0	NO
>5000Kg (5 Tonnes)	40.00	41.00	2.5	NO
Issue copies of Certificates	2.00	2.00	0.0	NO
Charges in respect of Fishery products entering Preparation/Processing establishments (1 euro) per whole tonne				
Landings of Fishery Products. (1 euro) per whole tonne				
Civic Government Licences				
3 year licence - fixed charge	110.00	112.00	1.8	NO
Variation/Single event	40.00	41.00	2.5	NO
In accordance with the provisions of the Civic Government (Scotland) Act 1982, the scale of licence fees must be sufficient to cover the expenses incurred by the licencing authority in implementing the licensing scheme. The above adjustments take into account the revenue lost as a result of the decision to no longer require public halls to be licensed.				
Issue of Statement of Facts	35.00	35.00	0.0	NO
Burial Charges				
Adult	97.92	100.00	2.1	NO
Children	35.70	50.00	40.1	NO
Ashes	27.03	50.00	85.0	NO
B Ground Reservation	66.81	100.00	49.7	NO
Animal Health Licences	70.00	71.00	1.4	NO
Pet Shops				
Animal Boarding establishments				
Dog breeding establishments				
Riding establishments				
Dangerous Wild Animals Act	190.00	190.00	0.0	NO
Port Health				
SHIP INSPECTION CHARGES - as of 1st January 2008				
Gross Tonnage				
Up to 3,000	New as of	100.00		NO
3,001 - 10,000	1st January 08	150.00		NO
10,001 - 20,000		200.00		NO
20,001 - 30,000		230.00		NO
Over 30,000		300.00		NO
With the exception of: Vessels with the capacity to carry between 50 and 1000 persons - £300 Vessels with the capacity to carry more than 1000 persons - £500				
Extra charges may be added for exceptional costs such as launch hire.				
Waste Disposal Charges Gremista				
Minimum Charges for load < than 200kg				
	6.57	6.74	2.0	YES
Standard Charges per tonne				
Landfill (excluding landfill tax and handling charge).	32.86	33.68	2.5	YES
Landfill Tax will be charged in addition to above (Landfill Tax (set by Legislation)				
Non - Inert	24.00	32.00	33.3	YES
Inert	2.00	2.50	25.0	YES
Waste Disposal Charges Gremista sorting shed				
Minimum charge for load less than 200kg	8.58	9.40	9.6	YES
Standard charge per tonne	42.91	47.00	9.5	YES
Waste under contract or for which recycling, reuse and recovery markets can be found may be charged at a lower rate at the discretion of the Waste Services Manager. Such materials and good quality top soil - free or negotiated charge depending on operational requirements and difficulties in handling particular waste.				
Commercial Fridge/Freezers per unit	100.00	100.00	0.0	YES
Waste to Energy				
Standard	27.80	30.00	7.9	YES
Minimum Charge (up to 200 Kg)	5.56	6.00	7.9	YES
Disposal Charge (Orkney Islands Council)				
	Current Rate + RPI			
Pest Control	50.00	50.00	0.0	YES
Compost Units				
Large	10.00	5.00	-50.0	YES
Standard	5.00	5.00	0.0	YES

	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
<u>Refuse Collection Service</u>				
<u>Refuse Storage</u>				
Refuse Sacks	11.83	11.83	0.0	YES
Refuse Container	82.01	83.65	2.0	YES
<u>Commercial Refuse Collections</u>				
Per premise per Week - Band A	3.97	4.57	15.0	YES
Per premise per Week - Band B	11.65	13.40	15.0	YES
Band A - standard rates for customers who receive a collection once a week and are located outwith the Lerwick Lanes Conservation Area (as defined by the Town and Country Amenities Act 1974)				
Band B - (a) customers who receive more than one collection per week and are located within the Lerwick Lanes Conservation Area (b) customers who receive more than one collection per week				
<u>Commercial Premises Glass Recycling Subsidy</u>				
Per premise per Week - Band A	2.08	2.08	0.0	YES
Per premise per Week - Band B	5.20	5.20	0.0	YES
Clinical Waste Collection - per premise per week	4.01	4.57	13.9	YES
Cooking Oil Collection - per premise per week		4.57		YES
Refuse Vehicle - per hour		10.26		YES
Refuse Driver - per hour		15.43		YES
Refuse Loader - per hour		14.44		YES
Pick-Up Vehicle - per hour		9.00		YES
Pick-Up Driver - per hour		13.95		YES
Pick-Up Loader - per hour		13.95		YES
<u>Refuse Skips</u>				
Skip Hire - per day	0.80	0.92	15.0	YES
Skip Hire - per week	5.59	6.44	15.2	YES
Skip Vehicle - per hour		10.09		YES
Skip Driver - per hour		14.94		YES
<u>Street Cleansing Service</u>				
Power Washer - per hour	2.26	2.22	-1.6	YES
Street Orderly - per hour	11.52	13.95	21.1	YES
Schmidt Vehicle - per hour		10.33		YES
Schmidt Driver - per hour		14.94		YES
<u>Esplanade Toilets</u>				
Cleaners Van - per hour		4.57		YES
Cleaner / Van Driver - per hour		13.95		YES
Cleaner		13.95		YES
Shower, Towel, Soap	2.04	2.13	4.4	YES
Shower	1.02	1.02	0.0	YES
<u>Portaloo Hire</u>				
Per Hire	140.89	143.71	2.0	YES
Damages	133.71	136.38	2.0	Outside
<u>Filthy Premises</u>				
Refuse Driver - per hour		30.86		YES
Refuse Loader - per hour		28.88		YES
Pick-Up Driver - per hour		27.91		YES
Pick-Up Loader - per hour		27.91		YES
Skip Driver - per hour		29.89		YES
Cleaner / Van Driver - per hour		27.91		YES
Cleaner		27.91		YES
<u>Verification of weighing and measuring equipment in use for trade (in line with LACORS recommendations)</u>				
WEIGHTS				
Weight 500 mg / 2CM or smaller	6.88	7.15	3.9	YES
Weight exceeding 500 mg / 2CM but not exceeding 5 kg	5.29	5.50	4.0	YES
Weight exceeding 5 kg	6.88	7.15	3.9	YES
MEASURES				
Linear measure not exceeding 1 metre - for each scale	7.70	8.00	3.9	YES
Capacity measure not exceeding 20 litres - for each subdivision	5.48	6.11	11.5	YES
Liquid capacity measure for making up and checking average quantity packages	21.56	22.40	3.9	YES
Templet - per scale, first item	37.79	39.26	3.9	YES
Templet - per scale, second and subsequent items	14.58	15.15	3.9	YES
WEIGHING INSTRUMENTS (non-EC)				
Not exceeding 15 kg	23.01	23.91	3.9	YES
Exceeding 15 kg but not exceeding 100 kg	32.73	34.01	3.9	YES
Exceeding 100 kg but not exceeding 1 tonne	79.15	82.24	3.9	YES
Exceeding 1 tonne but not exceeding 12 tonnes	162.54	168.88	3.9	YES
Exceeding 12 tonnes	578.83	601.40	3.9	YES
WEIGHING INSTRUMENTS (EC)				

Not exceeding 15 kg	34.48	35.82	3.9	YES
Exceeding 15 kg but not exceeding 100 kg	49.06	50.97	3.9	YES
Exceeding 100 kg but not exceeding 1 tonne	131.84	136.98	3.9	YES
Exceeding 1 tonne but not exceeding 12 tonnes	226.81	235.66	3.9	YES
Exceeding 12 tonnes	746.44	775.55	3.9	YES
MEASURING INSTRUMENTS FOR INTOXICATING LIQUOR				
Not exceeding 150ml	13.44	13.96	3.9	YES
Other	15.51	16.12	3.9	YES
MEASURING INSTRUMENTS FOR LIQUID FUEL AND LUBRICANTS				
Container type (unsubdivided)	56.30	58.49	3.9	YES
Single/multi-outlets (nozzles) - first nozzle tested (per site)	91.82	95.40	3.9	YES
Single/multi-outlets (nozzles) - each additional nozzle tested	56.41	58.61	3.9	YES
Testing of peripheral electronic equipment on a separate visit (per site)	61.94	64.36	3.9	YES
Testing of credit card acceptor (per unit, regardless of no. of slots/nozzles/pumps)	61.94	64.36	3.9	YES
ROAD TANKER FUEL MEASURING EQUIPMENT (ABOVE 100 LITRES)				
Meter measuring systems - per hour (reference meter provided by submitter)	41.15	42.75	3.9	YES
Replacement dipstick (including examination of compartment)	34.07	35.40	3.9	YES
Spare dipstick	15.51	16.12	3.9	YES

	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
Calibration of weighing and measuring equipment (in line with LACORS recommendations)				
WEIGHTS				
Weight 500 mg / 2CM or smaller	6.88	7.15	3.9	YES
Weight exceeding 500 mg / 2CM but not exceeding 5 kg	5.29	5.50	4.0	YES
Weight exceeding 5 kg	6.88	7.15	3.9	YES
Adjustment and cleaning of weights - per hour	34.79	36.15	3.9	YES
MEASURES				
Linear measure not exceeding 1 metre - for each scale	7.70	8.00	3.9	YES
Capacity measure not exceeding 20 litres - for each subdivision	5.48	6.11	11.5	YES
Liquid capacity measure for making up and checking average quantity packages	21.56	22.40	3.9	YES
Templet - per scale, first item	37.79	39.26	3.9	YES
Templet - per scale, second and subsequent items	14.58	15.15	3.9	YES
WEIGHING INSTRUMENTS (non-EC)				
Not exceeding 15 kg	23.01	23.91	3.9	YES
Exceeding 15 kg but not exceeding 100 kg	32.73	34.01	3.9	YES
Exceeding 100 kg but not exceeding 1 tonne	79.15	82.24	3.9	YES
Exceeding 1 tonne but not exceeding 12 tonnes	162.54	168.88	3.9	YES
Exceeding 12 tonnes	578.83	601.40	3.9	YES
WEIGHING INSTRUMENTS (EC)				
Not exceeding 15 kg	34.48	35.82	3.9	YES
Exceeding 15 kg but not exceeding 100 kg	49.06	50.97	3.9	YES
Exceeding 100 kg but not exceeding 1 tonne	131.84	136.98	3.9	YES
Exceeding 1 tonne but not exceeding 12 tonnes	226.81	235.66	3.9	YES
Exceeding 12 tonnes	746.44	775.55	3.9	YES
WEIGHING INSTRUMENTS (UKAS PROCEDURE - INCLUDING STATEMENTS OF UNCERTAINTY)				
Range not exceeding 15 kg	34.48	35.82	3.9	YES
Range exceeding 15 kg but not exceeding 100 kg	49.06	50.97	3.9	YES
Range exceeding 100 kg but not exceeding 1 tonne	131.84	136.98	3.9	YES
Range exceeding 1 tonne but not exceeding 12 tonnes	226.81	235.66	3.9	YES
Range exceeding 12 tonnes	746.44	775.55	3.9	YES
MEASURING INSTRUMENTS FOR INTOXICATING LIQUOR				
Not exceeding 150ml	13.44	13.96	3.9	YES
Other	15.51	16.12	3.9	YES
MEASURING INSTRUMENTS FOR LIQUID FUEL AND LUBRICANTS				
Container type (unsubdivided)	56.30	58.49	3.9	YES
Single/multi-outlets (nozzles) - first nozzle tested (per site)	91.82	95.40	3.9	YES
Single/multi-outlets (nozzles) - each additional nozzle tested	56.41	58.61	3.9	YES
Testing of peripheral electronic equipment on a separate visit (per site)	61.94	64.36	3.9	YES
Testing of credit card acceptor (per unit, regardless of no. of slots/nozzles/pumps)	61.94	64.36	3.9	YES
ROAD TANKER FUEL MEASURING EQUIPMENT (ABOVE 100 LITRES)				
Meter measuring systems - per hour (reference meter provided by submitter)	41.15	42.75	3.9	YES
Replacement dipstick (including examination of compartment)	34.07	35.40	3.9	YES
Spare dipstick	15.51	16.12	3.9	YES
CALIBRATION CERTIFICATES				
Basic calibration certificate	20.58	21.38	3.9	YES
Detailed results in calibration certificate	20.58	21.38	3.9	YES
Hire of test weights				
Weight Hire - per individual weight hired	4.03	4.19	4.0	YES
Delivery and collection of hired weights - per officer hour (plus transport costs)	34.79	36.15	3.9	YES
Explosives Act 1875				
A store licence	New legislation regime means new charges (see below)	New legislation regime means new charges (see below)		NO
Renewal of a store licence				NO
Registration of premises for the keeping of explosives				NO
Manufacture and Storage of Explosives Regulations 2005				
License to store explosives (one year's duration)	Not yet known	Not yet known		NO
Renewal of a licence to store explosives (one year's duration)				NO
Registration in relation to the storage of explosives (one year's duration)	(set annually)	(set annually)		NO
Renewal of a registration in relation to the storage of explosives (one year's duration)	by regulations	by regulations		NO
Varying name of licensee or address of site				NO

Any other kind of variation				NO
Transfer of Licence or registration				NO
Replacement of licence or registration if lost				NO
<u>Petroleum (Consolidation) Act 1928</u>				
Licence to keep petroleum spirit (not exceeding 2 500 litres)	Not yet known (set annually by regulations for use from 1st April)	Not yet known (set annually by regulations for use from 1st April)		NO
Licence to keep petroleum spirit (exceeding 2 500 litres but not exceeding 50 000 litres)				NO
Licence to keep petroleum spirit (exceeding 50 000 litres)				NO
<u>Petroleum (Transfer of Licences Act 1936)</u>				
Transfer of petroleum spirit licence	Not yet known (set annually by regulations for use from 1st April)	Not yet known (set annually by regulations for use from 1st April)		NO

REVIEW OF CHARGES - INFRASTRUCTURE SERVICES (PLANNING)

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
SEARCH OF RECORDS For up to one hour and issue of duplicate documents e.g. planning permission, building warrants, certificate of completion			
Charge per document	30.90	32.00	3.56
COST PER HOUR or part thereof, after first hour	20.60	22.00	6.80
LETTER OF COMFORT Issued in respect of no appropriate documentation being available	128.75	135.00	4.85
SITE VISIT To confirm compliance, etc, the following charge will be applicable in addition to the above (per visit)	72.10	75.00	4.02
PLANNING LISTS Charge per annum	0.00	0.00	0.00
NOTES			
Planning Fees and Building Warrant Fees are currently set by Central Government and are not therefore subject to this review.			
Map Extract Scheme Fees are set by Ordnance Survey and a reasonable Administration Charge will be added to recover costs.			

REVIEW OF CHARGES - INFRASTRUCTURE SERVICES - INTER ISLAND ROLL ON/ROLL OFF FERRIES

FARES TABLE WITH EFFECT FROM 1 APRIL 2008

Note: No fare charged for passengers or cars in reverse direction	Mainland to Bressay Mainland to Whalsay Mainland to Yell*		Mainland to Fair Isle Mainland to Foula Fair Isle to Mainland Foula to Mainland		Mainland to Skerries Mainland to Papa Stour Skerries to Mainland Papa Stour to Mainland		Yell to Unst Yell to Fetlar Unst to Fetlar	
	2007/08 £	2008/09 £	2007/08 £	2008/09 £	2007/08 £	2008/09 £	2007/08 £	2008/09 £
Passengers:								
Adults - Single	3.20	3.30	2.80	3.00	2.80	3.00	Free	Free
Adults - 10 Journey Ticket	15.40	15.80	n/a	n/a	n/a	n/a	Free	Free
Adults - 20 Journey Ticket	n/a	n/a	30.80	31.60	30.80	31.60	Free	Free
Children - up to 16 years - Single	0.40	0.40	0.20	0.20	0.20	0.20	Free	Free
Children - 10 Journey Ticket	2.60	2.80	n/a	n/a	n/a	n/a	Free	Free
Children - 20 Journey Ticket	n/a	n/a	2.60	2.80	2.60	2.80	Free	Free
Concessionary Pass Holders with valid SIC Pass	Free	Free	Free	Free	Free	Free	Free	Free
Cars & Other Vehicles not exceeding 5.5m in length:								
Cars & Other Vehicles & Driver - Single	7.60	7.80	14.20	14.60	3.80	3.90	Free	Free
Cars & Other Vehicles & Driver - 10 Journey	60.60	62.00	n/a	n/a	n/a	n/a	Free	Free
Motorcycle & Driver - Single	n/a	n/a	n/a	n/a	60.60	62.00	Free	Free
	5.80	6.00	7.80	8.00	2.90	3.00	Free	Free
*Mainland to Yell and Yell to Mainland sailings after 2315 and before 0615, additional charge:								
Adult - Single	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Car & Driver - Single	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commercial Vehicles & Driver:								
5.01m - 8.00 m	18.60	19.00	n/a	n/a	9.30	9.50	Free	Free
8.01m - 12.00 m	36.00	36.80	n/a	n/a	18.00	18.40	Free	Free
12.01m - 18.00 m	50.20	51.40	n/a	n/a	25.10	25.70	Free	Free
18.00m plus - prior arrangement only not less than	146.00	150.00	n/a	n/a	73.00	75.00	Free	Free
Tankers:								
up to 7.50m	34.00	34.80	n/a	n/a	17.00	17.40	Free	Free
7.51m - 10.00m	61.20	62.80	n/a	n/a	30.60	31.40	Free	Free
10.01m - 16.00 m	80.20	82.20	n/a	n/a	40.10	41.10	Free	Free
Plant:								
up to 7.50m	47.80	49.00	n/a	n/a	23.90	24.50	Free	Free
7.51m - 10.00m	85.60	87.80	n/a	n/a	42.80	43.90	Free	Free
10.01m - 16.00m	116.80	119.80	n/a	n/a	58.40	59.90	Free	Free
Unst & Fetlar Residents' Concessionary Tickets - Only available (1) to residents of Unst or Fetlar who can prove residency and (2) on Bluemull Sound Vessels								

Note: No fare charged for passengers or cars for reverse direction	Mainland to Unst or Fetlar	
	2007/08 £	2008/09 £
Passengers:		
Adult - 3 Journey	n/a	n/a
Adult - 10 Journey	n/a	n/a
Children up to 16 years - 10 Journey	n/a	n/a
Cars & Driver:		
3 Journey	n/a	n/a
10 Journey	n/a	n/a
Loose Freight Ro-Ro Services		
Carton/Mail Bag (per item)	1.10	1.10
Freight Services - Skerries, Papa Stour, Fair Isle & Foula		
Bulk Cargo per Tonne (arrangement only)	9.30	9.50
Carton/Mail Bag	1.10	1.10
Freight Services - Papa Stour, Fair Isle & Foula		
Carton/Parcel (per item)	0.55	0.55
Gas bottle (per item)	0.65	0.65
Feeding (per item)	0.32	0.35
Coal (per bag)	0.55	0.55
Livestock (each)	0.65	0.65
Rates for other items on request.		
Ferry Hires		
Ro-ro per 3 hour block	see below	see below
Filla / Snolda to Fair Isle per 3 hour block	see below	see below
Emergency Hire - Ambulance	n/a	n/a
Indicative cost for 3 hour hire:		
Filla, Daggri, Dagalien	525.00	540.00
Linga	465.00	475.00
Hendra, Bigga, Geira, Fivla, Thora	400.00	410.00
Leirna, Good Shepherd, New Advance, Snolda	375.00	385.00

Should the Council decide to re-instate fares on Bluemull Sound:

- 1/ Unst & Fetlar Residents will pay 50% of the Yell Sounds Rate on Bluemull Sound
- 2/ Non Unst & Fetlar Residents would pay 100% of the Yell Sound Rate on Bluemull Sound
- 3/ Commercial Vehicles, of 4041m and over, whether it be Commercial, Bus, Tanker or Plant would pay 25% of the Yell Sound Rate on the Bluemell Sound

There is a recommendation from the Ferries Board to extend the free fares on Bluemull Sound for 6 months. This is to allow for the completion of the ferry fares study which is currently being carried out.

REVIEW OF CHARGES - INFRASTRUCTURE SERVICES - ROADS
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	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
Roads				
<u>Traffic Orders & Notices</u>				
Temporary Traffic Order or Notice to close a Road or impose any other traffic restriction made under Section 14 of the Road Traffic Regulation Act 1984.				
Temporary notice (in an emergency, not exceeding 5 days)	160.00	165.00	3.1	NO
Temporary Traffic Order (up to 18 months)	270.00	270.00	0.0	NO
Note 1 - plus cost of necessary newspaper adverts Note 2 - charges are levied using powers in the New Roads and Street Works Act and apply only to Utilities and similar.				
<u>Permit System and Charges</u>				
New Roads and Street Works Act 1991, Section 109				
Permission for minor road works consent to open the road for the purpose of installing or maintaining apparatus within the public road.	90.00	95.00	5.6	NO
Roads (Scotland) Act 1984, Section 56				
Permission for minor road works consent to construct a new access, vehicular crossing or make an opening within the public road.	70.00	70.00	0.0	NO
Permission to temporarily occupy a portion of the public road in connection with building operations and/or to erect staging and scaffolding:-				
- up to 3 months	50.00	52.00	4.0	NO
- up to 6 months	90.00	95.00	5.6	NO
Permission to place a builders skip within the public road:-				
- up to 1 month	10.00	10.00	0.0	NO
- up to 3 months	20.00	20.00	0.0	NO
<u>NR&SWA Inspection Fees</u>				
The inspection fees we as a Roads Authority can charge Utilities when they excavate in a public Road is given in the Road Works (Inspection Fees) (Scotland) Amendment Regulations 2007 (No. 4). For information, the present fee is £24.00.	21.00	24.00	14.3	NO
<u>Gritting Fees</u>				
Gritting fee, per occasion a griter treats a private road:-				
- Blacksness Pier, Scottish Water accesses	30.00	30.00	0.0	YES
- Greenhead Base	25.00	25.00	0.0	YES
- Smaller private roads / accesses	10.00	10.00	0.0	YES

	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT	
<u>Scord Quarry Products</u>					
Note:- Aggregate Levey Tax to be added to all quarry products					
DRY STONE					
As dug hardcore	per tonne	2.31	2.74	18.6	YES
Primary armouring	per tonne	5.78	6.44	11.4	YES
Armouring	per tonne	3.76	4.28	13.8	YES
Quarry cleanings	per tonne	2.31	2.74	18.6	YES
Type 1	per tonne	2.66	3.11	16.9	YES
Crusher Run	per tonne	4.80	5.39	12.3	YES
Dust	per tonne	6.19	7.08	14.4	YES
Frost Grit	per tonne	7.85	8.30	5.7	YES
All-in-aggregate	per tonne	6.07	7.58	24.9	YES
Aggregate 40mm	per tonne	6.85	7.58	10.7	YES
Aggregate 28mm	per tonne	6.85	7.58	10.7	YES
Aggregate 20mm	per tonne	6.85	7.58	10.7	YES
Aggregate 14mm	per tonne	6.85	7.58	10.7	YES
Aggregate 10mm	per tonne	6.85	7.58	10.7	YES
Aggregate 6mm	per tonne	6.85	7.58	10.7	YES
Aggregate Levy Tax to all Dry Stone products - presently £1.60 per tonne (2007)					
Delivery charges for dry stone based on full truck capacity, are charged at:-					
- Fixed element	per load delivered	15.00	16.50	10.0	YES
- Variable element	per mile hauled (measured one direction only)	2.00	2.50	25.0	YES
The above applies to Mainland deliveries only (Isles delivery based on cost)					
COATED STONE					
Roadbase 28mm	per tonne	41.36	48.03	16.1	YES
DBM 20mm	per tonne	43.16	50.67	17.4	YES
Wearing Course 14mm	per tonne	45.04	52.95	17.6	YES
Wearing Course 10mm	per tonne	46.23	54.40	17.7	YES
Wearing Course 6mm	per tonne	47.67	56.66	18.9	YES
Delayed Set	per tonne	42.09	60.11	42.8	YES
M. T. Asphalt	per tonne	54.46	64.26	18.0	YES
Note:-	Cut-back will only be added at the customer's written request. Premium charge for cut-back £2.50/tonne.	2.50	2.50	0.0	YES
Aggregate Levy Tax to all Coated Stone products - presently £1.52 per tonne (2007)					
TERMS AND CONDITIONS					
Council's usual terms & conditions, plus:-					
1)	Minimum charge per transaction	10.00	12.00	20.0	YES
2)	Discounts				
	(a) major customers	buying over (coated stone only)			
		5,000 tonne - 10%			
		10,000 tonne - 13.5%			
		15,000 tonne - 17.5%			
	(b) prompt payment - settlement within	settlement within			
		20 days - 2.5%			
		10 days - 5%			
3)	Out of hours opening - by special agreement dependent upon volume - subject to a minimum call-out charge of £75	75.00	125.00	66.7	YES

ROADS (continued)	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT	
<u>Charge for Laboratory Testing of Construction Materials</u>					
1 CLASSIFICATION TESTS - SOILS					
1/1 Liquid Limit (BS 1377 : Part 2 : 1990 . Method 4.3)	per test	25.00	26.00	4.0	YES
1/2 Plastic Limit (BS 1377 : Part 2 : 1990 . Method 5.3)	per test	12.50	13.00	4.0	YES
1/3 Plasticity & Liquidity Index (BS 1377 : Part 2 : 1990 . Method 5.4)	per test	10.00	10.50	5.0	YES
1/4 Specific Gravity (Density Bottle) (BS 1377 : Part 2 : 1990 . Method 8.3)	per test	20.00	21.00	5.0	YES
1/5 Particle Size Distribution (Washed Analysis) (BS 1377 : Part 2 : 1990 . Method 9.2)	per test	30.00	31.00	3.3	YES
2 COMPACTION TESTS - SOILS					
2/1 2.5kg Rammer (for Soils to Medium Gravel Size) (BS 1377 : Part 4 : 1990 . Method 3.3)	per set	65.00	67.00	3.1	YES
2/2 2.5kg Rammer (for Soils to Coarse Gravel Size) (BS 1377 : Part 4 : 1990 . Method 3.4)	per set	65.00	67.00	3.1	YES
2/3 4.5kg Rammer (for Soils to Medium Gravel Size) (BS 1377 : Part 4 : 1990 . Method 3.5)	per set	75.00	77.00	2.7	YES
2/4 4.5kg Rammer (for Soils to Coarse Gravel Size) (BS 1377 : Part 4 : 1990 . Method 3.6)	per set	75.00	77.00	2.7	YES
2/5 Vibrating Hammer (BS 1377 : Part 4 : 1990 . Method 3.7)	per set	90.00	92.00	2.2	YES
2/6 Moisture Condition Value (BS 1377 : Part 4 : 1990 . Method 5)	per set	25.00	25.50	2.0	YES
2/7 California Bearing Ratio (BS 1377 : Part 4 : 1990 . Method 7)	per set	35.00	36.00	2.9	YES
3 AGGREGATE TESTING					
3/1 Relative Density & Water Absorption (BS EN 1097 :part 6 : 2000)	per test	25.00	25.50	2.0	YES
3/2 Compacted Bulk Density of Received Material (BS 812 : Part 2 : 1975)	per test	25.00	25.50	2.0	YES
3/3 Bulk Density of Received Material (BS EN 1097 : Part3 : 1998)	per test	15.00	15.50	3.3	YES
3/4 Grading of Sub-bases & Capping Layers (BS EN 933 : Part 1 : 1997)	per test	30.00	31.00	3.3	YES
3/5 Grading of Concrete Aggregates (BS EN 933 : Part 1 : 1997)	per test	30.00	31.00	3.3	YES
3/6 Flakiness Index (BS EN 933 : Part 3 : 1997)	per test	12.50	13.00	4.0	YES
3/7 Elongation Index (BS 812 : Part 105.2 : 1985)	per test	12.50	13.00	4.0	YES
3/8 Aggregate Crushing Value (BS EN 1097 : Part2 : 1998)	per test	50.00	51.00	2.0	YES
3/9 Ten Per Cent Fines Value (BS EN 1097 : Part2 : 1998)	per test	50.00	51.00	2.0	YES
3/10 Aggregate Impact Value (BS EN 1097 : Part2 : 1998)	per test	20.00	20.50	2.5	YES

4 CONCRETE TESTING					
4/1 Compressive Strength of Concrete Cubes (BS EN 12390 : Part 3 : 2002)(from certified cube moulds)	per cube	6.00	6.00	0.0	YES
4/2 Compressive Strength of Concrete Cubes (BS EN 12390 : Part 3 : 2002)(from cube moulds that are not certified)	per cube	6.00	7.50	25.0	YES
4/3 Compressive Strength of Concrete Cores (BS EN 12504 : Part 1 : 2000)	per core	40.00	42.00	5.0	YES
4/4 Compressive Strength of Concrete Blocks (Fibre Board) (BS 1052 : Part1 : 1999)	per block	10.00	10.50	5.0	YES

ROADS (continued)		2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
5 BITUMINOUS TESTING					
5/1 Binder Content & Grading (By Difference) (BS EN 12697 : Part 2 : 2002)	per test	40.00	42.00	5.0	YES
5/2 Percentage Refusal Density (BS 598 : Part 104 : 1989)	per set	180.00	185.00	2.8	YES
6 FIELD TESTING - SOILS					
6/1 In-Situ Density Test (Nuclear Density Gauge) (BS 1377 : Part 9 : 1990 . Method 2.5)	per hr.	30.00	32.00	6.7	YES
6/2 Vertical Deformation under Plate Loading (BS 1377 : Part 9 : 1990 . Method 4.1)	per test	40.00	42.00	5.0	YES
6/3 CBR by Clegg Impact Hammer (In-house Method)	per hr.	30.00	32.00	6.7	YES
7 FIELD TESTING - CONCRETE					
7/1 Cube Making (Including Workability Test) (BS EN 12390 : Part 2 : 2000)	per hr.	30.00	32.00	6.7	YES
7/2 Determination of Air Content (BS EN 12390 : Part 8 : 2000)	per test	12.50	13.00	4.0	YES
7/3 Density of Compacted Fresh Concrete (BS EN : 12350 : Part 6 : 2000)	per test	15.00	15.50	3.3	YES
7/4 Cover Meter Survey (BS 1881 : Part 201 : 1986)	per hr.	30.00	32.00	6.7	YES
7/5 Half-cell Potential Measurement (BS 1881 : Part 201 : 1986)	per hr.	30.00	32.00	6.7	YES
7/6 Schmidt Hammer Tests (BS EN 12504 : Part 2 : 2001)	per hr.	30.00	32.00	6.7	YES
7/7 Core Cutting	per hr.	30.00	32.00	6.7	YES
8 FIELD TESTING - BLACKTOP					
8/1 On-site Sampling of Blacktop (BS EN 12697 : Part 27 : 2001)	per hr.	30.00	32.00	6.7	YES
8/2 Determination of Texture Depth (BS 598 : Part 3 : 1985 . Method 7)	per test	12.50	13.00	4.0	YES
8/3 Core Cutting for PRD & Pavement Examination	per hr.	30.00	32.00	6.7	YES
8/4 Rolling Straight Edge (Spec. for Highway Works : Cl. 702)	per hr.	30.00	32.00	6.7	YES
8/5 Skid Resistance Meter (TRRL)	per hr.	30.00	32.00	6.7	YES

<p>9 TIME BASED CHARGES</p> <p>9/1 Work done on a time basis will be charged per hour; as well as labour, the charge will cover the use of a vehicle, normal tools and equipment.</p> <p>9/2 Mileage to site will be charged at Standard Council rates.</p> <p>10 OTHER TESTS</p> <p>10/1 Any other tests required will either be charged at a rate based on a comparable test listed above, or a charge will be calculated taking account of equipment required and time normally taken to carry out the test. If not appropriate charges will be on a time basis.</p>	31.00	32.00	3.23	YES
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REVIEW OF CHARGES - INFRASTRUCTURE SERVICES - Transport

		2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
Inter-Island Air Services					
Lerwick - Foula	Single fare	31.00	32.00	3.3	NO
Lerwick - Foula Island Resident	Return fare	36.00	36.00		NO
Lerwick - Skerries	Single fare	26.00	27.00	3.8	NO
Lerwick - Skerries Island Resident	Return fare	24.00	24.00		NO
Lerwick - Papa Stour	Single fare	26.00	27.00	3.8	NO
Lerwick - Papa Stour - Island Resident	Return fare	24.00	24.00		NO
Lerwick - Fair Isle	Single fare	31.00	32.00	3.2	NO
Lerwick - Fair Isle - Island Resident	Return fare	36.00	36.00		NO
Note, Discounted Island resident fares are unchanged					
Tingwall Airport - Landing Charges					
Over 3 tonnes but less than 200 tonnes	per tonne	16.00	17.00	6.3	YES
Islander Aircraft on Inter-island contract flights	per landing	0.00	0.00		YES
Landing Supplements (per passenger)					
Charter Flights		2.70	2.80	3.7	NO
Islander Aircraft on Inter-island contract flights		0.00	0.00		NO
Parking Charges					
For each 24 hours or part thereof		3.00	5.00	66.7	YES

	2007/08 CHARGE (ex VAT) £	2008/09 CHARGE (ex VAT) £	VARIANCE %	VAT
Taxi Licensing Charges				
In accordance with the provision of the Civic Government (Scotland) Act 1982, the scale of fees requires to be sufficient to meet the expenses incurred by the licensing authority in carrying out their function in terms of the above Act and are reviewed each year as part of the department's				
Taxi or Private Hire Car Drivers Licence	45.00	46.00	2.2	NO
Taxi or Private Hire Car Licence (grant)	360.00	370.00	2.8	NO
Taxi or Private Hire Car Licence (renewal)	80.00	80.00	0.0	NO
Deposit on Taxi/PHC Licence Plates	30.00	30.00	0.0	NO
Vehicle Inspection	30.50	31.50	3.3	YES
Re - Test	10.00	10.00	0.0	YES
Installation of meter	30.50	31.50	3.3	YES
Check and Calibrate meter	16.00	16.00	0.0	YES
Replacement drivers I.D. Badge	5.00	5.00	0.0	NO
Replacement Licence (Driver or Car)	5.00	5.00	0.0	NO
Bus Services To:				
Sumburgh Airport	2.60	2.70	3.8	NO
Sumburgh	2.20	2.30	4.5	NO
Sandwick	1.70	1.80	5.9	NO
Cunningsburgh	1.70	1.80	5.9	NO
Walls/Skeld/Aith	2.50	2.60	4.0	NO
Bixter	1.80	1.90	5.6	NO
Weisdale	1.60	1.70	6.3	NO
Hillswick/Mossbank/Toft	2.50	2.60	4.0	NO
Brae	2.30	2.40	4.3	NO
Scalloway	1.60	1.70	6.3	NO
Lerwick Town Service	0.50	0.60	20.0	NO
North Isles Integrated Service	4.00	4.20	5.0	NO
Note, Discounted multi travel tickets are available offering 20% reduction on fares				
The National Concessionary Travel Scheme provides Scotland-wide free bus travel for elderly and disabled persons. Also Young Persons 16 to 18 years receive one third off full adult fare on all Scotland-wide bus services				
Half fares are payable by children aged between 5 and 16 years old				
Hire of Council buses (Whalsay)	£1.10 per mile plus £7.60 per hour	£1.20 per mile plus £8.00 per hour		NO
Hire of Council buses (Lerwick)	£15.50 after midnight £13.95 - £21.75 per hour	£16.00 after midnight £14.00 - £22.00 per hour		NO

REVIEW OF CHARGES - CHILDREN'S SERVICES

	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
Laburnum			
Respite Residential Charges (One-off payment of £3.50 per stay for up to 7 nights thereafter further payment of £3.50 for each consecutive stay of up to 7 nights)	3.50	3.57	2.0
Day Care per meal			
- Breakfast	1.40	1.43	2.1
- Snack	1.10	1.12	1.8
- Main meal	2.30	2.35	2.2
Islesburgh Pre-School Group			
Charge per hour outside funded place (i.e for hours from 8.45 am - 9.30 am and 12 noon - 1pm)	2.20	2.25	2.3
Funded Place - 9.30 am - 12 noon	no charge	no charge	
Snack per session	0.20	0.20	0.0
Out of School Clubs			
Islesburgh Out of School Club (per session)	7.00	7.25	3.6
Islesburgh Breakfast Club	3.00	3.10	3.3
Islesburgh Holiday Programme:			
- Full Day (trips additional)	13.00	13.50	3.8
- Half Day (trips additional)	7.00	7.20	2.9
Ness Out of School Club*			
- Per Hour	2.50	2.60	4.0
- Per Session	5.00	5.15	3.0
Ness Holiday Programme*			
- Full Day	12.00	12.40	3.3
- Half Day	7.00	7.25	3.6
Kidzone (Mossbank) Out of School Club* (per hour)	2.00	2.05	2.5
Kidzone Holiday Programme*			
- Full Day	12.00	12.40	3.3
- Half Day (per hour)	2.00	2.05	2.5
The recommendation is that charging at Kidzone should remain on an hourly basis. This structure best suits the needs of the children and families in this community, which differ, to some extent, from the market using Islesburgh.			
Notes:			
Snack is provided at all clubs at no additional cost.			
* Where transport is required for trips there may be an additional charge.			

Operating costs identified under ledger codes GRY6501 to GRY6741 (Operation sub-codes)

Breakdown of Road Revenue Codes for year 2008/09 (Operating costs sub-codes):-

Code		Minimum Expenditure £k	Budget Provision £k	Maximum Expenditure £k
GRY6501	Grass Cutting - Verges	30	42	60
GRY6511	Drainage Maintenance	300	480	700
GRY6521	Traffic Signs	40	70	120
GRY6531	Road Markings & Cats Eyes	100	222	300
GRY6541	Roads Sweeping	20	38	60
GRY6551	Street Lighting - Maintenance	100	272	360
GRY6552	Christmas Lighting & Trees	4	10	15
GRY6555	Routine Maintenance General	0	0	20
GRY6601	Localised Reconstruction	150	285	450
GRY6605	Patching	100	155	300
GRY6611	Resurfacing	600	890	1,200
GRY6615	Footpath Maintenance	80	119	250
GRY6625	Surface Dressing	250	650	850
GRY6635	Road Drainage Improvements	180	225	500
GRY6645	Verge Maintenance	20	93	180
GRY6655	Crash Barriers and Railings	100	132	200
GRY6665	Minor Improvements	20	40	150
GRY6675	Streetlighting (Renewals)	20	50	150
GRY6681	Sea Defences	0	18	80
GRY6685	Structures (Retaining Walls)	0	18	80
GRY6691	Structures (Bridges & Culverts)	10	18	80
GRY6692	Cattlegrids	60	97	160
GRY6695	Structural Maintenance General	5	12	50
GRY6701	Road Authority Functions	30	55	100
GRY6711	Surveys & Inspections	30	52	100
GRY6721	Winter Service	800	1,041	1,400
GRY6731	NRSWA Functions	0	4	20
GRY6741	Road Safety	0	2	20
Total SIC Budget Provision (All Operation sub-codes)			5,090	

Bus Routes - Estimated Expenditure 2008/09

Individual Bus Routes	
GRY7235	Belmont - Saxa Vord
GRY7236	Lerwick Town Service
GRY7237	Lerwick - Hillswick
GRY7238	Lerwick - Laxo
GRY7239	Lerwick - Mossbank
GRY7241	Lerwick - Scalloway - Burra
GRY7242	Lerwick - Sumburgh
GRY7244	Lerwick - Walls
GRY7245	Ulsta - Gutcher - Cullivoe
GRY7246	Ulsta - Mid Yell - West Sandwick
Overall Maximum figure	£809,018

ECONOMIC DEVELOPMENT		2007/08 Budget	Proposed 2008/09 Budget	Year to Year Variance
RRD1104	SCGWAG Advisors	11,500	14,500	(3,000)
RRD1105	Pony Breeders	1,000	1,000	0
RRD1123	Potato & Vegetable	16,000	-	16,000
RRD1124	AI Scheme	8,000	6,000	2,000
RRD1129	Livestock Health Scheme	67,700	80,000	(12,300)
RRD1130	Agricultural Show Scheme	3,000	3,000	0
RRD1131	Agricultural Training	10,000	10,000	0
RRD1133	Agricultural General Assistance	307,500	100,000	207,500
RRD1134	Grants-Agricultural Loan Scheme	25,000	-	25,000
RRD1135	Ineligible Crofter	50,000	20,000	30,000
RRD1136	Agricultural Contractor	30,000	30,000	0
RRD1137	Shetland Rural Development Scheme	0	70,000	(70,000)
RRD1138	Shetland Agricultural Business Scheme	0	100,000	(100,000)
RRD1500	Other Research	45,000	50,000	(5,000)
RRD1502	Publications	3,000	2,000	1,000
RRD1520	Other General Assistance	165,000	222,000	(57,000)
RRD1523	Rural Shop Improvement Scheme	75,000	40,000	35,000
RRD1526	Renewable Enrgey Project	380,000	110,000	270,000
RRD1528	Foula Electricity Scheme	25,000	25,000	0
RRD1529	BES111	70,000	-	70,000
RRD1530	Economic Infrastructure Project	250,000	100,000	150,000
RRD1620	Tourism Assistance	70,000	50,000	20,000
RRD1621	Tourism Information Scheme	350,000	300,000	50,000
RRD2104	SHOAL	0	5,000	(5,000)
RRD2120	Fisheries General Assistance	235,000	100,000	135,000
RRD5005	Marketing Development Programme	104,000	98,000	6,000
RRD5031	Shetland Promotional Costs	221,000	222,900	(1,900)
RRD5038	Johnsmas Foy	38,959	50,000	(11,041)
RRD5039	Flavour of Shetland	111,041	70,000	41,041
RRD5040	International Links	20,000	-	20,000
Total EDU RF Budgets Reductions between 07/08 and 08/09		2,692,700	1,879,400	813,300

COMMUNITY DEVELOPMENT		2007/08 Budget	Proposed 2008/09 Budget	Variance
GRJ3102	Bridge-End Outdoor Centre	5,000	5,000	0
GRJ3103	Unst Youth Centre	5,000	5,000	0
GRJ3201	Grants to Vol Orgs General	90,000	76,800	13,200
GRJ3202	Development Grant Aid Scheme	109,140	81,307	27,833
GRJ3203	Support Grant Aid Scheme	91,800	109,323	(17,523)
GRJ3204	Pitches Other	28,000	28,560	(560)
GRJ3205	Maintain Community Facilities	20,238	15,000	5,238
GRJ3302	Community Work Initiatives	8,670	18,990	(10,320)
GRL4012	Faroe-Shetland Cultural Project	5,414	-	5,414
Total Com Dev Budgets Reductions between 07/08 and 08/09		363,262	339,980	23,282

NORTH ATLANTIC FISHERIES COLLEGE		2007/08 Budget	Proposed 2008/09 Budget	Variance
RRD2121	North Atlantic Fisheries College	1,963,500	880,000	1,083,500

TOTAL REDUCTIONS DISCRETIONARY GRANTS		5,019,462	3,099,380	1,920,082
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IMPACT OF BUDGET REDUCTIONS INCLUDED IN THE 2008/09 BUDGETS

Economic Development Unit

On 19 December the Financial Review Panel decided that the EDU should introduce short-term budget reductions for the financial year 2008-09. In particular, the Panel asked for; the North Atlantic Fisheries Centre's costs to be split between the EDU and the Shetland Development Trust (SDT), with each bearing £880,000 of the budget; and the Reserve Fund Grants' budgets to be reduced by £1,000,000. To lessen the impact on the Reserve Funds Grants budget, EDU have also examined the overhead costs in the Support Ledger which are recharged to the Reserve Fund. The Economic Development service is in a process of reorganisation to achieve a leaner more focused organisation, working closely and sharing services with HIE. .

1. North Atlantic Fisheries Centre (NAFC)

The full solution to reduce the NAFC's call on the Reserve Fund in 2008-09 to £880,000 is dependent on the SDT agreeing to share half of the £1,760,000 cost. A report on this subject will be discussed by the Trust on 18 February 2008 and, assuming agreement at the SDT, the arrangement of £880,000 from each source can proceed as requested by the FRP.

2. Support Ledger

The larger part of the reduction can be achieved by deleting unfilled posts and by bringing a secondment to an end at its expected date. Other cost reductions can be achieved by reducing travel and subsistence costs and equipment costs. In total savings can be made amounting to £187,182.

3. Reserve Fund Grants/Activities Budgets

A reduction of £813,300 will impact on all the activities undertaken by the Economic Development Service. Our suggested reductions take consideration of the 2008-2011 Corporate Plan, the estimated demand for assistance, existing guidance from this Council on priority areas, and the existing commitments on each budget code. Part of the 2008/09 budget will have to meet existing commitments which will result in only part of many budget codes available for spending on new projects. Work will be undertaken to keep these carry forwards to a minimum.

3.1 Agriculture

As a traditional industry and a Council priority the reduction in the traditional agriculture is one of the lowest at 18%, a total of £95,200. There has been some restructuring of the agricultural budget by setting up dedicated codes for the newly EU notified Shetland Rural Development Scheme (SRDS) and the Shetland Agricultural Business Scheme (SABS), which is operated under EU de minimus authority. SRDS has been resourced from the Potato and Vegetable Grant Scheme (now deleted) and the Ineligible Crofters Grant Scheme with the remainder being drawn from the Agriculture General Assistance Code. There will be a £20,000 carry forward on SRDS and a sum of £20,000 has been retained in the Ineligible Crofters Grant Scheme to cover existing commitments that have to be carried forward. SABS is resourced from the Agriculture General Assistance Code. The largest reduction is on the Agricultural General Assistance Code, which, after transfers to other codes of £124,000, has been reduced by £63,500 to £100,000. There is an expected carry forward of £50,000 on this code leaving £50,000 for new projects. Some virement from other codes may be necessary during 2008-09. All the other agricultural codes for 2008-09 are based on expected demand.

3.2 General Assistance Codes

The main reduction in this area is in the Economic Infrastructure code which has been reduced by £150,000 to £100,000. An anticipated carry forward of £50,000 means that there will be £50,000 to spend on new projects. The General Assistance code has been increased by £57,000 to £222,000 to cover the expected £143,000 of carry forward from 2007-08. The Business Enterprise Scheme III spending should be completed in this financial year and the budget has been dropped for 2008-09. Assistance for Rural Shops will be capped at £40,000, assuming that the Council decides to continue with the scheme when the new scheme is presented for approval in due course. The approval of one medium sized project such as a grant of £100,000 for a heritage development will stretch these General Codes. In addition the Council has a general obligation to match fund the LEADER initiative that may prove difficult in the 2008-09 financial year.

3.3 Renewable Energy

Any significant developments in Renewable Energy projects will need to be placed on hold during 2008-09. These codes have been reduced by £220,000 down to a total of £185,000 and, even with an expected carry forward of £70,000, there is still scope for some smaller projects to proceed.

3.4 Tourism

This is another traditional sector and still holds our strong development opportunities so the budget reduction has been limited to 17%. Tourism Infrastructure Grants has been reduced by £50,000. While this is significant, it follows a £100,000 increase in the support for VisitShetland for this financial year, which was awarded on a temporary basis so the reduction will not be as serious as the sum suggests. Overall VisitShetland have been informed to expect a £75,000 reduction in its budget. This includes the marketing assistance paid for from the Marketing codes. The other tourism code, Tourism Assistance Grants has been reduced by £20,000 leaving a budget of £50,000. A carry forward of £17,000 is expected so the amount left for new projects will only be £33,000. The Economic Development Unit will continue with the revision of the Tourism Assistance Scheme following the publication of the Accommodation Review. However, unless virements can be identified during the year, there will be little capacity to approve any meaningful projects.

3.5 Fisheries

While Fisheries is a key traditional sector, delays in the implementation of the European Fisheries Fund (EFF) means that there is unlikely to be much activity on the Fisheries General Assistance Code during 2008-09. At present the Council only has authority to provide member state contributions for projects that apply for EFF grants. The reduction proposed is therefore 55%. £100,000 has been left in the code because there is a possibility that the Scottish Government will seek an interim measure to assist fisheries development projects under EFF, so the Council would need to have some capacity to provide the matching support. During the year the Council will also be seeking EU notification for its own Fisheries Processing and Marketing support scheme to have some independence for supporting local projects when EFF assistance is restricted. A larger budget will be required for this purpose in 2009-10.

3.6 Marketing

Overall the marketing codes have been reduced by only 10%, reflecting the expected levels of activity in 2008-09. A budget of £98,000 has been set for the Market Development Programme (MDP), which provides assistance for small businesses. The carry forward on this code is expected to be £50,000 so £48,000

will be available for new projects. More general Shetland marketing is carried out under the Shetland Promotional budget, which has been set at £222,900. This code is used to pay for exhibition attendance, promoting events such as the Tall Ships' Races, some of the VisitShetland marketing expenditure, market research and other more general marketing work. There is an expected carry forward of £80,000 on this code, leaving £147,900 for new projects. The Johnsmas Foy code has been increased by £11,000 and a budget of £70,000 has been set for the Flavour of Shetland, both as agreed by the Executive Committee on 23 October 2007. Finally the International Links budget has been dropped. Work of this nature will be done under the Shetland Promotional budget.

In the recent past the EDU's Reserve Fund budgets have been underspent, usually in the region of £1,000,000. Most of this underspend is attributable to State Aid restrictions impacting on the Council's ability to offer grant assistance, particularly in regard to the fisheries and agricultural sectors. Accordingly, the Reserve Fund Budget was reduced by 8% for 2007-08 and there has been an increase of activity on the budgets in this financial year such that the underspend for 2007-08 will be in the region of £150,000, much less than previous years. In addition a total expected carry forward of £410,000 will severely inhibit the EDU's ability to undertake new projects unless other sources of funding are available. One possible solution for this difficulty is to request the SDT to provide grant assistance for some of the larger business projects that require to be funded during the year. This could be of significant help in the circumstances but the main drawback is that the SDT's Revolving Fund would be diminished with an impact on the Trust's ability to lend. The SDT would obviously need to be in agreement with this approach.

Infrastructure Department

1. Roads Service

On the Roads service, there has been no increase in budgets to match the significant rises in bitumen, fuel oil and electricity; this will result in less work being able to be achieved for the same budgets. Efforts will continue to undertake activities more efficiently to lessen the impact. Last year the Roads Service had a ring-fenced budget "20 mph Speed Limits", this is no mention of this Scottish Government Concordat, therefore remaining 20 mph speed limits will require to be funded from the Roads Capital Rolling Programme. The second ring-fenced budget under Roads is the "Cycling, Walking and Safer Streets" which is due to remain ring-fenced. It is not known at this time what level of funding will be received, should the Council receive any funding, spending will be in line with the guidelines given.

2. Transport Service

The service is working on the best way to accommodate the percentage cuts set by the Council. This is a difficult challenge and there will be considerable pressure in certain areas but staff will seek to ensure that there is minimum impact on front line delivery. Commitments for next year that were to be met through ring-fenced Rural Public Passenger Transport funding of £350k have been included in the budget otherwise services introduced would have to cease and this was deemed unacceptable. There is a real impact resulting from the removal of the ring-fenced capital allocation of £177k that ZeTTrans would have received directly next year but which has now been rolled up in the overall financial settlement for the Council. Without this funding and taking into account the significant reductions in core funding from the Government, we are looking at a reduction of available resources of £470k (£177k capital and £292k revenue). This will severely limit ZeTrans ability to procure resources and commission work to implement the Transport Strategy. The funding which remains is only sufficient to cover salaries and

running costs of the Partnership. Should there be scope to reinstate this funding this should be done.

3. Environment and Building Services

Within this area the previously ring-fenced funding for "Smoking Ban Enforcement" of approximately £50k has been offered as savings from 2008/09 onwards on the basis that the work associated with enforcing the ban can be carried out with existing staff. All other ring-fenced funding transferred to the General Fund Grant has been absorbed into the Environment budgets.

Until negotiations with the Scottish Government have taken place on single outcome agreements, the implications of applying funding these funds to service delivery is not fully known. As such the Executive Director Infrastructure has instructed his managers not to give permanent contracts to staff previously funded from ring-fenced funding until a full review of the services in those areas is carried out.

Education & Social Care

Some areas of service which were previously supported by ring fenced funding have now been built into our core activity, e.g. family centre services; others will continue by efficiencies being realised elsewhere e.g. fresh fruit in schools. Some other initiatives were time limited and will simply cease, e.g. Youth Music Initiative.

By the same means, the Department will continue to support a number of voluntary sector organisations, which previously received funding from Quality of Life monies:

Drugs and alcohol services
Disability Shetland Recreation Club and Access Panel
Moving On
Family Mediation
Womens' Aid

The main areas where savings have been realised were; £400K on Montfield, as the facility is not due to open until early 2009; increased income of £230K from the Shetland Charitable Trust; £100K on supply teaching cover. Some cuts were made in discretionary grants also, but these will have minimal impact.



REPORT

To: **EXECUTIVE COMMITTEE**
SHETLAND ISLANDS COUNCIL

31 January 2008
7 February 2008

From: **Head of Finance**

**HOUSING REVENUE ACCOUNT ESTIMATES (HRA) AND CHARGE SETTING –
2008/09**
Report No: F-004-F

1.0 Introduction

- 1.1 On 31 October 2007 (min ref. 144/07), the Shetland Islands Council approved the budget strategy to be adopted for the Housing Revenue Account for the 2008/09 revenue estimates process.
- 1.2 Members agreed the following strategy option: -

“To pursue Housing Revenue Account debt relief while tightly controlling revenue spending and investing £13 million of Reserves over several years in additional housing stock.”
- 1.3 The Council’s budget target included income to be increased across the Council by at least 2%.
- 1.4 As there is no imminent prospect of the HRA debt being paid off, the 2008/09 budget has been prepared on the basis that the outstanding debt requires to be serviced.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council’s corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy, in particular, to keep revenue budgets within sustainable limits.

3.0 2008/09 Estimates

3.1 The Council is required to set a balanced budget for the HRA. Table 1 below shows the position on the HRA of increasing average rent by inflation only, i.e. 2%.

Table 1	2008/09 Proposed Budget £000
<u>Expenditure:</u>	
Supervision & Management	516,127
Repair & Maintenance	2,267,666
Void Rents & Charges	207,847
Hostel	61,146
CFCR	1,678,037
Capital Charges - Dwellings	4,610,994
Capital Charges - Hostel	136,120
	9,477,937
<u>Income:</u>	
HSG - General	(1,602,809)
HSG - Hostel	0
Interest on Revenue Balances	(48,591)
Rents - Dwellings	(5,132,500)
Rents - Hostel	(96,699)
Rents - Other	(100,235)
Contribution from Housing R & R Fund	(2,497,103)
	(9,477,937)
Balanced HRA	0

3.2 From Table 1 it can be seen that the proposed rent increase requires a contribution from the Housing Repairs & Renewals Fund of £2,497,103 in order to balance the HRA.

3.3 The budgets detailed in Table 1 above include Capital from Current Revenue (CFCR) funding of £1.7m for investing in additional housing stock in line with Council's agreed strategy for the HRA.

3.4 The draw on the Housing Repairs and Renewals Fund is higher than the target for the year by £600k. This is mainly due to the loss of the Hostel element of Housing Support Grant (£200k), the requirement for Corporate and Democratic Core recharges to be charged to the HRA (£80k), and higher than anticipated Debt Charges due to interest rate rises (£160k).

3.5 For information, a review of the Hostel and Outreach services has been carried out and will be reported to Services Committee on 6 March 2008. The budgets included in this report have been prepared on the basis of the revised service.

3.6 Appendix A shows a Cost Centre summary of the proposed 2008/09 budgets for information. Appendix B shows the effect of the 2% increase on rent levels.

4.0 Housing Repair and Renewals Fund

- 4.1 The projected fund balance on the Housing Repair and Renewals Fund is shown in Table 2 below: -

Table 2	
	£000
Opening Balance at 1 April 2007	12,398
Projected Investment Income 2007/08	744
Projected Contribution 2007/08	(85)
Projected Balance at 1 April 2008	13,057
Projected Investment Income 2008/09	783
Contribution to HRA 2008/09	(2,497)
Projected Fund Balance at 31 March 2009	11,343

- 4.2 The above table shows that the estimated closing position of the Housing Repairs and Renewals fund at the end of 2008/09 is predicting a decrease of £1.714m against the projected opening balance as at 1 April 2008. This is due to the expected growth in investment income being lower than the budgeted contribution to the HRA in 2008/09.
- 4.3 As stated in the budget strategy this fund is to be used to invest in additional housing stock. The size and the rate of investment will result in fluctuating projected balances on the fund i.e. the balance will be less if significant investment is made quickly.

5.0 Review of Charges/Payments

- 5.1 It is proposed that Members consider increasing average rent by inflation only of 2%, an increase average rent from £53.85 to £54.93. The effect of this increase on rents is shown in more detail in Appendix B.
- 5.2 Appendix C sets out the Housing Revenue Account charges for 2008/09 and Appendix D sets out the decant compensation payments to tenants. The decant compensation payments remain the same as 2007/08, and it is proposed that this payment is reviewed again as part of the 2009/10 estimates.
- 5.3 In order to fulfil the requirements of the existing Tenants Charter and in line with the Housing (Scotland) 2001 Act, all tenants together with the Shetland Tenants Forum have been consulted on the proposed rent increases. The conclusion of the Tenants Forum representatives following detailed consultation is that they are happy with the rent increase proposals for 2008/09, and note that it is a further inflation only increase, whilst maintaining the same level of service.

- 5.4 Individual tenants were consulted by way of a postal questionnaire, with a return rate of approximately 17%. The following results have been analysed:

	Too high	Too low	About right
Do you think your current rent is:	32%	0	68%
Do you think the proposed increase is:	29%	0	71%
	Poor/very poor	Neither good nor poor	Good/very good
Do you think the rent you pay represents value for money?	14%	19%	67%

Overall, from the returns received, the majority of those responding are satisfied with the level of increase proposed and feel that they are getting value for money.

6.0 Policy and Delegated Authority

- 6.1 There are no delegated powers for Head of Housing Services to determine the level of revenue resources required to provide services.
- 6.2 The Executive Committee has delegated authority to make decisions on all matters within its remit and as described in Section 10.0 of the Council's Scheme of Delegations. However, decisions relating to approving the revenue estimates and level of rent and charges requires approval of the Council, in terms of Section 8.0 of the Council's Scheme of Delegations.

7.0 Conclusions

- 7.1 In summary this report sets out the proposed estimates for the Housing Revenue Account for the 2008/09 financial year. These are detailed in Appendix A.
- 7.2 The Council is statutorily obliged to set a balanced budget for the HRA, this is achieved by drawing £2,497,103 from the Housing Repairs and Renewals Fund. The increase in proposed Housing Repairs and Renewals Fund contribution is due to the inclusion of CFCR funding (as detailed in para 3.3), the loss of Housing Support Grant for the Hostel, Corporate and Democratic Core recharges, and increased Debt Charges (all detailed in para 3.4).
- 7.3 A review of rents and charges has been undertaken and the proposals are detailed in Appendices B & C and current decant compensation payments are set out in Appendix D.

8.0 Recommendations

8.1 I recommend that Executive Committee and Council:

8.1.1 consider and agree the 2008/09 estimates contained in paragraph 3.1 and detailed in Appendix A;

8.1.2 consider and agree the proposed increase to average rent as detailed in Appendix B, and approve the contribution of £2,497,103 from the Housing Repairs & Renewals fund;

8.1.3 consider and agree charges as detailed in Appendix C;

8.1.4 consider and note the decant compensation payments as detailed in Appendix D;

Date: 23 January 2008
Our Ref: HKT/E/1/2008

Report No: F-004-F

2008/09 REVENUE ESTIMATES

COST CENTRE DETAIL - HOUSING REVENUE ACCOUNT

	2008/09 Budget £
Supervision and Management	149,220
Corporate & Democratic Core	80,333
Void Rents	207,847
Dwelling Rent Income	(5,132,500)
Other Rent Income	(100,235)
Housing Support Grant	(1,602,809)
Debt Charges	4,610,994
CFCR	1,678,037
Ladies Drive Hostel	100,567
Waiting List Allocation	237,983
Repairs & Maintenance - Responsive	1,106,329
Repairs & Maintenance - Planned	1,127,047
Garages	34,290
Transfer from the Housing Repairs & Renewals Fund	<u>2,497,103</u>

2008/09 REVENUE ESTIMATES

PROPOSED RENT LEVELS - HOUSING REVENUE ACCOUNT

Apt. Size	Area	Category	2007/08 Rent Per Week £	Inflation 2%	
				2008/09 Rent Per Week £	Weekly Increase £
8 Apartment	Lerwick	Base	94.65	96.54	1.89
8 Apartment	Lerwick	Central Heating	104.03	106.11	2.08
8 Apartment	Lerwick	Double Glazing	99.48	101.47	1.99
8 Apartment	Lerwick	Both	108.86	111.03	2.17
7 Apartment	Lerwick	Base	85.27	86.97	1.70
7 Apartment	Lerwick	Central Heating	93.80	95.67	1.87
7 Apartment	Lerwick	Double Glazing	89.53	91.32	1.79
7 Apartment	Lerwick	Both	98.06	100.02	1.96
6 Apartment	Lerwick	Base	75.89	77.41	1.52
6 Apartment	Lerwick	Central Heating	83.56	85.23	1.67
6 Apartment	Lerwick	Double Glazing	79.58	81.17	1.59
6 Apartment	Lerwick	Both	87.26	89.00	1.74
5 Apartment	Lerwick	Base	66.23	67.55	1.32
5 Apartment	Lerwick	Central Heating	72.76	74.22	1.46
5 Apartment	Lerwick	Double Glazing	69.64	71.03	1.39
5 Apartment	Lerwick	Both	76.17	77.70	1.53
4 Apartment	Lerwick	Base	56.85	57.98	1.13
4 Apartment	Lerwick	Central Heating	62.53	63.78	1.25
4 Apartment	Lerwick	Double Glazing	59.69	60.88	1.19
4 Apartment	Lerwick	Both	65.37	66.68	1.31
3 Apartment	Lerwick	Base	47.47	48.41	0.94
3 Apartment	Lerwick	Central Heating	52.01	53.05	1.04
3 Apartment	Lerwick	Double Glazing	49.74	50.73	0.99
3 Apartment	Lerwick	Both	54.29	55.37	1.08
2 Apartment	Lerwick	Base	37.80	38.56	0.76
2 Apartment	Lerwick	Central Heating	41.78	42.62	0.84
2 Apartment	Lerwick	Double Glazing	39.79	40.59	0.80
2 Apartment	Lerwick	Both	43.77	44.65	0.88
1 Apartment	Lerwick	Base	28.42	28.99	0.57
1 Apartment	Lerwick	Central Heating	31.27	31.89	0.62
1 Apartment	Lerwick	Double Glazing	29.84	30.44	0.60
1 Apartment	Lerwick	Both	32.69	33.34	0.65
8 Apartment	Non Lerwick	Base	89.92	91.71	1.79
8 Apartment	Non Lerwick	Central Heating	98.83	100.80	1.97
8 Apartment	Non Lerwick	Double Glazing	94.51	96.39	1.88
8 Apartment	Non Lerwick	Both	103.42	105.48	2.06
7 Apartment	Non Lerwick	Base	81.01	82.62	1.61
7 Apartment	Non Lerwick	Central Heating	89.11	90.89	1.78
7 Apartment	Non Lerwick	Double Glazing	85.06	86.75	1.69
7 Apartment	Non Lerwick	Both	93.16	95.02	1.86
6 Apartment	Non Lerwick	Base	72.10	73.53	1.43
6 Apartment	Non Lerwick	Central Heating	79.39	80.97	1.58
6 Apartment	Non Lerwick	Double Glazing	75.61	77.12	1.51
6 Apartment	Non Lerwick	Both	82.90	84.55	1.65
5 Apartment	Non Lerwick	Base	62.91	64.17	1.26
5 Apartment	Non Lerwick	Central Heating	69.12	70.51	1.39
5 Apartment	Non Lerwick	Double Glazing	66.15	67.48	1.33
5 Apartment	Non Lerwick	Both	72.37	73.81	1.44
4 Apartment	Non Lerwick	Base	54.00	55.08	1.08
4 Apartment	Non Lerwick	Central Heating	59.40	60.59	1.19
4 Apartment	Non Lerwick	Double Glazing	56.70	57.84	1.14
4 Apartment	Non Lerwick	Both	62.10	63.34	1.24
3 Apartment	Non Lerwick	Base	45.09	45.99	0.90
3 Apartment	Non Lerwick	Central Heating	49.41	50.40	0.99
3 Apartment	Non Lerwick	Double Glazing	47.25	48.20	0.95
3 Apartment	Non Lerwick	Both	51.57	52.60	1.03
2 Apartment	Non Lerwick	Base	35.91	36.63	0.72
2 Apartment	Non Lerwick	Central Heating	39.69	40.49	0.80
2 Apartment	Non Lerwick	Double Glazing	37.80	38.56	0.76
2 Apartment	Non Lerwick	Both	41.58	42.41	0.83
1 Apartment	Non Lerwick	Base	27.00	27.54	0.54
1 Apartment	Non Lerwick	Central Heating	29.70	30.30	0.60
1 Apartment	Non Lerwick	Double Glazing	28.35	28.92	0.57
1 Apartment	Non Lerwick	Both	31.05	31.67	0.62
AVERAGE RENT			53.85	54.93	1.08

Notes:

- a) Central Heating is base + 10%
- b) Double Glazing is base + 5%
- c) Both is base + 15%
- d) Non-Lerwick properties have a 95% rent differential

2008/09 REVENUE ESTIMATES

REVIEW OF CHARGES - HOUSING REVENUE ACCOUNT

TYPE OF CHARGE	2007/08 CHARGE £	2008/09 CHARGE £	VARIANCE %
GARAGES:			
Garage Rents (no electricity)	5.45	5.55	1.83
Garage Rents (electricity)	8.03	8.20	2.12
Double Garage (electricity)	12.05	12.30	2.07
Garage Site Rent	1.15	1.20	4.35
SHEDS:			
Soldian Court and Voderview, Lerwick	0.65	0.70	7.69
HOSTEL:			
Charges per week for first four week stay:			
Occupancy Charge	59.53	60.72	2.00
Breakfast Charge	2.43	2.48	2.06
Furniture Charge	5.63	5.74	1.95
Service Charge	10.86	11.08	2.03
Sub-Total	78.45	80.02	2.00
V.A.T	13.73	14.00	2.00
Total	92.18	94.02	2.00
Charges per week for subsequent stay:			
Occupancy Charge	59.53	60.72	2.00
Breakfast Charge	2.43	2.48	2.06
Furniture Charge	5.63	5.74	1.95
Service Charge	10.86	11.08	2.03
Sub-Total	78.45	80.02	2.00
V.A.T	3.31	3.38	2.04
Total	81.76	83.40	2.00

First four weeks charge is higher due to VAT being chargeable on all charges to those residents who have not been designated as statutorily homeless. Thereafter, VAT is charged on the furniture, breakfast and service charge only. A Council Tax charge is also applied in addition to the above charge.

* Subject to a separate report there may be no Hostel charges for 2008/09

Appendix D

2008/09 REVENUE ESTIMATES

Decant Compensation Payments 2008/09

Payment	Amount 07/08	Amount 08/09	% Increase
	£	£	
Disturbance Allowance	750	750	-
Per Room Allowance	120	120	-
Flooring Allowance *	80	80	-
Carpet Allowance **	240	240	-

* Flooring Allowance only paid when the kitchen and bathrooms have been altered

** Carpet Allowance one-off payment when size of room is increased,

Recommend that these payments are reviewed for 2009/10 financial year.



REPORT

To: **Special Harbour Board
Shetland Islands Council**

**31 January 2008
7 February 2008**

From: **Management Accountancy Service Manager
Executive Services Department**

**PORTS AND HARBOUR ESTIMATES – 2008/09
REPORT NUMBER: F-001-F**

1.0 Introduction

- 1.1 On 31 October 2007 (min ref: 144/07), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2008/09 revenue estimates process.
- 1.2 Members agreed that the Harbour Account should continue to pursue efficiency savings and appropriate charging levels to restore a higher level of profitability at the Port of Sullom Voe by 2009/10.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy, in particular, to keep revenue budgets within sustainable limits.

3.0 2008/09 Estimates Compared to Ceiling

3.1 Support and Recharged Ledgers

3.1.1 Ports & Harbours

Appendix A(1) compares the 2008/09 Support Ledger estimates put forward by the General Manager Ports and Harbours against

the ceiling set by the Council. The position is summarised in the following table:

Table 1 Ports & Harbours Support Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	-13.2	-16.3	3.0
Employee Costs	823.0	857.7	-34.7
Operating Costs	222.8	232.5	-9.7
Net Controllable Expenditure	1032.6	1073.9	-41.4
Financing Costs	17.7	17.7	0.0
Net Recharges	-1050.3	-1091.6	41.4
Total Net Expenditure	0.0	0.0	0.0

3.1.2 Table 1 shows that there is an adverse variance in Net Controllable Departmental expenditure on the Support Ledger of £0.041m. This is due to the ceiling being reduced by inflation + 1% in line with the approved Council budget strategy. However annual wage awards will be due in 2008/09 resulting in an adverse variance.

3.1.3 Appendix A(2) compares the 2008/09 Recharged Ledger estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised Table 2 below:

Table 2 Ports & Harbours Recharged Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	-27	-46	19
Employee Costs	592	608	-16
Operating Costs	3100	5338	-2238
Net Controllable Expenditure	3665	5900	-2235
Financing Costs	0	0	0
Net Recharges	-3665	-5900	2235
Total Net Expenditure	0	0	0

3.1.4 The overall Net Departmental controllable expenditure is £2.235m higher than the ceiling for 2008/09. The majority of this (£1.9m) is due to an increase in the Council's jetty maintenance contract with

BP, which is wholly funded by BP. The income for which is shown in the Harbour Account. The remaining increase is on the tugs boats electricity costs. These vessels now have shore power instead of using generators to power the vessel when lying alongside the tug jetty (£0.348m). All costs in relation to the Harbour are charged to the Harbour Account.

3.2 Harbour Account

3.2.1 Ports & Harbours

Appendix A(3) compares the 2008/09 Harbour estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised in the following table:

Table 3 Ports & Harbours Harbour Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	(15,271)	(12,915)	(2,356)
Income Jetties Contract	(1,471)	(3,385)	1,914
Employee Costs	5,368	5,416	(48)
Operating Costs	1,342	1,200	142
Transfer Payments	77	79	(2)
Net Controllable Expenditure	(9,955)	(9,605)	(349)
Financing Costs	286	421	(136)
Net Recharges	4,669	6,850	(2,181)
Total Net (Income)/Expenditure	(5,000)	(2,334)	(2,666)

3.2.2 Table 3 shows that there is an unfavourable variance on the Harbour Ledger of £2.666m against the ceiling which was set at achieving a £5m net income in line with the long term financial strategy. This has not been achieved with reduced Harbour and Towage income resulting from reduced throughput. The current financial plans of the Council assumed a recovery in performance to £5m of income on the Harbour by 2008/09, however, the budget for 2008/09 suggests that it will only generate income of £2.334m.

3.2.3 The increase in income from the Jetties Contract is offset by the increase in the net recharges (where the costs are entered from the Recharged Ledger). This is wholly funded by BP.

3.2.4 The Ports and Harbours service is being reviewed and reports will be coming forward throughout 2008/09 to continue to reduce

costs on the Harbour operation in order to meet the long term financial plan and make the operation sustainable into the future.

3.2.5 Appendix B(1) and B(2) compare the 2007/08 estimates to the ceiling by cost centre for the Ports & Harbours service.

3.3 Review of Charges

3.3.1 A separate report on the Table of Dues is being presented to the Harbour Board today and as such does not form part of this report. However it should be noted that Sullom Voe Harbour charges are proposed to increase by 8% and income arising from that level of charging is included in these estimates.

4.0 Financial Implications

4.1 Ports & Harbour's Support and Recharged Services are over the net controllable ceilings by £0.041m and £2.235m respectively. The Harbour estimates show an unfavourable performance against the target income generation level of £5m for 2008/09, with net income expected to be £2.334m, some £2.666m under this target. This is a significant shortfall against the assumptions included in the Council's financial planning. Any future projections will need to take account of this shortfall and its impact.

5.0 Policy and Delegated Authority

5.1 In terms of Section 16 of the Council's Scheme of Delegation, the Harbour Board will be responsible for monitoring current budgets and approving future budgets for submission to the Council for approval.

6.0 Conclusions

6.1 In summary this report sets out the proposed Harbour estimates for 2008/09 financial year, as put forward by the General Manager Ports & Harbours detailed in Appendices A(1), A(2), A(3), B(1) and B (2). These estimates have been compared against the ceilings set by the Council's budget strategy and explanations of any major variances from ceiling have been given.

6.2 The budgets put forward by the General Manager Ports & Harbours on the Support Ledger is marginally over ceiling (£0.041m), on the Recharged Ledger are over the target (£2.235m) mainly due to the increased size of the Jetties Maintenance contract. The Harbour Account is budgeted to generate £2.666m less than the planned target of £5m. This shortfall will have to be taken into account in future financial projections.

6.3 A review of charges is discussed in a separate report titled "Harbour Dues 2008/09".

7.0 Recommendations

7.1 I recommend that the Harbour Board consider and accept the 2008/09 estimates contained in Appendices A(1), A(2), A(3) and B(1), B(2);

7.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 7 February 2008.

Date: 23 January 2008
Our Ref: HKT/E/1/2008(P&H)

Report No: F-001-F

SUPPORT : 2008/09 ESTIMATE COMPARED TO 2008/09 CEILING

PORTS & HARBOURS

	CEILING 2008/09 £	BUDGET 2008/09 £	FAV/(ADVERSE) VARIANCE £
INCOME			
Client Receipts	-	(650)	650
Financing	(13,144)	(15,518)	2,374
Grants	-	-	-
Reimbursements	(102)	(100)	(2)
Rents	-	-	-
TOTAL INCOME	(13,246)	(16,268)	3,022
EXPENDITURE			
Employee Costs			
Allowances	25,833	28,019	(2,186)
Basic Pay	608,244	630,070	(21,826)
Bonus	-	-	-
National Insurance	52,068	53,530	(1,462)
Other	20,751	21,259	(508)
Overtime	15,180	15,461	(281)
Pension Contributions	100,918	109,365	(8,447)
Sub-Total (Employee Costs)	822,993	857,704	(34,711)
Operating Costs			
Administration	36,172	37,350	(1,178)
Agency Payments	-	4,000	(4,000)
Property and Fixed Plant	88,856	86,042	2,814
Supplies and Services	27,768	34,240	(6,472)
Transport & Mobile Plant	70,033	70,861	(828)
Sub-Total (Operating Costs)	222,829	232,493	(9,664)
Transfer Payments	-	-	-
TOTAL EXPENDITURE	1,045,822	1,090,197	(44,375)
NET CONTROLLABLE EXPENDITURE	1,032,576	1,073,929	(41,353)
Financing Costs	17,704	17,704	-
Recharges In/Out	(1,050,280)	(1,091,633)	41,353
TOTAL SUPPORT	-	-	-

RECHARGED LEDGER : 2008/09 ESTIMATE COMPARED TO CEILING

PORTS & HARBOURS

	CEILING 2008/09 £	BUDGET 2008/09 £	FAV/(ADVERSE) VARIANCE £
INCOME			
Client Receipts	(19,380)	(23,500)	4,120
Financing	(7,140)	(22,000)	14,860
Grants	-	-	-
Reimbursements	-	(50)	50
Rents	-	-	-
TOTAL INCOME	(26,520)	(45,550)	19,030
EXPENDITURE			
Employee Costs			
Allowances	39,862	46,786	(6,924)
Basic Pay	359,382	371,028	(11,646)
Bonus	-	-	-
National Insurance	35,978	37,231	(1,253)
Other	2,733	2,928	(195)
Overtime	97,895	90,480	7,415
Pension Contributions	56,132	59,209	(3,077)
Sub-Total (Employee Costs)	591,983	607,662	(15,679)
Operating Costs			
Administration	18,353	19,767	(1,414)
Agency Payments	103,216	1,156,975	(1,053,759)
Property and Fixed Plant	530,218	700,886	(170,668)
Supplies and Services	150,024	276,554	(126,530)
Transport & Mobile Plant	2,298,076	3,183,578	(885,502)
Sub-Total (Operating Costs)	3,099,887	5,337,760	(2,237,873)
Transfer Payments	-	-	-
TOTAL EXPENDITURE	3,691,869	5,945,422	(2,253,553)
NET CONTROLLABLE EXPENDITURE	3,665,349	5,899,872	(2,234,523)
Financing Costs	-	-	-
Recharges In	6,977	4,600	2,377
Recharges Out	(3,672,326)	(5,904,472)	2,232,146
TOTAL RECHARGED	-	-	-

HARBOUR ACCOUNT : 2008/09 ESTIMATE COMPARED TO CEILING

PORTS & HARBOURS

	CEILING 2008/09 £	BUDGET 2008/09 £	FAV/(ADVERSE) VARIANCE £
INCOME			
Client Receipts	(1,606,205)	(3,432,152)	1,825,947
Financing	(1,003,472)	(762,560)	(240,912)
Harbour Charges	(14,132,299)	(12,102,608)	(2,029,691)
Reimbursements	(102)	(10)	(92)
Rents	-	(2,500)	2,500
TOTAL INCOME	(16,742,078)	(16,299,830)	(442,248)
EXPENDITURE			
Employee Costs			
Allowances	527,218	479,727	47,491
Basic Pay	3,488,223	3,523,378	(35,155)
Bonus	129,529	134,273	(4,744)
National Insurance	389,465	389,053	412
Other	24,386	27,131	(2,745)
Overtime	253,124	251,504	1,620
Pension Contributions	555,999	610,948	(54,949)
Sub-Total (Employee Costs)	5,367,942	5,416,014	(48,072)
Operating Costs			
Administration	182,738	187,664	(4,926)
Agency Payments	9,045	9,000	45
Property and Fixed Plant	398,786	475,345	(76,559)
Supplies and Services	225,682	147,099	78,583
Transport & Mobile Plant	525,787	380,483	145,304
Sub-Total (Operating Costs)	1,342,038	1,199,591	142,447
Transfer Payments	77,410	79,000	(1,590)
TOTAL EXPENDITURE	6,787,390	6,694,605	92,785
NET CONTROLLABLE EXPENDITURE	(9,954,688)	(9,605,225)	(349,463)
Financing Costs	285,573	421,119	(135,546)
Recharges In/Out	4,669,115	6,850,420	(2,181,305)
TOTAL HARBOUR ACCOUNT	(5,000,000)	(2,333,686)	(2,666,314)

HARBOUR ACCOUNT : 2008/09 ESTIMATE COMPARED TO CEILING

MARINE OPERATIONS DEPARTMENT

Cost Centre Summary

	CEILING 2008/09 £	BUDGET 2008/09 £	UNDER/(OVER) 2008/09 £	
PRM0150	Canteen Service	24,804	27,205	(2,401)
PRM2002	Transfer to Funds	(1,400,760)	(1,400,760)	-
PRM2100	Sullom Voe	(6,544,752)	(5,163,861)	(1,380,891)
PRM2101	B & L Sullom Voe	(37,821)	(175,486)	137,665
PRM2102	Pilotage Sullom Voe	(622,219)	(644,107)	21,888
PRM2103	Mooring Sullom Voe	(273,955)	(275,981)	2,026
PRM2110	Marine Officers	1,159,397	1,044,227	115,170
PRM2111	Launch Crews	1,099,035	1,151,445	(52,410)
PRM2112	Towage Crews	(2,550,510)	(1,356,299)	(1,194,211)
PRM2116	Pollution Control	56,601	57,902	(1,301)
PRM2120	SOTEAG	13,497	12,130	1,367
PRM2121	SVA	77,410	79,000	(1,590)
PRM2122	SVOSAG	11,023	11,280	(257)
PRM2140	Nav Aids/Comms - SV	234,110	229,714	4,396
PRM2141	Buillidngs - SV	176,965	176,161	804
PRM2142	Pilot Boats - SV	276,566	266,605	9,961
PRM2143	Mooring Boats - SV	92,411	63,863	28,548
PRM2144	Workboats - SV	48,903	47,262	1,641
PRM2145	Vehicles - SV	93,801	98,449	(4,648)
PRM2146	Plant - SV	91,649	87,683	3,966
PRM2147	Sellaness Tug Jetty	108,028	96,786	11,242
PRM2148	Tug Boats - SV	1,410,713	1,892,564	(481,851)
PRM2150	Jetties/Spur Booms - SV*	-	-	-
PRM2200	Blacksness	334,766	218,251	116,515
PRM2201	B & L Scalloway	(5,175)	(7,000)	1,825
PRM2202	Pilotage Scalloway	(12,371)	(10,640)	(1,731)
PRM2205	Nav Aids Scalloway	135,423	128,504	6,919
PRM2206	Pilot Boat Scalloway	22,047	5,640	16,407
PRM2207	Workboat Scalloway	54,497	53,177	1,320
PRM2208	Vehicles Scalloway	3,846	5,077	(1,231)
PRM2300	Baltasound	261,913	279,483	(17,570)
PRM2301	Collafirth	24,255	43,401	(19,146)
PRM2302	Toft	9,337	18,148	(8,811)
PRM2303	Garth & Graven Pier	20,811	19,836	975
PRM2310	Billister	6,949	13,959	(7,010)
PRM2312	Cullivoe	118,456	115,717	2,739
PRM2313	Easterdale	4,527	4,410	117
PRM2314	Fair Isle	14,806	13,360	1,446
PRM2315	Hamnavoe	8,236	12,661	(4,425)
PRM2316	Melby Pier	3,140	3,347	(207)
PRM2317	Mid Yell	44,111	46,770	(2,659)
PRM2318	Out Skerries	99,490	98,808	682
PRM2319	Symbister	235,779	211,618	24,161
PRM2320	Toogs	6,466	6,500	(34)
PRM2321	Uyeasound	9,030	8,674	356
PRM2322	Vaila/Grutness	16,517	11,146	5,371
PRM2323	West Burrafirth	38,088	39,555	(1,467)
PRM2324	Humber Inflatable	75	62	13
PRM2325	Orkney Spinner	24	19	5
PRM2326	Avon Searider	59	49	10
		<u>(5,000,000)</u>	<u>(2,333,686)</u>	<u>(2,666,314)</u>

* Note: Jetties/Spur Booms wholly funded by Sullom Voe Terminal Operators.
The budget for 2008/09 is £3,385,177

RECHARGED LEDGER : 2007/08 ESTIMATE COMPARED TO CEILING

MARINE OPERATIONS DEPARTMENT

Cost Centre Summary

	CEILING 2007/08 £	BUDGET 2007/08 £	UNDER/(OVER) CEILING £	
VRM3200	Port Engineering Services	615,401	629,310	(13,909)
VRM3205	Nav Aids Sullom Voe	34,758	33,765	993
VRM3206	Radar Sullom Voe	18,072	14,796	3,276
VRM3207	VHF Radio Sullom Voe	11,974	9,000	2,974
VRM3210	Maintenance Workshop	63,948	67,369	(3,421)
VRM3211	Helicopter Hangar	3,428	1,237	2,191
VRM3212	Meteorological Office	2,502	2,141	361
VRM3213	Long Term Store	2,800	2,301	499
VRM3214	Crew Accommodation	7,259	6,425	834
VRM3215	Pollution Store	16,486	14,303	2,183
VRM3221	Sullom Shoormal	42,906	40,331	2,575
VRM3222	Sullom Spindrift	45,560	38,824	6,736
VRM3223	Sullom Spray	40,754	38,819	1,935
VRM3225	Dunter	220,409	260,127	(39,718)
VRM3226	Shalder	199,619	360,477	(160,858)
VRM3227	Stanechakker	154,274	223,207	(68,933)
VRM3228	Tirrick	268,974	314,577	(45,603)
VRM3229	Tystie	220,409	252,992	(32,583)
VRM3230	Sullom A	13,198	7,039	6,159
VRM3231	Sullom B	13,198	7,039	6,159
VRM3232	Sullom C	13,198	7,039	6,159
VRM3235	Vehicles Sullom Voe	31,246	34,963	(3,717)
VRM3236	Boat Hoist	2,994	(1,231)	4,225
VRM3237	Small Plant	5,146	4,400	746
VRM3239	Sullom Shearwater	16,606	14,687	1,919
VRM3240	Tug Jetty	47,948	52,578	(4,630)
VRM3250	Jetty 1*	539,561	369,159	170,402
VRM3251	Jetty 2*	314,352	1,403,834	(1,089,482)
VRM3252	Jetty 3*	146,020	369,159	(223,139)
VRM3253	Jetty 4*	188,109	942,535	(754,426)
VRM3254	Construction Jetty*	27,709	28,000	(291)
VRM3255	Spur Booms*	12,083	12,210	(127)
VRM3257	Jetties Maintenance Contract*	-	-	-
VRM3261	Nav Aids Scalloway	10,886	8,525	2,361
VRM3262	Offices & Stores Scalloway	31,098	27,966	3,132
VRM3263	Fish Market	32,323	4,929	27,394
VRM3264	Piers Scalloway	68,071	55,627	12,444
VRM3266	Vehicles Scalloway	1,851	3,082	(1,231)
VRM3267	Lyrie	15,695	13,958	1,737
VRM3270	Baltasound Pier Maintenance	13,373	34,297	(20,924)
VRM3271	Collafirth Pier Maintenance	7,891	28,297	(20,406)
VRM3272	Toft Pier Maintenance	2,983	11,359	(8,376)
VRM3273	Garth Pier Maintenance	8,503	7,250	1,253
VRM3280	Billister Pier Maintenance	795	7,666	(6,871)
VRM3282	Cullivoe Pier Maintenance	41,270	60,046	(18,776)
VRM3283	Easterdale Pier Maintenance	1,450	1,263	187
VRM3284	Fair Isle Pier Maintenance	7,665	6,554	1,111
VRM3285	Hamnavoe Pier Maintenance	2,008	6,273	(4,265)
VRM3286	Melby Pier Maintenance	63	56	7
VRM3287	Mid Yell Pier Maintenance	6,490	14,123	(7,633)
VRM3288	Out Skerries Pier Maintenance	7,549	6,534	1,015
VRM3289	Symbister Pier Maintenance	44,722	24,789	19,933
VRM3290	Toogs Pier Maintenance	312	207	105
VRM3291	Uyeasound Pier Maintenance	2,876	2,381	495
VRM3292	Vaila/Gruting Pier Maintenance	11,411	4,408	7,003
VRM3293	West Burrafirth Pier Maintenance	12,140	13,470	(1,330)
		3,672,326	5,904,472	(2,232,146)

SHETLAND ISLANDS COUNCIL

TABLE OF DUES TO BE LEVIED AT SULLOM VOE

**FROM 1ST APRIL 2008
(Harbours Act 1964)**

DEFINITION

1. Segregated Ballast Tanker

1.1 A tanker holding an International Oil Pollution Certificate showing the ship to have segregated ballast tanks in full compliance with Regulation 13 of MARPOL. In addition the ship must be operated in this manner.

CONSOLIDATED CHARGE

2. Consolidated Charge

2.1 The consolidated charge for segregated ballast tankers entering the Port of Sullom Voe will be £0.72 for segregated ballast tankers and £0.87 for LPG/Other vessels. This charge is made up of the following elements, ship dues, pilotage, mooring and boarding and landing.

Example - Consolidated Charge for segregated ballast tankers is made up of the following:

Shipping Dues	- applied per visit	£0.59
Mooring Charge	- applied per visit	£0.03
Pilotage Charge	- applied (£0.035 x 2)	£0.07
B & L Charge	- applied (£0.015 x 2)	£0.03

Total Consolidated Charge	<u>£0.72</u>
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RATES AND CONDITIONS OF TOWAGE – SULLOM VOE AREA

3. Cost per tug vessel movement on or off jetties.

Gross Tonnage	Arrival/Departure Per Tug
0 up to but not including 10,000	£3329.00
10,000 up to but not including 65,000	£4074.00
65,000 up to but not including 100,000	£6141.00
over 100,000	£8617.00

4. TARIFF

4.1 Cancellation

A charge of 10 per cent of the above rates will apply if tugs depart the tug jetty and are cancelled before making fast to vessel

4.2 Aborted Berthings or Sailings

A charge of 50 per cent of the above rates will apply if a movement is unable to be completed after a tug or tugs have been made fast, or have commenced assistance

4.3 Push Up

A charge of £482.00 per tug per hour or part thereof will be levied if a tug or tugs are required to push-up on a vessel during periods of extreme weather conditions

4.4 Escorting Charges

Minimum charge of £1291.00 for 3 hours and £482.00 per hour per tug thereafter

4.5 Standby Charge

A charge of £482.00 per tug per hour or part thereof will be levied if tugs are not used within an hour of order time.

4.6 Firefighting and Oil Dispersal Duties

Within the Terminal and approaches will be charged at a minimum of £1291.00 per 3 hours and £482.00 per hour per tug thereafter plus cost of firefighting foam and oil dispersant liquids.

4.7 Late Order Charges

A surcharge of 15 per cent may be charged if less than 12 hours notice is given in writing.

**ALL TOWAGE UNDERTAKEN SUBJECT TO UNITED KINGDOM STANDARD
CONDITIONS FOR TOWAGE AND OTHER SERVICES (REVISED 1986)
COPIES OF WHICH ARE AVAILABLE ON REQUEST**

SHIPS DUES

Conditions

1. Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2), (3) and (4) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions, or if the vessel is permitted to wait alongside until a second crude oil type becomes available. For the avoidance of doubt, if for operational reasons, the Terminal requires the berth to be vacated, then the above will NOT apply.
2. Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
3. If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
6. Craft based at Sullom Voe and operated by the Oil Industry for the sole purpose of pollution control shall be exempted from Harbour Dues provided they occupy berths designated by the Harbourmaster. When berthed other than at a berth designated for the purpose by the Harbourmaster the full Harbour Dues will be payable.
7. With reference to the four-day period in section 1 above, the following times will be subtracted from the overall time in port:
 - a) Tankers that for operational reasons, are called to the pilot station in advance of bad weather conditions, a fixed period of 12 hours.
 - b) Tankers that are required to move berth for two or more types of crude oil, a fixed period of three hours per move.
8. Ships dues are inclusive of a fee for garbage waste disposal

**SCALE A -
VESSELS PER ENTRY AND STAY PER FOUR-DAY PERIOD OR PART THEREOF**

VESSELS ENGAGED IN THE PROVISION OF SERVICES, SUPPLY OF MATERIALS OR EXPORT OF PRODUCTS FROM THE SULLOM VOE OIL TERMINAL

Per gross ton	- segregated ballast tankers	£0.59
	- LPG/Other	£0.71

ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR

Per gross ton	£0.41
Barges – Gross Tonnage by calculation or certificate	£0.41

Live Fish Carriers

Vessels carrying live fish can apply for an annual composite rate charge equivalent to 40 trips x gt rate

Fish Feed Ships

Vessels regularly involved in the transport of salmon feed using SIC pier and harbours can apply for an annual composite rate charge equivalent to 40 trips x gt rate.

For vessels primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish can apply for an annual rate based on the gt bands below:-

Up to 15	£167.11
16 gt to 100 gt	£334.22
101 gt to 150 gt	£1671.11
151 gt to 200 gt	£2335.27
201 gt to 300 gt	£3342.22
301 gt to 400 gt	£4456.30
401 gt to 500 gt	£5570.37

SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR per 4 day period

Up to 70 Metre Cage	£33.50
70 Metre Cage	£34.34
80 Metre Cage	£39.25
90 Metre Cage	£44.16
100 Metre Cage and over	£49.07

MINIMUM CHARGE PER ENTRY AND STAY	£6.70
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**SCALE B -
COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL COUNCIL
PIERS AND HARBOURS**

1. A seasonal compound annual fee, payable in advance, will be charged for each pleasure craft berthed within a Harbour area, but not within an established Marina.

The following seasonal fee covers 1 April to 30 September, inclusive: -

a) Exceeding 15m overall length	£91.34
b) Exceeding 10m and up to 15m	£67.00
c) Up to 10m	£42.62

Charge per calendar month between 1 October and 31 March inclusive, in addition to section 1 above: -

a) Exceeding 15m overall length	£22.85
b) Exceeding 10m and up to 15m	£16.75
c) Up to 10m	£10.67

For registered fishing vessels and salmon farm tenders

a) Up to and including 8m overall length	£26.94
b) In excess of 8m overall length, per metre or part of overall length	£19.01

Vessels regularly providing services within a Council harbour
(over 8 metres overall length) - per gross ton £30.16

The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

GOODS DUES

Conditions:

9. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry

services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.

- (ii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are required to pay a due of £136.41 annually. Where a Council pier or landing place is used, the full tariff is applicable.

SCALE C - RATES ON FISHING GEAR

Vessels storing nets on any pier, outwith designated net mending areas
Per net per day £32.15

However, where nets are stored in bins as provided by the Council the following bin rates apply: -

Per Glass Fibre Bin per annum £116.59

Per Small Metal Bin (1.925m x 1.925m) per annum £254.53

Per Large Metal Bin (1.925m x 2.60m) per annum £288.21

The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

Where insufficient bins are available to meet demand, charges are abated for nets left in the designated storage areas to those applicable to a large metal storage bin during the period until a bin is available.

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £68.54 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

Where excessive waste net materials are left behind after use of the net mending area vessels will be charged for collection and disposal of the materials.

Minimum charge per hour £29.57

SCALE D - RATES ON GOODS

Fresh fish and shellfish - per £1.00 value ad valorem £0.025

Farmed Fish - per tonne £7.00

Farmed Shellfish – per tonne £3.50

Any fish or shellfish landed outwith a Council pier
and stored in the Fish market – per £1.00 value ad valorem £0.025

Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below:-

6 month disc	£59.00
12 month disc	£107.64

Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above

* This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.69 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne £6.28

Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's) £0.15

Salmon Feed - per tonne £1.23

Salmon Nets (from/to cages) per net £18.75

Ice – per tonne £1.56

Water - per tonne £1.60

Fuel/Gas Oil/Diesel £1.56

Live Animals £0.33

Any other goods not specified above, per tonne £1.60

Minimum charge on any one item £6.70

Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application

Water – when water is supplied from the water bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application.

SCALE E - RATES FOR USE OF HARD STANDING AREA

Short Term - per square metre per day £0.15

Long Term (min 120 days) - per square metre per day £0.06
(NB: Long Term Storage rates only apply on receipt of a written request)

Trailers/Containers parked on harbour property not engaged in loading/discharging of goods unless a written request for long term storage is received shall be liable for the following charge

Per day £3.75
Minimum charge £5.36

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m² per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

SALMON CAGES UNDER CONSTRUCTION

Storage of parts before construction commences – as hard standing rate above.

Whilst construction takes place - £59.12 per day plus hard standing charge for parts.

Charges for building aquaculture cages in harbour waters will be based on the area times an assumed GROSS TONNAGE. Therefore charges will be levied as per Scale A plus hard standing charge for parts.

CHARGES FOR HARBOUR CRAFT AND PLANT

10. A daily hire rate for any of the following plant can be negotiated at time of hire.

Hire of the SULLOM SPINDRIFT/SULLOM SHOORMAL/ SULLOM SPRAY per hour or part thereof	£257.18
Hire of the Sullom 'A', 'B' or 'C' per hour or part thereof	£91.18
Hire of the Marine Travel Lift per hour or part thereof	£113.62
Hire of Fork Lift Truck per hour or part thereof	£33.70

SCALE F – SHIP TO SHIP TRANSFER OF OIL

1. Ship-to-ship transfers of oil at a Sullom Voe Terminal jetty, excluding bunker transfers:-

(a)	Import vessel(s) per gross cargo tonne	£0.49
(b)	Export Vessel	Free of Charge

The above includes Ship Dues/Pilotage/Boarding and Landing/Mooring/Normal Towing. Any other services will be charged as detailed in the Table of Dues.

2. Where an export tanker loads crude ex shore tankage before or after a ship-to-ship transfer:-

(a)	Import vessel(s) per gross cargo tonne	£0.49
(b)	Export vessel will be berthed and moved once	Free of Charge

Thereafter the export vessel will attract Ship Dues/Pilotage/Boarding and Landing/departure towing (as published by Shetland Towing Ltd) and any other harbour charges as detailed in the Table of Dues.

SULLOM VOE HARBOUR AREA

SCHEDULE OF MOORING RATES

Effective from 1st April 2008

1. At any one of the oil loading jetties, per mooring operation

-	segregated ballast tankers	£0.03
-	LPG/Other	£0.04

A 'mooring operation' shall be any occasion on which the services of one or more mooring boats are required for the purposes of mooring. Where a vessel is required to shift from one jetty to another the above rates will apply for each separate mooring.

At any other jetty - per mooring boat per hour or part thereof £92.99

At any jetty but not requiring a mooring boat

SULLOM VOE HARBOUR AREA
SCHEDULE OF PILOTAGE CHARGES
(PILOTAGE ACT 1987)

Effective from 1st April 2008

1. The following charge is payable for piloting a vessel inwards or outwards in the Harbour Area and for each piloted movement within the harbour: -

Per gross ton	- segregated ballast tankers	£0.035
	- LPG/Other	£0.04

Minimum charge per act of pilotage £86.04

2. A charge of £52.80 per hour or part thereof shall be applicable in the following cases: -

- (i) when a pilot is requested for the departure, moving or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, move or arrival;
- (ii) when a pilot is requested and the requirement is cancelled after the pilot has set out to undertake pilotage;
- (iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered, and
- (iv) when a pilot is in attendance on board a vessel berthed alongside during periods of severe weather.

3. Vessels, which are being towed, by a vessel under pilotage and any vessel being led within the Harbour Area by a vessel which is under pilotage shall pay pilotage dues as if the pilot were on board.

4. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.

5. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
6. In calculating pilotage charges a fraction of a gross ton shall be reckoned as one gross ton.

SULLOM VOE HARBOUR AREA

SCHEDULE OF BOARDING AND LANDING CHARGES

(PILOTAGE ACT 1987)

Effective from 1 April 2008

1. For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of: -

Per gross ton - segregated ballast tankers	£0.015
- LPG/Other	£0.02
Minimum charge per act of pilotage	£86.04
2. If the pilot launch is detained under any of the circumstances as mentioned in paragraph two of the scale of charges for pilotage a charge shall apply as follows: -

For each hour or part thereof	£268.36
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3. When a helicopter is used to board or land the Pilot all charges incurred in respect of aircraft usage, including abortive missions, will be charged to the ship's account. In addition, as a launch is required for safety cover, the normal boarding and landing fee will be charged.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
6. Vessels which cannot provide regulation boarding equipment and in particular those with forward leading accommodation ladders, may receive or land their pilots by helicopter, if a helicopter is available. In such cases all charges incurred in respect of aircraft usage, including abortive missions will be charged to the ships account.

7. Special rates are applicable for the performance of duties outside those normally associated with pilotage and these are available on request from the General Manager – Ports and Harbours Operations.

The Shetland Islands Council reserve the right to apply discretionary rates to any charge in the Table of Dues on application.

SHETLAND ISLANDS COUNCIL

TABLE OF DUES TO BE LEVIED AT ALL PIERS AND HARBOURS

**FROM 1ST APRIL 2008
(Harbours Act 1964)**

DEFINITION

SHIPS DUES

Conditions

- 1.** Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2) and (3) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions.
- 2.** Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
- 3.** If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
- 4.** An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
- 5.** In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
- 6.** Ships dues are inclusive of a fee for garbage waste disposal.

**SCALE A -
VESSELS PER ENTRY AND STAY PER FOUR-DAY PERIOD OR PART THEREOF**

VESSELS CALLING AT SCALLOWAY HARBOUR IN EXCESS OF 300 GROSS TONNAGE (INCLUSIVE OF PILOTAGE)

Per gross ton	
£0.50	
Passengers disembarking per person - (tourist traffic/passenger liners only)	£2.00

ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR

Per gross ton	£0.41
Barges – GrossTonnage by calculation or certificate	£0.41

Live Fish Carriers

Vessels carrying live fish can apply for an annual composite rate charge equivalent to 40 trips x gt rate

Fish Feed Ships

Vessels regularly involved in the transport of salmon feed using SIC pier and harbours can apply for an annual composite rate charge equivalent to 40 trips x gt rate.

For vessels primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish can apply for an annual rate based on the gt bands below:-

Up to 15 gt	£167.11
16 gt to 100 gt	£334.22
101 gt to 150 gt	£1671.11
151 gt to 200 gt	£2335.27
201 gt to 300 gt	£3342.22
301 gt to 400 gt	£4456.30
401 gt to 500 gt	£5570.37

SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR

Per 4 day period

Up to 70 Metre Cage	£33.50
70 Metre Cage	£34.34
80 Metre Cage	£39.25
90 Metre Cage	£44.16
100 Metre Cage and over	£49.07

MINIMUM CHARGE PER ENTRY AND STAY	£6.70
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**SCALE B -
COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL COUNCIL
PIERS AND HARBOURS**

1. A seasonal compound annual fee, payable in advance, will be charged for each pleasure craft berthed within a Harbour area, but not within an established Marina.

The following seasonal fee covers 1 April to 30 September, inclusive: -

a)	Exceeding 15m overall length	£91.34
b)	Exceeding 10m and up to 15m	£67.00
c)	Up to 10m	£42.62

Charge per calendar month between 1 October and 31 March inclusive, in addition to section 1 above: -

a)	Exceeding 15m overall length	£22.85
b)	Exceeding 10m and up to 15m	£16.75
c)	Up to 10m	£10.67

For registered fishing vessels and salmon farm tenders

a)	Up to and including 8m overall length	£26.94
b)	In excess of 8m overall length, per metre or part of overall length	£19.01

Vessels regularly providing services within a Council harbour
(over 8 metres overall length) - per gross ton

£30.16

The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

GOODS DUES

Conditions:

7. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.
- (ii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are

required to pay a due of £136.41 annually. Where a Council pier or landing place is used, the full tariff is applicable.

SCALE C - RATES ON FISHING GEAR

Vessels storing nets on any pier, outwith designated net mending areas
Per net per day £32.15

However, where nets are stored in bins as provided by the Council the following bin rates apply: -

Per Glass Fibre Bin per annum £116.59

Per Small Metal Bin (1.925m x 1.925m) per annum £254.53

Per Large Metal Bin (1.925m x 2.60m) per annum £288.21

The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

Where insufficient bins are available to meet demand, charges are abated for nets left in the designated storage areas to those applicable to a large metal storage bin during the period until a bin is available.

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £68.54 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

Where excessive waste net materials are left behind after use of the net mending area vessels will be charged for collection and disposal of the materials.

Minimum charge per hour £29.57

SCALE D - RATES ON GOODS

Fresh fish and shellfish - per £1.00 value ad valorem £0.025

Farmed Fish - per tonne £7.00

Farmed Shellfish - per tonne £3.50

Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value ad valorem £0.025

Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below.

6 month disc £59.00

12 month disc £107.64

Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above

*This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.69 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne £6.28

Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's) £0.15

Salmon Feed - per tonne £1.23
Salmon Nets (from/to cages) per net £18.75

Ice – per tonne £1.56
Water - per tonne £1.60

Fuel/Gas Oil/Diesel £1.56

Live Animals £0.33

Any other goods not specified above, per tonne £1.60

Minimum charge on any one item £6.50

Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply.
Rates available on application

Water – when water is supplied from the water bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply.
Rates available on application.

SCALE E - RATES FOR USE OF HARD STANDING AREA

Short Term - per square metre per day £0.15

Long Term (min 120 days) - per square metre per day £0.06
(NB: Long Term Storage rates only apply on receipt of a written request)

Trailers/Containers parked on harbour property not engaged in loading/discharging of goods unless a written request for long term storage is received shall be liable for the following charge

Per day £3.75
Minimum charge £5.36

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m² per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

SALMON CAGES UNDER CONSTRUCTION

Storage of parts before construction commences – as hard standing rate above.

Whilst construction takes place - £59.12 per day plus hard standing charge for parts.

Charges for building aquaculture cages in harbour waters will be based on the area times an assumed GROSS TONNAGE. Therefore charges will be levied as per Scale A plus hard standing charge for parts.

CHARGES FOR HARBOUR CRAFT AND PLANT

8. A daily hire rate for any of the following plant can be negotiated at time of hire.

* Hire of the Scalloway Harbour Launch per hour or part thereof	£72.00
* Hire of Fork Lift Truck per hour or part thereof	£33.70
* Hire of power washers per hour or part thereof	£15.42

* These items are based at Scalloway Harbour.

SCALLOWAY HARBOUR AREA
SCHEDULE OF PILOTAGE CHARGES
(PILOTAGE ACT 1987)

Effective from 1 April 2008

1. The following charge is payable for piloting a vessel less than 300 Gross Tonnage inwards or outwards in the Pilotage District to or from either an anchorage, buoy or berth and for each piloted movement within the harbour: -

Per act of pilotage	£29.85
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2. Vessels in excess of 300 Gross Tonnage entering Scalloway Harbour shall pay the following charge, which is a proportion of a composite harbour charge levied on all such vessels: -

Per gross ton	£0.09
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3. A charge of £27.39 per hour or part thereof shall be applicable in the following cases: -
 - i) When a pilot is requested for the departure, shifting or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, shift or arrival;
 - ii) when a pilot is requested and the request is cancelled after the pilot has set out to undertake pilotage, and
 - iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered.

4. Vessels that are being towed by a vessel under pilotage and any vessel being led within the Pilotage District by a vessel, which is under pilotage, shall pay pilotage dues as if the pilot were on board.

5. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the licensed pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.

6. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.

7. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
8. Special rates are applicable for the performance of duties outside those normally associated with pilotage and these are available on request from the General Manager – Ports and Harbours Operations.

SCALLOWAY HARBOUR AREA

SCHEDULE OF BOARDING AND LANDING CHARGES

(PILOTAGE ACT 1987)

Effective from 1 April 2008

1. For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of: -

£72.00 per hour or part thereof for use of the pilot cutter plus, outside normal working hours, there shall be an additional charge for labour involved. Rates available on application.
2. If the pilot launch is detained by virtue of any of the circumstances in paragraph three of the scale of charges for pilotage a charge shall apply as follows: -

For each hour or part thereof £72.00
3. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
4. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.

The Shetland Islands Council reserves the right to apply discretionary rates to any charge in the Table of Dues on application.



REPORT

To: **Special Harbour Board
Shetland Islands Council**

31 January 2008

7 February 2008

From: **Management Accountancy Service Manager
Executive Services Department**

**TABLE OF DUES 2008/09
REPORT NO: F-002-F**

1.0 Introduction

- 1.1 On 31 October 2007 (min ref: 144/07), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2008/09 revenue estimates process.
- 1.2 Members agreed that the Harbour Account should continue to pursue efficiency savings and appropriate charging levels to restore a higher level of profitability at the Port of Sullom Voe by 2009/10.
- 1.3 The 2008/09 revenue estimates along with the Table of Dues for the Harbour Accounts to be proposed by the General Manager Ports & Harbours will be presented today. It is necessary to set the Dues at this meeting to give the customary six weeks notice of any changes.
- 1.4 This report has been considered by the Harbour User Panels who have an advisory role. The Harbour Panels were agreeable to the level of charges in the Table of Dues.
- 1.5 The key assumptions used in estimating expenditure are provision for 22 launch crew, 12 marine officers, 50 tug crew, an adhoc helicopter service and remote meteorological office service, together with ongoing maintenance and upkeep of the harbour.

2.0 Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy, in particular, to keep revenue budgets within sustainable limits.

3.0 Review of Charging Structure

- 3.1 The proposed charging system for Sullom Voe, to be levied from 1 April 2008, is presented as Appendix A; it incorporates charges for all services. Appendix B sets out the charges for all other Ports and Harbours.
- 3.2 A consolidated Sullom Voe Port charge, which includes harbour, mooring, pilotage and boarding and landing elements, has now been established. In addition to its usefulness as a tool for comparing the Council's charges with that of our major competitors, it has also simplified the charging process within the Ports and Harbours Service. It is recommended that the Council increase the charge for 2008/09 by 8% to meet the increased cost of supplies and the viability of the Port. The consolidated charge for a segregated ballast tanker visiting the harbour in 2008/09 is proposed to be £0.72 per GT.
- 3.3 Legally the Council is required to stipulate separate charges for each of the chargeable elements and proposals are set out in the Table of Dues (attached as Appendix A). A separate agreement is in place concerning shipping dues paid by the vessel importing Schiehallion cargo.
- 3.4 There are a couple of changes to charges, which have been introduced this year to increase fairness in charging. These are under Scale D – Fresh Fish/Farmed Fish/Shellfish landed/Aggregates. Essentially the charges for fresh fish will be “per £1.00 value *ad valorem*” as opposed to “per £1.00 value”. This does not represent any actual change to the charge but merely emphasises the basis of the charge. Farmed fish and farmed shellfish will be “per tonne” as opposed to “per £1.00 value”. These changes are to be reviewed in 2008/09 by officials and the industry representatives.
- 3.5 In general, other than that set out in paragraphs 3.3 it is proposed to adjust the charges for non-oil related traffic and for goods dues by 3.5%.

4.0 Conclusions

- 4.1 In summary, this report sets out the proposed Harbour Charges for 2008/09 as put forward by the General Manager Ports & Harbours.
- 4.2 A review of charges at Sullom Voe has been undertaken and the proposals are detailed in Appendix A. The charges proposed for all the Council's Harbours (i.e. not just Sullom Voe) are detailed in Appendix B.
- 4.3 A consolidated charge has been established which includes a charge for ship dues, mooring, pilotage and boarding and landing. This charge is

£0.72 per GT for segregated ballast tankers and £0.88 for non-segregated. This does not include towage charges.

- 4.4 The Charge Equalisation Reserves which were set up to enable the phased closure of the Port (then expected around 2000/2001) without distorting charge levels unreasonably, has now been eliminated. The Port now requires as a minimum to operate without drawing on any Reserves. Significant cost savings have been made at the Port in recent years and also further implemented during the integration of Towage services into Port and Harbour operations. Charge setting in the future will predominantly be influenced by the volumes of oil passing through the Terminal in the absence of a mechanism to cushion the impact of a continued volume decline.
- 4.5 Changes have been made to charging under Scale D - Fresh Fish/Farmed Fish/Shellfish landed/Aggregates to increase the fairness of charging. These changes are to be reviewed in 2008/09 by officials and industry representatives.

5.0 Policy and Delegated Authority

- 5.1 In terms of Section 16 of the Council's Scheme of Delegation, the Harbour Board will consider all proposals for the setting of dues and recommend accordingly to the Council.

6.0 Recommendations

- 6.1 I recommend that: the Harbour Board considers and agrees the Tables of Dues contained in Appendices A and B;
- 6.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 7 February 2008.

Date: 23 January 2008
Ref: HKT/E/1/2008 (P&H)

Report No: F-002-F

Revised List of Projects Awaiting Commencement in Order of Priority

Ref	Project	Capital Cost £	Able to proceed in 2007/08
27	Burial Grounds Rolling Programme	944,638	Y
62	Breivick Road, Sea Wall	281,250	N
83	Joint Occupational Therapy Resource Centre	2,600,000	N
35	Social Care Rolling Programme	1,198,000	N
102	Roads Rolling Minor Works & Purchases Air Service	15,000	N
101	Roads Rolling Accident Investigation & Prevention	50,000	Y
66	Refurbishment of Play Areas	247,250	N
87	Disability Discrimination Act Works	170,000	N
90	Ferries Capital Rolling Programme	192,000	Y
75	Schools ICT Equipment	276,000	Y
109	Housing Temporary Accommodation	32,500	Y
105	Roads Rolling Roads Drainage Improvements	50,000	N
97	Roads Rolling Bridge Replacements	250,000	N
104	Roads Rolling Road Reconstruction	250,000	N
99	Roads Rolling Streetlighting Replacement	150,000	N
74	PC & LAN Replacement	236,000	N
106	Roads Rolling Crash Barrier Replacement	250,000	N
31	Leog House Replacement	300,000	N
69	Capital Grants to Voluntary Organisations	375,000	N
91	Education Capital Maintenance	1,519,000	N
73	Photocopier Replacement	90,000	Y
71	Shetland Public Sector Network	295,000	N
107	Housing Chalet Accommodation	26,100	Y
77	Replacement Roller Weights	34,000	Y
63	Energy Recovery Plant	110,000	N
86	Copper Pipework Replacement	200,000	N
72	Integra eSeries	47,100	Y
67	Aeration Machinery Replacement	20,100	Y
65	Knab Dyke	291,079	Y
111	Ports & Harbours Nav Aids	70,000	N
103	Roads Rolling Minor Works & Purchases Bus Service	40,000	N
70	Islesburgh Youth Hostel Modernisation	34,803	Y
96	Roads Rolling Development Related	50,000	N

Ref	Project	Capital Cost £	Able to proceed in 2007/08
81	Ness of Sound Farm	50,000	N
88	Energy Conservation	69,000	N
29	Replacement Workshop Mid Yell	155,000	N
79	Urgent Repairs to Ferry Terminals	265,000	N
93	Fetlar Breakwater & Small Craft	2,070,000	N
33	Baltasound Library	143,000	N
100	Roads Rolling Traffic Management	50,000	N
32	Public Toilets Rolling Programme	100,000	N
68	Water Based Facilities	500,000	N
95	Roads Rolling Minor Works & Purchases	50,000	N
98	Roads Rolling Footways	100,000	N
30	Recladding Gremista Workshop	415,000	N
89	Vehicle & Plant Replacement Programme	1,000,000	N
17	Papa Stour Road	400,000	N
14	Germatwatt Footways, Walls	800,000	N
82	Walls Pier	3,150,000	N
20	A970 Scord to School Scalloway	35,000	N
108	Housing Staff Accommodation	44,500	Y
11	Education MIS - ICT Project	100,000	N
2	Happyhansel School Accommodation	600,000	N
6	Scalloway JHS - Science Block	290,000	N
80	Office Accom Review - LK Fire Station	600,000	N
21	Murrister Replacement Building	150,000	N
53	A9071 Bixter to Aith	1,670,000	N
78	Conservation Grant Programme	70,000	N
85	Lystina House & Town Hall Stonework	385,000	N
110	Ports & Harbours Plant & Equipment	70,000	N
25	Sellanes Pier	5,400,000	N
64	Burial Grounds/Ancient Monuments	398,000	N
92	Landfill Phase 2	4,255,000	N
8	AHS - Hostel	9,791,000	N
84	Town Hall Works (Internal)	352,000	N
52	Bridge Inspection Walkways	155,000	N
Total Value £		44,377,320	

Note: some of these costs will be spread over several years

APPENDIX B

Revised List of Projects that can Achieve Spend in 2007/08

Ref	Code	Project	Capital Cost in 07/08	Able to proceed in 2007/08
27	GCY51**	Burial Grounds Rolling Programme	20,000	Y
102	GCY9208	Roads Rolling Minor Works & Purchases Air Service	5,000	Y
101	GCY9207	Roads Rolling Accident Investigation & Prevention	10,000	Y
105	GCY9211	Roads Rolling Roads Drainage Improvements	10,000	Y
104	GCY9210	Roads Rolling Road Reconstruction	95,000	Y
99	GCY9204	Roads Rolling Streetlighting Replacement	10,000	Y
90	GCY7601	Ferries Capital Rolling Programme	12,000	Y
75	GCX4312	Schools ICT Equipment	50,000	Y
109	GCH3120	Housing Temporary Accom (Homelessness)	8,000	Y
107	GCH3102	Housing Chalet Accommodation	12,000	Y
108	GCH3100	Housing Staff Accommodation	30,000	Y
73	GCX4319	Photocopier Replacement	20,000	Y
77	GCY5301	Replacement Roller Weights	34,000	Y
72	GCX4322	Integra eSeries	47,100	Y
67	GCJ3017	Aeration Machinery Replacement	20,100	Y
65	GCJ3002	Knab Dyke	20,000	Y
70	GCJ3018	Islesburgh Youth Hostel Modernisation	34,803	Y
106	GCY9212	Roads Rolling Crash Barrier Replacement	20,000	Y
Total Value £			458,003	



REPORT

**To: Executive Committee
Shetland Islands Council**

**31 January 2008
7 February 2008**

From: Head of Capital Programme and Housing Service

Report No: CPS-01-08-F

**Subject: Capital Programme - Capital Programme Review Team (CPRT) – November
and December 2007**

1.0 Introduction

- 1.1 The Capital Programme Review Team (CPRT) was established to monitor existing projects and make proposals to the Council for decisions relating to the Capital programme (SIC Min Ref 141/06).
- 1.2 The proposals within this report follow the fourth meeting of the CPRT on the 12 and 19 November 2007 and the fifth meeting on 17 December 2007.
- 1.3 This is not a progress report on committed capital projects, which is subject to a separate report to the Council.
- 1.4 This report does look at and make recommendations on projects that remain at this stage uncommitted.
- 1.5 The adjusted list of capital projects to be progressed is attached as Appendix A.

2.0 Link to Corporate Priorities

- 2.1 As part of the Council's commitment to sustainability within the Corporate Improvement Plan we have undertaken to define our priorities so we can sustain the services we want to provide and help develop our economy. A key component of this is the commitment we have made to implement a Capital Programme prioritisation system and the continuation of that process.
- 2.2 This is one of a series of periodic reports submitted from CPRT to seek approval of the proposed changes to the Capital programme regarding inclusion of new projects, budget and programming.

3.0 CPRT Submissions

- 3.1 CPRT heard requests for funding through the Capital programme. These requests and the recommendation from CPRT are set out and summarised below:

Existing project seeking adjustments to budget:

- 3.1.1 **Sumburgh Runway Extension** – The Senior Contracts Manager reported on a requirement for additional funding of £5,000k and budget adjustment of £20,000k making a total of £25,000. The additional £5,000k was required as the Councils contribution to making good storm damage.
CPRT recommendation – That provision be made in the current capital programme for the additional funding.

The projects seeking to be added to the programme were:

- 3.1.2 **Energy Conservation Capital Budget** - The Energy Manager gave a presentation on the projects included and requested a budget of £69k for 08/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.3 **Knab Dyke** – The Sport and Leisure Services Manager presented a report on the Knab Dyke Reconstruction project following a tender exercise. The lowest tender was for £291,079.20.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.4 **Refurbishment of Play Areas** – The Sport and Leisure Services Manager presented a report on the refurbishment of play areas over two years with a budget of £253,000.00 in 2008/09 and 2009/10.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.5 **Replacement Aeration Machinery** – The Sport and Leisure Services Manager presented a report on replacing Aeration machinery at a cost of £20,120.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.6 **Community Managed Water Based Facilities** – The Sport and Leisure Services Manager presented a report on water based facilities with a budget of £500,000.00 in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.7 **Capital Grants to Voluntary Organisations (General)** – The Sport and Leisure Services Manager presented a report on the grants to voluntary bodies with a budget of £375,000.00 in 2008/09.

CPRT recommendation – CPRT approved the report for recommendation to the Council.

- 3.1.8 **Islesburgh Youth Hostel Modernisation** – The Sport and Leisure Services Manager presented a report on the modernisation of Islesburgh Youth Hostel in response to a Fire Risk Assessment and a VisitScotland annual inspection at a cost of £34,803.00.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.9 **Shetland Public Sector Network** – ICT Manager presented a report on the public sector network for the next 5 years at a cost of £1,196m over the period.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.9 **Integra E-series, Authorisation and Document Imaging** – ICT Manager presented a report on upgrading to the Integra E-series module at a cost of £47,100 in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.10 **Photocopier Replacement Programme** – ICT Manager presented a report on a photocopier replacement programme over 5 years at a cost of £375k.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.11 **PC Lan Replacement** – ICT Manager presented a report for the PC Lan (Local area network) replacement programme over 5 years at a cost of £236k.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.12 **Schools ICT Budget** – ICT Manager presented a report for the Schools ICT Programme over the next 5 years at a cost of £1.71m.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.13 **50 x 500kg Block Weights – Trading Standards** – The Trading Standards Service Manager presented a report on the proposal at a cost of £34k during 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.14 **Conservation Grant Programme** – The Heritage Manager gave a summary of the Conservation Grant Programme and requested continuation of the existing programme at a cost of £70k in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.

- 3.1.15 **Urgent Repairs to Ferry Terminals** – The Head of Transport presented a report on Urgent Repairs to Ferry Terminals at a cost of £265k in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.16 **Office Accommodation** - The Acting Asset & Properties Manager gave an outline on proposals to convert the old fire station to create additional office space for Infrastructure Services at a cost of £600k.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.17 **Ness of Sound Farm** - The Acting Asset & Properties Manager outlined a request for £50k to maintain buildings and stone dykes at Ness of Sound Farm.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.18 **Walls Pier Feasibility Study** – The Senior Contract Manager presented a report on works to Walls Pier at a cost of £3.150m.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.19 **Joint Occupational Therapy Resource Centre** – Head of Community Care gave a presentation on this new build project at a cost of £2.6m.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.20 **Works to Town Hall and Stonework to Lystina House** - The Acting Asset & Properties Manager presented a report for the works to the Town Hall and Lystina House. £385k for stonework on Lystina House and the Town Hall and £352k for internal works to the Town Hall. The decision was taken by CPRT to score these as 2 separate projects.
CPRT recommendation – CPRT approved the report for recommendation to the Council as 2 separate projects.
- 3.1.21 **Copper Pipework Replacement** – The Acting Asset & Properties Manager presented a report on the copper pipework replacement for a budget of £200k in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.22 **Disability Discrimination Act (1995) Works** – The Acting Asset & Properties Manager presented a report on the DDA works at a cost of £170k in 2008/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.

- 3.1.23 **Mid Yell Heating Scheme – Feasibility Study** - The Energy Manager presented this report and requested a contribution of £15k towards the cost of this feasibility study in 2008/09.
CPRT recommendation - to recommend approval of funding for the feasibility study.
- 3.1.24 **Islesburgh Squash Courts** – Leisure Facilities Officer presented this report and requested £15k to carry out a feasibility study in 2008/09.
CPRT recommendation - to recommend approval of funding for the feasibility study.
- 3.1.25 **Montfield Business Case** - The Head of Service Community Care gave a presentation on the proposals for Montfield and requested a budget of £30k for a Feasibility Study.
CPRT recommendation – to recommend approval from the Feasibility Study budget.
- 3.1.26 **Vehicle and Plant Replacement Rolling Programme 2008/09** - Service Manager Transport Operations gave a presentation on proposals for Vehicle and Plant Replacement in 08/09. Request was for £1,246,000.
CPRT recommendation – CPRT approved the report for recommendation to the Council but with a recommendation that the budget be reduced to £1m.
- 3.1.27 **Ferries Capital Rolling Programme 08/09** - The Engineering Superintendent Ferries gave a presentation on proposals and requested £204k for 08/09.
CPRT recommendation - that £12k for additional external seating did not represent a good return and this element be removed from the budget. CPRT recommended approval of the remainder of the works at £192k.
- 3.1.28 **Funding for Capital Maintenance Projects** - The Technical Support Manager gave a presentation on Education Maintenance projects proposed for 08/09 and requested £1,519k.
CPRT recommendation – CPRT approved the report for recommendation to the Council but noted that the proposal and expenditure was affected by no decision taken on the future of the school estate.
- 3.1.29 **Gremista Landfill – Next Phase** - The Waste Services Manager gave a presentation on the next extension to the Gremista Landfill at a cost of £4,255m.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.30 **Bottle Bank Replacements** - The Waste Services Manager gave a presentation on replacing existing bottle banks at a cost of £11,550.
CPRT recommendation – CPRT recommended that this project be funded from revenue and not capital.

- 3.1.31 **Listed Buildings** - The Burial Grounds Service Manager gave a presentation on repairs to these buildings at a cost of £215k in 08/09. The cost of this proposal was reduced from a previous report.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.32 **Fetlar Breakwater & Small Craft** - The Head of Transport gave a presentation on this project at a cost of £2,070m. This is 70% funding.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.33 **Proposed Road Improvement Schemes** - The Network and Design Manager gave an update on current road improvement schemes. He requested £50k in 08/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.34 **Roads and Transport Capital Rolling Programmes** - The Network and Design Manager described each of the projects within this programme.
- Minor Works and Purchases - £50k for 08/09
 - Development Related Roads - £50 for 08/09
 - Bridge Replacements £250k for 08/09
 - Footways - £100k for 08/09
 - Streetlighting Replacement - £150k for 08/09
 - Traffic Management - £50k for 08/09
 - Accident Investigation and Prevention - £50k for 08/09
 - Minor Works and Purchases Air Service - £15k for 08/09
 - Minor Works and Purchases Bus Service - £40k for 08/09
 - Roads Reconstruction - £250k for 08/09
 - Roads Drainage Improvements - £50k for 08/09
 - Crash Barrier Replacement - £250k for 08/09
- CPRT recommendation – CPRT approved the report for recommendation to the Council as a series of individual projects.
- 3.1.35 **Provision of Chalet Accommodation** - The Senior Housing Officer described the works involved in this project and requested £26,100 for 08/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.36 **Provision of Staff Accommodation** - The Senior Housing Officer described the works involved in this project and requested £44,500 for 08/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.

- 3.1.37 **Provision of Temporary Accommodation** - The Senior Housing Officer described the works involved in this project and requested £32,500 for 08/09.
CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.1.38 **Ports & Harbours – Plant & Equipment Replacement** - The General Manager Ports and Harbours described the works involved at a cost of £140k in 08/09.
CPRT noted that this covered 2 separate projects, Plant Vehicles and Equipment also Navigational Aids.
CPRT recommendation – CPRT approved the report for recommendation to the Council as 2 separate projects. CPRT noted that this was proposed to be funded from the Harbour Account rather than from the Capital Programme.
- 3.1.39 **Shetland College Feasibility Study** - An early warning on the outcome of the Feasibility Study for another phase at Shetland College was noted by CPRT.
- 3.1.40 **Breiwick Road** – The Network and Design Manager, Roads presented a report on the proposed replacement of the sea wall at the Sletts.
CPRT recommendation – That further information be prepared for Option 2 and cash flow projections prepared for both options in order that the project can be evaluated.
- 3.2 CPRT scored each of the new projects with complete information in accordance with the Council’s criteria (Min ref 48/06). The new projects were then ranked alongside other projects that are still to be programmed. The results of that scoring, as a revised list of projects awaiting commencement (in order of priority), are attached as Appendix A.
- 3.3 The Council agreed to greater scrutiny by CPRT for projects within rolling programmes. The recommendations set out in this report continue that process. Some projects which were formerly within rolling programmes are now identified as individual projects. In consultation with the Head of Transport, CPRT has also recommended a reduction in expenditure on the Vehicle and Plant Replacement programme for 2008/09.
- 3.4 Members should note that there are still many projects at feasibility and/ or option appraisal stage. These projects cannot be scored by CPRT until this information is complete. Therefore, they cannot be added to the prioritisation list at this stage. This applies to the remaining Social Work projects and projects associated with the Transport Strategy. However, as these projects progress they will be prioritised in due course and brought to Members for consideration at that point.
- 3.5 Should Members agree to the recommendations in this report, the adjustment in Table 1 below shows the net result. This also takes into account slippage identified on other approved projects and existing budget adjustments identified at the Capital Programme Review Team meeting No. 3 and reported

to Members at the Council meeting on (SIC Min Ref 130/07). At that time there was no slippage identified to fund these adjustments.

Project	Expenditure £000 (A)	Slippage £000 (B)
Sumburgh Runway Extension	25	
Social Care Projects (items not accrued from 06/07 – not overspends)	45.5	
Papa Stour Ferry Terminal – Final account/ VAT claim adjustment	4	
Replacement Workshop - Mid Yell	25	
Recladding Gremista Workshop		415
Water Based Facilities (Marinas)		475
SSIS Upgrade		64
IP Phones		150
A970 Oversund Junction		110
Setter Hill to Brook Point		20
Scord Plant Crusher		250
Community Organisation Grants		73
Budget Commitments from August 2007 (Min ref 130/07)	492	
Copper Pipework Replacement		100
Office Accommodation		400
Disability Discrimination Works		10
Commision Study into Tunnel		75
Bluemull STAG for Ferries/ Terminals		25
Sub Totals	591.5	2167
Total Slippage Available (B-A) £000		1575.5

- 3.6 The available slippage of £1,575.5M will allow projects to come forward in order of priority. However it is recognised that, at this stage in the financial year, it is likely that mobilisation and lead in time on these projects may not enable significant expenditure to take place.
- 3.7 Not all of the projects identified in Appendix A can achieve any spend in 2007/08 for varying reasons. The projects that could commence and achieve some spend in 2007/08 are listed in Appendix B. The remaining projects that cannot commence until later years is attached as Appendix C. These will be subject to the programming report also on this agenda. It is recommended that these projects proceed.
- 3.8 If the projects identified in Appendix B are commenced there will be £1,117M of slippage remaining. This amount along with any further slippage will remain in the reserve fund for use in future years.
- 3.9 As with all Capital Projects there may be several phases. Therefore, all projects have to be managed in a flexible way to make sure that funding is fully utilised and the programme of work fits together in the most meaningful way. This means that some projects might conclude the feasibility or design

phase but then have to wait for the further availability of funding to commence the construction phase.

- 3.10 Further adjustments to the capital programme will be reported to Members in due course. Similarly, progress against all projects will be reported to Members on a periodic basis.
- 3.11 At an earlier meeting of the full Council some Members expressed dissatisfaction with the outputs generated by the prioritisation process. When the prioritisation process was established in March 2006 (Min Ref 48/06), it included provision of a Member/ Officer working group to review the weighting and points to be awarded.
- 3.12 Re-establishment of that working group with a Member from each ward has allowed the existing arrangements to be reviewed. The outputs and recommendations from that working group will be brought back to the Council for determination in due course.
- 3.13 Subject to the review outlined in 3.11, all new projects will be subject to the Capital Programme Review Process (CPRT), (Min Ref 141/06). Projects that come through this process in the future will be scored and ranked alongside remaining projects for Members to consider into the future.
- 3.14 With a target of £20m per annum to spend, and a programme that is heavily over-subscribed, it is necessary for Members to reach a decision on the order that they would like to see these projects completed. This will aid and facilitate the programming and delivery of all projects into the future. It will also promote sustainability of reserves.

4 Proposal

- 4.1 It is proposed that Executive Committee and Council:
 - 4.1.1 Note the serious and over committed nature of the capital programme;
 - 4.1.2 Recognise and authorise the need to meet commitments in 3.4;
 - 4.1.2 Recognise and authorise the progression of projects identified in Appendix B;
 - 4.1.3 Note the Capital programme is heavily over subscribed and must continue to be prioritised in some form to remain sustainable.

5 Financial Implications

- 5.1 The proposals within this report make use of existing agreed resources without the need to provide additional funding at this stage. Therefore, there are no direct financial implications from this report. Indirectly, tighter control

may lead to greater efficiencies and a longer term reduction in revenue burdens.

6 Policy and Delegated Authority

6.1 This report is submitted to the Executive Committee in terms of its remit for financial monitoring, and for them to make comments or recommendations to Council. However, decisions relating to the approval or variation to the Council's Capital Programme requires approval of the Council, in terms of Section 8.0 of the Council's Scheme of Delegations.

7 Conclusion

7.1 This report represents the results of the latest CPRT meeting. The programme for 2007/08 is in its final stages and the options for achieving any further spend are limited. Historically, slippage does occur throughout the year. However, the current arrangements force these issues and provide a focus greater than before. This means that the incidence of slippage should be much less and so it cannot be relied upon as a longer term solution to the existing constraints upon the capital programme. The recommendations within this report will assist with controlling of costs, allocation of resources in the future and the provision of a sustainable capital programme into the future.

8 Recommendations

8.1 It is proposed that Executive Committee and Council:

8.1.1 Note the serious and over committed nature of the capital programme;

8.1.2 Recognise and authorise the need to meet commitments in 3.4;

8.1.3 Recognise and authorise the progression of projects identified in Appendix B;

8.1.4 Note the Capital programme is heavily over subscribed and must continue to be prioritised in some form to remain sustainable.

Our Ref: CM/RS/CPS-01-08-F

Date: 22 January 2008

Enclosures:

Appendix A: Adjusted List of Capital Projects in Progress

Appendix B: Adjusted List of Projects Able to Achieve Spending in 2007/08

Appendix C: Revised List of Projects Awaiting Commencement

Revised List of Projects Awaiting Commencement in Order of Priority

Ref	Project	Capital Cost £
27	Burial Grounds Rolling Programme	924,638
62	Breivick Road, Sea Wall	281,250
83	Joint Occupational Therapy Resource Centre	2,600,000
35	Social Care Rolling Programme	1,198,000
102	Roads Rolling Minor Works & Purchases Air Service	10,000
101	Roads Rolling Accident Investigation & Prevention	40,000
66	Refurbishment of Play Areas	247,250
87	Disability Discrimination Act Works	170,000
90	Ferries Capital Rolling Programme	180,000
75	Schools ICT Equipment	226,000
109	Housing Temporary Accommodation	24,500
105	Roads Rolling Roads Drainage Improvements	40,000
97	Roads Rolling Bridge Replacements	250,000
104	Roads Rolling Road Reconstruction	155,000
99	Roads Rolling Streetlighting Replacement	140,000
74	PC & LAN Replacement	236,000
106	Roads Rolling Crash Barrier Replacement	230,000
31	Leog House Replacement	300,000
69	Capital Grants to Voluntary Organisations	375,000
91	Education Capital Maintenance	1,519,000
73	Photocopier Replacement	70,000
71	Shetland Public Sector Network	295,000
107	Housing Chalet Accommodation	14,100
63	Energy Recovery Plant	110,000
86	Copper Pipework Replacement	200,000
111	Ports & Harbours Nav Aids	70,000
103	Roads Rolling Minor Works & Purchases Bus Service	40,000
96	Roads Rolling Development Related	50,000
81	Ness of Sound Farm	50,000
88	Energy Conservation	69,000
29	Replacement Workshop Mid Yell	155,000

Ref	Project	Capital Cost £
79	Urgent Repairs to Ferry Terminals	265,000
93	Fetlar Breakwater & Small Craft	2,070,000
33	Baltasound Library	143,000
100	Roads Rolling Traffic Management	50,000
32	Public Toilets Rolling Programme	100,000
68	Water Based Facilities	500,000
95	Roads Rolling Minor Works & Purchases	50,000
11	Education MIS - ICT Project	100,000
98	Roads Rolling Footways	100,000
30	Recladding Gremista Workshop	415,000
89	Vehicle & Plant Replacement Programme	1,000,000
17	Papa Stour Road	400,000
14	Germatwatt Footways, Walls	800,000
82	Walls Pier	3,150,000
20	A970 Scord to School Scalloway	35,000
108	Housing Staff Accommodation	14,500
2	Happyhansel School Accommodation	600,000
6	Scalloway JHS - Science Block	290,000
80	Office Accom Review - LK Fire Station	600,000
21	Murrister Replacement Building	150,000
53	A9071 Bixter to Aith	1,670,000
78	Conservation Grant Programme	70,000
85	Lystina House & Town Hall Stonework	385,000
110	Ports & Harbours Plant & Equipment	70,000
25	Sellanes Pier	5,400,000
64	Burial Grounds/Ancient Monuments	398,000
92	Landfill Phase 2	4,255,000
8	AHS - Hostel	9,791,000
84	Town Hall Works (Internal)	352,000
52	Bridge Inspection Walkways	155,000
Total Value £		43,648,238



REPORT

**To: Executive Committee
Shetland Islands Council**

**31 January 2008
7 February 2008**

From: Head of Capital Programme (CPS) & Housing Services

Report No: CPS-04-08-F

Subject: Progress Report – Capital Programme

1.0 Introduction

- 1.1 This report seeks to advise the Council on the progress of the programme with a view to establishing an overview for all projects.
- 1.2 In December 2006 the Council agreed the prioritisation of the Capital Programme (Min Ref: 195/06).
- 1.3 This report is the second in a series of progress reports to be made to Council on a quarterly basis.

2.0 Links to Council Priorities

- 2.1 The proposals within this report will link to the Council's corporate plan by enhancement of skills development and learning.
- 2.2 Section 2 of the corporate plan requires the Council to organise its business and administration to make sure the Community and Corporate plans are implemented by finances, consistent planning and action, performance management and communication.

3.0 Background

- 3.1 This is the second report of this kind.
- 3.2 The ongoing detailed programming for 2008/09 is subject of another report on the agenda for this meeting

- 3.3 In response to recommendations from Audit and Scrutiny the tables have been broken down by service area. We have also added programme progress and enhanced data within the comments within each project. However this is very much dependant on information provided to Capital Programme Services. In cases where such information is not forthcoming this is highlighted in the appendices.
- 3.4 The management and control of the Capital programme will help to keep expenditure within sustainable limits. Continuation with recommendations would reinforce the best value message and contribute to the change in culture needed to control expenditure.

4.0 Proposal

- 4.1 It is proposed that Members:

4.1.1 Note the progress of the current committed projects.

5.0 Financial Implications

- 5.1 There are no direct financial implications arising from this report at this stage.

6.0 Policy and Delegated Authority

- 6.1 The Executive Committee has delegated authority to make decisions on all matters within its remit, as described in Section 10.0 of the Council's Scheme of Delegations.
- 6.2 This report is submitted to the Executive Committee in terms of its remit for financial monitoring, and for them to make comments or recommendations to Council.
- 6.3 However, decisions relating to approval or variation to the Council's Capital Programme requires approval of the Council (Section 8.0 – Scheme of Delegations).

7.0 Conclusion

- 7.1 The ongoing prioritisation of the existing capital projects will greatly assist with the planning and programming of these works. This should then lead to more economic delivery taking into account the resources available and the prevailing market conditions. The programming will also help local contractors and suppliers to plan their business and training requirements to meet the Council's planned objectives.

8.0 Recommendations

8.1 It is recommended that the Council:

8.1.1 Note the progress of the current committed projects.

Our Ref: CM/RS/CPS-04-08-F

Date: 22 January 2008

Enclosed:

Appendix A Capital Programme Progress Report

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
ECONOMIC DEVELOPMENT

Revised budget		Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Economic Development											
134,609.00		GCD1570	Wind Farm Development	249,163.00						To be transferred to Charitable Trust	
100,000.00	234,609.00	GCD1575	Old Scatness	53,625.00		100,000.00		New Project		Min Ref 87/07	
234,609.00				302,788.00							

**CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
EDUCATION & SOCIAL CARE SERVICES**

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Sports & Leisure - Grants & Rolling Programme										
213,000.00	GCJ3006	Grants Rolling Programme	91,735.00	135,000.00	213,000.00		Anticipate Full Spend	N/A	Various applications being processed	
100,000.00	GCJ3016	Islesburgh CC Replace Heating & Ventilation	60,673.00		120,000.00				Spend to Save Min Ref 88/07	
0.00	GCJ3013	NOF-PE Sandwick JHS games Hall	175.00						Minor adjustment	
735,000.00	GCJ3001	Water Based Facilities	20,731.00	705,000.00	23,000.00	Slipped	Funding package reduced by 130K & programme 475K slipped to 08/09	N/A	670K committed to Hamnavoe Marina and 475K slippage to next year	130K saving allocated to prioritised projects.
65,000.00	GCJ3002	Dyke Repairs	45,954.00	47,000.00	65,000.00		Tenders returned and reported to CPRT for budget allocation	N/A	Knab Dyke	Report to SIC 07/02/08 from slippage recommending commencement on site during 07/08 .
215,000.00	GCJ3003	Play Areas	210,863.00	215,000.00	215,000.00	Complete	Sound complete, Gulberwick and Mid Yell complete .		Actual Costs 227K but 12K received from Gulberwick Play Area Assoc.	
300,000.00	GCL4402	Cinema/Music Venue	270,517.00	300,000.00	400,000.00	Design programme on target	Design ongoing, on programme.	N/A	Scottish Arts Council decision anticipated spring 08 (2.1M). Other funding applications made and decision awaited.	Report to be prepared to CPRT on overspend. Overspend due to delay in Arts Council decision - anticipated there would be Arts Council income in 07/08.
100,000.00	GCL4403	Lerwick Library Design Phase	0.00		100,000.00	Design 20%	New Project - Briefing being finalised and procurement documents commenced	N/A	Min Ref 87/07. Design phase only, brief has been developed and design proposals commenced.	Requires approval and prioritisation for construction phase in future years - anticipate 2.4M
1,728,000.00			700,648.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Education Projects										
0.00	GCE1610	Kitchen Equipment	(5,763.00)						06/07 Accrual	
0.00	GCE1621	Hamnavoe Boiler	0.00		37,000.00	0%, 100% anticipated for year-end	Extra work to be actioned and funded through the Schools Fund		Scottish Exec Schools Fund. To be completed to meet Scottish Exec funding.	Schools Fund Claim Scottish Exec
350,000.00	GCE1626	Cunningsburgh Nursery	58,415.00	310,000.00	360,000.00	95%, 100% anticipated for year-end	Proceeding well, other than overrun	Progress slow, L&A damages applied	Project complete and in defects liability period	Schools Fund Claim Scottish Exec
250,000.00	GCE1627	Bells Brae Alterations	23,405.00	30,000.00	250,000.00	20% currently - up to 70% at end of year, 30% 08/09	Scope reviewed to meet budget constraints		Works started on site. To be complete to meet Scottish Exec funding.	Schools Fund Claim Scottish Exec
49,000.00	GCE1630	Access Audit	14,557.00	50,000.00	65,000.00		Project complete - snagging outstanding		Alterations to Burravoe School - overspend in 07/08 due to contract delay & increased scope	Schools Fund Claim Scottish Exec
10,000.00	GCE1631	Reroofing	0.00		10,000.00		Programmed Jan- Mar 08 - Construction Summer 08		Brae Reroof - Design Work only this year. Budget required next year	Schools Fund Claim Scottish Exec
100,000.00	GCE1633	Technical Machinery Upgrade	0.00		70,000.00	20% but anticipate 100% by year-end	New PM in post to progress project	N/A	Works to be complete this year.	Schools Fund Claim Scottish Exec
0.00	GCE1634	South Nesting Primary	9,645.00		9,645.00		Complete		Late payment not accrued. Minor remedial works carried out by contractor.	Schools Fund Claim Scottish Exec
984,000.00	GCE1304	Anderson High School Replacement	596,455.00	984,000.00	1,850,000.00		Now in early contractor involvement process		Procurement route change and Design & Build Contractor appointed. ECI stage payment greater than current budget	Report prepared for Council
600,000.00	GCE1315	Mid Yell J.H.S.	37,073.00	600,000.00		0%, at design stage	Project redefined following cost reduction exercise	Contract advertised as design and build procurement route	(1M) Slippage	Allocated to prioritised projects. Works to be on site May 08. To be completed Dec 2010.

							New Project/ Extensive survey and design work ongoing. Some projects can not start until better weather or during school holidays. Works addressed thus far include a new boiler for Brae JHS; fire alarm system for the JCH; M&E works to the AHS; replacing the Midgarth Wall; upgrading services systems at Happyhansel Primary School; Bressay Canteen Refurbishment out to Tender.			
795,000.00	GCE1500	Maintenance School Buildings	136,865.00	160,000.00	500,000.00				Min Ref 87/07	May have slippage identified later
0.00	GCE1502	Health & Safety	141.00						Incorrect posting	
0.00	GCE1512	Re-roofing	(8,000.00)		0.00				06/07 Accrual	
0.00	GCE3401	AHS ASN	(2,935.00)		0.00				06/07 Accrual	
589,000.00	GCE3402	Sandwick JHS Add Support Needs	52,191.00	589,000.00		on programme	Cost reduction exercise reduced tender cost		Project to commence on site a.s.a.p.	Programme to be completed October 08
3,727,000.00			912,049.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Social Care Projects & Rolling Programme										
1,813.00	GCA0120	Special Studies			1,813.00	Recharge	N/A Internal recharge	N/A	YE Recharge	
67,000.00	GCA1000	Special Aids Stock Items	53,033.00	67,000.00	67,000.00		On target	N/A	More funding req 08/09	Increase bid for next year
269,187.00	GCA1001	Specialist Aids	197,421.00	107,857.00	269,187.00		On target	N/A	£100k budget increased within rolling prog	Increase bid for next year
28,000.00	GCA1003	Minor Adaptions	19,930.00	4,846.00	28,000.00		On target	N/A	More funding req 08/09	Increase bid for next year
197,000.00	GCA1004	Major Adaptions	217,285.00	63,660.00	239,902.00		More funding required	N/A	More funding req 08/09	Report to Council 07/02/08 further funding required
91,850.00	GCA1005	Housing Renovations	86,956.00		143,429.00		More funding required	N/A	More funding req 08/09	Report to Council 07/02/08 further funding required
66,000.00	GCA1006	Professional Fees	15,627.00	2,389.00	66,000.00		On target	N/A	More funding req 08/09	Increase bid for next year
19,150.00	GCA1007	Specialist Aids Refurbishment	17,400.00	2,256.00	19,000.00		On target	N/A	More funding req 08/09	Increase bid for next year
24,000.00	GCA0100	Inspection, Health & Safety	11,682.00	14,000.00	24,000.00		Costs need to be transferred from revenue			
20,000.00	GCA0101	Building Fabric	10,399.00	2,354.00	20,000.00		54 small projects including floor finishes, room refurbishments, toilet and fire upgrades to Viewforth; Taing House; Leog; Stanegarth; Stocketgaet; Nordalea; 21-22 Leaside.			
35,000.00	GCA0102	Electrical Sys Upgrade	10,058.00	10,000.00	35,000.00					
15,000.00	GCA0103	Mechanical Sys Upgrade		8,000.00	15,000.00					
20,000.00	GCA0104	Plant Equip Replacements	255.00	9,000.00	20,000.00					
20,000.00	GCA0105	Safety Surfaces	10,224.00	10,000.00	20,000.00					
Projects										
60,000.00	GCA0221	Kantersted Respite Unit	(70,529.00)	153,119.00	60,000.00	Complete	Final A/C being progressed	Contractor not progressing final account timeously	06/07 Accrual	Request figures from Contractor
98,000.00	GCA0231	Care Homes Fire Upgrade	325.00	91,000.00	0.00	Complete	Wastview awarded to DLO (Pilot Scheme complete Jan 08, programme on remainder to be decided for 08/09)		Anticipate completion Dec 07	Further funds required 08/09 and total of 150K needs to be charged to CT
1,000.00	GCG0232	Leog Replacement	0.00	0.00	0.00		Project delayed.		(299K) Slippage	Allocated to prioritised projects.
1,033,000.00			580,066.00							

**CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
EXECUTIVE SERVICES**

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
ICT Projects										
280,000.00	GCX4300	PC/Lan Upgrade	232,821.00	280,000.00	280,000.00	Cpml by YE	On Target	N/A		
95,000.00	GCX4301	WAN Upgrade	68,304.00	95,000.00	95,000.00	Cpml by YE	On Target	N/A		
80,000.00	GCX4306	Internet/Public Infrmtn System	17,562.00	80,000.00	80,000.00	Cpml by YE	On Target	N/A		
140,000.00	GCX4310	Decentralised Working	92,680.00	140,000.00	140,000.00	Cpml by YE	On Target	N/A		
100,000.00	GCX4311	SSIS Upgrade	(4,488.00)	100,000.00	64,750.00	Slippage		N/A	Slippage identified £32,250	Use slippage to fund new projects
160,000.00	GCX4312	Computers for Schools	159,620.00	160,000.00	160,000.00	Cpml by YE	On Target	N/A		
17,000.00	GCX4314	Ferry Ticketing System	0.00	17,000.00	17,000.00	Cpml by YE	On Target	N/A		
250,000.00	GCX4315	IP Phones	74,136.00	250,000.00	100,000.00	Slippage		N/A	Slippage identified £150,000	Use slippage to fund new projects
17,000.00	GCX4316	AHS Computers	11,931.00	17,000.00	17,000.00	Cpml by YE	On Target	N/A		
250,000.00	GCX4317	ICT Backup & Recovery Scheme	188,033.00	250,000.00	250,000.00	Cpml by YE	On Target	N/A		
75,000.00	GCX4319	LV/MV Photocopiers	32,275.00	75,000.00	75,000.00	Cpml by YE	On Target	N/A		
70,000.00	GCX4320	SSDN Infrastructure Project	62,832.00	70,000.00	70,000.00	Cpml by YE	On Target	N/A		
90,000.00	GCX4321	Risk Management System	5,184.00	90,000.00	90,000.00	Cpml by YE	On Target	N/A		
1,624,000.00			940,890.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Legal & Administration Rolling Programme										
200,000.00	GCB6001	Copper Pipework Replacement	83,120.00	60,000.00	100,000.00		Less work carried out than anticipated due restricted working periods - school holidays			100k slippage to be identified to CPRT
669,000.00	GCB6002	Office Accommodation Strategy	213,458.00	600,000.00	269,000.00		Works on the former fire station were proposed to be funded from this budget but that project is not at a stage where it is able to commence in the current year.			approx 400k slippage to be identified and reported to CPRT
170,000.00	GCB6004	DDA Access Audit Construction	61,850.00	35,000.00	160,000.00		Estimate spend of £160k by year end - subject to works being carried out at Hayfield House			10k slippage to be identified to CPRT
37,000.00	GCB6006	Ness of Sound Farm	28,643.00	37,000.00	37,000.00		Works progressing with no problems			
250,000.00	GCB6008	Purchase Quendale House	0.00	250,000.00	250,000.00		Asset & Property progressing. Anticipate full spend during 07/08		Spend to Save Min Ref 88/07	
40,000.00	GCB6009	Old Library Reinforce Flat Roof	0.00		40,000.00		Building Services progressing		40K required and allocated - Min Ref 131/07 - however no funds available at that time	Further funding identified for full council 07/02.
1,366,000.00			387,071.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Housing Projects										
64,997.00	GCH3100	Staff Accommodation	3,495.00		64,997.00				Additional spend identified	Progress to complete 03/08
29,000.00	GCH3102	Chalets	525.00		29,000.00				Additional spend identified	Progress to complete 03/08
20,000.00	GCH3110	JSAP	7,528.00		20,000.00					
65,000.00	GCH3120	Homelessness Housing	42,837.00	41,844.00	65,000.00				Additional spend identified	Progress to complete 03/08
8,003.00	GCH3200	Housing			8,003.00					
187,000.00			54,385.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Housing & Capital Programme Services Rolling Programmes										
331,000.00	GCK2000	Feasibility Studies: Overall	22,632.00	331,000.00	331,000.00	Some studies delayed	Over subscribed, but some studies unlikely to go ahead this year. Recharges to be applied to budget at year end. Spend will increase.	N/A	Further funding needed to cover project & fees next year	Increase bid for 08/09
170,000.00	GCK2001	CCTV System Lerwick	0.00	179,000.00	250,000.00	Tender Stage	Tenders received 179K + Planning approved Jan 07	N/A	Additional funding identified from Scottish Executive	Further Scottish Exec funding identified within Infrastructure - to be transferred to capital
501,000.00			22,632.00							

CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
HOUSING REVENUE ACCOUNT

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Housing								
1,656,069.00	HCH3303	Land/Property Acq	194,404.00	104,000.00	1,656,069.00			n/a	Purchase of former SIC housing	Monitor housing market
210,000.00	HCH3404	Environmental Improvements.	269,871.00		330,000.00	90%		satisfactory	Engineer submit breakdown	Possible virement
125,000.00	HCH3512	Community Care Projects	24,636.00	10,000.00	60,000.00	100%			No further projects identified	
	HCH3516	Lerwick Internals Phase 1	(6,548.00)							
25,000.00	HCH3525	Feasibility Studies HRA	3,411.00		25,000.00				4 feasibilities current	To progress these to 100%
150,000.00	HCH3526	Opportunity Conversions	75,026.00	67,000.00	90,000.00	100%		satisfactory		Await Midlea decision
500,000.00	HCH3711	Housing Quality Standard	0.00		200,000.00		Anticipate possible underspend		Savings likely to be used in other areas	Virements to be made
120,000.00	HCH3712	Retentions/Final Accounts	0.00		120,000.00					
5,000.00	HCH3700	Tenants Rights Compensation	0.00		5,000.00					None required
0.00	HCH3704	Pump Prime	32,010.00							
30,000.00	HCH3706	Heating Replacement Program	0.00		30,000.00				Tender due accept 03/08	Advertise and tender
200,000.00	HCH3708	External Re-Render Programme	44,695.00		110,000.00				New tender accepted	Start Feb 08
530,000.00	HCH3709	Landward Crudens	315,886.00		415,000.00	85%			Scalloway almost completed	
450,000.00	HCH3710	Lerwick Crudens	16,570.00		50,000.00				Awaiting Planning consent	
100,932.00	HCH3800	Cap Rec/Sale Council Hs	11,518.00		100,932.00					
	HCH3801	Capital Receipt - Sale of Land								
4,102,001.00			981,479.00							

**CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
INFRASTRUCTURE SERVICES**

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Environment - General Rolling Programme										
33,000.00	GCY9006	Energy Conservation	(2,925.00)	33,000.00	33,000.00	No report				
100,000.00	GCY9016	Public Toilet Rolling Programme	0.00		100,000.00	No report	New Project		Min Ref 87/07	
265,000.00	GCY9019	Architectural Heritage Programme	265,000.00	265,000.00	265,000.00	No report				
20,000.00	GCY9030	Replace Power Distribution Gremista	14,515.00		20,000.00	No report	New Project		Min Ref 87/07	
418,000.00			276,590.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Reserve Fund Grants										
80,000.00	GCY9011	Reserve Fund Property Grants	15,154.00	80,000.00	80,000.00	No report	New Project		Min Ref 87/07	
80,000.00			15,154.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Private Sector Housing Grants										
918,000.00	GCY9015	Private Sector Housing Grants	871,088.00		918,000.00	No report				
918,000.00			871,088.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Environmental Projects										
0.00	GCY5108	Landfill	140,460.00						Payment not accrued	Report to CPRT required
140,000.00	GCY5114	South Whiteness Burial Ground	171,397.00		137,988.00	No report	Additional costs reported CPRT and spend profile amended		153K required and allocated over programme. Min Ref 131/07 - however no funds available at that time.	Check with BRO spend to date greater than anticipated outturn?
7,500.00	GCY5116	Tingwall Burial Ground	8,728.00		7,500.00	No report	Ditto		Ditto	Allocate slippage when identified.
28,500.00	GCY5120	Dunrossness Burial Ground	0.00		28,495.00	No report	Ditto		Ditto	Ditto
40,000.00	GCY5121	Fetlar Burial Ground	7,146.00		40,000.00	No report	Ditto		Ditto	Ditto
14,500.00	GCY5122	Bigton Burial Ground	17,703.00		14,406.00	No report	Ditto		Ditto	Ditto GCY5114 above
174,000.00	GCY5123	Lund Burial Ground	181,647.00		170,357.00	No report	Ditto		Ditto	Allocate slippage when identified.
13,500.00	GCY5124	Bixter Burial Ground	9,847.00		13,500.00	No report	Ditto		Ditto	Ditto
34,000.00	GCY5125	Voe Burial Ground	11,300.00		32,000.00	No report	Ditto		Ditto	Ditto
9,500.00	GCY5126	Muckle Roe Burial Ground	21,016.00		9,500.00	No report	Ditto		Ditto	Ditto
6,500.00	GCY5127	Skerries Burial Ground	0.00		6,500.00	No report	Ditto		Ditto	Ditto
98,000.00	GCY5129	Energy Recovery Plant Update Works	54,529.00		98,000.00	No report			98K required and allocated Min Ref 131/07 - however no funds	Allocate slippage when identified.
50,000.00	GCY5131	Contaminated Land Projects	15,028.00		50,000.00	No report			Scottish Exec Funding	
350,000.00	GCY5132	Esplanade Toilets	26,852.00		50,000.00		Tenders out January, back February, start on site March. Works to be completed 2008/09.			
2,000,000.00	GCY5133	Rova Head Reinstatement	728,353.00		2,000,000.00	No report	Project reprofiled		(1M) Slippage	Allocated to prioritised projects.
30,000.00	GCY5400	Local Air Quality Management	109.00		30,000.00	No report				

430,000.00	GCY5501	Recladding Gremista Workshop	0.00		430,000.00	Slippage identified project now budgeted for future years	New Project		Min Ref 87/07	
75,000.00	GCY5502	Fire Alarm & Emergency Lighting Upgrade	60,624.00		75,000.00	Projects complete and in service at Janet Courtney Hostel; Isburgh House; Bruce Hostel; FE College Gremista; Town Hall; Lystina House. All ex- ADT sytems.			Spend to Save Min Ref 88/07	
Environmental Projects cont										
Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
100,000.00	GCY5503	Building Management Systems (6 Schools)	54,658.00		100,000.00	Works on site and at commissioning stage at Aith JHS, Brae High School, Islesburgh House, Islesburgh Community Centre, Urafirth School, Whalsay School, Scalloway JHS, Sandwick JHS			Spend to Save Min Ref 88/07	
3,601,000.00			1,509,397.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Roads Rolling Programme										
25,365.00	GCY6000	Roads Rolling Programme	0.00		25,365.00	No report	Project recharge at year end			
243,000.00	GCY9200	Minor Works, Roads	48,372.00		138,042.00	No report			Adjustments but overall budgets are still within programme	
195,000.00	GCY9201	Development Related Roads	16,681.00		34,438.00	No report			Ditto above	
183,000.00	GCY9202	Bridge Replacements	79,284.00		158,714.00	No report			Ditto above	
194,000.00	GCY9203	Footways & Streetlighting	208,566.00		391,872.00	No report			Ditto above	
49,000.00	GCY9204	Street Lighting Replacements	22,607.00		61,504.00	No report			Ditto above	
20,000.00	GCY9205	Plant Purchases	0.00		0.00	No report			Ditto above	
48,000.00	GCY9206	Traffic Management	15,798.00		67,466.00	No report			Ditto above	
49,000.00	GCY9207	AIP	98,335.00		118,335.00	No report			Ditto above	
19,000.00	GCY9208	Minor - Airstrips	263.00		19,000.00	No report			Ditto above	
49,000.00	GCY9209	Minor Works & Purchases, Bus Services	46,765.00		49,000.00	No report			Ditto above	
230,635.00	GCY9210	Road Reconstruction	221,559.00		241,264.00	No report			Ditto above	
1,305,000.00			758,230.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Roads Projects										
200,000.00	GCY6106	Haggersta A971	2,045.00		50,000.00	No report	Land purchase problem		(595K) Slippage	Allocated to prioritised projects.
30,000.00	GCY6112	Setter Hill to Brook Point	6,748.00		10,000.00	No report	Possible slippage			

111,000.00	GCY6116	B9074 Trondra Phase 2	61,169.00		111,000.00	No report	Additional unforeseen costs reported CPRT		100K required and allocated Min Ref 131/07 - however no funds available at that time.	Reported to CPRT to Council 07/02/08
0.00	GCY6118	Germatwatt Footways	1,914.00			No report	No Budget			BRO to advise
540,000.00	GCY6120	A970 Oversund Junction	116,748.00		490,000.00	No report	Increased scope		Additional 140K - Min Ref 87/07	
10,000.00	GCY6121	B9081 Mid Yell Link to A968	0.00		10,000.00	No report				Report to CPRT required?
482,000.00	GCY6123	Gilbertson Road	448,761.00		482,000.00	No report	Full budget requirement not identified at 07/08 bid exercise			Report to CPRT required
400,000.00	GCY6201	Bressay Link	139,319.00		400,000.00	No report	Projected delayed		(100K) to Transport Strategy	
0.00	GCY6298	Advance Design of Schemes	46.00			No report	No Budget			
205,000.00	GCY6401	Scord Quarry Plant Purchase	0.00		205,000.00	No report				
250,000.00	GCY6402	Scord Quarry Crusher	0.00		0.00	Project Cancelled	Project Cancelled	N/A	Min Ref 87/07	Allocate funds elsewhere
0.00	GCY6403	Mid Yell Workshop	0.00		25,000.00	No report	Project reprofiled		(155K) Slippage	Reinstate 25K of Funds
2,228,000.00			776,750.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Transport Rolling Programme										
1,246,000.00	GCY7254	Transport - Vehicle and Plant Replacement	422,531.00	422,531.00	1,105,440.00	No report				
1,246,000.00			422,531.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Transport Projects										
0.00	GCY7203	Sumburgh Runway Extension	513.00			Complete	Ongoing involvement due to remedials		Additional work required	Reported to CPRT to Council 07/02/08
260,000.00	GCY7205	Purchase 2 Low Floor Buses	252,556.00	252,556.00	252,556.00	Complete	Buses in operation	N/A	Spend to Save Min Ref 88/07	Balance back to StoS
75,000.00	GCY7210	Shetland Transport Strategy	0.00		75,000.00	Not committed	This project is required in 2008/09		Money reallocated to STP	
335,000.00			253,069.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Planning Rolling Programme										
70,000.00	GCY9010	Conservation Grants	5,000.00		70,000.00	No report				
70,000.00			5,000.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Planning Projects										
50,000.00	GCY8400	Water Meters & Waste Control Measures	30,315.00		50,000.00	No report	Project scope increased - more sites added		Spend to Save Min Ref 88/07	
25,000.00	GCY8401	Wind Turbines at 4 Schools	0.00		0.00	No report	Project scope decreased		Spend to Save Min Ref 88/07	Allocate balance of funds to other projects
60,000.00	GCY8402	Install District Heating 4 Buildings in Lerwick	4,845.00		60,000.00	No report			Spend to Save Min Ref 88/07	
135,000.00			35,160.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Ferry Operations										

116,000.00	GCY7601	Ferries Rolling Programme	60,541.00	46,000.00	116,000.00	No report	Anticipate full spend by year end		Project is on target	
116,000.00			60,541.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Ferry Terminal & Replacement Programme										
0.00	GCY7605	Fetlar Ferry Terminal	(10,668.00)			Complete	Complete		VAT receipts from suppliers	Reported to CPRT to Council 07/02/08
0.00	GCY7606	Papa Stour Terminals	14,623.00			Budget adjusted through CPRT	Complete		Reported to CPRT	Reported to CPRT to Council 07/02/08
	GCY7625	Foula Dredging	0.00			No report				
516,000.00	GCY7626	Ferry Terminal Structural Improvements	420,112.00	509,654.00	516,000.00	No report			Project is on target	
516,000.00			424,067.00							

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
Shetland Transport Partnership										
10,677.00	GCY7504	Ulsta Marshalling Area Signs	0.00	(857.00)	0.00		Issues resolved at no cost	N/A	Scot Exec Funding	
1,068.00	GCY7505	Ulsta Marshalling Area Grid	0.00		0.00		Issues resolved at no cost	N/A		
50,000.00	GCY7508	FS Ext Links OD Survey	3,374.00	25,000.00	25,000.00	Ongoing	Project requires to run for a full year for meaningful results - started late due to staff resource issues	N/A		
10,000.00	GCY7509	Fetlar Issues Study	8,650.00	12,000.00	12,000.00	Completed	Workload greater than estimate	N/A		
25,000.00	GCY7510	FS South Mouth Study	0.00	0.00	0.00		Work has been carried out internally - further report to be prepared to CPRT	N/A		
15,000.00	GCY7511	FS CT/DRT Audit & Implementation	270.00	0.00	0.00		Work is not now going ahead - has been dealt with by another method	N/A		
50,000.00	GCY7512	FS Inter Island Service Study	53,000.00	53,000.00	53,000.00	Will be completed by year end	Some additional work has been required	N/A		
10,000.00	GCY7513	FS Initiate SIC/ZPT Travel PI	10,956.00	11,000.00	11,000.00	Completed	1k overspend	N/A		
16,719.00	GCY7514	FS Minor Projects	15,607.00	15,800.00	15,800.00	Completed		N/A		
75,000.00	GCY7550	Commission Study into Tunnel	33,437.00	75,000.00	75,000.00	Will be completed by year end	Proposed to be funded by ZETRANS Capital Programme			
50,000.00	GCY7551	STAG 2 Whalsay Study	23,713.00	65,000.00	65,000.00	Will be completed by year end	Overspend of 15k			
100,000.00	GCY7552	Bluemull STAG for Ferries/Terminals	1,000.00	25,000.00	25,000.00	Started late - will be completed in 2008/09	75k required in 08/09			
100,000.00	GCY7553	Stag for Bressay Link Options	12,196.00	100,000.00	100,000.00	Anticipate completion by year end				
513,464.00			162,203.00							

**CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
PORTS & HARBOURS (RESERVE FUND)**

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Port Operations								
25,000.00	RCM2208	Scalloway Dredging Consents	570.00	25,000.00	25,000.00	Work on consents underway	Budget to be fully utilised this year in feasibility and obtaining consents	n/a	Reported to CPRT - Min ref 131/07 - however budget moved from RCM2313	No further action required
32,000.00	RCM2309	Peerie Dock, Symbister	0.00	32,000.00	0.00	Delayed	Project delayed due to planning issues		Planning issues prevent project from going ahead 07/08	Slippage to RCM2312 07/08 Budget required for 08/09
280,000.00	RCM2312	Scalloway Oil Support	183,887.00	228,000.00	228,000.00		Budget to be fully utilised this year		Project will be completed by year end	Funding from RCM2309
463,962.00	RCM2313	Tugs for Sellaness	24,046.00		350,000.00		Budget to be fully utilised this year			
1,200,000.00	RCM2314	Uyeasound Harbour Development	34,810.00	2.79m	550,000.00	Contract awarded, planned start February	New Project		Project on schedule and within budget	
2,000,962.00			243,313.00							

**CAPITAL PROGRAMME - PROGRESS REPORT GENERAL FUND (INCLUDING SCOTTISH EXEC FUNDING)
PORTS & HARBOURS (HARBOUR ACCOUNT)**

Revised budget	Code	Project	YTD Actual	Contractual estimate	Estimated outturn	Programme Progress	Project Review Comments	Contractors Performance	Comments	Action
		Port Operations								
70,000.00	PCM2101	Plant Vehicles & Equip	33,210.00		70,000.00		Budget to be fully utilised this year			
70,000.00	PCM2104	Nav Aids - Sullom Voe	7,918.00		70,000.00		Ditto above			
70,000.00	PCM2134	Shore Power for Tugs	65,933.00	50,000.00	70,000.00		Ditto above		Spend to Save Min Ref 88/07	
210,000.00			107,061.00							



REPORT

**To: Executive Committee
Shetland Islands Council**

**31 January 2008
7 February 2008**

From: Head of Housing and Capital Programme Service (CPS)

Report No: CPS-03-08-F

Subject: Programming of Prioritised Capital Projects

1.0 Introduction

- 1.1 In December 2006 the Council agreed the prioritisation of existing capital projects for future programming (Min ref. 195/06).
- 1.2 In accordance with the designated priority, this report seeks to recommend and advise the Council on the programming of those projects with the resources available.
- 1.3 For the purposes of programming, this report asks Members to confirm the programme for the next financial year and the outline for future years.
- 1.4 The Council already accepts all of the projects within this report on to the existing capital programme. Therefore, this report is not seeking to exclude any project. With a practical limit on the resources available, the aim is to determine what can be progressed in the next financial year 2008/09 and the implications for the programme beyond 2009.

2.0 Links to Council Priorities

- 2.1 The proposals within this report will link to the Council's corporate plan by enhancement of skills development and learning.
- 2.2 Section 2 of the corporate plan requires the council to organise its business and administration to make sure the Community and Corporate plans are implemented by finances, consistent planning and action, performance management and communication.

3.0 Issues Relating to the Council's Larger Projects and the Capital Programme

- 3.1 While there are outline dates for planning purposes, the actual start and finish dates for some of the Council's larger projects (£7m +) are not yet confirmed and so they are at various stages of design. As a natural consequence the Council will be in a position to control the release of the actual contract once designs and tenders are completed. Without proper planning the entire programme will be compromised.
- 3.2 The release of these larger projects, in particular the new Anderson High School (AHS) will critically affect the local construction market. This is discussed further in 3.3 below. Local contractors remain in a position to win a significant share of sub contracts associated with the AHS. Therefore the final release of these contracts will have to be managed in detail to maximise the potential for local contractors and to minimise the risk to them.
- 3.3 As a consequence, there will be many options available to the Council to ensure that local contractors are not disadvantaged. With this in mind, it is proposed that the necessary detailed programming be subject to future decisions of the Council, to meet prevailing circumstances when those particular projects are ready to contractually proceed. In the meantime, the programme beyond 2008/09 has to reflect the variable nature of the determining factors.
- 3.4 At the risk of stating the obvious, members should be absolutely clear that, it will be necessary to critically evaluate, the existing programme and existing financial policy in order to provide funding for the new AHS when the ECI process is completed. As progression of the new AHS will require an increased draw on reserves, the amounts available for other projects into the future will be reduced. This will inevitably have an impact on the existing programme and all other projects into the future. The permutations around the AHS are multiple and complex and so will need to be the subject of a further detailed report and recommendations when all parameters are better known.
- 3.5 It is not known at this stage how much work the local construction market will be able to secure on the Council's largest projects. Naturally, local industry, employment and the overall economy are dependent on local companies securing work in a competitive environment. Unless the Council tailors the programme to suit the prevailing capacity of the construction industry, there would be a detrimental impact on the economy. Therefore, it is recommend that the programme is closely monitored and adjusted to ensure that negative effects on local industry are minimised.
- 3.6 At the same time it would be impractical to place all other projects on hold until the detailed design of the AHS is completed. Therefore, the remainder of this report deals with all other projects in the full and certain knowledge that some adjustment will be required at some point to accommodate the new AHS.

4.0 Capital Programme 2008/09

- 4.1 All new projects requiring prioritisation into the future will be subject to the Capital Programme Review Team (CPRT) process (Min ref. 141/06). Projects that come through this process in the future will be scored and ranked alongside remaining projects for Members to consider into the future. This process is currently under review by a Member Officer Working Group (MOWG).
- 4.2 There are capital projects relating to the Housing Revenue Account (HRA), which are ring fenced for a particular purpose. The ring fencing for specific education projects has been removed by the Scottish Government funding allocation. In practical terms this means all funding on the schools estate must now be met from within council resources. This compounds the problems discussed later in 4.8. A summary of remaining ring fenced capital expenditure (proposed) is attached as *Appendix A*.
- 4.3 Ring fencing arises when the money available cannot be spent on anything else other than the project/s specified. In the case of the HRA, this money is recovered through tenant's rents and so cannot be used for any other purpose across the Council.
- 4.4 Unlike the rest of the Council's activities the HRA capital programme is subject to the prudential borrowing regime. As a consequence the figures for the HRA are indicative only at this stage and will have to be re-affirmed when the outturn figures for 2007/08 are known.
- 4.5 *Appendix B* lists all of the uncommitted Capital Projects in their priority order as presented to CPRT and recommended to Executive Committee and the Council.
- 4.6 The recent introduction of a prioritised list of projects means that this is a transitional period where a lot of projects remain partly completed. The amount needed to complete the projects that are committed is £14.56m.
- 4.7 It is anticipated that some projects planned for 2007/08 but uncompleted will remain committed expenditure in 2008/09. Thus, the amount available for projects in 2008/09 (£20m) will have to be reduced by a corresponding amount to complete the projects already committed. A further £1.1m (min) slippage from 2007/08 can be rolled forward into 2008/09. This would have the effect of increasing the amount available for the capital programme to £21.1m in 2008/09.
- 4.8 This presents a problem in that, there still remains insufficient money to meet the council's existing commitments on one off projects (£14.56M) and fully fund rolling programmes across the Council's services. Also as can be seen on *Appendix B*, once considered in their own right, some projects within rolling programmes score lower than one off projects. In practice this would mean creating new assets before investing in existing assets.

- 4.9 Rolling programmes are intended to protect and maintain the Council's core assets. Thus, if investment in existing assets is neglected and the problem goes unchecked the Council could be in a position of continually adding assets and at the same time failing to properly invest in its existing assets. Clearly, this would have a detrimental impact on service provision and increased revenue implications for the future. This problem would be compounded if further one off projects from the uncommitted list were commenced ahead of rolling programmes.
- 4.10 Further, taking into account the problems identified in 4.8 & 4.9, and following consultation for this report, Heads of Service have identified several projects that are critical to the efficient running and continuation of services. By critical, this is defined as key service provision that would have to stop if funding was not available. The critical nature has so far not been identified as part of the prioritisation process. I would recommend 100% funding of critical projects. These projects are:
- 4.10.1 Shetland Public Sector Network (£295k) – Without this funding there would be no network to plug new computers in to and an enhanced risk of system failures;
 - 4.10.2 Energy Recovery Plant (£110k) – Without this one off investment the waste to energy plant will be unable to operate;
 - 4.10.3 Urgent Repairs to Ferry Terminals (£265k) – Without this investment the integrity of the terminals cannot be maintained;
 - 4.10.4 Ports and Harbours Navigation Aids (£70k) – Without this equipment the safe operating of Sullom Voe cannot be maintained;
 - 4.10.5 Design Works Landfill Phase II (£73k) – Failure to secure the design works will lead to implementation of phase II works and closure of the landfill site following completion of phase I.
- 4.11 It is recommended that the problems identified in 4.8 to 4.10 be taken into account by the MOWG as part of their proposals and recommendations.
- 4.12 In my view the Council should not be in a position of adding assets when it is unable to fund the maintenance of its existing assets or meet its critical investment requirements. In order to allow the continuation of rolling programmes and maintain core assets of the council, it is proposed to take corrective action by allocating the remaining capital budget on a shared pro-rata basis (approximately 72%) towards all rolling programmes across all services. This can be supplemented with any further slippage that occurs between now and the end of the financial year.
- 4.13 It is further proposed that further slippage that naturally occurs in 2008/09 be used in the first instance to supplement rolling programmes up to their full amount in priority order. Thereafter, new projects that add assets can be considered for bringing forward as funding allows.

- 4.14 A summary of the proposed capital programme for 2008/09 is attached as *Appendix C*. Historically, there are always final accounts to be settled, overspends and projects of an emergency or unexpected nature. An allowance has to be made to cover these eventualities. Therefore, this list includes a contingency sum of £220k. This is also to deal with the commencement/ preparation of any high priority projects that may arise. Note: the spending on some projects is spread across more than one year.
- 4.15 Further, if rolling programmes were abolished in whole or in part, many small schemes in rural areas may simply not happen, if they are to be clinically ranked against other schemes, without any mechanism for distributing resources to peripheral areas. This might also be true with any Scottish Government funding if there was no mechanism to secure that allocation.
- 4.16 In accepting that expenditure is required to protect and maintain core assets, I would recommend that all of the projects within rolling programmes beyond 2009 be subject to continued scrutiny as part of the CPRT process. The suggestion is that funding would still be available but would have to be better justified by detailing the spending required in future years. This would make it necessary for all Heads of Service to continue planning their resource requirements beyond March 2009 and submit their proposals for assessment by the CPRT during the later stages of 2008.
- 4.17 The list of Capital Projects still to be completed beyond March 2009 is set out as an example in *Appendix D*. This appendix is intended to demonstrate the financial consequences of the existing project list and the resulting funding gap. This demonstrates that even without the AHS the high volume spending might be undeliverable without the necessary change and management of the process. Some of the figures used are based on estimates and not the approved budgets.
- 4.18 Members should note that the list on *Appendix D* represents the remaining projects as known to us now. Further projects can be expected for addition to this list as the Transport Strategy and other feasibility studies (in particular Social work projects) draw to a close.
- 4.19 It can also be seen from *Appendix D* that the timing of the larger projects mentioned in 3.0 might not be achievable in financial terms without adjustment of expenditure in future years. On top of that, there will also be a physical constraint, as there will be a limit to what the construction sector can cope with at any one time.
- 4.20 If the funding gap was set offset and recovered by spending less in future years a different view can be taken. This type of approach is expressed as an example and model in *Appendix E*. This approach would require further adjustment should local contractors secure work in whole or in part on the larger projects such as the AHS. The inclusion of the AHS would make the funding gap larger.

- 4.21 By offsetting the cost of the larger projects as indicated in *Appendix E*, the programme begins to look more manageable and does allow for the introduction of new projects in future years. The detail and consequences will have to be made known to the Council in the future, to inform any decisions on the release of these larger contracts when actual costs and timings are known. In any event it should be noted that the capital programme is heading for an extended period of constraint.
- 4.22 **The projects highlighted in bold italics on Appendix D and E, are the projects that will have to start beyond 2009 unless additional funding becomes available.** Should there be sufficient slippage in the proposed programme the next project will be brought forward from the original prioritised list once all the resource demands of existing rolling programmes are satisfied.

5 Proposal

- 5.1 It is proposed that Executive Committee and Council:
- 5.1.1 Approve the delivery of the prioritised capital programme as set out in Appendices B and C;
 - 5.1.2 Ensure investment in existing assets by approving recommendations in 4.10 & 4.12;
 - 5.1.3 Ask the MOWG to take identified problems into account and return recommendations to the council;
 - 5.1.4 Note the need to further adjust the capital programme at some point to fund the AHS;
 - 5.1.5 Note the over committed nature of the programme in future years (Appendix D and E) and the need to take corrective action in the future regarding the phasing of the larger projects, moving closer to the model expressed in Appendix E.

6 Financial Implications

- 6.1 The approval of this programme will help to keep expenditure within sustainable limits.

7 Policy and Delegated Authority

- 7.1 The Executive Committee had delegated authority to make decisions on all matters within its remit, and as described in Section 10.0 of the Council's Scheme of Delegations. However, matters relating to the Council's capital programme are referred to Council for decision (Section 8.0 – Scheme of Delegations).

8 Conclusion

- 8.1 The prioritisation and programming of the existing capital projects will greatly assist with the planning and delivery of these works. This should then lead to more economic delivery taking into account the resources available and the prevailing market conditions. The programming will also help local contractors and suppliers to plan their business and training requirements to meet the Council's planned objectives. The current approach should also ensure that the Council's requirements are delivered in an approved order while maintaining existing assets. This should in turn lead to greater effectiveness and promote longer term sustainability. However, the damaging effects of releasing large projects around the same time should be noted and corrective action taken as soon as practicable to do so. The amounts available will fluctuate and so the programme will have to be reviewed and approved in a stepped approach for the future. Care will be needed to balance all of these competing priorities without diminishing the available resources.

9 Recommendations

- 9.1 It is recommended that Executive Committee and Council:
- 9.1.1 Approve the delivery of the prioritised capital programme as set out in Appendices B and C;
 - 9.1.2 Ensure investment in existing assets by approving recommendations in 4.10 & 4.12;
 - 9.1.3 Ask the MOWG to take identified problems into account and return recommendations to the council;
 - 9.1.4 Note the need to further adjust the capital programme at some point to fund the AHS;
 - 9.1.5 Note the over committed nature of the programme in future years (Appendix D and E) and the need to take corrective action in the future regarding the phasing of the larger projects, moving closer to the model expressed in Appendix E.

Our Ref: CPS-03-08-F

Date: 22 January 2008

- Appendix A Summary of Ring Fenced Capital Projects (Proposed) 2008/2009
- Appendix B Capital Projects Listed in their Priority Order
- Appendix C Committed and Proposed Expenditure 2008/09
- Appendix D Capital Projects to be Completed or Commenced Beyond 2009, Model of Constraints
- Appendix E Capital Projects to be Completed or Commenced Beyond 2009, Model of Offset Costs on Larger Projects

APPENDIX A

Summary of Ring Fenced Capital Projects (Proposed) 2008/09

Housing Revenue Account (HRA)

Ref	Code	Project	Capital Cost to SIC £
I	HCH3303	Land/Property Acquisition	50,000
ii	HCH3404	Environmentals General	232,000
iii	HCH3512	Community Care	100,000
iv	HCH3525	Feasibility Studies	25,000
v	HCH3526	Opportunity Conversion	123,000
vi	HCH3706	Heating Replacement Scheme	150,000
vii	HCH3708	Re-rendering programme	393,000
viii	HCH3709	Landward Crudens	115,000
ix	HCH3710	Lerwick Crudens	923,000
x	HCH3711	Housing Quality Standard	380,000
xii	HCH3700	Tenants Improvement Compensation	5,000
Total Ring Fenced Expenditure for 2008/09			2,496,000

APPENDIX B

Summary of Capital Projects Prioritisation November/ December 2007

Projects in Order of Priority

Priority Order	Project Ref.	Project	Net Estimated Capital Cost to SIC £	Gross Estimated Capital Cost £ *external funding
1	27	Burial Grounds Rolling Programme	924,638	924,638
2	62	Breivick Road, Sea Wall	281,250	281,250
3	83	Joint Occupational Therapy Resource Centre	2,600,000	2,600,000
4	35	Social Care Rolling Programme	1,198,000	1,198,000
5	102	Roads Rolling Minor Works & Purchases Air Service	10,000	10,000
6	101	Roads Rolling Accident Investigation & Prevention	40,000	40,000
7	66	Refurbishment of Play Areas	247,250	247,250
8	87	Disability Discrimination Act Works	170,000	170,000
9	90	Ferries Capital Rolling Programme	180,000	180,000
10	75	Schools ICT Equipment	226,000	226,000
11	109	Housing Temporary Accommodation	24,500	24,500
12	105	Roads Rolling Roads Drainage Improvements	40,000	40,000
13	97	Roads Rolling Bridge Replacements	250,000	250,000
14	104	Roads Rolling Road Reconstruction	155,000	155,000
15	99	Roads Rolling Streetlighting Replacement	140,000	140,000
16	74	PC & LAN Replacement	236,000	236,000
17	106	Roads Rolling Crash Barrier Replacement	230,000	230,000
18	31	Leog House Replacement	300,000	300,000
19	69	Capital Grants to Voluntary Organisations	375,000	375,000
20	91	Education Capital Maintenance	1,519,000	1,519,000
21	73	Photocopier Replacement	70,000	70,000
22	71	Shetland Public Sector Network	295,000	295,000
23	107	Housing Chalet Accommodation	14,100	14,100
24	63	Energy Recovery Plant	110,000	110,000
25	86	Copper Pipework Replacement	200,000	200,000
26	111	Ports & Harbours Nav Aids	70,000	70,000
27	103	Roads Rolling Minor Works & Purchases Bus Service	40,000	40,000
28	96	Roads Rolling Development Related	50,000	50,000
29	81	Ness of Sound Farm	50,000	50,000
30	88	Energy Conservation	69,000	69,000
31	29	Replacement Workshop Mid Yell	155,000	155,000
32	79	Urgent Repairs to Ferry Terminals	265,000	265,000
33	93	Fetlar Breakwater & Small Craft	2,070,000	2,970,000 *
34	33	Baltasound Library	143,000	143,000
35	100	Roads Rolling Traffic Management	50,000	50,000
36	32	Public Toilets Rolling Programme	100,000	100,000
37	68	Water Based Facilities	500,000	500,000
38	95	Roads Rolling Minor Works & Purchases	50,000	50,000
39	11	Education MIS - ICT Project	100,000	100,000
40	98	Roads Rolling Footways	100,000	100,000

41	30	Recladding Gremista Workshop	415,000	415,000
42	89	Vehicle & Plant Replacement Programme	1,000,000	1,000,000
43	17	Papa Stour Road	400,000	400,000
44	14	Germatwatt Footways, Walls	800,000	800,000
45	82	Walls Pier	3,150,000	3,150,000
46	20	A970 Scord to School Scalloway	35,000	35,000
47	108	Housing Staff Accommodation	14,500	14,500
48	2	Happyhansel School Accommodation	600,000	600,000
49	6	Scalloway JHS - Science Block	290,000	290,000
50	80	Office Accom Review - LK Fire Station	600,000	600,000
51	21	Murrister Replacement Building	150,000	150,000
52	53	A9071 Bixter to Aith	1,670,000	1,670,000
53	78	Conservation Grant Programme	70,000	70,000
54	85	Lystina House & Town Hall Stonework	385,000	385,000
55	110	Ports & Harbours Plant & Equipment	70,000	70,000
56	25	Sellanes Pier	5,400,000	5,400,000
57	64	Burial Grounds/ Ancient Monuments	398,000	398,000
58	92	Landfill Phase 2	4,255,000	4,255,000
59	8	AHS - Hostel	9,791,000	9,791,000
60	84	Town Hall Works (Internal)	352,000	352,000
61	52	Bridge Inspection Walkways	155,000	155,000
Total Capital Requirement			43,648,238	44,548,238

APPENDIX C - Proposed Capital Programme 2008/09

Ongoing Capital Projects into 2008/09

Ref	Code	Project	£ 08/09
37	GCK2000	Feasibility Studies	400,000
58	GCL4403	Lerwick Library Design Works	88,000
26	GCL4402	Cinema and Music Venue	2,000,000
4	GCE1304	AHS - ECI	700,000
5	GCE1315	Mid Yell JHS	3,500,000
7	GCE3402	Sandwick - ASN	500,000
55	GCE1627	Bells Brae Alterations	100,000
36	GCA0231	Care Homes Fire Upgrade	80,000
34	GCY5132	Replacement Esplanade Toilets	352,000
28	GCY5133	Rova Head Reinstatement	1,900,000
13	GCY6106	A971 Haggersta to Cova	695,000
15	GCY6120	A970 Oversund Junction	110,000
18	GCY6123	Gilbertson Road Reconstruction	10,000
19	GCY6201	Bressay Link	250,000
22	RCM2314	Uyeasound Pier	2,500,000
68	GCJ3001	Water Based Facilities (Marinas)	475,000
38	GCX4311	SSIS Upgrade	64,000
39	GCX4315	IP Phones	150,000
69	GCJ3006	Community Organisation Grants	73,000
41	GCE1626	Cunningsburgh Nursery	20,000
42	GCY6116	B9074 Trondra Phase 2	11,000
16	GCY6121	B9081 Mid Yell (Hillend Section)	215,000
65	GCJ3002	Knab Dyke	271,079
n/a	GCY7552	Bluemull STAG for Ferries Terminals	75,000
n/a	GCY7508	FS Ext Links OD Survey	25,000
Total			14,564,079

Proposed Capital Expenditure for 2008/09

Ref	Code	Project	£ 08/09
Carry Forward from 2007/08			14,564,079
71	GCX4323	Shetland Public Sector Network	295,000
63	GCY5129	Energy Recovery Plant	110,000
79	GCY7626	Urgent Repairs to Ferry Terminals	265,000
111	PCM2104	Ports & Harbours Nav Aids	70,000
40	GCK2002	Contingency and Final Accounts	220,000
92	GCY5108	Design Works Landfill Phase 2	72,536
27	GCY51**	Burial Grounds Rolling Programme	670,956
35	GCA10**	Social Care Rolling Programme	868,978
102	GCY9208	Roads Rolling Minor Works & Purchases Air Service	7,254
101	GCY9207	Roads Rolling Accident Investigation & Prevention	29,014
66	GCJ3003	Refurbishment of Play Areas	179,163
87	GCB6004	Disability Discrimination Act Works	123,311
90	GCY7601	Ferries Capital Rolling Programme	130,564
75	GCX4312	Schools ICT Equipment	163,931
109	GCH3120	Housing Temporary Accom (Homelessness)	18,134
105	GCY9211	Roads Rolling Roads Drainage Improvements	29,014
97	GCY9202	Roads Rolling Bridge Replacements	181,339
104	GCY9210	Roads Rolling Road Reconstruction	90,459
99	GCY9204	Roads Rolling Streetlighting Replacement	101,550
74	GCX4300	PC & LAN Replacement	171,184
106	GCY9212	Roads Rolling Crash Barrier Replacement	161,329
69	GCJ3006	Capital Grants to Voluntary Organisations	272,009
91	GCE1500	Education Capital Maintenance	1,101,818
73	GCX4319	Photocopier Replacement	50,775
107	GCH3102	Housing Chalet Accommodation	10,155
86	GCB6001	Copper Pipework Replacement	145,071
103	GCY9209	Roads Rolling Minor Works & Purchases Bus Service	29,014
96	GCY9201	Roads Rolling Development Related	36,268
100	GCY9206	Roads Rolling Traffic Management	36,268
95	GCY9200	Roads Rolling Minor Works & Purchases	36,268
98	GCY9203	Roads Rolling Footways	72,536
89	GCY7254	Vehicle & Plant Replacement Programme	725,357
108	GCH3100	Housing Staff Accommodation	10,880
110	PCM2101	Ports & Harbours Plant & Equipment	50,775
Total Capital Expenditure			21,099,989

APPENDIX D

Capital Projects to be Completed or Commenced Beyond 2008, Model of Constraints

Ref	Project	£000's 08/09	2009/10 (Yr2) £000	20010/11 (Yr3) £000	2011/12 (Yr4) £000	2012/13 (Yr5) £000	2013/14 (Yr6) £000
37	Feasibility Studies	400	400	400	400	400	400
58	Lerwick Library	88	500	1,900	100	0	0
26	Cinema and Music Venue	2,000	2,520	85	0	0	0
4	AHS - ECI	700	0	0	0	0	0
5	Mid Yell JHS	3,500	4,000	1,850	113	0	0
7	Sandwick - ASN	500	12	0	0	0	0
55	Bells Brae Alterations	100	0	0	0	0	0
36	Care Homes Fire Upgrade	80	350	350	0	0	0
34	Replacement Esplanade Toilets	352	0	0	0	0	0
28	Rova Head Reinstatement	1,900	150	0	0	0	0
13	A971 Haggersta to Cova	695	1,300	5	0	0	0
15	A970 Oversund Junction	110	0	0	0	0	0
18	Gilbertson Road Reconstruction	10	0	0	0	0	0
19	Bressay Link	250	500	8,000	8,000	2,000	250
22	Uyeasound Pier	2,500	150	0	0	0	0
68	Water Based Facilities (Marinas)	475	0	0	0	0	0
38	SSIS Upgrade	64	0	0	0	0	0
39	IP Phones	150	0	0	0	0	0
69	Community Organisation Grants	73	0	0	0	0	0
41	Cunningsburgh Nursery	20	0	0	0	0	0
42	B9074 Trondra Phase 2	11	0	0	0	0	0
16	B9081 Mid Yell (Hillend Section)	215	10	0	0	0	0
65	Knab Dyke	272	0	0	0	0	0
40	Contingency and Final Accounts	300	300	300	300	300	300
27	Burial Grounds Rolling Programme	925	0	0	0	0	0
62	Breiwick Road, Sea Wall	281	20	0	0	0	0
83	Joint Occupational Therapy Resource Centre	800	1,600	100	0	0	0
35	Social Care Rolling Programme	1,198	0	0	0	0	0
102	Roads Rolling Minor Works & Purchases Air Service	10	0	0	0	0	0
101	Roads Rolling Accident Investigation & Prevention	40	0	0	0	0	0
66	Refurbishment of Play Areas	247	0	0	0	0	0
87	Disability Discrimination Act Works	170	0	0	0	0	0

90	Ferries Capital Rolling Programme	180	0	0	0	0	0
75	Schools ICT Equipment	226	0	0	0	0	0
109	Housing Temporary Accommodation	25	0	0	0	0	0
105	Roads Rolling Roads Drainage Improvements	40	0	0	0	0	0
97	Roads Rolling Bridge Replacements	250	0	0	0	0	0
104	Roads Rolling Road Reconstruction	235	0	0	0	0	0
99	Roads Rolling Streetlighting Replacement	140	0	0	0	0	0
74	PC & LAN Replacement	236	0	0	0	0	0
106	Roads Rolling Crash Barrier Replacement	250	0	0	0	0	0
31	Leog House Replacement		50	240	10	0	0
69	Capital Grants to Voluntary Organisations		375	0	0	0	0
91	Education Capital Maintenance		1,519	0	0	0	0
73	Photocopier Replacement		70	0	0	0	0
71	Shetland Public Sector Network		295	0	0	0	0
107	Housing Chalet Accommodation		14	0	0	0	0
63	Energy Recovery Plant		110	230	292	420	0
86	Copper Pipework Replacement		200	0	0	0	0
111	Ports & Harbours Nav Aids		70	0	0	0	0
103	Roads Rolling Minor Works & Purchases Bus Service		40	0	0	0	0
96	Roads Rolling Development Related		50	0	0	0	0
81	Ness of Sound Farm		50	0	0	0	0
88	Energy Conservation		69	0	0	0	0
29	Replacement Workshop Mid Yell		170	10	0	0	0
79	Urgent Repairs to Ferry Terminals		265	0	0	0	0
93	Fetlar Breakwater & Small Craft		400	1,500	170	0	0
33	Baltasound Library		130	13	0	0	0
100	Roads Rolling Traffic Management		50	0	0	0	0
32	Public Toilets Rolling Programme		100	100	100	100	100
68	Water Based Facilities		500	0	0	0	0
95	Roads Rolling Minor Works & Purchases		50	0	0	0	0
11	Education MIS - ICT project		100	0	0	0	0
98	Roads Rolling Footways		100	0	0	0	0
30	Recladding Gremista Workshop		415	0	0	0	0
89	Vehicle & Plant Replacement Programme		1,000	0	0	0	0
17	Papa Stour Road		350	50	0	0	0
14	Geratwatt Footways, Walls		700	100	0	0	0
82	Walls Pier		150	2,800	200	0	0

20	A970 Scord to School Scalloway		35	0	0	0	0
108	Housing Staff Accommodation		15	0	0	0	0
2	Happyhansel School Accommodation		50	500	50	0	0
6	Scalloway JHS - Science Block		250	40	0	0	0
80	Office Accom Review - LK Fire Station		350	240	10	0	0
21	Murrister Replacement Building		130	20	0	0	0
53	A9071 Bixter to Aith		150	1,500	20	0	0
78	Conservation Grant Programme		70	0	0	0	0
85	Lystina House & Town Hall Stonework		70	300	15	0	0
110	Ports & Harbours Plant & Equipment		70	0	0	0	0
25	Sellaness Pier		397	3,985	182	0	0
64	Burial Grounds/Ancient Monuments		78	300	20	0	0
92	Landfill Phase 2		400	3,600	255	0	0
8	AHS - Hostel		1,391	3,000	3,000	2,000	400
84	Town Hall Works (Internal)		52	280	20	0	0
52	Bridge Inspection Walkways		155	0	0	0	0
50	Blacksness Pier		0	0	0	94	2,965
Sub Total of Known Expenditure		20,018	22,867	31,798	13,257	5,314	4,415
Estimate of Funding to Replace Rolling Programmes			7,697	7,504	6,889	6,568	6,182
Total Estimate of Expenditure			30,564	39,302	20,146	11,882	10,597
Budget Currently Available			17,400	15,800	16,900	17,600	17,600
Funding Gap			-13,164	-23,502	-3,246	5,718	7,003

APPENDIX E

Capital Projects to be Completed or Commenced Beyond 2008, Model of Offset Costs on Larger Projects

Ref	Project	2008/09 (Yr1) £000	2009/10 (Yr2) £000	2010/11 (Yr3) £000	2011/12 (Yr4) £000	2012/13 (Yr5) £000	2013/14 (Yr6) £000	2014/15 (Yr7) £000	2015/16 (Yr8) £000	2016/17 (Yr9) £000	2017/18 (Yr10) £000
37	Feasibility Studies	400	400	400	400	400	400				
58	Lerwick Library	88	500	1,900	100	0	0				
26	Cinema and Music Venue	2,000	2,520	85	0	0	0				
4	AHS - ECI	700	0	0	0	0	0				
5	Mid Yell JHS	3,500	4,000	1,850	113	0	0				
7	Sandwick - ASN	500	12	0	0	0	0				
55	Bells Brae Alterations	100	0	0	0	0	0				
36	Care Homes Fire Upgrade	80	350	350	0	0	0				
34	Replacement Esplanade Toilets	352	0	0	0	0	0				
28	Rova Head Reinstatement	1,900	150	0	0	0	0				
13	A971 Haggersta to Cova	695	1,300	5	0	0	0				
15	A970 Oversund Junction	110	0	0	0	0	0				
18	Gilbertson Road Reconstruction	10	0	0	0	0	0				
19	Bressay Link	250	500	8,000	8,000	2,000	250				
22	Uyeasound Pier	2,500	150	0	0	0	0				
68	Water Based Facilities (Marinas)	475	0	0	0	0	0				
38	SSIS Upgrade	64	0	0	0	0	0				
39	IP Phones	150	0	0	0	0	0				
69	Community Organisation Grants	73	0	0	0	0	0				
41	Cunningsburgh Nursery	20	0	0	0	0	0				
42	B9074 Trondra Phase 2	11	0	0	0	0	0				
16	B9081 Mid Yell (Hillend Section)	215	10	0	0	0	0				
65	Knab Dyke	272	0	0	0	0	0				
40	Contingency and Final Accounts	300	300	300	300	300	300				
27	Burial Grounds Rolling Programme	925	0	0	0	0	0				
62	Breiwick Road, Sea Wall	281	20	0	0	0	0				
83	Joint Occupational Therapy Resource Centre	800	1,600	100	0	0	0				
35	Social Care Rolling Programme	1,198	0	0	0	0	0				
102	Roads Rolling Minor Works & Purchases Air Service	10	0	0	0	0	0				
101	Roads Rolling Accident Investigation & Prevention	40	0	0	0	0	0				
66	Refurbishment of Play Areas	247	0	0	0	0	0				

87	Disability Discrimination Act Works	170	0	0	0	0	0			
90	Ferries Capital Rolling Programme	180	0	0	0	0	0			
75	Schools ICT Equipment	226	0	0	0	0	0			
109	Housing Temporary Accommodation	25	0	0	0	0	0			
105	Roads Rolling Roads Drainage Improvements	40	0	0	0	0	0			
97	Roads Rolling Bridge Replacements	250	0	0	0	0	0			
104	Roads Rolling Road Reconstruction	235	0	0	0	0	0			
99	Roads Rolling Streetlighting Replacement	140	0	0	0	0	0			
74	PC & LAN Replacement	236	0	0	0	0	0			
106	Roads Rolling Crash Barrier Replacement	250	0	0	0	0	0			
31	Leog House Replacement		50	240	10	0	0			
69	Capital Grants to Voluntary Organisations		375	0	0	0	0			
91	Education Capital Maintenance		1,519	0	0	0	0			
73	Photocopier Replacement		70	0	0	0	0			
71	Shetland Public Sector Network		295	0	0	0	0			
107	Housing Chalet Accommodation		14	0	0	0	0			
63	Energy Recovery Plant		110	230	292	420	0			
86	Copper Pipework Replacement		200	0	0	0	0			
111	Ports & Harbours Nav Aids		70							
103	Roads Rolling Minor Works & Purchases Bus Service		40	0	0	0	0			
96	Roads Rolling Development Related		50	0	0	0	0			
81	Ness of Sound Farm		50	0	0	0	0			
88	Energy Conservation		69	0	0	0	0			
29	Replacement Workshop Mid Yell		170	10	0	0	0			
79	Urgent Repairs to Ferry Terminals		265	0	0	0	0			
93	Fetlar Breakwater & Small Craft		400	1,500	170	0	0			
33	Baltasound Library		130	13	0	0	0			
100	Roads Rolling Traffic Management		50	0	0	0	0			
32	Public Toilets Rolling Programme		100	100	100	100	100			
68	Water Based Facilities		500	0	0	0	0			
95	Roads Rolling Minor Works & Purchases		50	0	0	0	0			
11	Education MIS - ICT project		100	0	0	0	0			
98	Roads Rolling Footways		100	0	0	0	0			
30	Recladding Gremista Workshop		415	0	0	0	0			
89	Vehicle & Plant Replacement Programme		1,000	0	0	0	0			
17	Papa Stour Road		350	50	0	0	0			
14	Germatwatt Footways, Walls		700	100	0	0	0			

82	Walls Pier		150	2,800	200	0	0				
20	A970 Scord to School Scalloway		35	0	0	0	0				
108	Housing Staff Accommodation		15	0	0	0	0				
2	Happyhansel School Accommodation		50	500	50	0	0				
6	Scalloway JHS - Science Block		250	40	0	0	0				
80	Office Accom Review - LK Fire Station		350	240	10	0	0				
21	Murrister Replacement Building		130	20	0	0	0				
53	A9071 Bixter to Aith		150	1,500	20	0	0				
78	Conservation Grant Programme		70	0	0	0	0				
85	Lystina House & Town Hall Stonework		70	300	15	0	0				
110	Ports & Harbours Plant & Equipment		70								
25	Sellaness Pier		397	3,985	182	0	0				
64	Burial Grounds/Ancient Monuments		78	300	20	0	0				
92	Landfill Phase 2		400	3,600	255	0	0				
8	AHS - Hostel		1,391	3,000	3,000	2,000	400				
84	Town Hall Works (Internal)		52	280	20	0	0				
52	Bridge Inspection Walkways		155	0	0	0	0				
50	Blacksness Pier		0	0	0	94	2,965				
Sub Total of Known Expenditure		20,018	22,867	31,798	13,257	5,314	4,415	0	0	0	0
Estimate of Funding to Replace Rolling Programmes		0	7,697	7,504	6,889	6,568	6,182	6,182	6,182	6,182	6,182
Total Estimate of Required Expenditure		20,018	30,564	39,302	20,146	11,882	10,597	6,182	6,182	6,182	6,182
Original Budget Available		17,400	15,800	16,900	17,600	17,600	17,600	17,600	17,600	17,600	17,600
Required Budget		20,018	30,564	39,302	20,146	13,600	13,600	13,600	13,600	13,600	13,600
Amount to be Offset in Future Years as a Result		2,618	14,764	22,402	39,784						
		Total to be offset at £4m p.a (as an example)									
Amount Available for any Other Project		0	0	0	0	1,718	3,003	7,418	7,418	7,418	7,418



REPORT

To: Executive Committee
Shetland Islands Council

31 January 2008
7 February 2008

From: Head of Finance
Executive Services Department

TREASURY MANAGEMENT STRATEGY STATEMENT 2008/09 Report No: F-005-F

1. Introduction

- 1.1 This Treasury Management Strategy Statement sets out the Council's policy in relation to its strategy for borrowing and investing, in connection to the cash reserves and funding resources of the Council for the financial year 2008/09.
- 1.2 The Treasury Section within Finance carries out all the daily cash management functions, which is crucial for the day-to-day operations of the Council. There have been strict internal guidelines in place for many years, which control the operation of this function and these are set out within this report. The Treasury Section also deals with external fund management as well as co-ordinating the Council's relationship with their banker, but these functions are out with the scope of this report.

2. Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to assisting the Council in ensuring the financial resources are managed so that the Council can sustain and develop the economy.

3. Background

- 3.1 This report complies with CIPFA's Code of Practice for Treasury Management in the Public Services, which the Council formally adopted on 10 July 2002 (minute reference 120/02). The objective of this code is to provide guidance on the best practice for treasury management.
- 3.2 Cash management involves the two main areas of cash reserves and debt management, and these are specifically dealt with in this report. Cash reserves include amounts held in accounts with the Council's bank and deposited with other approved institutions, but not invested in shares, long term bonds, property, etc.
- 3.3 In relation to debt management the Council at present has no external borrowings, although there is an agreed overdraft facility with the Council's bank to cover any short-term situations if required. The Council is debt free on all internal accounts except the Housing Revenue Account and the Harbour Account. The Housing and Harbour Debt are currently financed from internal reserves, and do not require external borrowing.
- 3.4 Set out at Annex A is the suggested Treasury Management Strategy Statement document for 2008/09 which encompasses:
 - Treasury Management Prudential Indicators
 - Approved Lending Organisations
 - Capital Borrowing Strategy
 - External Fund Management
 - Delegation and Reporting

4. Financial Implications

- 4.1 The Treasury Management Strategy adopted will have consequences for the daily operating cash capabilities of the Council.

5. Policy and Delegated Authority

- 5.1 The Head of Finance currently has delegated authority for Cash and Debt Management, which was approved following consideration of a report by the Shetland Islands Council on 10 July 2002 (minute reference 120/02).
- 5.2 This report complies with CIPFA's Code of Practice for Treasury Management in the Public Services, which the Council formally adopted on 10 July 2002 (minute reference 120/02).
- 5.3 This report is being presented to the Executive Committee in terms of its remit for financial policy and monitoring. The Committee may make comment to Council where necessary, but the report is presented to Council for approval.

6. Conclusions

- 6.2 This report proposes the Treasury Management Strategy Statement for the Shetland Islands Council to be followed for the financial year 2008/09.
- 6.3 The Strategy Statement meets the requirements of best practice as per CIPFA's Code of Practice on Treasury Management in the Public Services.

7. Recommendation

- 7.1 I recommend that the Executive Committee considers this report and makes comment to Council where necessary. Thereafter, I recommend that the Council adopt the Treasury Management Strategy Statement set out in Annex A, for the financial year 2008/09.

Date: 21 January 2008
Our Ref: CAB/DS

Report No: F-005-F

Annex A

SHETLAND ISLANDS COUNCIL

TREASURY MANAGEMENT STRATEGY STATEMENT

2008/09

1. Introduction

- 1.1 This Treasury Management Strategy Statement details the activities and guidelines to be followed by the Treasury Section for all areas of cash management in the forthcoming financial year (2008/09). Its production and submission to the Shetland Islands Council is a requirement of the CIPFA Code of Practice for Treasury Management in the Public services.
- 1.2 Cash Management for the Shetland Islands Council is carried out within the Treasury Section of the Finance Department, and consists of the daily management of ten bank accounts (including those for the Pension Fund and the Shetland Charitable Trust) and the associated short-term lendings. On the 11th January 2008 the Treasury Section had £24 million invested with the Council's bank and £6 million on short-term loans.
- 1.3 Debt Management is also carried out within the Treasury Section, and currently there is no external borrowing. There is an agreed overdraft facility with the bank of £800,000 that can be used to cover the accounts managed by Treasury, for any short-term situations if required. The Council is debt free on all internal accounts except the Housing Revenue Account and the Harbour Account. The Housing and Harbour Debt are currently financed from internal reserves, and do not require external borrowing.
- 1.4 The Local Government in Scotland Act 2003 requires the Council to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Act also requires the Council, in conjunction with this, to set out its treasury strategy for borrowing and investment. The suggested strategy for 2008/09 covers the following:
- Treasury Management Prudential Indicators
 - Approved Lending Organisations
 - Capital Borrowing Strategy
 - External Fund Management
 - Delegation and Reporting

2. Treasury Management Prudential Indicators for 2008/09 –2010/11

2.1 The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.

2.2 CIPFA Code of Practice for Treasury Management

Shetland Islands Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services in July 2002 (minute ref: 120/02).

2.3 Upper limit on fixed interest rate exposure

	2008/09 £000	2009/10 £000	2010/11 £000
Upper limit - fixed interest rate exposure	-70,000	-77,000	-79,000

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

2.4 Upper limit on variable interest rate exposure

	2008/09 £000	2009/10 £000	2010/11 £000
Upper limit - variable interest rate exposure	-58,000	-62,000	-64,000

The indicator for Shetland Islands Council is negative because of the substantial cash investments the Council holds relating to the Capital Fund, Reserve Fund, Repairs & Renewals Fund and other miscellaneous Funds.

2.5 Amount of fixed rate borrowing, maturing in each period

The Council has a no fixed rate borrowing.

2.6 Upper limits on sums invested for longer than 364 days

At the 31st March 2007 the Council had around £280 million invested with external fund managers. It is not possible to predict when each of these will mature as it will be dependent on conditions in the stock market.

The purpose of this indicator is to contain the local authority's exposure to the possibility of loss arising as a result of having to seek early repayment or redemption of principal sums invested to cover current commitments. It is not anticipated that early repayment or redemption of principal sums invested will be required.

3. **Approved Lending Organisations**

3.1 It is paramount that the Council safeguards any surplus funds that it may have from time to time. The Council, Shetland Charitable Trust plus its related companies and the Pension Fund will only lend to:

- A Bank or Building Society with at least a -AA long term Fitch IBCA rating,
- Bank of Scotland - Council's own bank,
- Any bank which is a wholly owned subsidiary of the above,
- Any Local Authority.

The –AA long term rating is defined by Fitch IBCA (International Bank Credit Association) as a “low expectation of investment risk.... adverse changes in business, economic or financial conditions may increase risk, albeit not very significantly”.

3.2 The Cash Management Officer will maintain an approved lending list of the financial institutions that meet the above criteria, which will be displayed in Treasury.

3.3 In addition the following guidelines will apply:

- No more than £3 million to be lent to any single organisation from one account, apart from the Council's own bank.
- No more than £6 million to be lent to any one organisation in total from all accounts, apart from the Council's own bank.

4. Capital Borrowing Strategy

4.1 As per the Prudential Code there will be no capital borrowings required during 2008/09.

5. External Fund Management

5.1 All surplus funds with a projected life span of 5 years or more and a book value exceeding £5 million should be invested with Fund Managers, where statute permits.

This has the advantages of:

- allowing diversification of fund investment instead of relying on cash deposits;
- the funds being in the best position to take account of market movements;
- better long term returns for the fund.

6. Delegation and Reporting

6.1 The Council recognises that, in order to best manage the risks involved in Cash and Debt Management and to permit the making of the immediate daily decisions required by the money markets, it is inappropriate and impractical to pursue a system of Council (or Committee) involvement in the decision making process. The Council, therefore, delegates all matters relating to Cash and Debt Management, except where prohibited by law or where these matters relate to Externally Managed Funds, to the Head of Finance and his nominees. The delegated authority will cover any borrowing and lending transactions within the approved policy parameters for the year 2008/09.

6.2 The Head of Finance will report annually before the start of each financial year on the proposed Treasury Management Strategy Statement to be followed for the forthcoming year.



REPORT

To: Shetland Islands Council

07 February 2008

From: Head of Business Development

DV004-F Tall Ships' Races 2011 – Organising Committee

1.0 Introduction

1.1 The purpose of this short report is to achieve the formation of a Council led Committee to organise the Tall Ships' Races 2011 event in Lerwick. Based on the work that was required to make the 1999 event such a success, a long lead in period is required so that every aspect of the event runs smoothly.

2.0 Links to Corporate Plan

2.1 Celebrating Shetland's Cultural Identity, through thinking and acting collectively, and Marketing Shetland to help achieve Sustainable Economic Development are all priorities contained in the Council's Corporate Plan 2004-2008. This project is being undertaken to help fulfil these priorities.

3.0 Background

3.1 Sail Training International (STI) organises Tall Ships' Races as part of its objective to develop and educate young people of all nationalities, cultures, religions and social backgrounds through sail training experience. The Tall Ships' Races have been organised since 1956 and have been enormously successful in the promotion of sail training and in the engagement with the maritime communities that have acted as host ports for the races for over 50 years. It is acknowledged that the host ports involved use the races as centre pieces to celebrate their own culture and to boost community spirit.

3.2 STI invited Lerwick to submit a bid for the 2010 Tall Ships Races. This invitation was received by the Chief Executive on 15 March 2006.

- 3.3 On 13 April 2006 the Council approved a report prepared by the Economic Development Unit to submit a bid to STI for Lerwick to be a host port for the 2010 Tall Ships Races (Min. Ref. 68/06). A bid was duly submitted but was unsuccessful because STI decided to run the 2010 Tall Ships Races in the southern part of the North Sea.
- 3.4 A few months after this disappointing outcome STI sent another invitation to the Chief Executive for Shetland to submit a bid for the Tall Ships' Races in 2011. On 5 December 2006 the Executive Committee recommended that the Council submit a bid for Lerwick to be a host Port for the 2011 Tall Ships' Races (Min. Ref. 50/06). This decision was accepted by the Council on 13 December 2006 (Min. Ref: 184/06). Working together with Lerwick Port Authority, the Council submitted a fresh bid for the 2011 event. On 27 March 2007 STI announced that Shetland's bid had been successful.
- 3.5 The Tall Ships Races 2011 begins in early July 2011 in Waterford (Ireland). The first race runs to Greenock (Scotland). From there the next leg to Lerwick is a cruise. The ships will arrive in Lerwick on 21 July 2011 and depart on 24 July 2011. After Lerwick the race is to Stavanger (Norway) and the final leg is to Kruxhavn in Germany.
- 3.6 STI asked all 5 host ports for the 2011 event to be present at the 2007 Tall Ships Conference, held in Liverpool between 15 November 2007 and 17 November 2007. During the conference the first meeting of the 2011 Tall Ships' Races took place, chaired by Mr Knut Western (Norway), who will continue as the chairman for the Races in 2011. This meeting served to emphasise the considerable amount of work that needs to be done before a successful outcome can be achieved for the host ports. The engagement with STI and the other 4 host ports for 2011 has begun. Organising committees are being set up in all the host ports.
- 3.7 Appendix 1 provides a flavour of the activities that need to be carried out to make the event a success.

4.0 Proposal

- 4.1 Given that the bid for hosting the Tall Ships Races in 2011 was submitted by the Council it is appropriate that the Council assumes the responsibility to organise the event. It is also necessary to understand that the scale and broad nature of the Tall Ships Races means that many Council services need to be involved. For these reasons membership of the Committee should reflect the input from across the Council.
- 4.2 The initial remit for the Tall Ships Races 2011 Committee is shown in appendix 2.

- 4.3 It is important that the Convener chairs the Committee. The Tall Ships Races are acknowledged as civic occasions where the civic leaders of the host ports are seen to lead the event. It is clear from the meeting in Liverpool that the mayors of some of our partner ports for 2011 will be assuming lead roles.
- 4.4 The Committee should also include the Chairs of the Services and Infrastructure Committees as well as the Chair of the Shetland Development Trust. In addition the other Member that needs to be involved is the Council's Culture spokesperson.
- 4.5 The work of the committee will be carried out by the following staff:

Tall Ships Races 2011 Co-ordinator*
Douglas Irvine, Head of Business Development
Graham Johnston, Head of Finance
Nicola Halcrow, Events Manager, Economic Development Unit
Neil Watt, Sports and Leisure Services Manager
Steven Cooper, Head of Service, Environment and Building
Maggie Dunne, Environmental Health Manager
Iain McDiarmid, Head of Planning Services
Michael Craigie, Head of Transport Services
Ian Halcrow, Head of Roads Service

*A dedicated co-ordinator for the event will be appointed by the Economic Development Service.

Executive Directors have been contacted about the availability of their staff.

- 4.6 An invitation will be sent to Lerwick Port Authority (LPA) to participate in the Committee. LPA have an integral part in the organising of the event and a bid to host the Tall Ships Races in 2011 could not have been submitted without LPA's help and guidance. LPA have already agreed to provide free of charge berthing for class A, B, C and D vessels plus pilotage. If this level of co-operation and participation can be achieved throughout the Shetland community then the event will be relatively easy to organise.
- 4.7 The formation of an Organising Committee to begin organising the Tall Ships Races 2011 event should be seen as a necessary first step. Part of the work at the business planning stage will be to identify the most effective organisation to undertake the project, given the need to attract in significant amounts of sponsorship.

5.0 Financial Implications

- 5.1 In the report presented to the Council on 13 April 2006 an estimate was provided that the Tall Ships Races 2011 would cost around £1.2 million. This figure was calculated from the cost of the 1999 event with inflation added along with certain new cost items that did not occur in 1999. One of the first tasks of the committee will be to

prepare a business plan for the event that will refine this estimated figure. The net cost of the event to the Council will not be known until the level of corporate and community sponsorship is understood. A target for sponsorship will be set in the business plan. The business plan will also specify how the balance of the costs will be paid for by the Council and its related trusts.

- 5.2 To begin its work the committee will need to have access to an operational budget. Initially this will be used to pay for contracted STI costs, the preparation of a business plan, working with our partner ports to organise the event, and other items such as the development of legacy projects. These costs, which will be funded from the Economic Development Unit's marketing budget (RRD 5031) are summarised below for 2008/09:

	£
Engagement with Sail Train International	5,000
Promotional Work (Website, adverts etc)	7,000
Business Plan	3,000
Sponsorship Prospectus	<u>5,000</u>
	20,000

Again, the costs for 2009/10 and 2010/11 will be identified in the business plan.

- 5.3 Attendance by Members will be an approved duty and accordingly any such expenses will be funded from the Members' budgets.

6.0 Policy and Delegated Authority

- 6.1 This report has been prepared in line with the Council's decision to submit a bid for Lerwick to be a host port for the Tall Ships' Races 2011 taken on 5 December 2007 (Min. Ref: 50/06).
- 6.2 Attendance at the Organising Committee is regarded as an approved duty as stated in Section 3.2(10) of the Council's Scheme of Approved Duties.

7.0 Conclusion

- 7.1 Large scale events such as hosting the Tall Ships' Races provides Shetland with the opportunity to demonstrate how much a small community, working together, can achieve. The 1999 Tall Ships' Races and the 2005 Islands Games bear testament to this approach. It is essential that an effective structure is put in place early to ensure that the 2011 Tall Ships' Races achieves the levels of success achieved in 1999 and 2005.

8.0 Recommendation

8.1 I recommend that the Council:-

- a) Establish a Committee to organise the Tall Ships Races 2011 in Lerwick with the remit and membership as detailed in appendix 2; and,
- b) Approves an operational budget of £20,000 for 2008/09, as specified in paragraph 4.2 to begin work on the Tall Ships Races 2011 event.

Our Ref: DI/KS/RF1122
Date: 21 January 2008

Report No: DV003-F

Tall Ships' Races 2011

Port of Lerwick Organising Committee Remit

Name: The name of the Committee shall be "The Lerwick Tall Ships' Races 2011 Committee".

Purpose: The purpose of the Committee is to work with Sail Training International and the 4 other host ports for the 2011 Tall Ship' Races to ensure that the event in Lerwick is organised successfully.

Reporting: The Committee will report to Shetland Islands Council's Executive Committee.

Duration: The Committee shall operate until 31 December 2011 or until such time as a Limited Company is established to fulfil the functions of the Committee.

Chair: The Committee will be chaired by the Convener of Shetland Islands Council.

Committee Members: Committee membership will consist of the following Councillors, Council Staff and external bodies;

Chairperson of Services Committee
Chairperson of Infrastructure Committee
Spokesperson for Culture
2 x Representatives for Lerwick Port Authority
Tall Ships Races 2011 Co-ordinator
Head of Business Development, or nominee
Head of Finance, or nominee
Events Manager, Economic Development Unit
Sports and Leisure Services Manager, or nominee
Head of Service, Environment and Building, or nominee
Environmental Health Manager, or nominee
Head of Planning Services, or nominee
Head of Transport Services, or nominee
Head of Roads Service, or nominee
Chairperson, Shetland Development Trust

Additional Members: The Committee will have authority to appoint new members onto the Committee as and when the Committee agrees that such members are required to help organise the Tall Ships' Races 2011 event in Lerwick.

Tall Ships' Races 2011

Activities

Work with Sail Training International and the other 4 host ports for the 2011 Tall Ships' Races

Make sure that the Host Port Contract with Sail Training International is fulfilled, including:

- Fleet Facilities (Berthing, pilotage, access to fuel, toilets, showers, communications)
- Crew Centre
- Race Office Facilities
- Race Management Accommodation and Transport
- An office for Main Race Sponsor (should there be such a sponsor)
- Media Centre
- Social Programme
- Branding and Identity
- Trainees (All host ports must sponsor trainees)
- Sale of Race related items (t-shirts, fridge magnets, etc.)
- Trophies
- Insurance

Recruitment of local volunteers for liaison and other duties during the event

Completion of a Business Plan for the event in Shetland

Providing a programme of sporting and leisure activities for the young people on the Tall Ships and in Shetland to engage in

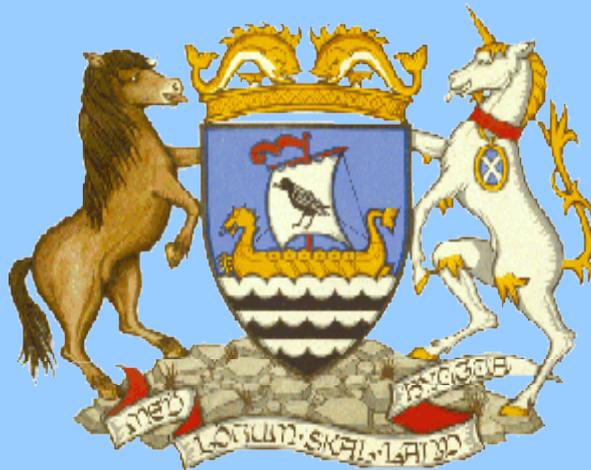
Ensure that the best of Shetland's products and services are on display

Completion of a Tall Ships' Races 2011 Lerwick Commercial Prospectus to attract local and external sponsorship

Implement the Promotional Plan for the Tall Ships' Races 2011 event

SHETLAND ISLANDS COUNCIL

**TRAINING AND
DEVELOPMENT POLICY**



Operational Date: February 2008
Applies to: All Staff except Teachers

Shetland Islands Council

TRAINING & DEVELOPMENT POLICY

Operational Date: February 2008

Review Date: February 2009

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Appendix A

Step by Step Guide for Training Applications

1 POLICY STATEMENT

- 1.1 The Council believes that the organisation must work together to achieve best service delivery. In order to achieve this, the Council are committed to achieving the highest standard of leadership and people management by providing access to learning and development opportunities for all employees.
- 1.2 The Council supports a wide range of learning and development activities and will work to ensure that all employees are sufficiently equipped to be able to meet the changing demands of working in the public sector and supporting the Shetland community.

2 SCOPE OF POLICY

- 2.1 This policy applies to all Council employees (except teachers)

3 POLICY OBJECTIVES

- 3.1 The Council will work to provide an effective and efficient workplace, which will be created through a planned approach to employee learning and development that supports the Council's objectives and develops the individual.
- 3.2 Training and development of the workforce will underpin the Council's Workforce Development Plan and succession planning.
- 3.3 All employees will take part in a review of their performance with their line manager, at least annually.
- 3.4 Development opportunities will be focused on the need to increase knowledge, skills and efficiency of the workforce.
- 3.5 All new employees to the Council will receive induction training for their individual job and corporate induction training, where possible.
- 3.6 All applications for training and development will be considered on merit and relevance to the Council
- 3.7 Training will be delivered in Shetland to enable the full participation of those with family care responsibilities wherever possible.
- 3.8 All Corporate training opportunities will be promoted throughout the Council for all Council employees.

4 LINKS TO OTHER POLICIES

- 4.1 All training and development provision is supported by the Council's policy on Equality and Diversity.

4.2 All Council policies form part of the Council's approach to organisational and workforce development

5 LEGISLATION

5.1 The main pieces of legislation that have an impact on this policy and procedures are:

5.1.1 Data Protection Act 1998

5.1.2 The Disability Discrimination Act 1995

5.1.3. Human Rights Act 1998

5.1.4 Health and Safety at Work etc. Act 1974

5.1.5 Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (amendment) Regulations 2002

6 RESPONSIBILITIES

6.1 The Head of Organisational Development is responsible for developing and implementing organisational and workforce development strategies by ensuring that the Council's approach to training and development is consistent with the objectives of this policy and its commitment to promote equality and diversity employer.

6.2 The HR Training and Skills Coordinator and Train Shetland supports this policy by providing advice and guidance to Line Managers on identification of training needs and developing training plans.

6.3 Departmental Training Representatives record and monitor all employee training records. This information will be provided to line managers as part of the Council's performance management framework and for statutory reporting purposes (see Appendix A).

6.4 It is the responsibility of each Executive Director and/or Head of Service to:-

6.4.1. Contribute to the development and delivery of a workforce strategy and associated workforce planning process

6.4.2. Ensure that Line Managers and Training Representatives fulfil their role and responsibilities in relation to employees training and development

6.5 Line Managers and Supervisors

Line Managers and Supervisors have a key role in achieving the Council's objectives through maximising the contributions and efforts of their employees.

It is the responsibility of each Line Manager/Supervisor to:

- Discuss with employees their performance at least annually and identify areas where training and development can improve their performance or the performance of the service
- Provide training and development to enable employees to carry out their role effectively.
- Ensure each employee has a Personal Development Plan
- Maximise the development undertaken by any employee by sharing the learning as widely as possible.
- Advise employees of the reason for refusing any training
- Produce an annual service training plan.

6.5 Employees

Each employee must take responsibility for their own learning and development in order to make the most of opportunities available to them.

They will do this by: -

- Meeting with their line manager to discuss their training needs
- Seeking approval for all training and development activities using a training request form (see Appendix A).
- Taking part in appropriate training and development activities
- Attending training when required by the Service or as part of the Councils statutory requirements.
- Sharing any learning and development with colleagues wherever possible.

7 TRAINING PLANS/PERSONAL DEVELOPMENT PLANS

- 7.1 All Service and/or Line Managers will undertake Performance Review meetings with each member of staff at least once a year. All applications for training, whether approved or not, must be recorded and monitored to ensure equality of access to training opportunities (see 6.3).

8 TRAINING PROVIDED WITHIN THE COUNCIL

- 8.1 The Council supports a wide range of learning and development activity to maximise the talent of all its employees. The range of opportunities will vary from service to service depending upon the needs of the service and the jobs and professions represented within it.

Council funding is available at either a service or corporate level and is allocated according to the needs of the individual and the service

The appropriate line manager must approve all training and development activity in advance. Attending training without prior approval or failing to attend required training may invoke disciplinary procedures.

8.2 Corporate or Service

Corporate training is defined as training which impacts council wide, for example where the training relates to a statutory duty or a new Council policy or procedure. The budget for Corporate Training is held within Human Resources.

Services fund training that is job specific. Budgets are held within service areas for this purpose. This includes longer-term study such as SVQ's, HNC's and professional qualifications.

8.3 Continuous Professional Development

The Council is committed to Continuous Professional Development (CPD) and will encourage and provide appropriate support to employees to allow them to fulfil the CPD requirement of their professional body.

8.4 Succession Planning

All line managers have the opportunity to attend management and/or leadership training at a level appropriate to their role to allow them to maximise individual, team and organisational performance.

8.5 Induction

Induction allows new employees to quickly settle into the organisation and their role enabling them to be more effective, sooner.

The Council provides two levels of Induction: -

a) Corporate Induction

Corporate Induction is organised by Human Resources. New employees are invited to attend a half-day session, which is delivered four times a year. The cost of attending, including travel is covered by the Corporate Training budget. Other costs associated with attending such as providing relief cover are not covered from this budget.

b) Service Induction

New employees must be taken through the Council's Induction Checklist within their work place. This provides guidance on the information line managers should provide to employees on their service, department and the Council's policies and procedures that apply to them. The Checklist is found on the HR section of the Council's intranet site under 'forms'.

9 FINANCIAL/NON-FINANCIAL SUPPORT

9.1 Time off and financial support can be provided to individuals for training/qualifications where it is considered appropriate by the Service Manager. The factors to take into account when considering this include:-

- The amount of budget available
- The benefit of the training to the individual service and the organisation
- The motivation of the individual applying for the training
- Associated recruitment and retention issues

Service Managers will ensure fairness and equality of opportunity in making these decisions. The following guidelines are provided for time off from work whilst studying to ensure consistency across the Council, bearing in mind that studying may be through attendance at college or by distance learning. This time off is to be used either for attendance or for study.

- HNC/HND and SVQ equivalents – 3 hours per week (pro rata for part time staff)
- Degree level - 1 day per week (pro rata for part time staff). An equivalent arrangement will be made for shift workers.
- Additional time off may be granted for exams or equivalent where no exams are required (see below for guidance).

9.2 Funding

The following areas may be paid by the Council via service budgets:

- Course fees.
- Exam fees
- First re-sit fees will be paid in exceptional circumstances
- Fees for texts considered **essential** to undertake the course.
- Travel/Subsistence costs to attend course of study (See 9.3 and Council expenses procedures)
- Paid time off to attend course of study and exams, if required
- Paid time off to attend 1st Re-sit (where agreed)
- Paid time off for revision prior to exams. The amount of time off allowed will be equivalent to the duration of the exam

9.3 When attending courses or exams within an employees normal working hours, mileage will be paid for the distance in excess of normal travel to and from work.

When there is a need for an employee to attend courses outside their normal work pattern, they will be compensated at straight time for the hours attended, either with pay or with TOIL depending on the needs of the service. Mileage to attend will be paid.

Travel time to attend any training on or off island will not be paid.

Where the duration of the course is shorter than the normal working day/shift, employees are expected to return to work for the remaining hours wherever possible. If an employee does not return to work without prior agreement with their line manager, they will only be paid for the hours they have attended the course (as stated above).

- 9.4 Employees must obtain permission from their Service Manager for time off to attend an approved course, and any time off granted will be classed as special leave.
- 9.5 Annual leave is to be used for time off to attend Graduation Ceremonies, including those held on the mainland. No travel or subsistence is paid for this purpose.
- 9.6 If an employee fails to achieve a qualification that is a statutory registration requirement, an extension may be granted. Failure to achieve such a qualification may have an impact on the individual's ability to remain in their post.
- 9.7 Repayment of Training/Qualification Costs
- 9.7.1 In most cases the repayment of training costs applies only when an employee fails to complete or achieve a qualification. In this case, the employee must repay all costs paid by Shetland Islands Council, excluding travel costs and paid time off.
- 9.7.2 Repayment of fees will be required in cases where a considerable training investment has been made, for example for professional traineeships or degree level courses. In these circumstances, employees who leave the Council within 2 years of completing the course/achieving the qualification will be required to repay 50% of the cost of delivering the training. The period over which this will take place is to be agreed between HR/Finance/Service and the individual.
- 9.7.3 Employees will be made aware of the circumstances where repayment is required at the time approval for the course is given.
- 9.7.4 Where there are extenuating circumstances, the Head of Service may waive the requirement to repay.

10. EVALUATION OF TRAINING

10.1 All training and development activities will be evaluated to measure their contribution to the achievement of council objectives and best value. Those responsible for training within the organisation will develop evaluation tools, which will allow each training and development activity to be evaluated against the following criteria:

- How the training and development activity met the needs of the individual at that time, and the impact on service users
- The degree of learning which took place as a result of the training
- The impact of the training on individual performance
- How the training contributes to the achievement of Council goals

- 10.2 Executive Directors, Heads of Service and Service Managers will contribute to the evaluation process by ensuring that training plans are produced consistently throughout the Service and that pre and post course briefings are undertaken as appropriate.

11 USE OF EXTERNAL TRAINING PROVIDERS/CONSULTANTS

- 11.1 For the purposes of quality assurance, Train Shetland will retain records of external training and development providers approved to work with Shetland Islands Council as facilitators, or to deliver general management development/personal effectiveness training. They will also keep records of those providers who have proved to be unsuitable to work with Shetland Islands Council. Each service must consult with Train Shetland and/or the Training and Skills Co-ordinator prior to engaging with any new external training provider for general management and/or personal effectiveness training to discuss suitability for purpose.
- 11.2 The appointment of new training providers will be made in accordance with the Council's Procurement Policy.

12 GRIEVANCES

- 12.1 Employees may refer questions of interpretation or problems related to the provisions or the application of this policy in the first instance to the relevant Head of Service who if necessary, will consult with the Head of Organisational Development. This may include representation by the employee's trade union. If this procedure fails to produce a satisfactory result to the employee concerned, recourse may then be made to the Council's Grievance Procedure.



REPORT

To:

Employees JCC
Shetland Islands Council

8 January 2008
7 February 2008

From: **Human Resources Manager**
Executive Services

Report No: CE 47 F

Review of Training & Development Policy

1. Introduction

1.1 This report seeks Council approval for a revised Training & Development Policy. This policy has been developed in line with 'best practice' and experiences of managers and staff since the latest revision of this policy in December 2005.

2. Links to Corporate Policy

2.1 This policy forms part of the Council's performance management framework and the requirement placed on local authorities to develop a strategic approach to workforce planning and development. Section 5.8 of the plan refers to providing "access to learning and development opportunities for all employees".

3. Background

3.1 The current Training & Development Policy was approved by Council in December 2005. However, since then there have been a number of organisational changes and an increasing requirement for employees to undertake training to meet statutory registration requirements. This has resulted in the need to take a closer look at the management of training with a greater emphasis within the local authority on workforce development and succession planning.

4. Changes to Policy

4.1 The existing policy does not permit payment to be made to employees required to attend training outwith their normal working hours. This has now been recognised as potentially discriminatory for part-time employees and caused difficulties for services based around a 24/7 operation where shift workers were unable to attend during their working hours.

- 4.2 Considerable consultation with services has now taken place and the new policy proposes to pay employees for the time when they are required to attend training outside their normal working time and for the mileage to attend the training (see section 9).
- 4.3 The policy also includes reference to the statutory requirement for training for registration purposes, in social care for example, and the implications of failing to achieve the necessary qualification on the future employability for those employees (see section 9).
- 4.4 The repayment of training costs has been introduced in circumstances where an employee leaves the Council within 2 years of achieving a qualification funded by a considerable investment, for example for a professional traineeship or post graduate qualification.

5. Single Status

- 5.1 The development of Job Families and the job/service re-design exercise currently underway will inform a new corporate training needs analysis and corporate training plan to be developed during 2008 as the single status project develops further. The outcome of this exercise is unknown at this stage but there is no doubt that it will result in a wider review of the Council's approach to workforce planning and development.

6. Financial Implications

- 6.1 The financial implications for training and development will be met from within existing Corporate and Service training budgets.

7. Policy and Delegated Authority

- 7.1 The determination of new or variation of existing policy has not been delegated, and therefore remains a decision of the Council, in terms of Section 8.0 of the current Scheme of Delegation.

8. Conclusion

- 8.1 There is now a nationally driven requirement for all local authorities to take a strategic and planned approach to workforce development and succession planning. This, along side the growing number of areas within the Council that have a statutory requirement for qualifications to be achieved for registration purposes means that a more developed and flexible approach to training and development across the council must be taken. This will ensure the Council can continue to improve and develop its services to the Shetland community and be able to demonstrate best value from its training budgets.

9. Recommendations

- 9.1 It is recommended that the Employees JCC recommends approval of this revised and updated policy to Shetland Islands Council.

64 St Olaf St, Lerwick

December 2007

Our Ref: DB/DMT

Report No: CE 47 D1



REPORT

To: Shetland Islands Council

7 February 2008

From: Head of Organisational Development

SUSTAINABLE DEVELOPMENT WITHIN SHETLAND – UPDATE

Report No: CE-06-F

1 Introduction

1.1 This report provides an update on the Council's Sustainable Development Implementation Plan (Appendix A).

2 Link to Corporate Priorities

2.1 The Council's Corporate Plan supports sustainable development by establishing a balance between economic, social, environmental and cultural activity. Specifically, Section 2 – Organising our Business states that 'consistent action and commitment to sustainable development will be made', making sure all decisions and actions focus on delivering our priorities and are sound for the long-term. This principle is being reflected in the developing Corporate Plan 2008-11.

3 Background

3.1 The Executive Committee in the last Council agreed to the preparation of a Sustainable Development Implementation Plan (SDIP) for Shetland Islands Council (Minute Ref: 30/06).

3.2 The SDIP was developed and approved by Council in December 2006 (Minute Ref: 197/06). As part of achieving the actions, the Council agreed to the signing of the Scottish Declaration on Climate Change. By doing so the Council:

- Acknowledged the challenge of Climate Change
- Welcomed action to tackle Climate Change, and
- Committed signatories to further action.

This was signed in Shetland by the Convenor and Chief Executive in early January 2007, to coincide with the national launch.

4 Progress on Implementation – some highlights

4.1 Appendix A sets out a full update on progress against the targets in the Implementation Plan. However, some of the highlights can be summarised below:

- Promotion and training – A series of Roadshows is currently being organised. These are to be held at Secondary Schools across Shetland between April and June 2008. The purpose of these is to increase people's understanding of Sustainability issues.
- Promotion – Most of Shetland's Secondary schools have started a film project to document an issue related to Sustainable Development in their area. The films produced are to be shown at an event in the Town Hall to Councillors and other officials at the end of June.
- In November 2007, the Infrastructure Committee approved a report for £250,000 funding for grants to address fuel poverty. Grant money is to be used to improve the Standard Assessment Procedure rating of homes. This forms part of the Fuel Poverty Strategy developed by the Council to meet the Scottish target of eliminating fuel poverty in Scotland, as far as is reasonably practicable, by 2016.
- Energy Saving – The Local Authority Carbon Management Programme, strategy and Implementation Plan includes a number of actions that could reduce CO₂ emissions. Examples include a fuel additive trial that is currently being undertaken across a number of service areas: Dunrossness Primary, Leirna and Filla ferries and Council buses. Depending on the results from the trial there is potential for extending the project.

5 Policy & Delegated Authority

5.1 Given the importance of sustainable development and climate change to the ongoing and future delivery of all the Council's services, monitoring of implementation requires Council approval.

6 Financial Implications

6.1 The financial implications of implementing improvement within each service will fall to the consideration of individual Heads of Service and Service Managers. There is potential to make financial savings, as evidenced by the ongoing Internal Waste Audit, for example. As work progresses in this area, there are likely to be costs associated with implementing the Council's response to climate change, but these would be considered as individual projects and services.

7 Conclusion

- 7.1 This is the Second SDIP update to be produced. Shetland Islands Council already has much good practice in the move towards sustainable development and a co-ordinated approach is now being achieved. However, it remains important that the Council continues to be proactive in this area.

8 Recommendation

- 8.1 I recommend that Council:
- 8.1.1 Continue to support the implementation of this plan, including meeting the commitments in the Scottish Climate Change Declaration;
 - 8.1.2 Note the progress being achieved to date;
 - 8.1.3 Support the Energy Unit in delivering on the Local Authority Carbon Management Plan

Our ref: PP/JN/KM
Date: 28 January 2008

Report No: CE-06-F

Preamble

The most common definition of sustainable development is '*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*'¹ and more recently '*to enable people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations*'². On a day-to-day level, it is about incomes and money, health, housing and education, a safe and pleasant environment, how we use and manage biodiversity and access to transport, leisure and other services: and about these areas working in balance rather than in competition for resources. It is not about specific actions so much as believing in a set of values based on:

- the wise use of all resources (economic, human and natural);
- a strong commitment to inclusive local decision making and democracy; and
- more integrated working.

Generally, people have a natural desire to improve their quality of life. Sustainability means that, in doing so, progress in (for example) the quality of jobs, housing, transport and amenities is shared by all and does not come at the expense of the environment or earth's resources. Tomorrow is important, in terms of the economy, communities and the environment but a sustainable approach also offers benefits for today³.

A Sustainable Development Implementation Plan (SDIP) is a requirement of local authorities in Scotland to fulfil their obligations in relation to sustainable development contained in the Local Government in Scotland Act, 2003. It contains actions to ensure implementation on Shetland Island Council's Climate Declaration. The Executive Committee agreed to the development of a SDIP for Shetland by November 2006⁴. The SDIP spans activity for 5 years and progress against outcomes will be provided to Committee on a six monthly basis.

Format

The SDIP is divided into the following areas of activity, with progress monitored through "Sustaining Shetland":

- A. Development of new projects that contribute significantly to sustainable development in Shetland;
- B. Embedding sustainable development into existing community, corporate and service planning processes;
- C. Monitoring of existing projects that contribute significantly to sustainable development in Shetland;

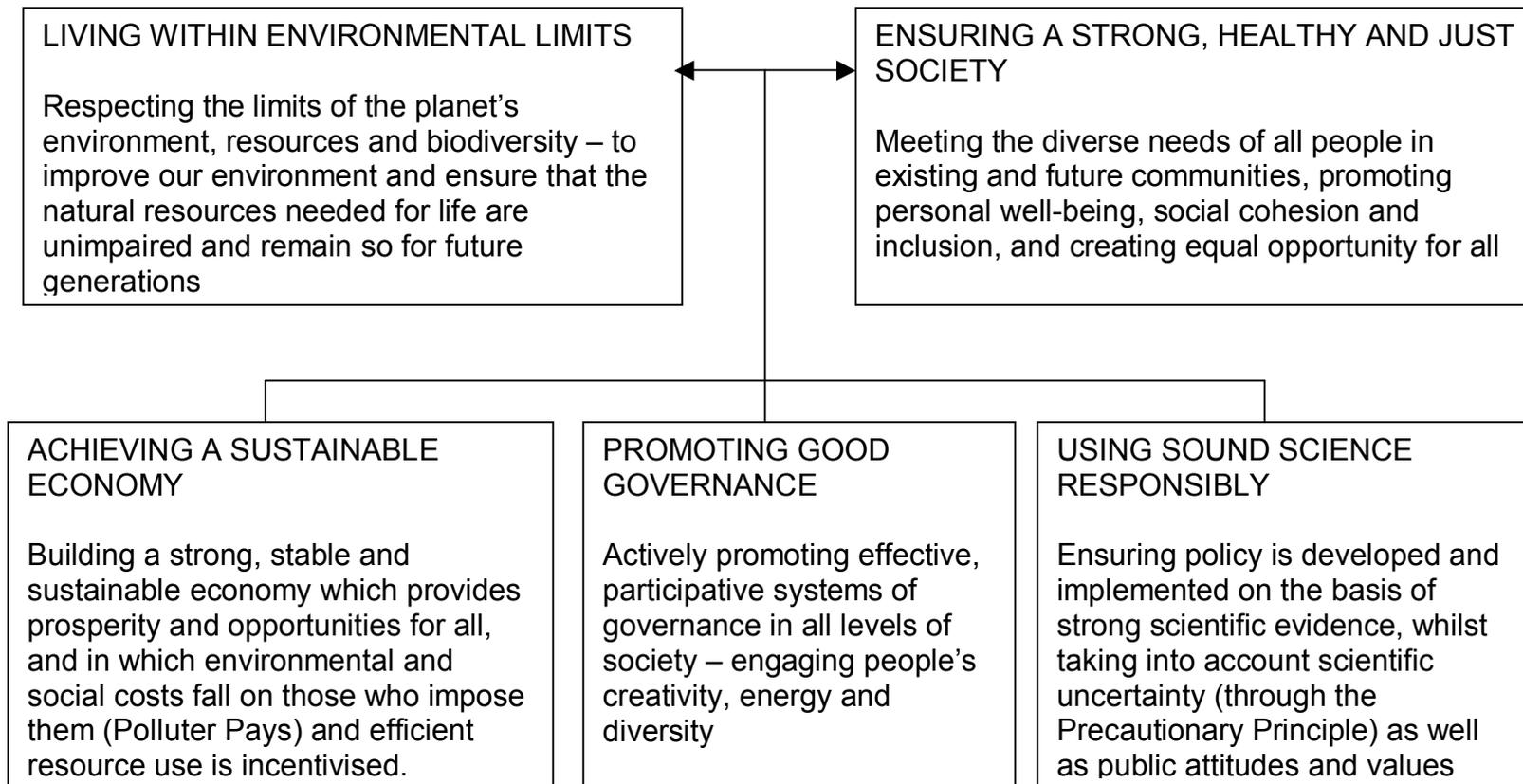
¹ From Brundtland Commission, 1987

² *One future – different paths*, UK shared framework www.sustainable-development.gov.uk/documents/publications/SDFramework.pdf

³ Report to SIC Executive Committee, 20.06.06

⁴ Report to SIC Executive Committee, 20.06.06

UK shared framework: principles for sustainable development



Priority areas for immediate action, shared across the UK:

- sustainable consumption and production
- climate change and energy
- natural resource protection and environmental enhancement
- sustainable communities

Scotland's Framework for Sustainable Development

A) Development of new projects that contribute significantly to sustainable development in Shetland

Priority Area	Action	Responsibility	Timescale	Progress
A.1 Shetland public agencies to sign and deliver on Climate Declaration				
A.1.1 Sign Declaration	Shetland Islands Council asked to sign	Policy	December 2006	Achieved. Declaration signed – January 2007
	Community Planning Board to encourage partners to do the same	Community Planning Board/Environmental Action Team	September 2007	Not achieved.
A.1.2 Adaptation to climate change	Ensure current policies, strategies and plans include provision for the impacts of climate change	Policy, through the service planning process	February 2008	Progress being made. Draft Service Plans being submitted – comments being provided to ensure that services are embedding sustainable development into service delivery. Policies and strategies to be looked at.
	Identify and assess the risks from climate change to services	Policy , through the service planning process	February 2008	Progress being made. See above
	Ensure any developments with a lifetime of more than 20 years required to factor in climate change	Policy	February 2008	Progress being made. New build & major alterations now take into account potential energy reduction, sustainability and use of recycled materials.
A.1.3 Mitigation of climate change: low carbon economy	All feasibility studies will include a sustainability test, including involving the Energy Unit in ensuring greenhouse gases /CO2 emissions are minimised on projects	Capital Projects/Energy Unit	Ongoing	Progress being made. Mid Yell School – identification of alternative energy sources ongoing, in conjunction with Energy Unit. Proposed feasibility study into Mid Yell Community Heating Scheme. Other feasibility studies are considering alternative energy sources and budget implications e.g. Sandwick School extension. For studies within Lerwick, use of District Heating is promoted.

	The Energy Unit will be consulted on all refurbishments to ensure greenhouse gases /CO2 emissions are minimised	Building Services, Asset and Property Management, Capital Projects	<u>Ongoing</u>	Progress being made. The Energy Unit is consulted on all schemes where there are implications for energy use, ie. additional heating requirements.
	Delivery on Local Authority Carbon Management Plan	Energy Unit	Complete by March 2009	Progress being made. Shetland currently signed up, implementation commenced. Implementation plan due for completion in March 08.
	Reduce greenhouse gas/CO2 emissions produced directly by transport provided by the SIC, for example the use of biofuels for ferries/vehicle fleet	Regional Transport Partnership	Refer to Regional Transport Strategy	Progress being made. The Transport Service is trialling a fuel additive in Ferries and buses. It is hoped that this will contribute to improved fuel efficiency and reduced CO ₂ emissions.
	Encourage all contractors and sub contractors to have some form of environmental management accreditation e.g. Tidy Business Scheme as minimum	All Heads of Service	Ongoing	Progress being made. Work underway to ensure that this requirement is included in SIC grant forms along with other environmental management requirements.
	Input into design of new developments to ensure they are EMS compliant from the start, and have waste separation facilities as standard	All Heads of Service	Ongoing	No information provided.
A.1.4 Ensure effective monitoring is in place: e.g. Energy Use/CO2 emissions from SIC buildings Fuel Use Internal (SIC vehicles, transport, plane) Car travel within SIC	Establish baseline information, targets and monitoring through the Service Performance Review sessions Energy use of Council buildings exists in Energy Policy.	Policy Unit, SIC, with assistance from Energy Unit, Planning, SIC, Regional Transport Strategy	March 2007	Achieved. Baseline figures have been produced and reduction in energy usage is reported to each service performance review, for monitoring by Members. Work currently underway to collect baseline data on employee mileage both while at work and travelling to and from work

A.2 Promotion and Training				
A.2.1 Ensure everyone in Shetland is aware and able to contribute to achieving sustainable development for Shetland, for example, around minimising energy consumption	Develop and implement promotion plan: - Individuals and communities - Businesses - Voluntary and Community Sector - Partner Organisations	Policy	April 2008	Progress being made. Promotional Plan developed, implementation underway. Sustainable development Roadshow is planned to be taken out to 8 Junior High Schools between April and June 08.
	Promotion of issues affecting Shetland	Projects done by individual secondary schools	April to June With final event in Town Hall in June to watch all films	Progress being made. Each Secondary School has been asked to produce a 10-15 min film showing examples of climate change or any other issue related to Sustainable Development in their area.
	Develop and deliver training course for SIC employees	Policy	March 2007, for delivery from April onwards	Not achieved.
A.3 Improved access to services via the internet, for example internet cafes, wireless to buildings				
A.3.1 Assessment as to the barriers to digital inclusion, amongst individuals and households	Use of Citizen's Panel to gather data on facilities/connectivity across Shetland.	Policy	Spring 2007	Progress being made. Your Voice Survey included questions on connectivity to broadband. The following results were reported. <ul style="list-style-type: none"> • 82% Have a computer at home • 73% Have ASDL broadband • 20% Modem • 4% Don't have an internet connection • 89% found their internet connection either very reliable or Fairly reliable • 14% have plans to upgrade their current computer • 14% have plans to upgrade their internet connection

A.3.2 Targeted implementation, as appropriate	Dependent on results	Policy Scottish Government Register Broadband demand	Autumn 2007	It is the Scottish Government's aim to provide broadband to all households and businesses in Scotland currently unable to obtain an ADSL service. This data will therefore be used to target areas for broadband delivery.
A.4 Increase sustainability of food production and supply and increase supply to local markets				
Sustainable food procurement, allotments, Hungry for Success, Food for Life, use of COPE, food miles, packaging food waste, fresh fruit at meetings, for example	Development and implementation of Obesity Strategy: activity, food and mental wellbeing	Within Joint Health Improvement Plan Environmental Health, SIC	Development by April, 2007 Implementation 2007-09	<p>Achieved. A report outlining a Healthy Weight Strategy for Shetland was considered by the Community Planning Board in Dec 07.</p> <p>Progress being made. Shetland Food and Drink Strategy is to be finished and implementation to start in early 2008.</p> <p>Projects include: Promote marketing advice services available from HIE specialist advisors/consultants and www.scottishfoodanddrink.com, Re-launch of Food Innovation Centre, Masterclass Programme, Meet the Buyer Events, Food and Drink Directory, Distribution Study, Review Food and Drink Industry Skills Survey with a view to identifying skills gaps, Investigate the development of a Shetland Food and Drink Park, Explore options for a Shetland Food and Drink Festival.</p>

B) Embedding Sustainable Development into Existing Community, Corporate and Service Planning Processes

Priority Area	Action	Responsibility	Timescale	Progress
B.1 Sustainable development embedded within community planning				
B.1.1 Community Statement: (Shetland Resolution) based on sustainable development and quality of life, developed with extensive community engagement	Increase awareness and understanding	Policy Unit	Ongoing	Achieved. Report on Sustaining Shetland produced and agreed by Community Planning Board in October 07. CPB targets endorsed October 07.
	Key statement of Efficient Government Project	Policy Unit	Awaiting Scottish Executive response	Not achieved. Stage 2 funding bid unsuccessful
B.1.2 Community planning indicators (Sustaining Shetland): able to measure statement, with supporting evidence, targets and monitoring	Annual report to CPB on progress against targets	Policy Unit	September 2006 and subsequent years	Achieved. Annual 'Sustaining Shetland' report reported to CPB in October 07.
	Progress used to inform service delivery in partner organisations	Chief Executive and Head of Organisational Development	Ongoing	Achieved. Partner organisations provided with copy of 'Sustaining Shetland'.
	Reporting of these to public	Policy Unit	Annual Pubic Performance Report	Achieved. Sustaining Shetland published on internet site - Oct 07.
B.1.3 Development and implementation of Shetland-wide Environmental Strategy	Ensure resources are available to develop and deliver	Community Planning Board/ Environmental Action Team	March 2007	Achieved. Environmental Strategy update reported to CPB in December 07.
B.2 Sustainable development embedded within corporate planning				
B.2.1 Corporate Plan: corporate improvement plan 0607 based on sustainable development and quality of	Monitoring and reporting focus on sustainable development	Policy Unit	End September, December and March progress reports to Executive Committee	Achieved. Progress report submitted to Council in December 07.

life	Annual Reporting in Public Performance Framework	Policy Unit	End September 2006 and subsequent years	Achieved. Public Performance Calendar included Shetland's Community Planning 'Targets and Priorities'.
	Corporate activity informed by community planning indicators	Chief Executive and Head of Organisational Development	Incorporated into planning for following financial year 0708 and subsequent years	Achieved. Community Planning 'Targets and Priorities' are being embedded into the developing Corporate Plan 2008-11.
	Audit and Scrutiny Committee to assess	Policy Unit	Ongoing	Not achieved.
B.2.2 Reports to council linked to corporate priorities and in particular evidence that new & changed policies, services, & projects are sustainable	Quality assurance system	Policy Unit, with assistance from Admin Services	Ongoing	Progress being made. All reports being checked to ensure relevant link.
	Support to staff to implement in line with service planning support	Policy Unit	September 2006-March 2007	Achieved
B.2.3 Raise awareness and understanding amongst Councillors	Workshop/Training as part of member's induction	Organisational Development	October/November 2007	Not achieved.
B.2.4 Service Reviews	Include sustainability test	Policy Unit	October/November 2007	Not achieved.

B.3 Sustainable development embedded within service planning ⁵

B.3.1 Service Plans	Service planning activity informed by corporate planning	Chief Executive and Head of Organisational Development	Incorporated into planning for following financial year 0708 and subsequent years	Achieved. Meeting with individual service managers held, and service plans 0708 assessed
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⁵ An assessment of Sustainable Development in Shetland Islands Council, by service area, using the Best Value and Sustainable Development Guidance from the Scottish Executive as the assessment framework, can be obtained from the Policy Unit

	Commitment to sustainable development demonstrated in service plans	All service managers with support from Policy Unit	Jan-Mar 2008	Progress being made. Quality checks ongoing to ensure that services are embedding sustainable development into service planning activity.
B.3.2 Raise awareness amongst Heads of Service and Service Managers	Audit	Waste Management	May 2006	Achieved
	Follow-up meeting with all service managers	Policy Unit	September-March 2007	Meeting with individual service managers held

C) Monitoring of existing projects that contribute significantly to sustainable development in Shetland

<u>Priority Area</u>	<u>Delivery Mechanism and Responsibility</u> ⁶	<u>Timescale</u>	<u>Progress</u>
C.1 Inclusion	Tacking Deprivation and Social Exclusion Action Plan, SIC Organisational Development, Policy Unit	Review on annual basis, Year 1 from Sept '06	Progress being made. Action Plan on schedule. National promotion led to Scottish Executive committing to develop indicators of rural disadvantage. Continued local promotion and strategies/ plans seeking to deliver on findings. Over 50 front-line staff trained and signposting booklet produced.
C.2 Eradicate Fuel Poverty by 2016	Fuel Poverty Strategy part of Local Housing Strategy, SIC Housing	2005-2009	Progress being made. £250,000 funding approved for grants to address fuel poverty
C.3 International Projects	Tamil Nadu Shetland Exchange, Fair Trade Status	Ongoing	Progress being made. Have developed an exchange with tsunami-affected area, based on 4 key areas. These are schools, skills, vocational and microfinance. At present a skills database consisting of local volunteers is being set up in Tamil Nadu, whereby villagers there can select skilled volunteers, which will help to build and create a sustainable community. Have procured computers for schools for Tamil Nadu. The ethos of the project is to help to re build a healthy sustainable community which will flourish long into the future.
C.4 Biodiversity	Living Shetland, SIC Planning, Heritage Service	Ongoing	No update received
C.5 Waste Plan	Area Waste Plan for Orkney	2003-2023	No update received

⁶ All the above are able to request assistance and report activity to Executive Committee.

	and Shetland, SEPA		
C.6 Community Involvement and Widening access to SIC	Community Planning Support Team, SIC Organisational Development, Policy Unit	Ongoing	Progress being made. Continued uptake for training opportunities in Community Involvement, Reaching the Hard to Reach and Facilitation skills, which is a new course now run by the community planning support team. Over 100 agency staff, Councillors, Community Councillors and community activists trained to date, with impact on quality: e.g. Viking Energy, Transport Strategy, Initiative at the Edge areas, community involvement, marketing techniques and mediation.
C.7 Improvements to Local Environment	Environmental Action Team, Community Regeneration Partnership	Ongoing	Progress being made. Access Strategy Implementation (see C.15); No update received
C.8 Improved access to services: increased service provision, reduced need to travel	Geographic –based planning, Community Health Partnership Representative Committee and Local Service Delivery Groups	5 groups established, January 2008	Progress being made. Many of the local CHP were absorbed into the Local Service Delivery Groups (LSDGs) when they were formed. Have 5 LSDG, still 2 more to establish – The North Isles and Lerwick/Bressay. Beginning to highlight issues with potential for groups to resolve. LSDG will put a certain issue on the agenda, for instance the local health centre, discuss service provision and take forward any action resulting from this.
C.9 Procurement driven by need to consider and demonstrate sustainable development	Development and Implementation of Procurement Strategy, SIC Procurement Strategy Project Board	Strategy Developed 2007	Progress being made. Procurement Strategy approved by full Council 4 th July 2007, Implementation delegated to Chief Executive. Within the Procurement Strategy, Section 8 concentrates on Sustainability and Transparency. Actions from the Procurement strategy: <ul style="list-style-type: none"> • Provide details for procurement accessibility via the intranet and external internet website • Liaise with the Economic Development Unit and other parties to promote and simplify business accessibility • Develop a green procurement guide/toolkit • Develop collaborative (internally and externally) procurement opportunities which fully recognise sustainable and environmental obligations • Provide checklists for procurement which allows officers to follow sustainability policies and procedures in a transparent manner.
C.10 Travel Planning	Workforce, School and Community Travel Plans	As set out in plans	Achieved. Council Workforce Travel Plan submitted to ZetTrans on 7th Jan and Infrastructure Committee on 22nd January. 20 schools have Travel Plans in place.
Taking steps to adapt to climate change impacts			
C.11 Environmental quality and sustainable flood management	River Basin Management Plan, SEPA	1 year to 18 mths	Progress being made. Regular meetings are being held - consultation being planned to take place in 2008.

C.12 Flood and coastal erosion	SIC Planning	Bi-annual Flood Report	Progress being made. Engineer recruited, started work in October. Report to be submitted to committee early 2008.
Taking steps to mitigate against climate change			
C.13 Decentralisation of SIC employment	Implement Guidelines on remote working, SIC, Organisational Development	Implementation Plan developed 2007 Report Jan 08	Progress being made. Implementation plan developed. Ongoing publicity surrounding these (article for next Your Council newsletter). Over 20 employees now working some of the time from remote locations.
C.14 Continued development and implementation of community energy projects, micro-generation and low carbon or carbon neutral projects	SHEAP, Shetland Renewable Energy Forum	Ongoing	No update received
C.15 Reduced use of vehicles	Access Strategy, SIC Planning, Safe Routes to School, SIC Safety and Risk, Regional Transport Strategy, Regional Transport Strategy, also C.13	Within individual plans	Progress being made. Access Strategy: led to 71 access improvements delivered throughout Shetland. 20 School Travel Plans have now been developed.
C.16 Energy Efficiency within SIC buildings	Energy Unit, SIC Planning, SIC's Energy Policy	Ongoing	Progress being made. Energy efficiency projects are somewhat hampered by the lack of Council electricians/plumbers and also difficulty in getting private contractors to carry out small-scale works. However areas that are currently ongoing include the following: <ul style="list-style-type: none"> The Local Authority Carbon Management Programme final report end of March, depends on Strategic Environmental Assessment (see A.1.3)
C.17 Strategic Environmental Assessment	All Heads of Service	Ongoing	No update received
C.18 Development of Environmental Management System	SIC, Waste Services	1 year to 18 mths	No update Received