



**Policy & Resources Committee
Shetland Islands Council**

**25 February 2015
25 February 2015**

**SIC Overall Management Accounts 2014-15
Projected Outturn at Quarter 3**

F-012-F

**Report Presented by Executive Manager -
Finance**

Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to enable the Policy & Resources Committee to monitor the financial performance of all Council services to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget. This allows the Committee the opportunity to provide early instruction to officers to address any forecast overspends in order that the budget is delivered by the year-end.
- 1.2 This report discusses the projected outturn position for the 2014/15 year as at the end of the third quarter for revenue and capital. The forecasts have been determined by Finance Services after consultation with the relevant Budget Responsible officers for the services. This report shows the impact this has on the draw on reserves for 2014/15.
- 1.3 The projected outturn position for the Council are underspends of £7.480m on revenue, £2.105m on capital (after deduction Capital from Current Revenue (CFCR)) and £1.669m on Spend to Save (unallocated). A total underspend of £11.254m.

2.0 Decision Required

- 2.1 The Policy & Resources Committee recommend that the Council RESOLVE to:
- review the Management Accounts showing the projected outturn position at quarter 3.

3.0 Detail

- 3.1 On 11 December 2013 (SIC Min Ref: 109/13) the Council approved the 2014/15 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £14.793m. This is still at an unsustainably high level and therefore it is vital to the economic wellbeing of the organisation that the budget is delivered, as any overspends will result in a further draw on reserves.
- 3.2 The table below sets out the projected outturn position against the revised budget. There is a total projected underspend against the revised budget of £11.254m.

Type of Spending	<i>Original Budget</i> £m	Revised Budget £m	Projected Outturn £m	Variance (over)/underspend £m
Revenue	106.401	107.434	99.954	7.480
Capital	10.606	15.875	13.482	2.393
Spend to Save (unallocated)	1.500	1.669	0	1.669
Remove CFCR included in Capital above	(1.090)	(1.548)	(1.260)	(0.288)
TOTAL	117.417	123.430	112.176	11.254

- 3.3 The impact on the reserves of the projected outturn, set out in section 3.2 above, is that the draw on reserves for 2014-15 is to reduce by £12.671m against the revised budget. There is more of the Capital Programme underspend related to spending funded by the Council's reserves rather than that funded by other sources which makes the reduction in draw on reserves greater than the overall reduction in spending set out in 3.2 above.

2014-15 Draw on Reserves	<i>Original Budgeted Draw</i> £m	Revised Budgeted Draw £m	Projected Outturn Draw £m	Variance (over)/underspend £m
Annual All Funds	14.793	17.784	5.113	12.671

- 3.4 The projected outturn draw on reserves equates to £14k per day as can be seen from the table below.

2014-15 Draw on Reserves	<i>Original Budgeted Draw</i> £000	Revised Budgeted Draw £000	Projected Outturn Draw £000	Variance (over)/underspend £000
Amount per Day	41	49	14	35

Variances shown in Appendices

- 3.5 Appendix 1 shows the revenue projected outturn position for the third quarter for the Council by service area and fund. Detailed reports on spending variances have been presented to individual Committees.
- 3.6 There is a projected underspend of £5.523m on the General Fund against the revised budget. This underspend is a combination of projected underspends and overspends across directorates, the largest projected underspends are in Children's services, Community Care and the cost pressures and contingency budget is unlikely to be spent.
- 3.7 There is a projected increased surplus of £1.575k on the Harbour Account, which is mainly due to additional income..
- 3.8 There is a projected increased surplus of £382k on the Housing Revenue Account due mainly to the sale of Council houses which has reduced the requirement to utilise CFCR to pay for capital expenditure.
- 3.9 There is a projected underspend of £1.669m on the Spend to Save Reserve (unallocated). There is unlikely to be any further spending before the end of the year.
- 3.10 Appendix 2 shows the capital projected outturn position for the third quarter for the Council. There is an anticipated underspend of £2.393m against the revised budget mainly due to delays on the New Scalloway Health Centre Conversion, Phase 2 of the ET & Taing Conversion, Clickimin Roundabout/Access Road, Rolling Bridge Replacements, Town Hall Conservation project and Terminal Life Extensions. This is offset by an increase in spending on the new AHS consultants fees.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities

There is a specific objective within the Corporate Plan to ensure that the Council is "living within our means" with a range of measures which will enable the Council to achieve financial sustainability over the next four years, and line up spending with priorities and continue to have significant reserves.

The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council.

4.2 Community /Stakeholder Issues – None.

4.3 Policy And/Or Delegated Authority

Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Committee may exercise and perform all

powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2014/15 financial year. The Policy & Resources Committee has delegated authority for securing the co-ordination, control and proper management of the financial affairs of the Council.

4.4 Risk Management

There is a risk that revenue services and capital projects will not be delivered within the approved 2014/15 budget resulting in an additional draw on reserves, which is unsustainable. Failure to deliver the 2014/15 budgets may result in the Council failing to deliver its Corporate Plan and Medium Term Financial Plan.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The 2014/15 Council budget is not sustainable because it requires a draw on reserves in excess of the returns that the fund managers can make on average in a year.

For every £1m of reserves spend (in excess of the sustainable level) it will mean that the Council will have to make additional savings of £50,000 each year in the future as a result of not being able to invest that £1m with fund managers to make a return.

It is therefore vital that the Council delivers its 2014/15 budget, as any overspend will result in a further unsustainable draw on reserves which will have the long term consequences as explained above.

Revenue (GF/Harbour/HRA/Spend to Save)

The projected outturn position shows a net underspend of £7.480m. This underspend is made up of General Fund underspend of £5.523m, an increase in surplus income on the Housing Revenue Account of £0.382m and an increase on the surplus on the Harbour Account of £1.575m.

Capital (GF/Harbour/HRA/Spend to Save)

The projected outturn position shows a net underspend of £2.393m. This is made up of General Fund underspend of £1.260m and Harbour Account overspend of £15k, Spend to Save underspend of £1.150m and the Housing Revenue Account is expected to overspend by £2k.

Spend to Save Budget Unallocated Budget

The projected outturn position shows a net underspend of £1.669m.

Reserves

The projected outturn draw on reserves is £5.113m (or £14k per day) which is £12.671m (or £35k per day) less than the revised budget.

- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 The revenue outturn position for the combined General Fund, Harbour Account, Housing Revenue Account and Spend to Save is projected to be under budget by £7.480m.
- 5.2 The capital outturn position for the combined General fund, Harbour Account, Housing Revenue Account and Spend to Save is projected to be under budget by £2.393m.
- 5.3 The outturn position for the Spend to Save (unallocated) budget is projected to be under budget by £1.669m.
- 5.4 The projected draw from reserves is to decrease by £12.671m against the revised budget.

For further information please contact:

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List of Appendices

Appendix 1 – Overall SIC Projected Revenue Outturn Position for 2014/15

Appendix 2 - Overall SIC Projected Capital Outturn Position for 2014/15

Background documents:

SIC Budget Book 2014-15, SIC 11 December 2013

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=15444>

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Shetland Islands Council**1. Revenue Projected Outturn Position for 2014/15**

General/Support/Recharged Description	Revised Budget 2014/15 £000	Projected Outturn 2014/15 £000	Budget v Proj. Outturn Variance £000
Chief Executive	1,730	1,684	46
Children's Services	41,878	40,805	1,073
Community Care	20,530	19,475	1,055
Corporate Services	10,109	9,794	315
Development	13,972	13,031	941
Infrastructure	21,156	20,496	660
Fund Managers Fees	600	768	(168)
Contingencies & Budget Pressures	1,923	322	1,601
Net Recharges to Other Fund	(1,911)	(1,911)	0
Total Costs	109,987	104,464	5,523
<i>Funded by:</i>			
Government Grants	(86,622)	(86,622)	0
Council Tax	(8,408)	(8,408)	0
Unsustainable Draw on Reserves	(14,957)	(9,434)	(5,523)
Total Funding	(109,987)	(104,464)	(5,523)
Balanced Budget	0	0	0

Harbour Account	Revised Budget 2014/15 £000	Projected Outturn 2014/15 £000	Budget v Proj. Outturn Variance £000
Harbour Account	(2,224)	(3,799)	1,575
<i>Funded by:</i> Marine Fund (Reserve)	(138)	(138)	0
Contribution to Reserve Fund (Reserve)	2,362	3,937	(1,575)
Balanced Budget	0	0	0

Housing Revenue Account	Revised Budget 2014/15 £000	Projected Outturn 2014/15 £000	Budget v Proj. Outturn Variance £000
Housing Revenue Account	(191)	(573)	382
Funded by: Contribution to HRA R&R fund (Reserve)	191	573	(382)
Balanced Budget	0	0	0

Spend to Save	Revised Budget 2014/15 £000	Projected Outturn 2014/15 £000	Budget v Proj. Outturn Variance £000
Spend to Save Unallocated	1,669		1,669
Funded by: Spend to Save (Reserve)	(1,669)		(1,669)
Balanced Budget	0	0	0

Shetland Islands Council**2. Capital Projected Outturn Position for 2014/15**

Service Area Description	Revised Budget 2014/15 £000	Projected Outturn 2014/15 £000	Budget v Proj. Outturn Variance £000
Children's Services	1,488	2,733	(1,245)
Community Care	3,793	1,881	1,912
Corporate Services	777	777	0
Development	702	820	(118)
Infrastructure (incl. Harbour Account)	7,027	5,180	1,847
Development (HRA)	2,087	2,090	(3)
Total Costs	15,875	13,482	2,393
<i>Funded by:</i>			
General Capital Grant	(6,996)	(6,996)	0
Other Government Grants	(528)	(504)	(24)
Capital Fund Reserve	(1,514)	709	(2,223)
Spend to Save Reserve	(1,650)	(500)	(1,150)
ERDF Grant	0	(106)	106
Capital Receipts	(500)	(952)	452
General Fund CFCR	(410)	(260)	(149)
CFCR (HRA)	(1,337)	(1,019)	(319)
Capital Receipts (HRA)	(750)	(1,071)	321
CFCR (Harbour Account)	(210)	(210)	0
Debt Charges (Harbour Account)	(16)	(31)	15
External Borrowing	(1,964)	(2,543)	579
Total Funding & Financing	(15,875)	(13,482)	(2,393)
Balanced Budget	0	0	0



**Policy and Resources Committee
Shetland Islands Council**

**25 February 2015
25 February 2015**

Progress Report – Asset Investment Plan

CPS-06-15-F

Executive Manager – Capital Programme

Capital Programme Service

1.0 Summary

- 1.1 The 5-year Asset Investment Plan (AIP) detailing budgets listed in Appendix A was approved on 11 December 2013 (Min. Ref, 108/13) and 28 May 2014 (Min. Ref. 35/14). This report advises the Council on the progress on the projects contained within the AIP.
- 1.2 It includes a summary of the financial status and predicted outturn for the full life of each project.

2.0 Decision Required

- 2.1 That the Policy and Resources Committee RECOMMENDS that the Council notes the progress on the projects within the AIP.

3.0 Detail

- 3.1 This report provides an overview of the full life of each project, based on the revised budget and the predicted outturn.
- 3.2 Where projects take place over a number of financial years, this report summarises the position from the beginning to completion of the project. Rolling programmes are not included in this report.
- 3.3 Quarterly monitoring reports on capital expenditure are now provided by the Executive Manager - Finance, detailing the progress of capital projects within the current financial year. These reports include information on rolling programmes.
- 3.4 The detailed project information is attached as Appendix A.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – This report forms part of the annual performance reporting arrangements on financial matters in support of the Financial Strategy, Reserves Policy and Budget Strategy.
- 4.2 Community/ Stakeholder Issues – None
- 4.3 Policy and/ or Delegated Authority – Approval of the financial strategy and budget framework is a matter reserved for the Council having taken advice from the Policy and Resources Committee.
- 4.4 Risk Management – The main areas of risk are financial in terms of over or under-spend. Regular progress reports to Committee and the Council enable Members to monitor the investment plan.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – None

Resources

- 4.7 Financial – This report shows that the full life predicted outturn cost of the projects in the Asset Investment Plan totals £104.2m, of which £40.1m is externally funded (38%), resulting in a total estimated cost to the Council of £64.1m. The expenditure to date on these projects is £43.3m with £60.9m spend outstanding.
- 4.8 Legal – None
- 4.9 Human Resources – None
- 4.10 Assets And Property – None

5.0 Conclusions

- 5.1 This report provides an update on progress in delivering the Asset Investment Plan and summarises the full life financial position for each project.

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List of Appendices: Appendix A - Progress Report - Asset Investment Plan

Background documents: None

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Capital Projects - Full Life Project Costs

CPS-06-15 Appendix A

Directorate	Service Area	Budget				Funding		Expenditure	
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to Date £	Project Cost Outstanding £
Childrens Services	Schools	2,480,581	46,493,821	48,974,402	0	31,825,747	17,148,655	2,226,591	46,747,811
		2,480,581	46,493,821	48,974,402	0	31,825,747	17,148,655	2,226,591	46,747,811
Community Care Services	Adult Service	4,657,083	0	4,163,869	493,215	2,000,000	2,163,869	2,297,889	1,865,979
	Occupational Therapy	8,790,449	0	8,787,586	2,863	1,534,000	7,253,586	3,110,729	5,676,858
		13,447,532	0	12,951,455	496,078	3,534,000	9,417,455	5,408,618	7,542,837
Development Services	Economic Development	2,414,219	0	2,491,094	(76,875)	282,440	2,208,654	2,360,765	130,329
	Housing	8,226,259	0	8,226,261	(2)	1,060,000	7,166,261	7,644,688	581,573
	Shetland College	5,036,186	0	5,043,334	(7,148)	2,309,000	2,734,334	4,900,466	142,868
		15,676,664	0	15,760,689	(84,025)	3,651,440	12,109,249	14,905,919	854,770
Infrastructure Services	Environmental Services	711,949	0	693,322	18,627	0	693,322	331,891	361,430
	Estate Operations	3,675,000	928,540	3,302,606	372,394	990,000	2,312,606	106,394	3,196,212
	Ferry Operations	1,243,978	0	1,242,793	1,185	0	1,242,793	989,342	253,451
	Roads	2,344,769	0	2,125,701	219,068	0	2,125,701	616,551	1,509,150
	Ports & Harbours	19,090,659	0	19,154,023	(63,364)	95,398	19,058,625	18,699,481	454,542
		27,066,355	928,540	26,518,445	547,910	1,085,398	25,433,046	20,743,659	5,774,786
	Total All Funds	58,671,132	47,422,361	104,204,990	959,963	40,096,585	64,108,405	43,284,786	60,920,204

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCE1221	Happyhansel PS Extension	509,657	0	509,657	0	322,366	187,291	497,001	12,656	Within budget and contract practical completion issued end March 2014 with some additional works completed summer 2014. Final account still to be paid with retention and internal recharge scheduled for March 2015.
GCE1304	Anderson High School Replacement	955,923	46,493,821	47,449,744	0	30,995,881	16,453,863	1,729,429	45,720,315	Outline design work has been completed and planning consent obtained. Work is progressing on the detailed design and construction procurement. Following SFT guidance spending on fees has been accelerated. Project costs and funding increased by inflation.
GCE1305	Anderson High Clickimin Path Upgrade	1,015,000	0	1,015,000	0	507,500	507,500	160	1,014,840	SIC/Sustrans funded project, works have started on site.
Total		2,480,581	46,493,821	48,974,402	0	31,825,747	17,148,655	2,226,591	46,747,811	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCA0241	Extensions to ET & Taing Houses - Spend to Save Project	2,657,083	0	2,163,868	493,215	0	2,163,868	1,330,999	832,870	Phase 1 - 99% complete, with only minor works to be finished. Phase 2 - scope of project reduced with anticipated underspend against set budget. Budget slippage to 15/16 required.
GCA0242	NHS Conversion Scalloway School	2,000,000	0	2,000,000	(0)	2,000,000	0	966,891	1,033,110	NHS funded project, tender awarded and works programme started August 2014. Primary School has moved into old secondary premises. Health Centre works ongoing with completion estimated June 2015.
GCA0237	Eric Gary Replacement	5,705,312	0	5,705,312	0	0	5,705,312	37,455	5,667,858	Detailed design ongoing with planning permission agreed in principal.
GCA0233	Occupational Therapy Resource Centre	3,085,137	0	3,082,274	2,863	1,534,000	1,548,274	3,073,274	9,000	Building officially opened on 24 July, 2013 with NHS jointly funding this project. Final account agreed less than anticipated, recharges will not be posted until year end.
Total		13,447,532	0	12,951,455	496,078	3,534,000	9,417,455	5,408,618	7,542,837	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCY5141	Landfill Capping	711,949	0	693,322	18,627	0	693,322	331,891	361,430	Phase 1 Project ongoing with anticipated saving of £19k in 14/15. The budget shown includes further phases due to start in 15/16 and 17/18.
GCY5507	Town Hall and Lystina Conservation Project	2,115,000	928,540	1,742,606	372,394	0	1,742,606	56,008	1,686,598	Only £55K of £427K budget likely to be spent in 14/15 financial year as this project has be reprofiled to future years. External funding bids are being processed.
GCY5512	Bells Brae PS Refurbishment	875,000	0	875,000	0	577,500	297,500	0	875,000	Bells Brae PS reroof, main contract works phased over two financial years 15/16 & 16/17.
GCY5513	Sound PS Refurbishment	625,000	0	625,000	0	412,500	212,500	230	624,770	Sound PS reroof, main contract works phased over two financial years 15/16 & 16/17.
GCY6139	Clickimin Roundabout Works	872,000	0	872,000	0	0	872,000	50,423	821,577	Planning conditions met and Planning to be advised of anticipated site start 9 March, 2015. Delay due to lead time on materials.
GCY6205	Laxaburn Bridge Replacement	252,324	0	212,368	39,956	0	212,368	192,132	20,236	Bridge works complete and safety barrier installed at end October 2014. Fencing and surfacing to be completed by end March 2015, internal recharge will not be posted until year end. Anticipated carry forward of approx. £7K required to next financial year to complete works and re-seed.
GCY6208	Effirth Bridge	214,455	0	209,045	5,410	0	209,045	209,045	0	Main contract works complete with only retention paid 14/15.
GCY6209	Burra Bridge Bearings	385,989	0	210,207	175,782	0	210,207	42,746	167,462	Specialist contractor unwilling to carry out jacking up work during the winter months and this part of the project will slip to next financial year. Saving of 120K on this project transferred to cover Foula Bridge emergency works.

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
GCY6210	Trondra Bridge Bearings	500,000	0	500,000	0	0	500,000	125	499,875	Main contract works to commence after Burra Bridge Bearings in 2015/16.
GCY6211	Foula Bridge	120,000	0	122,080	(2,080)	0	122,080	122,080	0	Budget for emergency repairs created from savings on Burra Bridge following heavy rainstorm which rendered bridge unusable. Project manager advises works are now complete.
GCY7216	Viking Bus Terminus/Shelters	60,000	0	60,000	0	0	60,000	50,156	9,844	Works ongoing - still to complete additional storage to COPE.
GCY7634	Ticket Machines - Spend to Save	159,978	0	158,793	1,185	0	158,793	106,793	52,000	Additional budget created from savings within Ferry Operations.
GCY7635	Bigga Life Extension	900,000	0	900,000	0	0	900,000	750,702	149,298	Propellers fitted and shot blasting completed previously. Re-engine completed in January 2015 - awaiting invoices. £50K carry forward may be required to 2015/16
GCY7636	Yell Ferries Monitoring System	134,000	0	134,000	0	0	134,000	131,847	2,153	Additional budget created from savings within Ferry Operations to enable purchase of enhanced monitoring system. Project completed in November 2014.
GCY7637	Linga Conversion	50,000	0	50,000	0	0	50,000	0	50,000	Design fees for propulsion and control systems upgrade delayed, carry forward of budget to 15/16 required.
GCM2313	Tugs for Sellaness	15,239,149	0	15,254,149	(15,000)	0	15,254,149	15,242,339	11,810	Final works underway and completed summer 2014. Projected overspend relates to legal fees which were not budgeted.
GCM2316	Walls Pier	3,166,511	0	3,200,832	(34,321)	95,398	3,105,433	3,183,991	16,840	Practical completion reached and the pier was opened at end of May 2014. Projected overspend relates to final commissioning report, officer time & recharge which were previously understated. External funding was previously overstated. Final account and related officer time will not be processed until 15/16.

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Net Spend to date £	Total SIC Project Cost Outstanding £	
PCM2141	Lerwick Terminal Life Extension	75,000	0	75,000	0	0	75,000	0	75,000	Works to linkspan deck plating and hydraulics only this year. Some works delayed, and slippage required, due to staffing changes.
PCM2142	Bressay Terminal Life Extension	75,000	0	75,000	0	0	75,000	0	75,000	Works to linkspan deck plating and hydraulics only this year. Some works delayed, and slippage required, due to staffing changes.
PCM2143	Belmont Terminal Life Extension	135,000	0	135,000	0	0	135,000	53,018	81,982	Works to linkspan deck plating and hydraulics only this year. Some works delayed, and slippage required, due to staffing changes.
PCM2144	Gutcher Terminal Life Extension	250,000	0	250,000	0	0	250,000	56,090	193,910	Works to linkspan deck plating and hydraulics only this year. Some works delayed, and slippage required, due to staffing changes.
PCM2147	Vidlin Terminal Life Extension	50,000	0	50,079	(79)	0	50,079	50,079	0	Rubber D fendering replaced at Terminal.
PCM2148	Laxo Terminal Life Extension	50,000	0	57,072	(7,072)	0	57,072	57,072	0	Rubber D fendering replaced at Terminal.
PCM2149	Symbister Terminal Life Extension	50,000	0	56,892	(6,892)	0	56,892	56,892	0	Rubber D fendering replaced at Terminal.
Total		27,066,355	928,540	26,518,445	547,910	1,085,398	25,433,046	20,743,659	5,774,786	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
GCD1576	Fibre Optic Project Phases I, II & III	1,312,370	0	1,388,426	(76,056)	282,440	1,105,986	1,258,735	129,691	Phase 1 & 2 complete. Phase 3 delayed by consent approvals and amended to landward route. Overland Phase 3 - cable laying contract Blackgaet to Maywick complete. Splicing and testing being carried out by Council engineers.
GCD1577	Fibre Optic Project - Phases IV, V & VI	1,101,850	0	1,102,669	(819)	0	1,102,669	1,102,030	639	Works complete but retention accrual less than actual payment. Some remedial road works required - estimate £639.
UCL5203	Shetland College Extension	5,036,186	0	5,043,334	(7,148)	2,309,000	2,734,334	4,900,466	142,868	Practical completion issued end March 2014, with some works carried out during summer holidays 2014; retention and internal recharge will not be paid / posted until March 2015. Officially opened on 16 September 2014.
Total		7,450,405	0	7,534,428	(84,023)	2,591,440	4,942,988	7,261,231	273,197	

Code	Project Name	Budget				Funding		Expenditure		Update
		Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
HCH3304	Brae New Housing	1,800,276	0	1,860,276	(60,000)	460,000	1,400,276	1,770,673	89,603	Contract 3 months late in starting on site due to cost saving exercise, redesign and approval for contractors appointment. Overspend relates to alterations and Consultancy fees. Contract works practically complete at end July 2014, internal recharge will not be posted until financial year end and retention will not be paid until 2015.
HCH3305	Hoofields New Housing	3,763,495	0	3,754,311	9,184	600,000	3,154,311	3,731,760	22,551	Project complete and final account agreed £4.3K less than anticipated and £9.2K refund recieved from Scottish Water following commissioning works. Internal recharge not posted until financial year end.
HCH3706	Heating Replacement Programme	300,000	0	300,000	0	0	300,000	294,977	5,023	Rolling programme of works being progressed, the budget and spend identified here is for financial year 14/15 only. BRO anticipates this will be fully spent
HCH3711	Retentions/ Final Accounts	20,000	0	20,000	0	0	20,000	0	20,000	Budget held for outstanding final A/Cs
HCH3712	Housing Quality Standard	1,407,249	0	1,362,249	45,000	0	1,362,249	928,345	433,904	Numerous contractual appointments made (Kitchens / Windows / Insulation / Roofing etc.). Rolling programme of works being progressed, budget and spend identified here is for financial year 14/15 only.

		Budget				Funding		Expenditure		Update
Code	Project Name	Approved Budget £	Provisional Earmarked Funding £	Predicted Project Outturn £	Under (Over) Budget £	External Funding £	Cost to SIC £	Spend to date £	Project Cost Outstanding £	
HCH3715	Landward Crudens (Voe / Whalsay)	935,239	0	929,425	5,814	0	929,425	918,933	10,492	Project complete - snagging works and final accounts agreed less than anticipated. Internal recharge not posted until financial year end.
Total HRA		8,226,259	0	8,226,261	(2)	1,060,000	7,166,261	7,644,688	581,573	

**Shetland Islands Council****25 February 2015**

Shetland Islands Council Business Programme – 2015/16	
GL-08-15-F	
Team Leader – Administration	Governance and Law Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to inform the Council of the planned business to be presented to Council for the financial year to 31 March 2016 and discuss with Officers any changes or additions required to that programme.

2.0 Decision Required

- 2.1 That the Council considers its business planned for the financial year to 31 March 2016 and RESOLVES to approve any changes or additions to the Business programme.

3.0 Detail

- 3.1 The Council approved the Council's Meeting Dates and Business Programme 2015/16 at its meeting on 17 December 2014 (Min Ref: 108/14).
- 3.2 It was agreed that the Business Programme would be presented by Committee Services to the Council and each Committee, on a quarterly basis, for discussion and approval.
- 3.3 The manner in which meetings have been scheduled is described below:
- Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within 2 weeks of the meeting, the meeting will be cancelled;
 - Special meetings may be called on specific dates for some items – other agenda items can be added, if time permits;
 - PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per

quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;

- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, and if required according to the circumstances, the time, date, venue and location of any meeting may be changed, or special meetings added.

3.4 If approved, the Business Programme for 2015/16 will be presented by Committee Services to the Council and each Committee, on a quarterly basis, for discussion and approval, particularly in relation to the remaining projects and reports which are listed at the end of the business programme page for each Committee, as still to be scheduled.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – The recommendation in this report is consistent with the following corporate priorities:

Our Corporate Plan 2013-17

- To be able to provide high quality and cost effective services to people in Shetland, our organisation has to be run properly.
- Fully align the timetables, time spans and approaches for financial planning relating to the medium term yearly budgeting with Council, directorate and service planning.

4.2 Community /Stakeholder Issues – The Business Plan provides the community and other stakeholders with important information, along with the Council's Corporate and Directorate Plans, as to the planned business for the coming year.

4.3 Policy And/Or Delegated Authority – Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committees' role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations, in monitoring and reviewing achievements of key outcomes within its functional areas, whilst ensuring best value in the use of resources is met to achieve these outcomes within a performance culture of continuous improvement and customer focus.

4.4 Risk Management – The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council's Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial – There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

5.1 The presentation of the Business Programme 2015/16 on a quarterly basis provides a focussed approach to the business of the Council, and allows senior Officers an opportunity to update the Council on changes and/or additions required to the Business Programme in a planned and measured way.

For further information please contact:

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18 February 2015

List of Appendices

Appendix 1 – Shetland Islands Council Meeting Dates and Business Programme 2015/16

Background documents:

Report GL-20-F: SIC Business Programme and Diary of Meetings 2015/16

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4382>



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 18 February 2015**

Shetland Islands Council			
D= Delegated R=Referred			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	Ordinary 13 May 2015 10 a.m.	SOTEAG Presentation	D
		New Anderson High School: Progress Report	D
		Treasury Management Strategy 2015-16	D
		Review of Membership of External Organisations	D
		Chair's Report – Policy and Resources Committee – 4 May: Risk Management Policy and Strategy	D
		Chair's Report – Policy and Resources Committee – 4 May: Health and Social Care Integration Scheme	D
		Chair's Report – Environment and Transport Committee – 22 April - Implementation of Recommendations from COWIE Report	D
	Special – Fund Managers 20 May 2015 9 a.m. to 5 p.m.	SIC Fund Managers – Annual Investment Report 2014/15	D
		Pension Fund Managers - Annual Investment Report 2014/15	D
	PPMF 27 May 2015 2 p.m.	Overall SIC Management Accounts – End of Year	D
		Asset Investment Plan – Progress Report – Quarter 4	D
		Corporate Plan – Integrated and Formatted Final Edit	D
		Medium Term Financial Plan – General Fund	D
		Medium Term Financial Plan – HRA	D
		Updated Harbour Model	D
		Planning and Performance Management Framework Update	D
	Ordinary 1 July 2015	Chair's Report – Policy and Resources Committee – 22 June: Shetland College Fees 2015/16	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	PPMF 19 August 2015 2 p.m.	Overall SIC Management Accounts – Quarter 1	D
		Asset Investment Plan – Progress Report – Quarter 1	D
		Audit Scotland and Other External Audit Reports	D
		Council Business Programme 2015/16	D
	Special 22 September 2015 11.30 a.m.	Chair's Report – Harbour Board – 18 August 2015 Scalloway Business Plan	D
		Chair's Report – Harbour Board – 18 August 2015 Sullom Voe Future Operating Models	D
		Pension Fund Final Audited Accounts 2015-16 & Report to those Charged with Governance	D
		SIC Final Audited Accounts 2015-16	D



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Wednesday, 18 February 2015

		& Report to those Charged with Governance	
		Final Audited Zetland Educational Trust Annual Report and Financial Statements to 31 March 2016	D
Shetland Islands Council (continued)			
D= Delegated R=Referred			
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	Ordinary 4 November 2015 10 a.m.	Chair’s Report – Policy and Resources Committee 26 October: Performance Management Strategy and Policy	D
	PPMF 18 November 2015 2 p.m.	P&R 20 November: Pension Fund – 2015-16 Mid Year Investments Performance Review Report	D
		Council Reserves – 2015-16 Mid Year Investments Performance Review Report	D
		Council Business Programme 2015/16	D
	Budget 2 December 2015 10 a.m.	Overall SIC Management Accounts – Quarter 2	D
		Asset Investment Plan – Progress Report – Quarter 2	D
		Chair’s Report - Policy and Resources Committee – 25 November - Budget and Charging Proposals 2016-17 [all Committees, including HRA, Harbour A/Cs and Asset Investment Plan 2016/21]	D
		2016-17 SIC Budget Book	D
		Chair’s Report - Policy and Resources Committee – 25 November - Budget Proposals Pension Fund	D
	Ordinary 16 December 2015 10 a.m.	TBC	



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Wednesday, 18 February 2015

Shetland Islands Council - Continued			
<i>D= Delegated R=Referred</i>			
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 24 February 2016 10 a.m.	Annual Investment and Treasury Strategy 2016/17	D
	Date of Meeting	Business	
	<i>PPMF</i> 2 March 2016 2 p.m.	Overall SIC Management Accounts – Quarter 3	D
		Asset Investment Plan – Progress Report – Quarter 3	D
		Annual Investment and Treasury Strategy 2016-17	D
		Council Wide – Performance Overview – Quarter 3	D
		SIC Business Programme and Diary of Meetings 2016-17	D

Planned Committee business still to be scheduled - as at Wednesday, 18 February 2015

Single Outcome Agreement – Annual Report 2014/15
Single Outcome Agreement 2015/16

tbc = to be confirmed

PPMF = Planning and Performance Management Framework meetings – no other business to be added

Budget = Budget setting meetings – other items can be added if time permits

Ordinary = Ordinary meetings – other items can be added

Special = Special meetings arranged for particular item(s) – other items can be added if time permits

END OF BUSINESS PROGRAMME as at Wednesday, 18 February 2015